PetraDiamonds

Adapt to thrive

Petra Diamonds Limited
Sustainability Report 2020

About Petra

Petra Diamonds Limited ("Petra" or the "Company" or the "Group") is a leading independent diamond mining group and a consistent supplier of gem-quality rough diamonds to the international market from its diversified portfolio of mines in South Africa and Tanzania.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. The Company has US$650 million loan notes due in 2022 listed on the Global Exchange Market of the Irish Stock Exchange, which are currently subject to restructuring.

Petra is committed to the responsible development of its assets and aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

FY 2020 sustainability highlights[1]

KPI	Unit	**FY 2020**	FY 2019	Variance
Lost time injuries	Number	**19**	16	+19%
Total injuries	Number	**45**	61	-26%
Fatalities	Number	**0**	0	N/A
Total number of people employed	Number	**5,019**	6,788	-26%
Employee training spend	US$m	**5.8**	6.6	-12%
Women in the workforce	%	**19**	19	N/A
Female leadership development candidates	%	**38**	33	+15%
Major environmental incidents	Number	**0**	0	N/A
Volume of waste generated	Tonnes	**5,483**	9,812	-44%
Total water consumption	Million m^3	**9.2**	12.7	-27%
Percentage of recycled water used on mine	%	**81**	72	+13%
Total energy consumption	Million gigajoules	**2.01**	2.96	-32%
Total carbon footprint	tCO_2-e	**484,182**	480,248	+1%
Social investment and community training spend	US$m	**1.9**	1.8	+6%
Percentage of procurement spend with local suppliers in South Africa	%	**60**	49	+22%

About this report

This report has been prepared in accordance with the GRI Standards: Core option. The report covers the year to 30 June 2020 ("FY 2020") and provides a review of our approach and commitment to responsible business practices. It aims to give a transparent overview of the Company's most material sustainability matters, how these are strategically managed over the long term and performance in FY 2020. It should be read in conjunction with our 2020 Annual Report.

Our Sustainability Report has been partially assured, with the with the greenhouse gas inventory figures having been subject to assurance by TikoTech, a consulting company specialising in external verification of carbon data (page 82). The staff turnover rate (page 10), females in the workforce (page 10), amounts invested in staff training and development (page 10) and social investment spend (page 10) KPIs for FY 2020 have been subject to specific agreed upon procedures performed by BDO LLP, the Company's external auditors, under the International Standard on Related Services 4400 as issued by the International Auditing and Assurance Standards Board. Such procedures by BDO LLP did not constitute an audit or review opinion under International Standards on Auditing ("ISAs") (UK) or the International Standard on Review Engagements ("ISREs").

The contents of this report have been reviewed by the Company's HSE and SED Committees and subsequently approved by the Petra Board.

Any queries regarding this report and its contents should be directed to investorrelations@petradiamonds.com.

About our sustainability standards

Our sustainability policies and reporting processes are aligned with various international standards and voluntary initiatives, which are listed in each chapter under 'Standards we follow'.

There are also external organisations and benchmarking agencies to which we provide disclosure, which assess and rate our performance, including the Carbon Disclosure Project ("CDP"), FTSE4Good, MSCI, Refinitiv, Sustainalytics, Trucost, Urgentem and Vigeo Eiris.

Cover photo

The 2020 Sustainability Report cover features John Thoka, Chief Safety Officer of the Cullinan mine in South Africa.

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Introduction from the CEO

Adapt to thrive

"I am pleased to introduce Petra's 2020 Sustainability Report, which sets out Petra's strategy, performance, challenges and opportunities in the various environmental, social and governance ("ESG") areas that are material to our business."

Richard Duffy
Chief Executive

ESG management has long been a priority at Petra, as demonstrated by the fact that the Company published its first standalone Sustainability Report in 2009. When considering true 'sustainability', it is evident that our strategy and performance in this area are essential to the long-term success and stability of the Company.

In FY 2020, we completed a formal internal and external stakeholder engagement process in order to ensure that we are managing and reporting on the topics that are most important to our stakeholders. This process is outlined on pages 8 and 9 and confirmed that we have generally been focused on the right topics, but it was nevertheless very helpful to gain further insight into what issues are most important to the various stakeholder groups.

Responding to COVID-19

The COVID-19 pandemic represented the most significant risk to our operations during the Year and its impact is obviously ongoing. Fortunately, Petra already had holistic and embedded risk, health and social management systems in place to be able to respond quickly in order to protect our people, as well as the viability of our operations.

I am very proud of the fact that, thanks to the hard work and motivation of our team, we have been able to return the South African operations to pre-COVID production levels, despite the rigorous protocols we now have in place to mitigate the spread of the disease. For now, this is the 'new normal' and we will continue to strive to meet all our objectives despite this significant change to our way of working. Read more about our response to the pandemic on page 32.

As at 30 October 2020, the Company was screening 3,336 individuals a day and a total of 750 possible cases were tested. To date, the total number of employees confirmed COVID-19 positive at the South African operations is 223; of these, so far 217 have recovered in full and four cases are still active. Although the majority of those affected are only experiencing mild symptoms, very regrettably two colleagues have passed away as a result of COVID-19 and our deepest sympathies go to the family and friends of the deceased.

Safety as our top priority

Workplace safety remains our overriding priority and was confirmed in our materiality assessment as our number one material topic. I am pleased to report that the Company improved on 75% of all measured safety KPIs during the Year, including a 26% improvement in the number of total injuries, which is a clear indication of the effectiveness of our health and safety management system.

Unfortunately we did see a 16% increase in the overall number of lost time injuries for the Year, but the majority of these incidents were of low severity and were assessed to be caused by lack of focus and inattention to detail, resulting in unsafe behaviour and mistakes. However, we take responsibility for behavioural-related accidents as these are an important indicator of Company culture; hence considerable focus has been placed on turning this performance around and promoting the right mindset and conditions for a zero harm working environment.

Developing our people

As ever, it was a very busy year for the Group with regards to the numerous training and development programmes we have underway in order to help both employees and community members progress and achieve their goals. We have a range of initiatives in place, from improving adult literacy and numeracy and portable skills to provide sustainable opportunities outside of the mining industry to specialist skills training, as well as centralised leadership and management development programmes.

Through these programmes, we continued to focus on the development of women in management roles, with 12 candidates participating in the Women in Leadership Programme and increased female representation on the other leadership development and management development programmes. These efforts are reflected in the improvements we have seen in the percentage of females at both management and Senior Management level during the Year.

We also actively promote the development of a skills pipeline in our local communities, from early learning support to initiatives to raise standards in maths and science education, as well as our scholarship, bursary and young graduate schemes.

Introduction from the CEO continued

Managing our environmental impacts

I am pleased to note that we have now reported no major environmental incidents for the last ten years, which is a major achievement and a testament to our environmental team and to the emphasis we place on managing our impacts.

Our approach to environmental management is one of continuous improvement and excellent progress has been made on a number of fronts. In terms of water use, our water efficiency rate for the Year improved by 6% due to water saving initiatives to manage the drought conditions experienced in South Africa in 2019, and the amount of recycled water used by our operations increased to 81%. With regards to waste management, we have reduced the overall volume of waste generated by the Company by 44% and the amount of waste sent to landfill decreased by 24%. Albeit some of this reduction can be attributed to the disruption of the COVID-19 pandemic to our operations, but it also reflects improvements in our waste management processes.

Our team is working very hard to address climate change, both via a focus on energy efficiency and the development of our Climate Change Adaptation Strategy. Having evaluated various scenarios for climate change in our areas of operation and the potential impacts on our business, we are now focused on completing vulnerability assessments of our operations, which will be followed by mitigation plans and ongoing monitoring thereafter. The strategy has been developed with reference to the Task Force on Climate-related Financial Disclosures and Petra is therefore planning to roll out the strategy to be in a position to fully comply with these requirements by 2022.

Working with our communities

Our well-established stakeholder engagement processes allowed us to mobilise quickly and effectively in order to assist local community efforts to combat the COVID-19 pandemic, often in partnership with our local municipalities. The Petra Hardship Fund, which was funded by salary and fee sacrifices from Petra Directors and Senior Management over the period April to June 2020, also helped to identify and address where help was most needed, including supporting the most vulnerable members of our communities.

We completed a number of community projects in South Africa during the Year, including an electrification project to deliver electricity to 118 homes in Daniëlskuil in the Northern Cape, the construction of a Technical High School, again in Daniëlskuil, which should assist in improving science, technology, engineering and mathematics education standards, and the completion of the expansion project of the Onverwacht Primary School at Cullinan. Each of these projects was identified in conjunction with local stakeholders in order to address specific community needs and to improve local quality of life.

Addressing human rights allegations

As noted in my CEO's Statement in our accompanying Annual Report, the recent allegations of human rights abuses relating to the security operations of the Williamson mine in Tanzania are deeply concerning to both me and the wider Board. The actions being taken to address these allegations are set out on page 20 of this report and monitoring and responding to this matter are important priorities for the Board in FY 2021.

Outlook

I believe that the medium to long-term outlook for our market and for our business remains positive. Fundamentally, we have the right assets, people and product in place to promote a successful and sustainable future for the Company. We have also proven the adaptability and flexibility of our teams and Company to be able to meet the unprecedented challenges encountered this year. We will now continue to focus on optimisation, whilst maintaining the high standards of ethical, social and environmental management expected across all aspects of the business.

I would like to close by thanking all our stakeholders for their ongoing support and contribution during a period of unprecedented challenges, and we look forward to continuing to pull together to achieve greater success in the coming year.

Richard Duffy
Chief Executive
17 November 2020

Q&A with Non-Executive Chairman Peter Hill

Responsible Capitalism is the 'right way to do things'

"I believe Petra has world-class assets and the right team in place to successfully deliver its renewed vision and strategy."

1. Why did you join Petra? What experience do you have in the mining industry?

I love diamonds; I love Africa! I have extensive experience in the mining industry, particularly in Southern Africa, which is where I began my career. I first visited Finsch in 1971 and went underground at the Kimberley and Dutoitspan mines; not many in Petra can match that! Over time, I gained invaluable experience in a number of roles in both underground and open pit operations, in planning, in project evaluation and development, in mining finance and as a CEO. I hope I have a good understanding of the types of ESG risks and opportunities facing our sector, as I have lived and breathed management of mining operations.

I have also held various public company chairmanships and board memberships across a range of global companies, industries and organisations, giving me a pretty broad view of market expectations and appropriate levels of corporate governance.

In terms of the attraction to Petra specifically, this is a company that has evolved considerably over the last few years and I felt that my breadth of mining, finance and capital markets experience was well suited to the opportunities and challenges Petra now faces. I believe Petra has world-class assets and the right team in place to successfully deliver its renewed vision and strategy: I am very impressed by Richard, Jacques and their management team.

2. What were your first impressions of Petra – its management, assets and the diamond market?

I was initially appointed to the Board as a Non-Executive Director on 1 January 2020 and I was fortunately able, at the beginning of the year, to visit the Company's operations in South Africa and to meet with employees at all levels and disciplines of the business. I came away with the firm impression that Petra's assets truly are world class, not to mention culturally significant. I was, and continue to be, impressed with the depth of experience and commitment of the Petra team, at all levels of the organisation. There is a 'can-do' attitude, which was especially evident following the outbreak of COVID-19 pandemic, which occurred around the time I assumed my role as Chairman on 31 March 2020.

With regards to the market, I have gained valuable insight through my visits to the operations, as well as to the sales offices in both South Africa and Antwerp. The diamond market faced unprecedented challenges following the outbreak of COVID-19 and it has been reassuring to see the majors and other producers putting in place measures to limit supply in order to bring the market back into equilibrium. I believe that the medium to long-term fundamentals of the market remain strong and that natural diamonds will continue be a highly valued symbol of our most profound moments and relationships.

3. How do you see the importance of ESG management in relation to Petra?

While responsible business practices should be important to all corporations, this is particularly the case for Petra, given the emotional value placed upon diamonds. It is therefore right that sustainability is at the heart of the Company. Our commitment to protecting our people and our environment from harm, and to ensuring ethical behaviour in all areas of our business, remains integral to our culture.

As a company predominantly operating in South Africa, where ESG matters have been highly regulated for many years, ESG management is therefore integrated into the daily operation of our business.

ESG has also become of increasing importance to the investment community and 2020 has so far seen record inflows into sustainable investment funds, totalling US$21 billion in the first half of the year according to Morningstar, almost matching the total investment in 2019. Clearly, these funds underscore the relevance of ESG considerations not only to company performance, but also to investment returns.

The COVID-19 pandemic has in some ways accelerated this shift as it has provided a catalyst to alter societal values, as well as focusing investors on corporate transparency, social management and stakeholder accountability.

4. Is the Board sufficiently engaged with employees and key stakeholders?

It is my view that 'responsible capitalism', which looks beyond investors to other stakeholders, such as employees, communities and the environment, is not just a trend but the 'right way to do things'.

The COVID-19 pandemic has highlighted the importance of how companies treat their stakeholders, in particular their employees and customers. A company's value depends greatly on intangible assets such as its reputation and I believe that Petra's well-rounded response to the pandemic has clearly demonstrated its commitment to all its stakeholders.

As a Board, we generally have good engagement with employees, but this will be enhanced by the appointment of independent Non-Executive Director Octavia Matloa as the Workforce Engagement Director, thereby ensuring we have further regular and meaningful engagement with employees.

In terms of wider stakeholder engagement, while a lot of time is devoted to this, there is room for improvement in terms of the standardisation of our systems and in particular the capturing and ongoing monitoring of issues raised. This is something that is being actively addressed by our team.

Q&A with Non-Executive Chairman Peter Hill continued

5. How are you ensuring that there is sufficient diversity across the organisation?

It is both a moral and business imperative to recognise and encourage diversity, encompassing people from a range of backgrounds, skills and perspectives. We have a number of initiatives to support diversity across the business, including leadership and education programmes, which are integral to ensuring a diverse talent pipeline. The finalisation of the Group's Diversity and Inclusion Policy during the Year was an important step forward in terms of our strategic management of this important issue.

6. What do you see as the immediate priorities and challenges for the Board?

The Board's immediate priority is to secure a long-term solution to improve Petra's capital structure and to continue to embed Project 2022 throughout the business to drive further efficiencies and to optimise all aspects of the business.

The Board will also be reviewing the findings of the external investigation into the human rights allegations in Tanzania, which are extremely concerning, and identifying and implementing any necessary corrective action.

On an ongoing basis, we must work to continuously improve our responsible business practices, which are so essential to Petra's long-term success. Furthermore, as Petra continues to evolve, the Board must ensure that our purpose, culture and values remain aligned and entrenched in how we operate in order to support and realise our overarching vision and strategy.

Our Operations and Social Environment

Our operations

We employ 5,019 people in four countries: South Africa, Tanzania, Belgium and the United Kingdom.

	Finsch	Cullinan	Koffiefontein	Williamson
Country	South Africa	South Africa	South Africa	Tanzania
Employees Contractors	1,036 713	1,307 222	633 42	542 338
Local operating environment	The primary economic contributor to the region	Well connected in terms of urban amenities and infrastructure	The primary economic contributor to the region	The primary economic contributor to the district
Opportunities	Raise maths and science education standards and support local economic development	Diamond heritage tourism and raise maths and science education standards	Raise maths and science education standards and support local economic development	Well-educated and skilled local workforce and protected forest reserve totalling ca. 906 ha of the mining licence area
Challenges	Fairly isolated location, high youth unemployment and poverty and water scarcity	High youth unemployment and limited procurement opportunities for small businesses	Remote location, water scarcity, illegal mining and community unrest	Women in the workforce, security of power and water supplies, illegal mining and malaria

Petra has diamond marketing operations in South Africa (Johannesburg and Kimberley) and Antwerp (Belgium), as well as corporate offices in London and Johannesburg, which together account for 186 employees and contractors.

Petra's client base is made of predominantly international traders and manufacturers, based in key diamond centres including Antwerp, India, Israel, Hong Kong and the US. However, it also occasionally sells directly to vertically integrated retailers, who have their own manufacturing capabilities.

Petra's mines produce the full range of diamonds, from low quality to mid-range goods, ideal for the mass consumer market, all the way to the very highest-end, rare coloured diamonds, which are akin to great works of art and are often purchased for investment pieces or as collector's items.

Our social operating environment

	South Africa	Tanzania
Ethnic groups	African: 89% European: 8% Indian/Asian: 3%	African: 99% (of which 95% consisting of 130+ tribes) Other: 1% (Asian, European and Arabian)
Life expectancy	Male: 63 Female: 66	Male: 62 Female: 66
Urbanisation (% of total population)	67%	35%
Literacy rate	87%	78%
Unemployment rate	28%	2%
HIV/AIDS adult prevalence rate	20%	5%
2019 value of diamond production	US$0.9 billion	US$89.3 million
2019 GDP	US$351.4 billion	US$63.2 billion
GDP growth rate in 2019	0.2%	5.8%

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

Assessing Materiality

How we define our material topics

1. Define

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

2. Engage

A formal stakeholder engagement process was conducted in FY 2020 to identify our material issues, alongside a Sustainability Strategy review. This consisted of a survey that was conducted with both internal and external stakeholder groups, and could be completed either in hard copy or electronically. Internal stakeholder groups included the Board, the Executive Committee ("Exco") and employees, while external stakeholder groups consisted of shareholders, noteholders and analysts, as well as key external stakeholders local to the Petra operations, including contractors, suppliers, local municipalities and NGOs. For a list of the Company's key stakeholders, information on how we engage with them and examples of how we incorporate their concerns into our strategy, see the 'Stakeholder engagement' section of the Company's 2020 Annual Report on pages 15 to 17.

3. Determine

Petra identified its material topics in accordance with the GRI Standards process and guidelines. Following analysis of the results from the materiality survey, weighting was applied to the respective stakeholder groups with regards to specific material topics. The aggregated scores were therefore used to identify the issues most material to the Company, as confirmed by our internal and external stakeholders. In addition to the stakeholder views, consideration was also given to a combination of other internal and external factors, including broader societal expectations, the main topics prioritised by our sector, ongoing legal and regulatory developments relevant to Petra and key organisational values, goals and targets. The final list of material topics was then deliberated by the Exco before being presented to the Board for consideration and approval.

4. Align

Material topics identified are aligned with internal governance processes and operational imperatives and are therefore managed as part of internal processes that answer to both regulatory requirements and internal KPIs. Petra is also considering how it can align its strategic management of ESG topics with the UN Sustainable Development Goals ("SDGs") and this will form part of the Group's Sustainability Framework, which is aimed to be finalised in FY 2021.

Assessing Materiality continued

Our top material topics

These material topics form the basis of our sustainability reporting and remain grouped into five key chapters, namely 'Responsible Business', 'Safety and Occupational Health', 'People', 'Environment' and 'Positive Impacts' and form the basis of our sustainability reporting.

Changes compared to last year's material topics:

- 'Generating economic benefit', 'Consumer demand', 'Legal compliance' and 'Labour relations' are no longer included as our top material topics.
- 'Safety and occupational health' has now become two separate topics: 'Workplace safety' and 'Employee health and wellness'.
- New material topics are: 'Ethical behaviour' and 'Stakeholder engagement and management'.

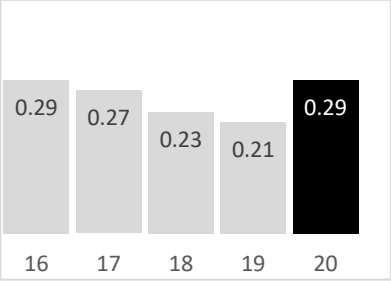
Material topic (in order of importance as confirmed by our materiality process)	Stakeholders concerned	GRI Standards	Topic boundary	Read more
1. Workplace safety	All stakeholders	403	Applies to the Company and its local communities	page 27
2. Ethical behaviour	All stakeholders	205 408 409 411	Applies to Petra's business as a whole	page 18
3. Employee health and wellness	Employees, contractors, trade unions; local communities; host Governments, regulators, NGOs	403	Applies to the Company and its local communities	page 30
4. Water management	Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs	303	Applies to the Company and its local communities	page 58
5. Corporate governance	All stakeholders	102	Applies to Petra's business as a whole	page 15
6. Environmental management	Employees, contractors, trade unions; local communities; host Governments, regulators, NGOs	300	Applies to the Company and its local communities	page 48
7. Stakeholder engagement and management	Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs; suppliers	102	Applies to the Company and its local communities	page 71
8. Diversity	Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs	405 406	Applies to Petra's business as a whole	page 40
9. Community relations and development	Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs	413 201 204	Applies to the Company and its local communities	page 67
10. Employee development	Employees, contractors, trade unions; local communities; host Governments, regulators, NGOs	404	Applies to the Petra business as a whole	page 37
11. Climate change and energy usage	Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs	305	Applies to the Company and its local communities	page 53

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.

SAFETY[1] (GROUP LTIFR)

0.29 (+28%)



Performance and targets

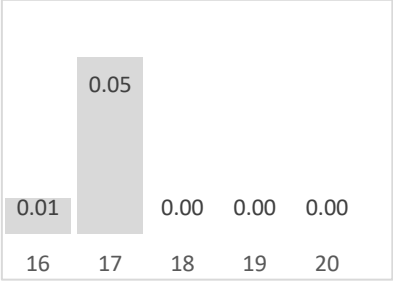
Group LTIFR for the Year increased to 0.29, which was not in line with our target to achieve a minimum 10% improvement in LTIFR annually. 19 LTIs were recorded in FY 2020 as opposed to 16 in FY 2019, with the majority of accidents found to be behavioural in nature and of low severity. Considerable focus has been placed on changing these behaviours, as set out on page 29. The LTIFR calculation was also impacted by a reduction of 2.1 million risk work hours during the Year (0.04 or 12% impact). Total injuries, including those that did not result in a lost shift, reduced by 26%. We continue to target a zero harm working environment.

Risk management

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

FATALITIES (GROUP FIFR)

0.00 (+0%)



Performance and targets

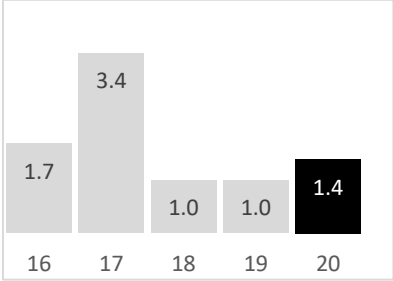
The Group recorded a fatality-free year for the third year running. Fatalities are unacceptable and we target a FIFR of zero. Whilst Petra's mining methods are inherently safe, accidents can happen and therefore this remains a constant area of focus.

Risk management

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

SOCIAL SPEND[1] (US$ MILLION)

1.4 (+40%)



Performance and targets

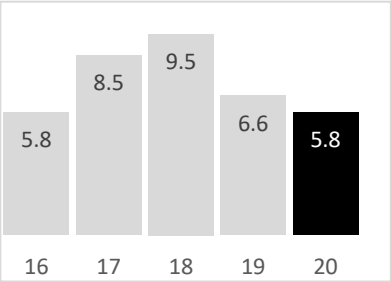
Social spend increased 40%, with higher spend in South Africa due to the completion of a number of community projects in FY 2020. Community spend in Tanzania remained curtailed to a minimum, as a result of the mine's liquidity constraints, further exacerbated by the COVID-19 pandemic and the mine being placed on care and maintenance in April 2020. Petra targets base case spend of 1% of net profit after tax ("NPAT"); however, this calculation was not possible for FY 2020, given the negative NPAT recorded.

Risk management

Petra maintains compliance with the regulatory framework and continues to evaluate the evolving Mining Charter legislation in South Africa. Petra also continually liaises and co-operates with social and institutional stakeholders.

TRAINING SPEND[1] (US$ MILLION)

5.8 (-12%)



Performance and targets

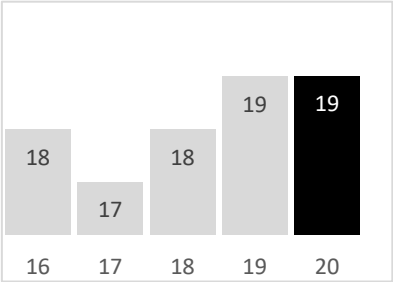
Our investment in employee training and development reduced by 12% due the ZAR weakening against the USD, as well as a significant reduction in the total number of people employed by the Company (especially contractors), a reduced training spend from March 2020 due to restrictions relating to the COVID-19 pandemic, and a reduced spend at Williamson due to the mine being placed on care and maintenance in April 2020. Petra aims to achieve a training spend target of 5% of annual payroll and this was achieved at the South African operations in FY 2020, though Williamson's performance was impeded by the care and maintenance period.

Risk management

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

WOMEN IN THE WORKFORCE[1] (%)

19 (+0%)



Performance and targets

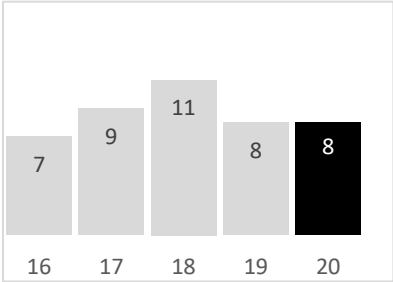
The overall gender diversity of the Group remained flat in FY 2020, with women representing 19% of our workforce, but this remains slightly above the industry average in South Africa, which ranges from 12%–17% depending on the commodity. However, gender diversity at the higher levels of the business improved, with an increase in female representation at both Senior Management and management levels, and increased representation on the Board post Year end. Petra will develop a Group-wide Diversity and Inclusion Plan in FY 2021, which will set targets for gender representation across the various levels of the organisation.

Risk management

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

STAFF TURNOVER[1] (%)

8 (+0%)



Performance and targets

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

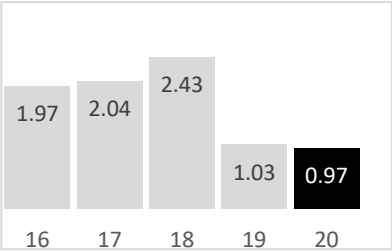
Risk management

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

Key Performance Indicators continued

WATER USAGE[1, 2] (m^3/t)

0.97 (-6%)



Performance and targets

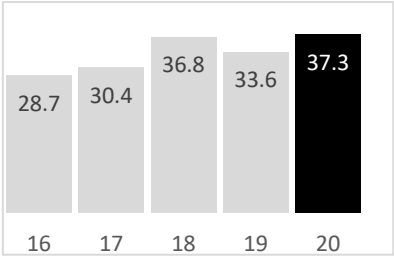
Petra's total water usage per production tonne decreased by 6% to 0.97 m^3/t. This overall improvement in efficiency was due to water saving initiatives to manage the drought conditions experienced in South Africa in 2019. Petra is aiming to maintain water efficiency rates in line with FY 2020 in FY 2021. Forward-looking targets are currently on hold pending the stabilisation of the operations, post the disruption caused by the COVID-19 pandemic.

Risk management

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

ENERGY EFFICIENCY[4] (kWh/t)

37.3 (+10%)



Performance and targets

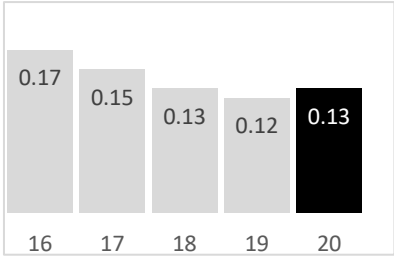
Electricity consumption was 9% lower than the previous reporting period, due to the implementation of several energy consumption reduction initiatives that resulted in decreased electricity consumption at all the mines, as well as the impact of lower production for the Year due to the COVID-19 pandemic. However, the Group energy efficiency per tonne was 10% above its target due to the 17% decrease in overall tonnes mined by the Group related to the aforementioned production restrictions. Petra is aiming to maintain energy efficiency rates in line with FY 2020 in FY 2021. Forward-looking targets are currently on hold pending the stabilisation of the operations, post the disruption caused by the COVID-19 pandemic.

Risk management

Continuous development, implementation and improvement of energy efficiency measures.

CARBON EMISSIONS[1, 5] (tCO_2-e/ct)

0.13 (+8%)



Performance and targets

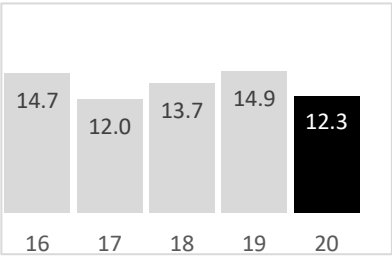
The carbon emitted per carat by the Group increased by 8% due to the combined effect of an overall decrease in carats produced, further to the impact of the COVID-19 pandemic, and an increase in Scope 2 emissions at the Williamson mine due to the use of a higher, but more accurate, emissions factor for electricity purchased from Tanesco, the national utility, despite a decrease in electricity actually used during the Year. The total carbon emitted by the Company increased by 1% to 484,182 tCO_2-e, mainly due to the aforementioned increase in Scope 2 emissions. The Company target of a 1% reduction in the carbon emitted per carat was not achieved in FY 2020, but over a five-year period the saving of 12% has surpassed the target of 5%.

Risk management

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

TONNES (TREATED)[6] (MT)

12.3 (-17%)



Performance and targets

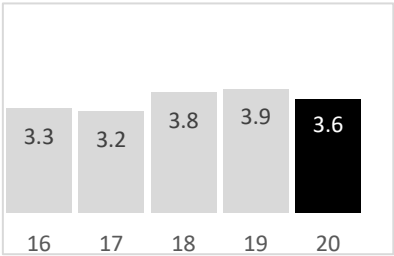
Petra's ore tonnage throughput decreased by 17% further to the significant disruptions to operations caused by the COVID-19 pandemic, the associated lockdown in South Africa and the placing of Williamson on care and maintenance in April 2020.

Risk management

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

ROUGH DIAMOND PRODUCTION[6] (MCTS)

3.6 (-7%)



Performance and targets

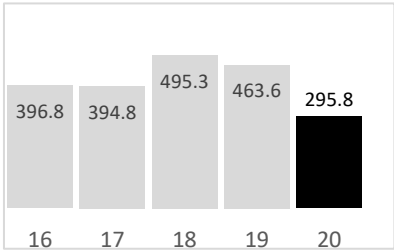
While the Company was on track to meet or exceed its original guidance of ca. 3.8 Mcts (guidance was suspended on 27 March 2020), production was severely disrupted by the COVID-19 lockdown implemented in South Africa from 26 March 2020 and the Williamson mine in Tanzania being placed on care and maintenance in April 2020. Due to ongoing uncertainty around the impact of COVID-19, production guidance for FY 2021 will be provided once a sustainable level of operational stability has been reached.

Risk management

Realistic operational targets, based on detailed mine production planning, with production performance monitored closely; contingency plans put in place to mitigate impact of COVID-19.

REVENUE[6] (US$ MILLION)

295.8 (-36%)



Performance and targets

Revenue decreased 36% to US$295.8 million, reflecting weaker prices during the period to February 2020, exacerbated by significant price reductions and major disruptions to the planned sales cycles following the outbreak of the COVID-19 pandemic, with the number of diamonds sold for the Year down 23% to 2.9 Mcts.

Risk management

The key factors affecting revenue growth are delivery on production targets, managing grade volatility and product mix, and diamond prices (which are outside of the Group's control); alternative sales mechanisms were implemented to counter inability to hold tenders during hard lockdown in South Africa.

Notes:

1. FY 2018 and before includes the Kimberley Ekapa Mining JV operation ("KEM JV"); FY 2019 and 2020 excludes KEM JV. Petra divested of its stake in KEM JV in December 2018.
2. Petra's water usage calculation methodology changed during the Year due to a redefinition of 'total water' – read more on page 58; the figure for FY 2019 has therefore been restated.
3. FY 2018 has been recalculated to exclude KEM JV.
4. Updated emissions reporting methodology implemented during FY 2017 means that historical figures are not directly comparable.
5. All figures exclude KEM JV.

Responsible Business

Responsible business practices are essential to the long-term success of the Company and are managed at Petra via effective corporate governance, legal compliance and ethical behaviour. Petra seeks to influence sustainable consumer demand as the future of our business is dependent on the aspiration of consumers to buy and own diamonds.

15 Corporate Governance

18 Ethical Behaviour

Responsible Business

"Since joining the Petra Board in January 2020 and assuming the role of Non-Executive Chairman from 31 March 2020, I have been satisfied with the effective governance practices in place and the focus on continual improvement in this, as in other areas of the business."

Peter Hill
Petra's Chairperson

Material topics (in order of importance to our stakeholders):

- Ethical behaviour (especially human rights, ethics and bribery)
- Corporate governance (especially legal compliance)

See a schematic of how Petra manages governance here: https://www.petradiamonds.com/sustainability/managing-sustainability/.

KPIs

100%
PETRA PRODUCTION THAT IS CERTIFIED CONFLICT FREE

US$70 million
INVESTMENT IN GENERIC MARKETING BY THE NDC IN 2019

FTSE4Good
PETRA CONFIRMED AGAIN AS A CONSTITUENT

0
FINES PAID FOR REGULATORY NON-COMPLIANCE

15
TIP-OFFS RECEIVED BY COMPANY WHISTLEBLOWING HOTLINE

3
SUSTAINABILITY PLEDGES MADE BY NDC MEMBERS IN SUPPORT OF THE SDGS

Stakeholders concerned

All stakeholders

Company policies and guidelines

- Code of Ethical Conduct
- Human Rights Policy
- Anti-Bribery Policy
- Whistleblowing Policy
- PAIA Manual
- Modern Slavery and Human Trafficking Statement
- Stakeholder Engagement and Management Policy and Procedure
- Stakeholder Feedback and Grievance Procedure

Standards we follow

- UK Corporate Governance Code
- Natural Diamond Council ("NDC") Member Requirements and Sustainability Pledges
- Kimberley Process Certification Scheme
- UN Global Compact
- Voluntary Principles on Human Rights and Security
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work
- UK Bribery Act
- UK Modern Slavery Act
- EU Directive on Non-Financial Reporting
- ISO 31000:2018 Risk Management – Guidelines

Responsible Business continued

Key achievements and performance against FY 2020 objectives

- Progress was made with Petra's overall Sustainability Strategy and Framework, but inter-group meetings to finalise were impacted by the COVID-19 pandemic; the Sustainability Framework will therefore be finalised in FY 2021.
- Our well-established management systems and processes allowed the Company to respond quickly and effectively to the COVID-19 pandemic, with the core aim of keeping our people safe, whilst also maintaining an appropriate level of production.
- Formation of the Group's Enterprise and Risk Management and Combined Assurance function in order to develop a more integrated approach to these important strategic business drivers.
- The Group's revised Human Rights Policy Statement was reviewed by the SED Committee and recommended for approval to the Board post Year end.
- The Diamond Producers Association was relaunched as the Natural Diamond Council, with a mission to promote the desirability of natural diamonds and support the integrity of the diamond jewellery industry.
- All Petra production remains certified in accordance with the Kimberley Process as being conflict free.

Key challenges

- Challenging external operating environments, where bribery and collusion, crime, poverty, poor education facilities, unemployment and lack of investment in social infrastructure are issues impacting our local communities; these challenges have been heightened due to the COVID-19 pandemic.
- Increasing commentary on the topic of laboratory-grown diamonds.
- Allegations of human rights abuses at the Williamson mine in Tanzania, arising from the mine's security operations. These allegations are taken extremely seriously and an external investigation has been launched by the Board – read more on page 20.
- Continued regulatory uncertainty surrounding the new South African Mining Charter, with a judicial review underway.

Objectives for FY 2021

- Maintain standards of ethical awareness and behaviour, particularly given that consumer confidence is crucial in the diamond industry.
- Development and roll-out of a governance suite of training modules facilitated on an e-learning platform for employees to include human rights, whistleblowing, anti-bribery, and awareness of the Code of Ethical Conduct, including other ethics topics in due course.
- Petra's overall Sustainability Strategy and Framework to be reviewed by the SED Committee.
- Continued work with the NDC to assist in its goal of maintaining and enhancing consumer demand for and confidence in diamonds.
- The independent investigation into the human rights allegations at Williamson is a priority for the Board and its outcome will inform how the matter proceeds.
- Continued reporting to key benchmarking agencies and international standards to further improve Petra's disclosures and transparency.
- Successfully deploy an Enterprise Risk Management and Combined Assurance Policy and Framework.

Read more about how we apply corporate governance within Petra in our 2020 Corporate Governance Statement published in our Annual Report at https://www.petradiamonds.com/investors/results-reports/.

Corporate Governance

Our ambition

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

Our approach

Governance and risk management

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

As part of establishing the sustainability risk context, there are two distinct areas of accountability, which fall under the guidance of two separate Board Committees. Governance, ethics, community relations and diversity are the remit of Petra's SED Committee, and health, safety and the environment are the remit of the HSE Committee. The Audit and Risk Committee takes a combined view of principal risks highlighted by the other Board Committees, internal audit and, where relevant, independent external assurance providers. Further information on the activity of these Committees can be found in our 2020 Annual Report.

Following the Group's Organisational Design Review, an Enterprise and Risk Management ("ERM") and Combined Assurance function was formed during the Year, headed by the Group Head of Risk and Assurance. The priority for this function in FY 2021 will be to operationalise the new ERM and Combined Assurance Plan, which includes a Group Risk and Assurance Policy Statement and Group Risk Policy and Framework. An enterprise-wide, 'bottom-up' and 'top down' risk aggregation and assessment will also be carried out and integrated into the Group risk register.

Petra's relatively flat management structure is important in its approach to sustainability management, with open, timely and effective communication and appropriate levels of accountability throughout the Group.

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

More information on our approach to risk management can be found here: www.petradiamonds.com/about-us/corporate-governance/internal-control-and-risk-management.

Board and Committee changes

Peter Hill CBE was appointed to the Board on 1 January 2020 and assumed the role of Non-Executive Chairman and Chair of the Nomination Committee on 31 March 2020, following the stepping down from the Board of prior Chairman Adonis Pouroulis. Mr Hill is independent according to the requirements of the UK Corporate Governance Code.

Dr Pat Bartlett retired from the Board at the end of the Year, but will continue to provide technical consultancy services to the Company for the duration of FY 2021. He has therefore retired as a member of the HSE Committee, but will be invited to attend all Committee meetings in FY 2021. Varda Shine, independent Non-Executive Director, was appointed as a new member of the HSE Committee post Year end.

Post Year end, on 17 November 2020, Tony Lowrie retired from the Board and his role as Senior Independent Director and is consequently no longer a member of the Company's Audit and Risk, Nomination and Remuneration Committees. Ms Shine was announced as his successor and is considered an outstanding appointee as Senior Independent Director given her deep experience of the diamond industry, as well as the UK public company corporate world, and her expertise in multi-stakeholder engagement.

Further details on the composition of the Board Committees can be found in the FY 2020 Annual Report.

Sustainability management

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

Our approach to managing sustainability matters has previously been reinforced through the Group HSE Management Framework, though this is now being updated to the Group Sustainability Framework, which is due for finalisation in FY 2021. Our management approach is also guided by mine-level policies and strategies, covering all key sustainability areas, as well as internationally recognised standards such as ISO 45001 (health and safety management) and ISO 14001 (environmental management). The Company follows a risk-based operational management approach process aligned with the ISO 31000 Risk Management Guidelines. This guideline is based on continual risk identification, risk assessment and instilling awareness into the workplace.

With the finalisation of the Group Sustainability Framework in FY 2021, we will further revise and establish the material sustainability objectives for the business. These will be put in place across our operations, with specific indicators to monitor and assess performance against targets on a mine-by-mine basis, as well as at Group level. There is already a robust system of reporting on sustainability indicators, with information flowing up from the mine-level committees to the respective Group Steering Committees and then to the Board, via the relevant Board-level Committees.

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

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

Petra complies in all material aspects with relevant laws and regulations in South Africa and was not subject to any fines during FY 2020. In Tanzania, Petra is in ongoing dialogue with the Government and local practitioners in relation to recent legislative developments relating to, *inter alia*, local beneficiation and participation. Petra is hopeful that it will arrive at a holistic solution that will benefit Petra, its employees, the Government of Tanzania and surrounding communities at Williamson.

Corporate Governance continued

Our approach continued

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.

ESG measures are explicitly included as part of the annual bonus framework, reflecting Petra's commitment to corporate responsibility.

The Organisational Design Review currently underway closely supports Project 2022 and aims to ensure a much more simplified people operating model that is consistent throughout the Group. Going forward we seek to have functions and operations with clear accountability and authority informing the respective job profiles. Following on, we are implementing a job evaluation system to guide the operational remuneration policy and guidelines, which is line with legislative requirements and corporate governance principles.

The job profiles and transparent job evaluation system, a first for Petra and a best practice approach in this regard, will ensure that our grading is just and fair and stands up to independent scrutiny. Our compliance to the requirements of equal pay for jobs of equal value, and to be fair and transparent in arriving at these outcomes, will also be objectively achieved.

Further information on our remuneration policies can be found in the Directors' Remuneration Report of our 2020 Annual Report.

Legal compliance

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

South Africa

The mining industry in South Africa is highly regulated in terms of its social and environmental performance, with companies having to uphold stringent standards, which in some cases go beyond the requirements of many international best practice guidelines, in order to maintain their licence to operate.

The primary legislation governing exploration and mining activities in South Africa is the Mineral and Petroleum Resources Development Act, 28 of 2002 ("MPRDA") in combination with the National Environmental Management Act, 107 of 1998 ("NEMA"). From an ESG perspective, the holder of a mining right in South Africa must also comply with the Mine Health and Safety Act, 1996, and must submit and have approved the following documents:

- an Environmental Management Programme ("EMP") that outlines the environmental management processes to be followed during operations, as well as the rehabilitation to take place before a closure certificate will be applied for;
- a Social and Labour Plan ("SLP") that defines an operation's obligations in terms of social, labour and community issues. The SLP of an operation forms the basis for its activities and performance indicators over a five-year cycle, following which a new SLP needs to be prepared following consultation with stakeholders and thereafter approved by the Department of Minerals and Energy ("DMRE"); and
- a Mine Works Programme ("MWP") that outlines various mandatory aspects around the applicants, and how the resource will be developed and mined in terms of the mining right requested.

Tanzania

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

Managing compliance

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

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

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

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

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

Corporate Governance continued

Our approach continued

Legal compliance continued

Health and safety compliance

We have always considered legal compliance as the first step in managing health, hygiene and safety at our operations. In addition to the processes outlined above, our South African operations are annually audited by regional Departments of Mineral Resources and Energy, as well as by the British Standards Institution ("BSI").

No material findings were made with regard to non-compliance or potential health and safety-related liabilities that resulted from formal instructions, court subpoenas or administrative fines in FY 2020.

Environmental compliance

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

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

The Company did not record any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations during FY 2020. This is the 13th year that no environmental fines were imposed on Petra.

Social compliance

In South Africa, the SLP for each operation defines its obligations in terms of social, labour and community issues, and forms the basis for its social and labour-related activities and performance indicators over a five-year cycle. Following this five-year cycle, a new SLP needs to be prepared in consultation with stakeholders and approved by the DMRE.

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

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

At Williamson in Tanzania, we are committed to active and transparent stakeholder engagement, as well as striving to make a positive impact on our local communities via Williamson Diamonds Limited's Corporate Social Responsibility Programme.

During FY 2020 the Company did not receive any notification of non-compliance with laws and regulations in the social environment.

Material legislative updates

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

Ethical Behaviour

Our ambition

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. As such, we expect every aspect of our business to be run in accordance with our values. We also aim to obtain further assurances from our suppliers that they are similarly engaged in ethical business practices, particularly in relation to having internal measures in place to avoid bribery, modern slavery, tax evasion, money laundering and human rights abuses.

Our approach

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

The annual review of the Code of Ethical Conduct was performed by the Board in November 2019. It was updated to incorporate references to the relevant provisions of the Criminal Finances Act, 2017, and our general terms and conditions with suppliers, now contain strengthened warranties regarding the avoidance of tax evasion, modern slavery, bribery and corruption, money laundering, child labour and advancement of human rights, including health and safety, and protection of the environment in accordance with United Nations Resolutions and corresponding national laws. We retain the right to disassociate ourselves from any entities that are in violation of these important principles.

The Company obtains contractual obligations from its suppliers that they are not involved in unethical business practices, and that they have internal measures in place to avoid bribery, modern slavery, tax evasion, money laundering and human rights abuses.

Petra is in the process of developing a governance suite of training modules facilitated on an e-learning platform, having witnessed the success of this format for employee training around COVID-19. The first module to be developed is on human rights and the intention is to then develop other ethics modules, including whistleblowing, anti-bribery, the Code of Ethical Conduct, diversity and inclusion and vetting. These training modules will be made available to employees at managerial levels and employees at relevant disciplines such as security, procurement and human resources. Other employees are exposed to these issues through the mandatory general induction process. These training modules are expected to greatly assist in an approach of continuous communication and learning on ethical practices.

Anti-bribery

Bribery is strictly prohibited by Petra and includes offering, giving, requesting or receiving a payment/something of value (even nominal value) to improperly influence a decision or get a party to perform its job improperly. No facilitation payments were made in FY 2020.

Petra has a Group Anti-Bribery Policy in place which is made public on both the Company's intranet and website and which is implemented through a training and communication plan. All Petra employees, contractors and suppliers are informed as part of the Company's induction procedure about this important corporate policy. The Group Anti-Bribery Policy is reviewed on an annual basis by the Board.

The Audit and Risk Committee receives a quarterly security intelligence report, detailing any investigations of bribery. This report provides details of incidents and actions taken (including fines and penalties). In FY 2020 there were a number of allegations which were investigated and appropriate action was taken (further information is provided in the 'Whistleblowing procedure' section to follow).

Whistleblowing procedure

Petra has a whistleblowing procedure in place that provides all Petra employees, contractors and suppliers, as well as any member of the public, the opportunity to independently and anonymously report conduct that is in contravention of the Code of Ethical Conduct or the Anti-Bribery Policy.

In order to uphold its independence, this whistleblowing service is outsourced to an external service provider, Deloitte. It is provided in all local languages in the countries in which Petra operates, as well as a number of international languages.

Employees are briefed on whistleblowing, with details of the hotline being accessible on Petra's website and intranet, as well as being regularly communicated to employees via our other communication channels such as social media. However, we are in the process of reviewing our whistleblowing strategy, in order to more effectively ensure awareness amongst employees and contractors across all Petra operations, thereby promoting and encouraging the reporting of unethical behaviour and practices. To assist in this process, Petra has sought external guidance from the Ethics Institute in South Africa, an independent public institute that offers a range of services and products related to organisational ethics.

In addition, Petra has made enhancements to the whistleblowing hotline in early FY 2021 by reviewing the escalation procedure to ensure that the relevant types of tip-offs are received by Senior Management, as well as tightening up the internal procedure detailing how specific reports are received, investigated and feedback provided to Deloitte, which then in turn provides feedback to the anonymous whistleblower.

Investigations are conducted by an internal investigation team of suitably qualified personnel, which reports directly to the Finance Director and can also make use of external resources, where required. The identities of those reporting certain conduct, as well as the contents of the tip-offs received, are kept strictly confidential and protected according to applicable local and international laws. The service is monitored by the Audit and Risk Committee and the SED Committee.

Ethical Behaviour continued

Our approach continued

Whistleblowing procedure continued

In FY 2020 Petra received 15 reports involving alleged irregularities considered necessary to investigate, which are tabled below:

Type of tip-off	Number
Corruption	1
Drugs	1
Enquiry	1
Fraud	2
Job scams	7
Illicit diamond trading and procurement irregularities	1
Unethical behaviour	1
Unfair labour practice	1
Total	*15*

Of these reports, eight were resolved and closed and seven remain under investigation. Following reports of collusion with a contracted supplier at the Cullinan mine, an employee was dismissed for fraud after it was found the employee had colluded with another employee (who subsequently resigned) to unlawfully pay a supplier at the mine. The amounts involved in these investigations are not of a material nature. Further to the outcome of these investigations, the Company made changes to its system of internal controls to limit such events taking place in the future.

Case study: Ethics communication

It had become customary that a team of Petra Senior Management would visit all of the South African operations every year on an 'ethics roadshow', during which sessions are held with employees – notably those that are more exposed to situations that could lead to ethical dilemmas due to the work they perform. The last such Ethics Roadshow took place during April and May 2019, with April 2019 also having been designated as 'Ethics Month' at Petra.

The advent of the COVID-19 pandemic, and the travel and other restrictions resulting from the lockdown, meant that an ethics roadshow was not possible during FY 2020. In order to maintain awareness of ethical issues, care was taken to ensure that ethics-related messaging was regularly included on all Company communication platforms and formed part of all regular communication such as briefs, newsletters and the content displayed on digital screens throughout operations. In addition, a full review was done of the ethics-related content of employee inductions (also presented to suppliers and contractors) to ensure effective reinforcement of these messages upon their return to work from lockdown.

As previously noted, the development of a suite of online governance training modules facilitated on an e-learning platform is expected to greatly assist the Company in an approach of continuous communication and learning on ethical practices. The first module to be developed is on human rights and the intention is to then develop other ethics modules, including whistleblowing, anti-bribery, the Code of Ethical Conduct, diversity and inclusion and vetting.

Value in action: Let's do it better

Human rights

Petra acknowledges the global problem with regards to human rights abuses, such as slavery, gender-based violence, child labour and other abuses committed against vulnerable members of society. The Company is fully committed to upholding the human rights of all of its stakeholders, as set out in the Group's Human Rights Policy Statement, and risk assessments in the working environments across the Group are critical to the security of personnel, local communities and assets, as well as to promote and protect human rights.

Our commitment includes all applicable internationally recognised human rights but particularly the International Bill of Rights (which includes the Universal Declaration of Human Rights), the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights ("VPSHR"), and all legislation pertaining to human rights in the countries where it operates.

In ensuring our respect for human rights we pledge to:

- welcome diversity and treat all people equally, without discrimination;
- respect the resources, values, traditions, and cultures of local and indigenous communities;
- deal respectfully with issues of access to land;
- mitigate environmental impacts, including access to clean water;
- avoid damaging as far as possible the right to livelihoods including those whose livelihoods have historically been reliant on artisanal mining;
- operate with respect for human rights in post-conflict and weak governance zones;
- ensure respect for human rights in deployment of security forces; and
- have consideration for society's most marginalised individuals and groups.

Ethical Behaviour continued

Our approach continued

Human rights continued

Human rights issues are also covered by internal operational policies and procedures, with the Company's Employment Equity Policy and its Disciplinary Code and procedures expressly forbidding any kind of discrimination.

As previously noted, Petra is in the process of developing a new e-learning training module on human rights which is expected to improve the Company's communication and training practices around this topic.

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 the Group company rigorous recruitment and pre-employment vetting processes and strict adherence to the relevant local labour legislation. We do not consider there to be a risk of slavery or human trafficking with regards to our operations or supply chain, due to our due diligence processes with regards to our supply chain management.

Allegations of human rights abuses at the Williamson mine in Tanzania

Petra has previously disclosed that there has been ongoing illegal artisanal mining taking place at Williamson over a period of time, due to the challenges in securing the large perimeter of the Special Mining Licence ("SML") area, which covers 30.6km^2 including the main 146 ha orebody, together with alluvial resources. Steps to manage this illegal mining activity are taken by Williamson Diamonds Limited ("WDL"), the operator of the Williamson diamond mine in Tanzania that is owned 75% by Petra and 25% by the Government of Tanzania, and the local Government authorities on an ongoing basis.

Post Year end, the Company announced that a UK-based law firm, Leigh Day, has filed claims in the High Court of England and Wales against Petra and WDL. The claims are understood to have been filed on behalf of 32 anonymous individuals in relation to alleged breaches of human rights at the Williamson mine. The claims are understood to allege that Petra and WDL are liable for human rights violations, personal injuries and deaths suffered by these anonymous individuals at and surrounding the mine, arising from the mine's security operations.

To date, the claims filed by Leigh Day have not been served on either Petra or WDL. In its letter before claim, Leigh Day has expressed an interest in alternative dispute resolution methods, including mediation.

Additionally, Petra received a letter from the UK-based non-governmental organisation ("NGO") RAID post Year end regarding similar allegations raised by local residents and others relating to actions by WDL, its security contractor and others linked to WDL. Petra takes these allegations extremely seriously and is engaging and co-operating with RAID in order to address the allegations raised. Copies of the Company's recent correspondence with RAID, as well as its public announcements relating to the human rights allegations, can be viewed at https://www.petradiamonds.com/our-operations/our-mines/williamson/allegations-of-human-rights-abuses-at-the-williamson-mine/.

It was important to the Board of the Company that the process to evaluate these matters was carried out according to best governance principles. To this end, a sub-committee of the Board, formed entirely of independent Non-Executive Directors, was established. The Committee has commissioned an investigation, which is being carried out by a specialist external adviser in conjunction with the Company's lawyers, for the purposes of responding to the allegations and will be responsible for overseeing this investigation and reporting back regularly to the Board. The investigation is scheduled to be completed during Q2 FY 2021 and the Committee will consider the outcome of the investigation and the recommendations to address any findings. This may include any required remedy or corrective action to be taken as a result of the investigation's conclusions.

At present, pending the investigation, the veracity of the claims made is unknown, but in the meantime, and whether or not there is any substance in the allegations, WDL has appointed an independent consultancy to conduct an assessment of WDL's management of its security in line with the VPSHR.

A number of measures have been implemented, including the development and roll-out of a dedicated grievance mechanism, which will allow stakeholders to more easily raise concerns and ensure that these claims are addressed, the deployment of a stakeholder engagement expert on site to provide support to mine leadership in its engagement with local stakeholders, the closure of the on-site facility that had been used exclusively by the Tanzanian Police as a temporary police post (and was never operated by WDL or the third party private security contractor) and steps taken to strengthen the capability of the security team on site and ensure that all involved in security at the mine (which includes WDL personnel, the third party private security contractor and members of the local police force) are fully aware of their responsibilities in terms of the VPSHR, including refresher training on this. The intention is to roll out a refresher VPSHR awareness campaign in FY 2021 to the wider Petra Group.

Indigenous people

Petra reported no disputes relating to Company-owned land use or involving the rights of indigenous people during FY 2020 in South Africa or Tanzania.

Security

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

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

Petra therefore places a high premium on its Group companies maintaining and continuing to develop an effective and appropriate security capability in order to protect their people, property and product in the interest of good governance and sustaining a profitable business.

Ethical Behaviour continued

Security continued

Petra's Group Security Strategy is a systematic, cost effective and continuous approach for providing security (in relation to people, product and assets) based on the objectives of:

Analyse

- Security risk management
- Trends and forecasts
- Central assurance
- Industry trends
- Risk register
- Compliance

Protect

- Access control
- Perimeter protection
- Training and awareness
- Processes and systems
- Policies and procedures
- Layered security

Detect

- Events and alerts
- Central surveillance artificial intelligence
- Intrusion detection
- Physical security
- Intelligence

Respond

- Contingency planning
- Information verification
- Risk assessments
- Incident reporting
- Investigation (internal and external)

Improve

- SWOT analysis
- Adjust methods
- Risk mitigation action plans
- Refine and renew
- Technology

To view a schematic with more detail on Petra's security management approach, visit https://www.petradiamonds.com/sustainability/security/. The Group's Security Strategy is under continuous review in order to adapt to an ever-evolving security threat.

To minimise the risk to our business of diamond theft, we focus on removing human contact with our product wherever possible. This is particularly effective in the automation of the recovery process (for example the utilisation of X-ray techniques rather than traditional grease tables) and serves to remove compromising opportunities for theft.

Petra employs a highly professional and well-trained team to safeguard its people and operations. There is standardisation of security measures across the Group and minimal opportunity for collusion between possible perpetrators. The development and use of artificial intelligence and machine learning within the security environment are showing early successes throughout our Group.

Ethical Behaviour continued

Security continued

Security in South Africa

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

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

Petra undertakes and regularly updates risk assessments relating to security (in the three main security focus areas of intelligence, product protection and guarding) at all our operations. In South Africa, our security personnel only operate within our mandate and the borders of Company properties. Although a close working relationship is maintained with public security forces in South Africa, Petra does not provide them with any assistance or materials.

Security in Tanzania

Security at the Williamson mine is carried out by WDL security personnel and a private security contractor, which also work in close co-operation with the local police forces.

Ongoing trespassing and illegal mining on the SML is a business risk that is managed through frequent consultation, policing patrols and relationship management.

As noted in the section 'Allegations of human rights abuses at the Williamson mine in Tanzania', WDL has commissioned a specialist consultancy firm to analyse the processes, policies and reporting mechanisms that are in place at the mine and will act following the findings of this analysis, with the aim of ensuring that, going forward, its processes and systems comply with all relevant international standards, including the VPSHR. WDL has also taken steps to ensure that all of the security personnel on the ground at the mine are fully aware of their responsibilities in terms of the VPSHR and has carried out refresher training on this.

Protecting consumer demand

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

We seek to actively influence sustainable consumer demand via the Natural Diamond Council (formerly the Diamond Producers Association), an industry organisation formed in May 2015 by Petra and six of the other world-leading diamond companies to maintain and enhance consumer demand for, and confidence in, diamonds. The NDC has committed significant funds to generic marketing of diamonds to consumers, with a budget of ca. US$70 million in 2019, and a similar budget planned for 2020, though dependent on market conditions and the impact of COVID-19. The NDC also intends to play a central role in ensuring the long-term sustainability of the sector by promoting the integrity and reputation of diamonds and the diamond industry.

Petra is likewise dedicated 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. As a member of the NDC, we are committed to high standards of integrity and responsibility in all aspects of our business and all activities of the diamond value chain from mine to consumer.

As part of the relaunch of the NDC, the members came together and agreed three sustainability pledges in alignment with the UN's SDGs, as follows:

Sustainability pledge	SDGs supported
1. Strengthening communities	8 – Decent work and economic growth 9 – Industry, innovation and infrastructure
2. Protecting the environment	6 – Clean water and sanitation 12 – Responsible consumption and production 13 – Climate action 15 – Life on land
3. Promoting gender equality and inclusivity	4 – Quality education 5 – Gender equality 10 – Reduced inequalities

These sustainability pledges ensure a common focus and allow us to highlight the positive work that is being done to support sustainable development and create a lasting legacy for future generations. Read more at https://www.naturaldiamonds.com/diamond-industry-sustainability/.

Ethical Behaviour continued

Case study: Launch of the Natural Diamond Council

In June 2020, the Diamond Producers Association relaunched as the Natural Diamond Council, with the mission to promote the desirability of natural diamonds and support the integrity of the diamond jewellery industry. The NDC has evolved to become an industry authority and the go-to digital publisher for innovative and educational content.

The relaunch could not have come at a more opportune time, given the support that was needed by the industry in the face of the enormous challenges presented by the COVID-19 pandemic. Brands and retailers needed to adapt fast to capture available consumer demand, preferably online, and the NDC has been able to enhance the digital presence of the diamond industry and provide marketing support in the form of educational webinars.

The industry also welcomed the launch of the NDC's new consumer identity 'Only Natural Diamonds' and the release of a new major advertising campaign in September 2020, positioning diamonds as the ultimate gift 'for moments like no other' and starring rising Hollywood actor Ana De Armas. The timing of the campaign was well received as it helped to build momentum as the industry was starting to recover prior to the start of the major retail buying season. Watch the new campaign at https://www.naturaldiamonds.com/.

A major part of the NDC's remit will be to educate consumers on the realities of the modern diamond mining practices of its members, which are carried out according to high ethical standards and with great care for the environment. The diamond sector as a whole is also estimated to support around 10 million people globally and much positive work is being done to support sustainable development and create a lasting legacy for future generations.

Safety and Occupational Health

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

27 Workplace Safety

30 Employee Health and Wellness

Safety and Occupational Health

"The health, safety and wellbeing of all Petra people remains our overriding priority and we are continuously striving to improve the systems and processes already in place to support our aspiration of a zero harm working environment. Following the outbreak of the COVID-19 pandemic we immediately established and implemented Group-wide systems and strategies to mitigate the spread of the disease as far as possible in order to protect our employees, contractors and other stakeholders."

Bernard Pryor
Chair of the HSE Committee

Material topics (in order of importance to our stakeholders):

- Workplace safety
- Employee health and wellness

See a schematic of how Petra manages HSE here: https://www.petradiamonds.com/sustainability/health-and-safety/.

KPIs

0.29
LTIFR

0
FATALITIES

26%
IMPROVEMENT IN TOTAL INJURIES

100%
OF STAFF TRAINED IN HEALTH AND SAFETY STANDARDS

9,488
MEDICAL EXAMINATIONS CONDUCTED

Stakeholders concerned

All stakeholders

Company policies and guidelines

- Group HSEQ Policy Statement
- Group Health and Safety Pledge
- Health and Safety Mandatory Codes of Practice
- HSE Operational Risk Management Process Policy and Standard
- Major Hazard Management Control Protocol Policy and Manual
- 40 internal health and safety management standards and policies
- COVID-19 Awareness and Response Plan

Standards we follow

- ISO 45001:2018
- International Council on Mining & Metals ("ICMM")
- Minerals Council SA
- National health and safety performance milestones in South Africa

Safety and Occupational Health continued

Key achievements and performance against FY 2020 objectives

- Three years Fatality free
- 7.47 million Fatality-free shifts
- 43% improvement Non-lost time injuries
- 26% improvement Total injuries
- 34% improvement Dangerous occurrences
- 100% achievement Mandatory compliance
- 100% achievement ISO 45001:2018 certification
- 79% improvement Section 54 DMRE instructions
- 17% improvement Section 55 DMRE instructions
- Transition of the South African operations from OHSAS 18001:2017 to ISO 45001:2018 and subsequent certification by BSI.

Key challenges

- Outbreak of COVID-19 pandemic resulting in a number of measures introduced to prevent and/or contain the spread of the virus at our operations in South Africa and Tanzania.
- Increase in LTIFR by 28% to 0.29, with 19 LTIs recorded as opposed to 16 in FY 2019, versus the Group target of a 10% reduction per annum.
- Risk work hours decreased by 2.1 million hours Group wide which also affected the LTIFR frequency rates calculation negatively by 0.04.
- Increased number of LTIs triggered the non-achievement of targeted days lost due to injury and Severity Rates.
- LTIs were assessed to be mainly behavioural in nature and of low severity. Remedial action was taken to change these.

Objectives for FY 2021

- 100% mandatory safety compliance and adherence to the Health and Safety Pledge.
- Zero fatalities, 10% reduction in LTIs and 90% achievement on all health and safety KPIs.
- Maintain rigorous application of our COVID-19 systems and practices in order to protect our people and mitigate the spread of the disease at our operations.
- Maintain ISO 45001:2007 certification.
- Continual improvement of management/worker relationships and overall workplace conditions.
- Continued safety awareness campaigns and awareness programmes.

Workplace Safety

Our ambition

Safety is our number one priority at Petra and we strive for a 'zero harm' working environment. Our fundamental aim is to ensure each of our employees and contractors goes home safely at the end of each day.

Our approach

The safety of all employees and other stakeholders is our single most important value ('Let's do no harm'). We are committed to preventing and mitigating any negative safety event or impact and also to identifying and capturing opportunities that deliver positive impacts. We recognise that the safety performance of the Group is an important indicator of Company culture and safety KPIs are therefore monitored regularly by the HSE Committee and the Board.

Our health and safety strategy relies on improving our ability to proactively identify and prevent harm to our people. We provide safe working conditions and aim to prevent work-related injuries, through the effective management of strategic risks, safety and other risks and opportunities.

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

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

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

- maximum visibility, leading by example and intervention by Group and operational management;
- adherence to legal and other requirements (compliance obligations);
- regular coaching and training;
- enforcement of standards and controls;
- quality investigations and remediation;
- stop-and-fix interventions; and
- consequence management.

How we identify risk and manage risks

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

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

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

Every incident or accident resulting in injury, loss of life or damage or categorised as a dangerous occurrence is investigated in detail utilising the root cause analysis technique ("RCAT") model to identify causes and action plans are designed and implemented to mitigate reoccurrences.

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

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

Petra's existing risk management system was reviewed in line with ISO 31000 and ISO 31010 as part of the new ISO 45001:2018 requirements in FY 2020.

Incident reporting and response

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

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

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

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

Workplace Safety continued

Our approach continued

Leading from the top: Health and safety committees

The HSE Committees at each operation comprise supervisory, union and management members and represent 100% of the workforce. We have 8% workforce representation in formal management and worker HSE Committees, which equates to one representative for every 11 people (in comparison to the South African legislator requirement of one representative for every 50 people).

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

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

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

Minerals Council SA – South African Health and Safety Policy Committee

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

Embedding safety practices through training and education

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

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

8,293

NUMBER OF EMPLOYEE, CONTRACTOR AND STAKEHOLDERS PROVIDED WITH SAFETY TRAINING IN FY 2020

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

Our safety performance

Our health and safety objectives and KPIs are underpinned by the 0:10:90 strategy, which targets 0 fatalities, a 10% reduction in LTIs and a 90% achievement of safety KPIs annually.

Due to the Group's commitment to achieving 'zero harm' for all employees, contractors and stakeholders, Petra is considered to have generally achieved an improvement in its safety performance when compared to FY 2019, due to the fact that the Group improved on 75% of all measured safety KPIs during the Year, including a 26% improvement in the number of total injuries from 61 in FY 2019 to 45 in FY 2020. However, the number of LTIs increased during the Year, as noted below, and remedial action was therefore put in place to improve the mostly behavioural issues that led to this higher incident rate.

Significant material hazards that resulted in unwanted events during the Year related to mechanical maintenance, trackless mobile machinery ("TMM"), charging, drilling, barring and supported loads. Causal triggers indicated that 89% of significant accidents were due to unsafe behaviour and 11% due to unsafe conditions. 37% of all recorded significant accidents were non-work related (slips and trips) caused by a lack of focus on the job at hand and complacency. However, the Company takes responsibility for behavioural-related accidents as these are an important indicator of Company culture; hence considerable focus has been placed on turning this performance around and promoting the right mindset and conditions for a safe working environment.

Increase in LTIs and remedial action taken

LTIs represent a work-related injury resulting in the injured being unable to attend work and perform all of the tasks for which she/he was appointed on the next calendar day after the day of the injury. The number of LTIs experienced by the Group increased by 19% to 19 during FY 2020 (FY 2019: 16). As previously noted, the majority of incidents were of low severity and were assessed to be caused by lack of focus and inattention to detail resulting in unsafe behaviour and mistakes. Of the LTIs, 37% were caused by non-work-related activity (slips and trips) and 79% of LTIs were ankle and hand injuries.

All of the mines reduced the number of LTIs recorded during the Year, with the exception of Finsch, which accounted for 11 of the 19 LTIs (Finsch accounted for six of the 16 LTIs in FY 2019), and this operation therefore exceeded its LTI target by 46%. Finsch has been addressing this performance via increased management interventions and awareness campaigns focused on hand and foot injuries, correct footing awareness, material handling retraining and stop for safety awareness days.

Group wide, considerable focus has been placed on changing unsafe or at-risk behaviours through management intervention, including in-shift safety stops, visible felt leadership and management walkabouts, safety discipline enforcement and safety over-inspection processes.

The number of Section 54 instructions issued by the DMRE at the South African operations reduced by 79% to three in FY 2020 (FY 2019: 14), which indicates that generally there was a significant improvement in health and safety conditions, standards and compliance Group wide.

Workplace Safety continued

Our safety performance continued

Overall assessment of FY 2020 performance

The overall improvement in safety objectives and KPIs is a clear indication of the effectiveness of the implemented OHS management system and associated tools. Safety performance within the organisation can be attributed to the 0:10:90 safety strategy supported by a 'back to basics' drive focused on management walkabouts, serving leadership, coaching, proactive intervention, enforcement of standards and practices in the workplace and consequence management where applicable. The Group motto is:

"Make a difference and contribute to a safer Petra every shift – one shift at a time."

Case study: FY 2020 safety campaign

As a company, we strive to continuously improve our health and safety performance and to ensure that our people leave work in a safe and healthy manner every day. We will achieve this through a deeply ingrained safety culture, backed up by effective systems and processes, with managers at all levels of the business leading by example.

Petra's festive season campaign, 'HSE Starts With Me', was launched during Richard Duffy's annual CEO roadshow in October 2019. The campaign was a health and safety behaviour focused initiative developed by the Group HSEQ department and supported the Minerals Council SA's annual nationwide campaign, 'Khumbul'ekhaya' (the Nguni word for 'remember home'). Each operation implemented its 'HSE Starts With Me' campaign and aligned actions, schedules and interventions to mine-specific requirements to gain the most from the initiative.

'HSE Starts With Me' was based on four key principles: zero harm is an aspiration, not a goal, driven by continual improvement; the Company will apply a holistic approach to eliminate health and safety-related incidents, accidents and environmental impacts; remember home and stay healthy and safe because someone at home is waiting for you; and care for the environment so our children may prosper.

At the Finsch mine, the majority of accidents in FY 2020 were found to be behavioural in nature and of low severity. As part of an initiative to change these behaviours, in November 2019 the mine launched its own campaign, 'Stop for Safety', in conjunction with the 'HSE Starts With Me' campaign. It focused on raising awareness and addressing a number of issues including fatigue, drug and alcohol testing, supervision during overtime worked, lack of focus, avoiding taking shortcuts, production incentives and consequence management.

The campaign was officially launched by Finsch's General Manager, Notokozo Ngema, and during the campaign, he and the mine's management team visited areas in the plant and underground to engage directly with workers on health and safety issues. A great emphasis was placed on raising awareness and all employees were encouraged to refocus and address any complacency in their behaviours.

View photos of our health and safety campaigns on our website here:
https://www.petradiamonds.com/sustainability/health-and-safety/fy-2020-safety-campaigns/.

Value in action: Let's do no harm

Employee Health and Wellness

Our ambition

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

Our approach

In addition to keeping our employees safe, we motivate and encourage a workforce that is healthy in both body and mind. Our occupational health programme's primary focus is to manage, control and decrease exposure in the workplace to acceptable levels and prevent associated occupational diseases. In striving to prevent harm and positively influence the health and wellbeing of our employees, we aim to shape a Company culture that recognises the value of caring for our people, who are integral to Petra's ultimate success.

The key occupational health issues that can affect our workforce relate to noise induced hearing loss ("NIHL") and respiratory illnesses. We therefore monitor our operating environment to assess the risk to our workforce, as well as providing the appropriate personal protective equipment ("PPE") and training on safe working practices.

Outside the workplace, prior to the COVID-19 pandemic (read more about our response to COVID-19 on page 32) the main community health issues are HIV/AIDS, tuberculosis ("TB") and malaria (Tanzania only), as well as lifestyle diseases such as hypertension, diabetes and obesity.

Our health strategy addresses the following three focus areas:

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

Occupational hygiene

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

Our focus is on embedding the critical control management process and mitigation measures. In workplaces where there is a possibility that an occupational exposure limit might be exceeded, employees are provided with appropriate PPE, such as suitably selected respiratory protection and hearing protection devices. We have programmes in place to ensure that employees and contractors are trained in the appropriate use and maintenance of the PPE provided, and strict control measures to ensure adherence to requirements in areas where hazards are present and the use of PPE is required.

Measures to reduce noise levels have resulted in the near elimination of instances where employees are exposed to noise levels above the key South Africa Mine Health and Safety Council milestone limit of 105 dB(A). The roll-out of personalised hearing protection devices at sites at risk across our South African operations has also materially improved the effectiveness of hearing protection measures.

Occupational medicine

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

2. Implementing employee health and wellbeing programmes

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

Petra has partnered with Life EHS Careways to assist employees and contractors with guidance and counselling covering mental health and other wellbeing issues. In FY 2020, 92 employees and family members made use of the facility, equating to an employee engagement rate of 14% compared to an average mining industry rate of 7%. The top three topics that employees seek help for are substance abuse (25%), stress (9%) and relationship counselling (4%).

Williamson manages an active community health programme in Tanzania, including health infrastructure, monitoring health indicators and providing training for healthcare professionals, a malaria control programme, and education initiatives around TB control, alcohol and drugs, diabetes and hypertension, and sexual and reproductive health.

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

South Africa

As part of Petra's standard conditions of employment, all full-time, permanent South African employees need to belong to a recognised and approved Medical Aid Fund. This condition of employment aims to ensure that employees and their families are provided for medically in terms of primary health care, chronic conditions and trauma.

Contract employees are also regarded as Company employees for the purposes of occupational health and safety. As it is not practical to expect these employees to conform to 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.

Employee Health and Wellness continued

Our approach continued

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

Tanzania

At Williamson, employees benefit from the Social Health Insurance Benefit Scheme ("SHIB") that is part of the National Social Security Fund ("NSSF"). The 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 the 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 facility and mortuary.

In addition, the hospital pilots various health programmes in conjunction with the Tanzanian Government and certain NGOs. The programmes include mother and child health, malaria prevention and voluntary counselling and testing ("VCT") as well as anti-retroviral treatment ("ART") for HIV/AIDS. These services are provided free of charge to employees and their families, as well as community members. The programmes are financially supported by the Ariel Glaser Paediatric AIDS Healthcare Initiative, with infrastructural and services support from Williamson. While the mine is on care and maintenance, the Williamson Diamonds Hospital is considered a vital service and has continued to operate as normal.

Engaging on health issues

Petra has established a partnership with the South African Department of Health in the Northern Cape, Free State and Gauteng (the three provinces in South Africa in which Petra's operations are situated) which focuses on HIV/AIDS/TB and non-communicable disease management. In January 2019, we started offering Isoniazid Preventive Therapy ("IPT"), through the partnership that we have with local state clinics, to employees who are HIV/AIDS positive or who have diabetes in order to prevent TB infections. As per the national guidelines, this preventive therapy takes a maximum of 12 months. Currently the number of employees benefiting from the partnership per medical condition are: 46 (HIV) and 18 (diabetes).

Health management and performance

8,141 medical examinations were conducted across all the South African occupational health clinics during the Year, while 1,347 medical examinations were carried out at Williamson by the Occupational Safety & Health Administration ("OSHA"), with the medical reports subsequently issued to the mine.

During FY 2020, two NIHL cases (FY 2019: nine) were submitted to Rand Mutual Assurance for consideration for compensation as an occupational disease and are awaiting adjudication. Seven TB cases were diagnosed in FY 2020 (FY 2019: eight) and of these five cases have been submitted to the Medical Bureau for Occupational Diseases ("MBOD") for certification, and feedback remains outstanding. Two cases were Extrapulmonary TB, which does not meet the criteria for submission to the MBOD, as it is not considered to be related to workplace exposure.

When a condition is confirmed, we ensure that all our employees have access to the appropriate medical care through medical aids or partnerships with the relevant public healthcare facilities.

HIV/AIDS testing

South Africa is known to have the highest number of HIV positive people in the world, with ca. 7.7 million people estimated to live with HIV, representing ca. 14% of the total population; however, the prevalence rate amongst the general population is estimated at ca. 20%. Although HIV/AIDS continues to be a serious public health threat, awareness-raising campaigns and the wider availability of anti-retroviral drugs is stabilising the number of new cases, enabling infected individuals to live longer, healthier lives, and reducing mother–child transmissions.

UNAIDS is leading the global effort to end AIDS as a public health threat by 2030 as part of the SDGs. Its ambitious '90-90-90' targets aim that by 2020 90% of all people living with HIV will know their HIV status, 90% of all people with diagnosed HIV infection will receive sustained anti-retroviral therapy and 90% of all people receiving anti-retroviral therapy will have viral suppression.

The UNAIDS targets have been adopted by the National Department of Health and Petra's South African operations support these and encourage employees and contractors to participate to meet these milestones. The progress for 2020 has been slowed by the COVID-19 pandemic.

Petra wishes to play its part in helping to arrest the HIV/AIDS epidemic in South Africa and therefore ensures that 100% of its employees and contractors are offered voluntary testing every year. During FY 2020, 2,127 employees participated in the voluntary testing during medicals, representing 52% of our total workforce (FY 2019: 64%). Of these, 18 employees tested positive and were referred for treatment. The number of HIV-positive employees enrolled on our HIV wellness programme decreased in FY 2020 to 127 (FY 2019: 149), further to the decreased number of overall employees and contractors in our workforce. All were referred to the relevant service providers for anti-retroviral therapy ("ART") but because of medical confidentiality the confirmation of treatment is impossible.

Malaria

During the Year, 231 people (FY 2019: 153) were diagnosed with Malaria at Williamson (135 employees and 96 contractors), all of whom received treatment.

Employee Health and Wellness continued

Case study: Petra's response to COVID-19

The outbreak of the COVID-19 pandemic presented unprecedented challenges to our operations and the safety and wellbeing of our people. We acted quickly to put in place comprehensive systems and strategies to address COVID-19 and to both limit the threat to our employees, contractors and other local stakeholders, and to protect the ongoing viability of our operations.

Nationwide measures

On 5 March 2020, South Africa recorded its first case of COVID-19 and the President declared COVID-19 a national disaster. South Africa took decisive action and put in place some of the fastest and strictest regulations globally.

On 26 March 2020, an initial three-week nationwide lockdown commenced in South Africa and, accordingly, Petra scaled down operations to operate at a minimum level in order to maintain the underground block caves. Following this lockdown period, a phased ramp-up of operations was permitted as restrictions were eased. Prior to ramping up production, companies were required to demonstrate that they had Standard Operating Procedures ("SOPs") in place that complied with the Minerals Council SA's COVID-19 guidelines. In addition, the DMRE applied a number of conditions to the increase in capacity, relating to health screening and testing and the provision of quarantine facilities for employees who have tested positive for COVID-19, as well as arrangements for transporting employees from their homes to their respective areas of operations.

Prior to ramping up its operations in South Africa, Petra adopted SOPs and measures, including revised shift configurations, in compliance with the DMRE's directives and in consultation with the representative labour unions and mine-based DMRE officials. In Tanzania, the Williamson mine was placed on care and maintenance from the middle of April to preserve the mine's cash position and protect the long-term sustainability of the operation.

Comprehensive measures put in place at our operations

Petra implemented a comprehensive Awareness and Response Plan at all its operations, which included a MCOP, SOP and issue-based risk assessment for access to the operations and for the handling of infected cases. COVID-19 contingency plans for the operations were also implemented, should an entire section be placed under quarantine/isolation, to ensure business continuity.

A COVID-19 Committee comprising multi-disciplinary specialists within the Group was established to regularly review and update our advice to employees, establish business continuity planning, and ensure managerial oversight is effective and properly coordinated.

Other measures introduced by the Company included a 24/7 COVID-19 call centre for employees and Company-wide awareness training, including formal training, awareness posters (surface and underground) and COVID-19 handout guides in line with World Health Organization guidance (and South Africa's National Institute of Communicable Diseases' guidelines), as well as frequent communications via text message and the Company's social media channels.

The Company also introduced enforced social distancing at all operations, and increased sanitisation measures (including regular, deep cleaning of employee congestion points such as entry and exit turnstiles, underground conveyances, change houses and lamp rooms). In addition, PPE was provided to all employees, with specific focus on security and health workers, and COVID-19 evaluation rooms were set up at all operations.

A screening programme was put in place to screen and monitor temperatures at all entrances to our operations, and the screening results are reported to the Department of Health, DMRE and Minerals Council SA. Petra tests all employees who do not pass the thermal scanning and declare any symptom of COVID-19. Private and state-owned laboratories are used to conduct the tests.

An important part of our COVID-19 strategy was to identify all 'at-risk' employees with pre-existing health conditions that make them more vulnerable to the disease, including hypertension, diabetes, asthma, TB and HIV (see statistics disclosed on page 76). These employees were requested to work from home, and those that were not able were placed on special paid leave to reduce their chances of being exposed. However, it should be noted that the Company does not have a high level of confidence in its HIV statistics as these rely on voluntary testing or declarations only, and some workers do not disclose their results for privacy reasons. To this end, we ensured that the associated health risks were highlighted in employee/community communications to help increase awareness.

Looking after our people

In April 2020 we established the Petra Hardship Fund ("PHF") to provide targeted assistance to distressed communities and qualifying employees to mitigate the impact of COVID-19. A committee was established to oversee the management and disbursement of these funds which were financed by Director and Senior Management salary and fee sacrifices during April to June 2020.

Contributions made by the PHF were distributed in partnership with the lead Government relief agencies for each of the affected communities and supported a variety of initiatives. These included the supply of PPE and other COVID-19 prevention equipment such as thermal scanners and sanitisers to local clinics and schools, as well as the provision of protective masks to community members, healthcare workers and members of the police force. Additional support was also offered to local healthcare workers and clinics by donating gazebos and chairs as well as screening facilities to assist with the testing and screening of community members.

To address the critical issue of food security, over 5,000 food parcels were distributed to vulnerable community members through recognised community structures, and blankets were also distributed to some communities to combat the cold winter conditions.

Finally, where Petra had provided loans to local small to medium sized enterprises ("SMMEs"), the Company allowed for a two-month payment and interest holiday. Once this payment holiday ended, the Company provided relief to the local businesses by further reducing the interest on their low interest loans by an additional 2%.

Values in action: Let's take control/Let's make a difference

Employee Health and Wellness continued

Prevalence of COVID-19 at our operations

As at 30 October 2020, the Company was screening 3,336 individuals a day and a total of 750 possible cases were tested. To date, the total number of employees confirmed COVID-19 positive at the South African operations is 223; of these, so far 217 have recovered in full and four cases are still active. No deaths were reported during the Year. However, very regrettably we have lost two people to causes related to the disease since Year end, being Joseph Phoku, a Boilermaker at Cullinan, and Eurith Sekgoro, a Cleaner at the Kimberley Group satellite offices. Our heartfelt condolences go to the family, friends and colleagues of the deceased; support has been offered to their next of kin.

There have been no cases of COVID-19 at the Williamson mine in Tanzania to date.

People

People remain the cornerstone through whom we wish to achieve our shared vision and strategy. It is for this reason that we invest heavily in employing the best people, rigorously developing them to reach their full potential and then retraining them to our mutual benefit. All of this is driven by our diversity emphasis as we unlock the benefits inherent in a diversity-driven approach to our people across the organisation.

37 Employee Retention and Development

40 Diversity

People

"Undeniably, FY 2020 has been a very challenging year in terms of people management, due to the great strain placed upon the Company by the COVID-19 pandemic. However, our team has risen to the occasion and performed admirably in terms of keeping our people as safe as possible, whilst maintaining production at permissible levels. Despite all the disruptions caused by the pandemic, we have continued to make good progress with our employee development and diversity objectives for the Year, as well as initiatives to support our local communities."

Octavia Matloa
Chair of the SED Committee

Material topics (in order of importance to our stakeholders):

- Diversity
- Employee development

See a schematic of how Petra manages social matters here: https://www.petradiamonds.com/sustainability/people/.

KPIs

5,019
PEOPLE EMPLOYED (EMPLOYEES AND CONTRACTORS)

US$5.8 million
INVESTED IN EMPLOYEE TRAINING AND DEVELOPMENT

19%
FEMALES IN THE WORKFORCE

38%
FEMALE LEADERSHIP DEVELOPMENT PROGRAMME CANDIDATES

85%
HDSA LDP CANDIDATES

233
EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEME IN FY 2020

Stakeholders concerned

Employees, contractors, trade unions; local communities; financial stakeholders; host Governments, regulators, NGOs

Company policies and guidelines

- Petra policies on employee benefits, HR services and recruitment
- Social and Labour Plans
- Communication Management Policy
- Code of Ethical Conduct and related policies
- Group Human Rights Policy Statement
- Group Employment Equity Policy
- Group Diversity and Inclusion Policy
- Group Training and Development Policy, with additional related policies
- Policy Statement: Political Activity on, or Using, Company Facilities

Standards we follow

- The Constitution of the Republic of South Africa
- The South African Mining Charter
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work
- Collective/Recognition and other agreements with relevant trade unions
- EU Directive on Non-Financial Reporting

People continued

Key achievements and performance against FY 2020 objectives

- Our well-established engagement processes with our employees, contractors and organised labour, plus the highly motivated culture of our workforce, meant that we were able to quickly put COVID-19 mitigation plans in place in order to be able to continue our operations as safely as possible.
- Formulation of the Group's Diversity and Inclusion Policy, which was recommended for approval by the SED Committee to the Board post Year end.
- Continued support to develop females in management roles, with 12 candidates participating in the Women in Leadership ("WiL") Programme and increased female representation on the leadership development and management development programmes.
- Leadership and management coaching was increased to reach 18 middle and senior managers.
- Promotion of several candidates who successfully completed the Career Advancement Programme for A and B-band personnel, as well as the Engineering Aid Development Programme.
- Our first female internal bursar completed her BTech Degree in Metallurgy.
- At Cullinan, 33 employees successfully completed adult education and training exams at various levels.

Key challenges

- Management of the COVID-19 pandemic which represents a significant threat to the health of our people and which could have caused much worse disruption to our workforce and operations.
- The Williamson mine was placed on care and maintenance in April 2020 in order to safeguard the mine's liquidity position until such time as the diamond pricing environment improves, with only vital services allowed to continue.
- Ongoing change management at Petra can cause anxiety for the workforce, particularly in light of the unprecedented challenges both in and out of the workplace caused by the COVID-19 pandemic.
- Skills shortages in local areas can impact on the Company's strategy of local recruitment.
- Low level of academic performance in the communities around our operations limits the pool from which to recruit scholars, bursars and interns.
- Policy uncertainty regarding the new Mining Charter and how this will impact the Company achieving its transformation objectives.
- Reduced contractor employee numbers which negatively impacts the socio-economic circumstances and stability in local communities.

Objectives for FY 2021

- Rebuild the Petra culture to support the current values of the organisation.
- Support the Organisational Design Review with accountability focused job profiles, job grading and market competitive remuneration structures for all critical positions.
- Make further strides on our female diversity by an intake of 15 female middle and senior managers on the WiL Programme.
- To deliver on our targets for learnerships, internships and development programmes as set out in our Social and Labour Plans.
- Develop a more robust supervisory and leadership development programme that more adequately supports the organisation to reach its developmental objectives.
- Roll out an employee satisfaction survey throughout the Group as a feeder into the culture transformation process.
- On conclusion of the Organisational Design Process, including job evaluations, to establish a market-related operational remuneration policy for all jobs which is fair, objective and defendable.

Employee Retention and Development

Our ambition

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

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

Our approach

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

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

We aim to provide education and training opportunities that will help our employees to fulfil their best potential, covering basic literacy and computer skills right through to portable skills that can be used beyond a career on the mine.

Via our succession planning and talent management procedures, we aim to continually develop the skills base for the Company, required both now and in the future. Our focus is not merely on Petra's current employees, but also the next wave of employees in our local communities. Therefore, it is imperative that we have programmes in place to prepare them and equip them with the skills they require. These initiatives include support to selected schools in our communities to improve performance in mathematics and science in order to feed the education pipeline, as well as bursaries, internships and practical work experience. Read more in 'Community relations and development' on pages 67 to 70.

We also look to cultivate the leadership and management skills required for the business, with a range of in-house and externally facilitated employee development programmes. Inclusion of significant numbers of historically disadvantaged South African ("HDSA") and female candidates on these programmes is a key part of our strategy to improve racial and gender diversity at all levels of the Company and aims to empower our future leaders.

The Petra culture

Petra has undergone significant change over the last number of years. Firstly, the Company has mostly completed a major capital investment cycle to open up new mining areas at its operations and upgrade the infrastructure required to support these projects. This expansion required large numbers of contract workers, in addition to our permanent employee base, and these numbers are now reducing as the operations transition to steady-state production. Secondly, the Company has had a change of leadership, with a new Chief Executive appointed in April 2019 and a new Non-Executive Chairman appointed in March 2020, as well as other ongoing Board changes.

Given this evolution of the business, it is therefore appropriate that the Company purpose, culture and values are in the process of being re-evaluated so that they accurately reflect and support the realisation of our current vision and strategy.

As part of this process, Petra has instigated a number of change initiatives intended to provide the building blocks for establishing a culture within Petra that is aligned to our values. More information on these is set out on page 7 of our 2020 Annual Report.

One integral aspect of Company culture which will not change is our commitment to ethical behaviour in all areas of the business. Leading from the top, Petra's Board and management team work to ensure that they are living these values and embedding them throughout the organisation. They are also further disseminated through continuous engagement around Petra's Code of Ethical Conduct, which includes a strong emphasis on the importance of mutual trust and voluntary compliance to the value system.

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

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

Our workforce

As at 30 June 2020, the total number of people employed by the Group decreased by 26% to 5,019 (30 June 2019: 6,788). The number of permanent employees decreased 3% to 3,696 (FY 2019: 3,833) mainly due to the transition from an intensive capital development phase to steady-state production. The number of contractors decreased by 55% to 1,323 (FY 2019: 2,955), mainly due to the Williamson mine being placed on care and maintenance, as well as due to the advanced stages of our capital programmes and the reclassification of some contractors as suppliers.

Employee Retention and Development continued

Our workforce continued

Local hiring

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

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

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

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

Staff retention

Although there is still competition in the labour market for skilled employees (43% of Petra's workforce in FY 2020), and a shortage of certain specialised skills, strained economic conditions in South Africa, in part due to the commodities downturn further exacerbated by the COVID-19 pandemic, have taken some pressure off recruiting for and retaining skills.

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

In FY 2020, our total employee turnover remained 8%. We consider this a comparatively low staff turnover rate, on par with those of the mining sector and industry in general, resulting from the creation of a challenging but attractive work environment and remuneration policies that are designed to incentivise and retain individuals of a high calibre.

Training and development

Our investment in employee training and development reduced by 12% to US$5.8 million (FY 2019: US$6.6 million), due to the ZAR weakening against the USD during the Year, as well as a much reduced training spend from March 2020 due to restrictions relating to the COVID-19 pandemic, a significant reduction in the total number of people employed by the Company (especially contractors) and reducing spend at Williamson due to the mine being placed on care and maintenance in April 2020. Petra targets a training spend of 5% of annual payroll in ZAR terms and this target was met for the South African operations, despite the COVID disruptions, though Williamson's performance was impeded by the care and maintenance period.

In line with our strategic employee development aims, the training expenditure key focus areas were safety and technical training, management and leadership development, engineering and rock-breaking learnerships, internships, and leadership coaching.

Training programmes at Williamson continued to focus on 'on-the-job' training. During FY 2020, functional training was conducted for engineers, HR practitioners and accountants. Safety training included intensive firefighting and road safety training. Williamson does not currently have formal bursar and scholarship programmes in place, but it supports those engaged with self-development programmes to a certain extent.

A total of 27,532 instances of legally required training sessions were presented across the operations in FY 2020 (FY 2019: 28,621), with the slightly lower levels for the Year due to reduced employee and contractor numbers, as well as the impact of the COVID-19-related lockdown period. These are mostly health and safety-related courses required by legislation and aimed at improving workplace safety.

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

Developing the next generation of leaders

Petra's Leadership Development Programme ("LDP") remains an important strategic tool to assist in the organisation in the identification and development of employees who display the potential to fulfil leadership positions in the future. At the end of the two-year programme, all participants receive a Higher Certificate in Generic Management (NQF Level 5). The LDP also assists as a strategic method of improving management diversity, by both gender and ethnicity.

During FY 2020, 13 employees participated in the LDP, with 38% of participants being female and 85% of participants being HDSAs. From the inception of this programme in 2008, a total of 141 employees have graduated. Of the graduates, a total of 94 were promoted, including 35 women and 78 HDSAs.

Petra's Women in Leadership ("WiL") programme continued in FY 2020 and was attended by 12 female leaders. This customised programme is intended to enable women in key leadership positions to master important personal skills and gain insight into leadership at both a micro- and macro-organisational level.

In FY 2020, six middle managers, of which four were female and five were HDSA, completed the Management Development Programme ("MDP"), at the University of Stellenbosch Business School. The formal programme is complemented by leadership and management coaching sessions to further contribute to performance improvement and personal efficiency.

67%

FEMALE REPRESENTATION ON THE
MANAGEMENT DEVELOPMENT PROGRAMME

A range of supervisory development interventions are also presented annually, ranging from short courses to skills programmes. 35 candidates were enrolled in the Supervisory Development Skills Programme and 48 experienced supervisors attended 'True Blue', a bespoke and intensive short course on supervision that is conducted over three days and focuses on providing supervisors with the skill-set to effectively engage their teams in the workplace.

Employee Retention and Development continued

Training and development continued

Case study: Developing leadership and management skills through coaching

Participants in Petra's Leadership Development Programme have been given structured leadership and management coaching for the last three years as part of the programme. This coaching was initially aimed at middle and senior managers who took part in Management or Senior Management Development Programmes but it has now been extended to include ongoing support to employees who have completed both the LDP and WIL programmes. Coaching has proved to have many benefits, including the development of self-awareness, self-confidence and self-leadership, as well as a change in leadership style, and assisting in the development of healthy relationships with conflict and authority.

The LDP coaching programme focuses on achieving progress and efficiency in the workplace and is based on the 'Immunity to Change' model developed by Harvard Professors Robert Kegan and Lisa Lahey. The model introduces techniques to help individuals overcome barriers that are blocking important progress that they want to make. The training is completed during 12 sessions over a period of up to seven months. So far, 50 leaders have been enrolled in the coaching programme, 40% of whom are women, including some of our top female managers.

The coaching programme has already received some very positive feedback from participants, with a number commenting that the coaching has provided a safe place to gain perspective and personal awareness. Participants have also said they have gained more confidence in themselves and their abilities, as well as improving their management skills.

Value: Let's take control

Career development through learnerships

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

Learners are recruited from both internal and external applicants. We have learners on a number of programmes ranging from various engineering disciplines through to rock breaking and metallurgy. Of the 128 learners in FY 2020, 28% were female.

Improving further and higher education

Petra provides various opportunities to further employees' education and qualifications. One such scheme is the Study Assistance Scheme, which is available to support employees 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, thus contributing to career progression. Assistance is provided in the form of a service obligation, an interest-free loan or study leave.

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EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEME IN FY 2020

During FY 2020, we continued to support one employee at Cullinan to attend full-time tertiary studies in the field of occupational nursing. It is our intention that this intern will work in our operations on completion of her studies. One intern from Koffiefontein, who was afforded the opportunity to further her tertiary education on a full-time basis, completed her BTech Metallurgy qualification at the end of 2019, and is presently putting her skills to work by implementing assurance practices in the Koffiefontein processing plant.

Addressing transferability of abilities: portable skills training for employees

One of the issues facing employees at our South African operations is the lack of transferability of their skills, meaning that their skills may not allow them to enter self-employment or employment elsewhere once our operations no longer require them or at mine closure. We therefore plan and budget for training to equip employees with transferable skills for requirements in the communities around our operations such as agricultural production, mechanical repairs, electrical, welding and cutting technology, business skills, carpentry, the ability to qualify to operate various types of vehicles and a number of computer training modules. 83 employees participated in portable skills training during FY 2020 (FY 2019: 145), with the number being lower due to the COVID-19 pandemic.

The effectiveness of our portable skills programme was proven in FY 2020 when employees from the Finsch mine, who had recently completed a sewing course, were able to assist in the production of cloth face masks for use by the most vulnerable members of the local community of Kgatelopele in order to reduce the spread of COVID-19. To find out more, visit https://www.petradiamonds.com/sustainability/health-and-safety/our-response-to-covid-19/covid-19-case-studies/.

Adult education and training ("AET")

Due to South Africa's unique history and the associated poor standard of education, exacerbated in rural communities around our operations, adult illiteracy remains an issue in the country.

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

AET facilities were used by 94 enrolled learners in FY 2020, including three community members and 13 contractors, and 33 employees at the Cullinan mine successfully completed various AET levels. Two employees enrolled for the Amended Senior Certificate in FY 2020. This is a qualification for adults, equivalent to a National Senior Certificate for school leavers, and can provide access to further career and development opportunities. Read more about the education and training opportunities we provide to our local communities on pages 69 to 70.

Diversity

Our ambition

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

Our approach to achieving diversity

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

In order to address any form of discrimination experienced by any employee, the Company has a grievance procedure as well as a disciplinary policy and procedure to investigate and address discrimination allegations. Contractors are also advised to align their practice to ours in order to avoid any inconsistencies in the application of the rule. The option of dismissal is available in the event of non-compliance. No instances of discrimination were reported during FY 2020.

Encouraging women in mining

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

Petra has a number of initiatives aimed at developing women into managerial positions, such as the LDP, which has, since its inception, focused on the advancement of women, and the WiL programme. We are focused on affording women an equal role as part of the next generation of Petra employees and as a result 30% of our interns, 34% of our engineering learnerships, 34% of our mining learnerships, 60% of our bursars, 67% of employees attending the MDP and 38% attending the LDP in FY 2020 were female.

Diversity in FY 2020

The overall gender diversity of the Group remained flat in FY 2020, with women representing 19% of our workforce, but this remains slightly above the industry average in South Africa, which ranges from 12%–17% depending on the commodity. However, we were pleased to improve gender diversity at the higher levels of the business, with an increase in female representation at both Senior Management and management level. However, we recognise that the diversity of more teams still needs widening to enable Petra to benefit from the breadth of thought and variety of opinions, perspectives and experience this offers.

Breakdown of gender diversity

	Men		Women		
	FY 2020	FY 2019	**FY 2020**	FY 2019	Total (number)
Board	**78%**	78%	**22%**[1]	22%	9
Senior Management	**89%**	94%	**11%**	6%	37
Management	**78%**	81%	**22%**	19%	194
Employees	**81%**	81%	**19%**	19%	3,463
Total	**81%**	81%	**19%**	19%	3,703[2]

1. Following the retirement of Dr Bartlett from the Board on 30 June 2020 and the retirement of Mr Lowrie from the Board on 17 November 2020, the percentage of female representation on Petra's Board improved to 29%.
2. This figure differs from the total employee figure of 3,696 for the Year, as it includes the seven Non-Executive Directors who are not employees of the Company.

Age distribution	**FY 2020**	FY 2019
18-29	**14%**	18%
30-50	**65%**	62%
>50	**21%**	20%

Diversity and Inclusion Policy

In order to drive further improvements in diversity throughout the business, a Group Diversity and Inclusion Policy was finalised during the Year and recommended for approval to the Board by the SED Committee. The policy's aim is to encourage leadership at all levels across the organisation to think broadly about diversity in its different forms and to ensure that appointment and succession planning practices inclusive of retention polices are designed to promote diversity. The policy also seeks to ensure that the Company develops a diverse pipeline for succession to top management, Senior Management and junior management levels and creates the framework for reporting on actions taken to promote diversity in terms of actual progress achieved on diversity and inclusion.

Post Year end, following the approval of the Diversity and Inclusion Policy in September 2020, the implementation of the management approach commenced. The intention is to develop a Petra Diamonds South Africa Employment Equity Plan, which will align the Company's employment equity targets in South Africa with other sector-specific targets included in the new Mining Charter (encompassing both race and gender targets), as well as a Group-wide Petra Diamonds Limited Diversity and Inclusion Plan, which will set targets for gender representation across the various levels of the organisation.

Diversity continued

Diversity and Inclusion Policy continued

Women in Mining Committee ("WiM Committee")

Petra's WM 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.

Case study: WiM campaigns in FY 2020

Petra's Women in Mining Committee organises a number of events and initiatives throughout the year to share experiences, identify challenges in the workplace and community, create awareness around national campaigns to support women and promote development opportunities for women in mining. In FY 2020, these events included a WiM Women's Month event, as well as a campaign to support the national '16 Days of Activism for No Violence Against Women and Children'.

WiM Women's Month event

In August 2019, alongside Petra's WiM Forum, the Finsch mine hosted an event to celebrate and empower women working at the mine. The event was hosted in partnership with Careways, a leading provider of employee wellness campaigns in South Africa, and focused on approaches and actions to achieve a successful balance between work, career progression and personal and family responsibilities. The event also included a demonstration of 'office yoga', a Zumba class and an empowering talk on balancing work and family life.

Donating sanitary products to local schools

A United Nations report highlighted that one in ten girls in Sub-Saharan Africa do not attend school during their menstrual cycle; that could be as much as 20% of a school's students. Women from the Finsch mine undertook an initiative to donate sanitary towels to students in the local Kgatelopele Municipal district.

16 Day of Activism for No Violence Against Women and Children

In November 2019, the Finsch mine supported the national '16 Days of Activism for No Violence Against Women and Children'. The ten-day campaign was kicked off by a 'Walk Against Gender-Based Violence', with almost 100 employees and members of the Lime Acres community taking part. Posters to raise awareness of the campaign were also put up in local parks and schools. The campaign was closed by renowned speaker and community worker Ellen Pakkies, who gave a motivational speech to the WiM Forum.

Free State WiM Forum

Members from the Koffiefontein mine participated in the Free State's WiM Forum, which aims to promote co-operation and consultation on health and safety issues relating to WiM between the DMRE, mining companies, employees and the Mine Health and Safety Council ("MHSC").

The objectives for the Forum were to recommend action plans focused on the improvement of health and safety of women in the region; monitor improvements with regards to health and safety in the region; share information from the MHSC; enable members to collectively advise the MHSC on any health and safety-related matters; and advance and promote WiM issues.

Photos accompanying this case study can be viewed at https://www.petradiamonds.com/sustainability/diversity-equality/women-in-mining/women-in-mining-campaigns/.

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.

Group Employment Equity Policy

Our approach to diversity is outlined in the Group Employment Equity Policy, a summary of which is:

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

Diversity continued

Diversity and Inclusion Policy continued

Equality and equity continued

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

Even though 'transformation' is a regulated compliance issue in South Africa, the Company views it as the right thing to do and a strategic business imperative. Petra has Employment Equity Plans at all its South African operations, with specific targets regarding HDSA and women in mining, where managers are compelled to comply with the Employment Equity Plans in order to address transformation. During FY 2021, the Company is planning a review process of its Employment Equity Plans, which will then be monitored by the SED Committee.

Labour relations

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

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

In addition to mandatory engagements directed by statutory laws, we hold annual relationship-building sessions with all recognised trade unions at our operations in South Africa in order to improve relationships. The sessions focus on reviewing and rebuilding relationships between parties, as well as setting objectives and agreeing on action plans to restore or strengthen them. Independent facilitators oversee the process to ensure fairness.

Petra did not experience any instances of industrial action in FY 2020. Post Year end, the Company announced that it had reached agreement on a new one-year wage agreement for employees in the Paterson A and B Bands at the South African operations with the National Union of Mineworkers ("NUM") covering FY 2021. The Company will look to start discussions in due course with NUM on a wage agreement for FY 2022.

Trade union representations

We respect our workforce's right to exercise freedom of association and collective bargaining, regulated by our Collective/Recognition Agreements, across all our operations. Any trade union that has achieved sufficient representation in the workplace may request recognition. Trade union membership across our operations represents 75% of the total workforce in South Africa and 77% in Tanzania.

South African union representation	
No union	**25%**
Union	**75%**
NUM	64%
NUMSA	1%
Solidarity	5%
UASA	5%
Grand total	**100%**

Tanzanian union representation	
No union	**23%**
Management	21%
Expatriates	2%
Union	**77%**
TAMICO	73%
NUMET	4%
Grand total	**100%**

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

The Company has employee grievance processes which are regulated by our Collective/Recognition Agreements and relevant labour legislation. These processes and procedures are accessible to all 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.

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

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

Diversity continued

Diversity and Inclusion Policy continued

Legal working hours

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

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

Employees may only work within the determined working hours envisaged in the BCEA. An employee may only be required or permitted to work overtime hours in excess of those stipulated in the BCEA in the circumstances where an overtime variation is obtained from the Department of Labour, or where such work is required to be done without delay, owing to circumstances for which the operation could not reasonably have been expected to make provision, and which cannot be performed by employees during their ordinary hours of work as envisaged in Section 6(2) of the BCEA.

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

Employee ownership

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

The IPDET plays an important role in our Labour Relations Strategy as annual distributions to employees are considered to be a compelling motivator to drive enhanced employee productivity and accountability.

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

Engaging with our employees and employee satisfaction

Petra places a high premium on continuously improving all types of communication and engagement with its employees and frequently reviews its Communication Management Policy and Procedure Framework. While the emphasis is on communication effectiveness, i.e. an outcomes-based approach rather than simply measuring the quantity of communication disseminated, the Company has various communication systems and channels in place to facilitate the execution of its internal communications strategy, including written and electronic media, social media and a programme of face-to-face meetings at different levels of the Company.

In this regard, electronic forms of communication such as bulk mobile messaging, and especially the Company's employee-only Facebook group, have grown significantly in importance during the COVID-19 lockdown period, with a large percentage of employees being offsite for the period.

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

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

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

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

Board and workforce engagement

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

Post Year end, the Board appointed Octavia Matloa, Chair of the SED Committee, as the designated independent NED to engage with the workforce. The aim of the role is to help ensure the views and concerns of the workforce are brought to the Board and taken into account in the Board's deliberations and decisions, helping the Board to understand if employees are aligned to, and able to respond to, its business priorities. A formal document outlining the key principles and parameters of the role has been approved by the Board.

One important method used to ensure direct communication between our workforce and the Board is facilitated via the annual CEO roadshow to all of Petra's operations, which consists of meetings with managers of different levels, employees and trade union representatives. These meetings tend to cover the business, the diamond market and the broader industry as well as macro topics and include an interactive session to enable attendees to raise any questions or concerns. Any issues raised are recorded and made available to all employees afterwards. Formal roadshows were held during October 2019 and March 2020, with the first serving as an introduction to new CEO Richard Duffy and the second focused on the challenges that Petra was facing due to the state of the diamond market and the COVID-19 pandemic.

Operationally, Petra has a system of meetings and forums to cover important employee and social issues and initiatives. Any matters of importance arising from these meetings are monitored by the SED Committee, which can thereby keep the Board informed and likewise provide a feedback avenue for the Board to communicate with employees.

Diversity continued

Diversity and Inclusion Policy continued

Supporting our employees

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

During FY 2020, mining economics and basic financial training was again offered to certain employees at our South African operations. The training was aimed at enhancing employee understanding of financial products, concepts, risk, individual awareness, the day-to-day running of the operations and the Company's financial status. The sessions have been well received and attended by employees and will assist in their financial engagements with the Company, as well as in their individual financial planning and budgeting. Requests for ongoing sessions on an annual basis to enable all employees to share this knowledge and understanding are testament to the success of the initiative.

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

Petra has operated an assisted home ownership scheme since June 2015, which was the result of extensive consultations with all stakeholders, including organised labour structures, and in accordance with Mining Charter requirements and the empowerment of employees. Even prior to housing becoming a compliance requirement, as part of which the mining industry is obliged to assist employees with proper accommodation, the Company has long been providing its employees with 'living out' or 'housing allowance' assistance. Each operation also has its own policy to regulate accommodation provided to employees. We continue to engage with all stakeholders to ensure optimisation of housing schemes.

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

Environment

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

48 Environmental Management

53 Climate Change and Energy Usage

58 Water Management

Environment

"In line with our value 'Let's do it better', our approach to environmental management has shown continuous improvement for the Year, with ongoing efficiency initiatives for the responsible use of water and energy, significant improvements made in the area of waste management, the progression of our Climate Change Adaptation Strategy and the continual refinement of our carbon emissions data capture and reporting. These are important achievements, especially considering the disruption to operations caused by the COVID-19 pandemic."

Bernard Pryor
Chair of the HSE Committee

Material topics (in order of importance to our stakeholders):

- Water management
- Environmental management (especially waste management)
- Climate change and energy usage

See a schematic of how Petra manages environmental matters here: https://www.petradiamonds.com/sustainability/environment/.

KPIs

44%
OVERALL LESS WASTE GENERATED

45%
OF WASTE IS RECYCLED

6,981 ha
OF PROTECTED WILDLIFE AREAS

37 kWh/t
ENERGY EFFICIENCY

0.039 tCO_2-e/t
CARBON INTENSITY PER TONNE (SCOPES 1 AND 2)

0.969 m^3/t
TOTAL WATER INTAKE FOR PRODUCTION

81%
OF WATER USED ON MINE IS RECYCLED

Stakeholders concerned

Employees, contractors, trade unions; financial stakeholders; local communities; host Governments, regulators, NGOs

Company policies and guidelines

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

Standards we follow

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

Environment continued

Key achievements and performance against FY 2020 objectives

- No major environmental incidents reported for ten consecutive years.
- 100% of South African operations retained their certification to ISO 14001:2015.
- Independent verification of GHG emissions reporting according to ISO 16064-3 for five years.
- Publication of the Group's first annual GHG Emissions Report.
- Improved water use efficiency by 6% and improved percentage of total water recycled.
- Reduced waste to landfill by 24%.
- Improved fuel efficiency in TMMs by 9%.
- Total energy consumption was 9% lower due to energy efficiency measures, as well as lower production due to the COVID-19 pandemic, but energy efficiency per tonne was 10% above target, mainly due to lower tonnages for the Year.
- Continued development of the Group's Climate Change Adaptation Strategy.

Key challenges

- Uncertainty around the implementation of anticipated environmental legislation.
- Identifying and implementing additional measures to improve water use efficiency where maximum efficiency has already been met.
- Problems with energy supply from Eskom in South Africa led to unprecedented levels of load shedding required in H1 FY 2020.
- South Africa produces the majority of its power from coal-fired power stations.
- Implementation of climate change adaptation measures amidst ageing infrastructure.

Objectives for FY 2021

- Retention of ISO 14001:2015 certification.
- Finalise rehabilitation plans and schedules.
- Maintain water and energy use efficiency levels on par with FY 2020; forward-looking targets for both metrics will be reinstated once the operations have stabilised post the impact of the COVID-19 pandemic.
- Reduction in the total tonnage of waste disposed to landfill.
- Continued improvement in the fuel efficiency of TMMs.
- Continued development of the Petra Climate Change Adaptation Strategy with reference to the Task Force for Climate-related Financial Disclosures ("TCFD") to ensure Petra can meet the TCFD recommendations and reporting requirements by 2022.

Environmental Management

Our ambition

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

Our approach

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

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

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

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

The Group HSE Policy, which is our guiding document for setting operational performance objectives, is covered in more detail at https://www.petradiamonds.com/sustainability/managing-sustainability/. Petra's Board-level HSE Committee has oversight of environmental issues and therefore these are taken into consideration in business and strategic discussions, as well as when monitoring Group performance and setting objectives.

Risk management

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

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

- impact on water resources, both through inefficient use and potential contamination of natural water sources;
- inappropriate waste management activities may cause water and soil contamination;
- permanent changes in topography, land use and land capability due to the final disposal of mining waste on surface;
- depletion of non-renewable sources due to inefficient consumption;
- biodiversity loss due to the spread of invasive vegetation, as well as increasing mining footprints;
- availability of water and damage to infrastructure due to climate change; and
- the continued deepening of underground operations may cause an increase in the open pit footprint, leading to the risk of damage to surface infrastructure.

Risk identification, analysis and management

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

Stakeholder engagement

Petra has processes in place to engage with its stakeholders on environmental matters, including the handling of issues raised by its local communities. Public participation processes in South Africa for obtaining environmental authorisations (legally mandated processes) also make provision for direct communication with communities where their views and needs are included into management programmes. This includes public meetings, individual interviews, advertisements and flyers containing pertinent information on changes at the operations or potential impact such as periods of increased noise and dust levels.

During FY 2020, our stakeholders were engaged on a number of topics including:

- updated legal documentation at Finsch;
- the impact of open pit scaling at Cullinan (read more on page 72);
- water provision at Cullinan and progress on repairs of the Wilge River Dam;
- mining methods used at the operations; and
- the process of relocating heritage items at Koffiefontein.

Environmental Management continued

Environmental incidents

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

During FY 2020, three significant environmental incidents were reported. See page 79 for details.

For the past ten years, no 'major' environmental incidents were reported at any of the Group's operations.

Spillage management

0

SIGNIFICANT SPILLAGES[1] AT OUR OPERATIONS IN FY 2020

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

Waste management

Petra manages separate waste streams within the organisation:

- business waste[1, 2];
- hazardous waste[1, 2]; and
- mining waste[1, 2].

Business and hazardous waste

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

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

Overall volumes of waste generated decreased by 44% to 5,483t (FY 2019: 9,812t) due to improvements in waste management and the impact of the COVID-19 pandemic and associated lockdowns/restricted activity. The combined waste (business and hazardous) sent to landfill decreased by 24%, mainly due to decreased waste volumes sent to landfill at both Cullinan (-36%) and Finsch (-78%). The Finsch mine installed a weigh bridge in FY 2020 and started with actual measuring of waste mass, as compared to calculated values reported prior to FY 2020. A continuous drive to identify and remove re-usable and recyclable items from the waste stream resulted in an increase of 26% in the percentage of recycled waste at Finsch.

31%

DECREASE IN HAZARDOUS WASTE DISPOSAL IN FY 2020

In line with this trend, the amount of non-hazardous waste (domestic) disposed of decreased by 23% to 2,869t (FY 2019: 3,735t). See page 78 for a detailed breakdown of waste disposed, recycled and incinerated.

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

The transport of hazardous waste is solely the responsibility of contracted waste handling companies. Petra receives waste disposal notes as confirmation that all hazardous waste was disposed of at the correct designated hazardous waste sites. We also check that the disposal sites are in possession of all required licences and permits.

All on-site waste handling areas are audited by third party independent specialists as part of the mines' ISO 14001 management systems. Off-site handling and disposal sites are inspected on an ad hoc basis. All waste generated by the Company is recycled or disposed of within the country of origin.

Notes:

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

Environmental Management continued

Waste management continued

Mining waste

Petra operates a number of different mining waste facility types:

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

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

Read more about tailings residue deposit management at https://www.petradiamonds.com/sustainability/environment/sustainability-environment-tailings-management/.

Materials

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

- energy (in the form of fuel and electricity);
- water;
- construction steel;
- cement;
- timber;
- explosives;
- lubricating oils and grease;
- moisture sealant; and
- DMS material (Ferro-Silicon).

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

Bulk chemical storage areas are built according to SANS 10263-0:2017 specifications to prevent pollution from accidental spillages and inappropriate handling.

The Company's procurement position is such that preference is given to local suppliers and recycled products as far as practically possible.

Packaging material

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

During the Year, major suppliers to Petra were requested to eliminate unnecessary packaging material and single-use plastic. This has had a positive effect on total waste generated on our sites.

Transportation impacts

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

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

The carbon footprint relating to transportation has been calculated and improvements made in terms of data management and updated emission factors to ensure a higher level of confidence in the figures; further details are available on page 56. Business travel is included in Scope 1 (Company jet to reach mine sites: 345 tCO_2-e) and Scope 3 (commercial airline travel: 416 tCO_2-e; chartered jet: 24 tCO_2-e; and car rentals: 19 tCO_2-e) totalling 804 tCO_2-e, approximately 0.2% of Petra's total carbon footprint. Employee commute is included in Scope 3 and this calculation is based on surveys and assumptions.

Environmental Management continued

Case study: Rehabilitation at the Finsch Mine

South African legislation, as is the case in most other countries, requires that all mine planning should be conducted with closure in mind. Part of this planning is to provide funds for closure and Petra has therefore been evaluating ways to reduce its closure liabilities by conducting concurrent rehabilitation.

In 2017 and 2018, the Finsch mine started to rehabilitate an area referred to as the 'Old Paddocks', which was formerly used at the mine site for slimes disposal.

The Old Paddocks were reshaped and stockpiled top soil was applied and revegetated with native grass species in order to gain long-term soil stability. A series of storm water structures were also constructed in order to ensure proper drainage and stability of the site. The Old Paddocks were quite heavily overgrown with *Prosopis glandulosa* (honey mesquite, an alien invasive species in South Africa), but as part of the rehabilitation project these plants were eradicated to a large extent.

The revegetation was not so successful initially due to the drought conditions experienced in 2017 and the Old Paddocks were therefore re-seeded the following year. In 2019 the first land function analysis was conducted on the rehabilitated area to serve as baseline for measuring rehabilitation success. The baseline study indicated good stability (59%) in the substrate, mostly due to the banded ironstone top cover. This top cover unfortunately also resulted in a low infiltration value, but it is expected to improve as the plant roots loosen the compacted substrate. The site also showed the lowest nutrient value as this is a newly rehabilitated area and the grass species have only started to grow.

This rehabilitation project successfully reduced the mine's rehabilitation liability by ZAR12 million (US$765,428) and shows potential in becoming a sustainable land function in the greater habitat around the mine, by increasing biodiversity and reducing alien invasive plant species.

View photos of the rehabilitated land at https://www.petradiamonds.com/sustainability/environment/rehabilitation-at-the-finsch-mine/.

Values: Let's do it right / Let's make a difference

Biodiversity and land management

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

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

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

To demonstrate our commitment to this area, we commenced participating in the Forests Disclosure of the CDP in 2019.

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

As part of Petra's commitment to conserve biodiversity, game parks are established and maintained where employees and community members can experience biomes prior to mining activities. Of the total area owned and managed by the Company, 56% is protected. See page 80 of the report for a summary of types of habitat protected.

6,981 ha

PROTECTED WILDLIFE AREAS

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

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

100%

OF OPERATIONS HAVE BIODIVERSITY MANAGEMENT PLANS

A number of Red Data List species (four fauna and four flora species) have been identified in our areas of operation or protection and are listed on page 81. Where appropriate, protected plants are relocated, or 'no-go' areas are established around species that cannot be relocated, such as the 'Cullinan ant colony', situated on 1 ha of undisturbed land in the middle of Cullinan's coarse tailings facility.

Environmental Management continued

Biodiversity and land management continued

Biodiversity certification

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

The Endangered Wildlife Trust of South Africa presented its Best Practice Guidelines regarding biodiversity management, as published, to the UN Secretary for Biodiversity Management in 2019. Petra is currently developing a Biodiversity Management Standard based on these nine principles. It requires the Company to be more aware of the upstream and downstream impacts on biodiversity, as well as managing or influencing the effects positively.

Other companies have sourced recognition through sponsorships to the Endangered Wildlife Trust, subscription to the Integrated Biodiversity Assessment Tool ("IBAT") or registration of specific projects on the International Union for Conservation of Nature ("IUCN") website.

Our Ecological Management Strategy captures the principles of the IFC's Performance Standard 6 ("PS6"): Biodiversity Conservation and Sustainable Management of Living Natural Resources.

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

Rehabilitation and closure plans

Each of Petra's operations has a rehabilitation and closure plan, as well as associated closure financial provisions. These rehabilitation and closure plans have implementation timelines in place based upon the individual operation's LOM, which span through the operational phase until ten years post closure. However, it is worth noting that there is potential to extend the LOM at various of the operations and therefore these timelines are subject to change.

In order to reduce its closure liabilities and to speed up the rehabilitation of its assets, Petra has implemented a standardised Group-wide approach on concurrent rehabilitation, with the objective of generating a non-detrimental, sustainable solution for the environment and socio-economic state of our communities after mine closure. The budget assigned for concurrent rehabilitation in FY 2020 was ca. US$2.2 million. Third party independent specialists assess the progress on rehabilitation schedules on an annual basis. When changes to the execution plans are noted, this is communicated to mine management.

100%

OF OUR OPERATIONS HAVE CLOSURE PLANS

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

Rehabilitation budgets are allocated for concurrent rehabilitation activities to address the impacts of mining. Annual closure liability assessments are performed by external specialists to identify shortfalls in the provided funds. These funds are set aside, as per legislation, to cater for post-closure rehabilitation liability. The calculated mine closure liability for Petra during FY 2020 was US$44.3 million (FY 2019: US$46.8 million). The reduction is attributed to positive cumulative rehabilitation completed at Finsch and Williamson. All of our operations have technical rehabilitation plans which help to identify where best to allocate the funding available to ensure the maximum benefit.

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

Climate Change and Energy Usage

Our ambition

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

Our approach

Diamond mining is less energy intensive than other types of mining, as evidenced by the fact that energy consumption (specifically electricity) only represented 13% of total cash on-mine costs in FY 2020 (FY 2019: 16%). However, it is recognised that non-renewable energy sources are finite and therefore likely to become increasingly scarce over time.

Our short-term strategy is therefore to minimise overall energy usage wherever possible, while our long-term strategy is to reduce our reliance on fossil fuel energy resources. We do this by continuously evaluating opportunities to implement initiatives to reduce energy consumption, by designing all new projects to be as efficient as possible and by continuing to evaluate the strategic case for renewable power sources.

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

As driven by the unprecedented Paris Agreement and the global call to action from the UN's SDG on 'Climate Change', we are supportive of the onus on industry to be actively involved in projects and programmes to reduce the effects of global warming and climate change, as caused by human activities. We believe that amidst present policy uncertainty and future carbon constraints, the development and implementation of a comprehensive climate change adaptation framework is not only crucial to our Company's competitive position but is also an essential component of our commitment to a sustainable environment.

Risks and opportunities

The Company follows a two-pronged approach to identify and assess climate-related risks and opportunities. The first forms part of the EMS risk assessment process that is performed annually (based on the principles of the ISO 31000 standard on risk assessment) at each of the operations. This risk assessment process includes the identification and assessment of risks and opportunities derived from internal and external issues, environmental conditions, emergency conditions, environmental legislation and significant aspects of the mining operations.

The second approach is to complete climate change vulnerability assessments at each operation and at corporate level. The vulnerability assessment evaluates acute, chronic, transitional and financial risks and opportunities, evaluated for two scenarios over three mining phases (operational, decommissioning and post-closure). The first complete set of evaluated climate change vulnerabilities will be available in FY 2021.

Climate change context

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

According to research, Africa is likely to experience changes in climate earlier than other regions and therefore adaption measures are urgently required on the continent. The climate across the Southern African Development Community ("SADC") region is highly diverse and driven by a range of distinct climatic systems. Evidence shows that the SADC region has already experienced an increasing frequency of hot days and decreasing frequency of extremely cold days. Rainfall trends are variable but evidence points to an increased inter-annual variability to date, with extremely wet periods and more intense droughts in different countries.

South Africa has been warming significantly over the period 1931–2015. Over the western parts of the country, including much of the Western and Northern Cape, and also in the east over Gauteng, Limpopo and the east coast of KwaZulu-Natal, the observed rate of warming has been 2°C/century or even higher – in the order of twice the global rate of temperature increase. A key feature of the projected climate change future of South Africa is that temperatures are to increase drastically under low mitigation. For the far-future period of 2080–2099, temperature increases of more than 4°C are likely over the entire South African interior, with increases of more than 6°C plausible over large parts of the western, central and northern parts. Such increases will also be associated with drastic increases in the number of heatwave days and very hot days, with potentially devastating impacts on agriculture, water security, biodiversity and human health.

It has already been observed in Tanzania that climate change is a reality. For example, a mean annual temperature increase of 10°C has been recorded since 1960 and rainfall decreased at an average rate of 2.8 mm per month or 3.3% per decade. It is predicted that extreme events such as drought, floods, tropical storms and cyclones are to become more frequent, intense and unpredictable.

Climate Change and Energy Usage continued

Our approach continued

Climate change context continued

The potential financial impacts of climate change that have been identified by Petra include:

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

Climate Change Adaptation Strategy

The Petra Climate Change Adaptation Strategy ("PCCAS") is an important step into the future as it:

- provides a position statement to our internal and external stakeholders who are concerned with climate change vulnerability and its impact on the Company;
- supports Petra in meeting international obligations and investor expectations by defining the Company's process to identify its vulnerabilities, plans to reduce the vulnerabilities and maximisation of opportunities; and
- acts as a common reference point for climate change adaptation efforts within Petra, providing guidance across all levels and disciplines.

The strategic framework for Petra's Climate Change Adaptation consists of 11 steps:

a) climate change scenario analysis;

b) identification of climate change exposure (relevance);

c) identification of climate change receptors;

d) identification of potential climate change impacts;

e) vulnerability assessment;

f) identification of climate change adaptive capacity/capability;

g) prioritise adaptive needs;

h) identify appropriate action;

i) prioritise climate change adaptation action plans;

j) implementation of climate change adaptation action plans; and

k) monitor the effectiveness of adaptation action plans.

The climate change scenario analysis for each operation has now been completed. The scenarios used are RCP 8.51 and RCP 2.6, which cater for both the worst-case and best-case emissions future.

Implementation of the PCCAS will span over five years with Phases 1 and 2 completed in FY 2020. Phase 3 (completion of operational vulnerability assessments) is now underway and will be followed by Phase 4 (implementation) and Phase 5 (ongoing monitoring) thereafter.

Task Force on Climate-related Financial Disclosures ("TCFD")

Petra is committed to meeting the requirements of the TCFD, which aims to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to the financial markets and other stakeholders. The PCCAS has been compiled with reference to the TCFD to ensure that Petra can meet these recommendations. It should be noted that post Year end, the Company completed submission of the 2020 CDP climate change questionnaire, which has recently been updated to include the recommendations of the TCFD. Therefore, Petra considers that its 2020 CDP submission provides all the disclosures required in relation to TCFD. However, the Company will continue to evaluate how best to consolidate and integrate the TCFD recommendations into its climate change practices and reporting in a way that best meets the needs of its stakeholders.

Climate Change and Energy Usage continued

Energy management

Energy consumption

Energy, particularly electricity, security in South Africa is of concern. Climate change science indicates that South Africa has the 'wrong' primary energy source – coal, which is a major source of carbon dioxide emissions. As such, there is an urgent need to diversify the country's energy sources away from the current high dependence on coal to renewable sources of power. The unprecedented load shedding of electricity experienced in Q2 FY 2020 highlighted once again why our dependence on non-renewable electricity sources needs to be re-evaluated and renewed focus should be placed on developing renewable sources of energy.

However, it is positive to note that the South African Government wants to reduce the contribution of coal to Eskom's energy generation from over 90% today to around 45% by 2030. As part of this commitment, it has established the Presidential Climate Change Coordinating Commission, whose aim will be to coordinate and oversee the transition away from fossil fuels.

Petra's total energy consumption for FY 2020 decreased by 32% to 2.01 million gigajoules (FY 2019: 2.96 million gigajoules). This reflects energy use from non-renewable resources, which include LPG consumption, diesel and petrol consumption in TMMs, diesel consumption for electricity generation, and aviation fuel consumed by the Company aircraft and chartered flights, as well as overall electricity consumption. The main reason for the decrease was the scaling back of operations in response to the COVID-19 pandemic that took hold in South Africa from March 2020, and the placing of the Williamson mine on care and maintenance from April 2020.

Petra's fuel consumption (petrol, diesel, LPG and aviation fuel) decreased by 26% to 0.37 million gigajoules or 9,663,644 L in FY 2020 (FY 2019: 0.50 million gigajoules; 13,157,047 L). The change is attributed to a decrease in diesel use (-25%) and petrol use (-23%) as a result of improved fuel saving initiatives on the mines, as well as the lower production for the Year. See further details in supplementary information on page 78.

Electricity consumption was 9% lower than the previous reporting period, due to the implementation of several energy consumption reduction initiatives that resulted in decreased electricity consumption at all the mines. Unfortunately, electricity efficiency deteriorated by 10% to 37.3 kWh/t (FY 2019: 33.62 kWh/t) due to the 17% decrease in overall tonnes mined by the Group related to the aforementioned production restrictions.

Energy consumption reduction initiatives

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

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

Carbon emissions

Scope, boundaries and methodology

In 2013, Petra started tracking Scope 1, 2 and 3 (limited) emissions at all operations and used this information as the 'base year' from which to calculate the Company's carbon footprint. In FY 2016, the base year was then reset on the basis of material changes in the Company, with an intensity value of 0.20 tCO_2-e/ct. Further changes in the Group structure at the end of FY 2018 necessitated a further recalculation of the base year; thus FY 2019 is now regarded as our base year.

The scope of our carbon footprint covers all of Petra's mines, as well as our offices situated in Johannesburg and London.

Climate Change and Energy Usage continued

Carbon emissions continued

Scope, boundaries and methodology continued

The following activities are included into the carbon footprint calculation:

Scope 1	Scope 2	Scope 3

• Fuel consumed for electricity generation
• Fuel consumed by trackless mobile machines
• LPG
• Business travel (Company jet)
• Fugitive emissions (R22 gas is separately reported on)
• Process emissions: water treatment (domestic effluent)
	• Electricity purchased from Eskom (South Africa)
	• Electricity purchased from Tanesco (Tanzania)
	• Electricity consumption of the London office (UK)
		• Waste disposal
		• Water pumping (potable)
		• Paper consumption
		• Business travel:
		  • Commercial airlines
		  • Charted flights
		  • Car rental
		• Employee commute
		• Scrap metal for recycling

Petra uses the GHG Protocol on the reporting of greenhouse gas as well as IPCC Guidelines for National Greenhouse Gas Inventories of 2001 to calculate and report on our carbon footprint. This provides us with confidence that the correct information is portrayed to our stakeholders and enables us to be held accountable for the figures presented. Please see Petra's inaugural GHG Emissions Report, which is available to view under the section 'Climate Change' on our website at https://www.petradiamonds.com/sustainability/environment/.

Performance

In FY 2020, the direct carbon emissions linked to our operations (Scope 1) decreased by 23% to 28,551 tCO_2-e (FY 2019: 37,214 tCO_2-e), mainly due to the aforementioned decrease in energy consumption for the Year. The Group's indirect emissions (Scope 2) increased by 3% to 451,803 tCO_2-e (FY 2019: 438,118 tCO_2-e), due to the use of a higher, but more accurate, emission factor for electricity purchased from Tanesco. Further information on the different operations' performance is available on page 79.

Reporting year	Scope 1 emissions (10^3t CO_2-e)	Scope 2 emissions (10^3t CO_2-e)
2016	44	560
2017	53	576
2018	50	587
2019	37	438
2020	29	452

Scope 3 emissions decreased by 22% to 3,828 tCO_2-e (FY 2019: 4,916 tCO_2-e) due to the redistribution of some activities to Scope 1, reduced volumes of waste to landfill and limited business travel due to the COVID-19 lockdown.

Carbon emissions from R22 gas amounting to 172 tCO_2-e are also included separately in the FY 2020 calculation.

Petra uses three intensity measures to express our normalised carbon footprint:

1. carbon emissions per production tonne;
2. total carbon emissions per carat recovered; and
3. total carbon emissions compared to revenue in US Dollars.

Only Scope 1 and 2 emissions are included in these calculations.

The table below provides the history of these measures.

Reporting year	tCO_2-e/ct	tCO_2-e/t	tCO_2-e/$
2017	0.154	0.032	0.0013
2018	0.133	0.028	0.0011
2019	0.124	0.032	0.0010
2020	0.135	0.039	0.0016

The annual target that we set for the reduction of carbon emissions was not achieved in this reporting year. We targeted a 1% reduction per annum in our total carbon emissions per carat as measured over a five-year period (2015–2020). That being said, it is noteworthy that we did achieve a 12% improvement over this period, instead of the targeted 5% over five years. The reason for not meeting the target in FY 2020 is due to the combined effect of the increase in Scope 2 emissions at the Williamson mine and a decrease in carats produced by the Group, further to the production constraints caused by the COVID-19 pandemic.

Forward-looking efficiency targets are currently on hold pending the stabilisation of the operations post the disruption caused by the COVID-19 pandemic.

1% per annum

TARGETING REDUCTION IN TOTAL CARBON EMISSIONS PER CARAT

Climate Change and Energy Usage continued

Carbon emissions continued

Carbon sequestration

Carbon sequestration at Petra is implemented through the maximisation of indigenous vegetated areas. According to research, each hectare of natural vegetation is responsible for the sequestration of 300kg of carbon per annum; thus, the approximate 6,981 ha of protected area under Petra's control results in the sequestration of 2,094 tonnes CO_2 per year.

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

2,094 tonnes

OF CO_2 SEQUESTRATION PER YEAR

Significant air emissions

Petra has no significant sources of air emissions. Non-point sources of dust and particulates (i.e. environmental drop-out dust and particulate matter pm10) as a result of surface activities are strictly regulated and annual results are submitted to authorities for evaluation. See page 80 for detail on expected gases and other air emissions as they relate to the Company.

During FY 2019 a number of real-time monitors were procured to assist with environmental monitoring. These instruments provide the operations with continuous data on dust and noise levels combined with ambient weather information. In FY 2020 the monitoring network was expanded with the installation of a second real-time monitoring instrument at Cullinan.

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

Reporting to the CDP

Petra has participated in voluntary reporting to the CDP since 2013, with year-on-year improvement of disclosure scores on every report. During 2016 and 2017, Petra scored a 'C' (the ‘awareness’ band), which is in line with industry and region scores. In 2018 and 2019, we improved our score to ‘B’ (the ‘management’ band). This is above average for the industry and region alike.

As previously noted, the CDP 2020 questionnaire has been significantly revised to incorporate both the recommendations of the TCFD and improved alignment with other reporting frameworks. Petra completed and submitted the new questionnaire in August 2020.

Verification

See page 81 for details of the most recent GHG Inventory Verification performed.

Water Management

Our ambition

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

Our approach

Water management objectives:

- improve water use efficiency; and
- improve percentage of recycled water used in production.

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

Changes in temperature, as may be expected as a result of climate change, will affect the availability of raw water for treatment processes and impact on natural water resources that sustain the communities around our operations. Scenario analysis indicates that Petra's operations may have to compete with local communities for the availability of water due to expected significant population growth in the centres that provide employment. This is expected to specifically impact Cullinan, which is situated in Gauteng (the biggest area of commerce and employment in South Africa).

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

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

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

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

100%

OF OPERATIONS HAVE WATER MANAGEMENT PLANS

Our Water Management Strategy, already implemented at all South African operations, focuses on initiatives to improve water management with the below three distinct ambitions:

1. to determine current and future operational water needs by managing demand, quality and infrastructure;
2. to ensure a resource capable of not only supporting production but also improving the lives of those around us; and
3. to operate within the regulatory framework provided by international, national and local legislation.

The implementation of the Water Management Strategy in South Africa commenced in FY 2019. Implementation will commence at the Williamson mine once it resumes operations.

Water consumption

Total clean water, which includes total raw water plus potable water consumed for mining-related activities, used by our operations decreased in FY 2020 by 27% to 9,226,764m^3 (FY 2019: 12,720,427m^3), mainly due to water saving initiatives and the constrained production due to the COVID-19 pandemic. As with energy and carbon emissions, forward-looking water efficiency targets are currently on hold pending the stabilisation of the operations post the disruption caused by the COVID-19 pandemic.

'Total water' has been re-defined in FY 2020 to only include water used for mining-related activities, namely raw water, potable water and underground dewatering, whereas previously it included recycled water.

Our total water usage per production tonne decreased by 6% to 0.97m^3/t (FY 2019: 1.03 m^3/t[1]). This overall decrease in efficiency was due to water saving initiatives to manage the drought conditions of 2019.

Water recycling

Petra prides itself on the level of water recycling achieved to date. All new projects are designed to be able to substitute either potable or raw water with re-used/recycled water from various sources. Besides internal recycling, most operations also utilise treated effluent from municipal wastewater treatment facilities. The percentage of recycled water used by our operations has remained above 50% for the past five years. The total volume of recycled water used during FY 2020 was 51,385,297 m^3, representing a significant increase of 34% compared to FY 2019 (38,391,412 m^3).

81%

OF ALL WATER USED ON MINE IS RECYCLED

1. Restated from previously reported figure of 3.61 m^3/t following change in definition of 'Total water'.

Water Management continued

Our approach continued

Effluent discharge

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

Co-operative agreements

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

UN Global Compact CEO Water Mandate

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

CDP

Petra has completed the CDP water questionnaire for the first time in 2020, which will further enhance the Company's disclosures in this important area.

Case study: Repair of the Wilge pipeline near Cullinan

Further to heavy rains and flooding in the area around Cullinan in December 2019, the Wilge raw water pipeline was extensively damaged. This pipeline supplies raw water to Magalies Water, the water utility that processes it and supplies it as drinking water to the Cullinan, Refilwe and Rayton communities. It also supplies water for industrial and personal use at the Cullinan mine. As operators of the mine, Petra owns and is responsible for maintaining the infrastructure for this raw water source.

Given the extent of the damage to the pipeline, its repair is estimated to take up to a year and has been impacted by the COVID-19 pandemic. The Company therefore participated in an urgent multi-stakeholder co-operation (comprising Petra, Magalies Water, City of Tshwane, Rand Water, Gauteng Province and the National Department of Water and Sanitation) in order to put in place immediate and interim measures to ensure adequate water provision to the affected communities, institutions and businesses, with the aim of carrying out a full repair of the pipeline in due course.

Value in action: Let's make a difference

Positive Impacts

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

63 Generating Positive Impacts

67 Community Relations and Development

71 Stakeholder Engagement and Management

Positive Impacts

"Petra strives to play a positive role in its local communities, as demonstrated by the very active local development programmes we have in place. This has come to the fore at the time of the COVID-19 pandemic, where the Company has worked hard to address some of the most pressing needs in our local communities, including via the Petra Hardship Fund."

Octavia Matloa
Chair of the SED Committee

Material topics (in order of importance to our stakeholders):

- Stakeholder engagement and management
- Community relations and development

See a schematic of how Petra manages social matters here: https://www.petradiamonds.com/sustainability/people/.

KPIs

US$19.7 million
PAID IN TAXES AND ROYALTIES

US$117.8 million
SPENT ON SALARIES AND BENEFITS

US$1.9 million
SOCIAL INVESTMENT AND COMMUNITY TRAINING SPEND

US$79.0 million
SOUTH AFRICAN DISCRETIONARY PROCUREMENT SPEND

US$2.1 million
IN LOAN FUNDING DISPERSED TO LOCAL SMMES SINCE INCEPTION OF ENTERPRISE AND SUPPLIER DEVELOPMENT PROGRAMME ("ESD") FUND

63
MEETINGS HELD WITH INTERNAL AND EXTERNAL STAKEHOLDERS

Stakeholders concerned

Employees, contractors, trade unions; local communities; financial stakeholders; host Governments, regulators, NGOs; suppliers

Company policies and guidelines

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

Standards we follow

- The South African Mining Charter
- UK Corporate Governance Code
- Publish What You Pay ("PWYP")
- United Kingdom's Report on Payments to Governments Regulations 2014 (as amended)

Positive Impacts continued

Key achievements and performance against FY 2020 objectives

- Our well-established stakeholder engagement processes allowed us to mobilise quickly and effectively in order to assist local community efforts to combat the COVID-19 pandemic, often in partnership with our local municipalities.
- Launch of the Petra Hardship Fund to provide targeted assistance to distressed communities and qualifying employees to mitigate the impact of COVID-19.
- Completion of a number of community projects in South Africa as a result of approval for projects being reached with stakeholders and project partners.
- Effective engagement with the Cullinan community around issues related to pit scaling.
- The continuous roll-out of the eProcure Portal has benefited several SMMEs including those which are situated close to the mines in South Africa.
- Launch of the Artisanal Mining Initiative at Koffiefontein, allowing for properly regulated artisanal mining to take place on certain tailings mineral resources, for the benefit of the local community.

Key challenges

- As well as representing a major health risk, the COVID-19 pandemic has also had a severe socio-economic impact on both the operating and external environments of the Company, with enforced lockdowns and other restrictions constraining both operations and markets, while increasing hardships in the host communities.
- The Williamson mine was placed on care and maintenance in April 2020 in order to preserve the mine's liquidity position; vital services including the mine hospital and school are permitted to continue.
- Continued socio-political instability and unrest in South Africa, exacerbated by the impacts of the COVID-19 pandemic and global political developments.
- Misalignment of identified projects and the actual needs of the communities in the Integrated Development Plans of local municipalities.
- Community expectations related to issues of training, procurement and employment.
- Increased local unemployment as a result of winding down capital expansion programmes.
- The COVID-19 pandemic is also disrupting the stakeholder engagement process in terms of SLP approvals and community project identification.
- Allegations of human rights abuses at the Williamson diamond mine in Tanzania, arising from the mine's security operations. These allegations are taken extremely seriously and an external investigation has been launched by the Board – read more on page 20.

Objectives for FY 2021

- Finalise our approach to sustainability and obtain Board approval of the Sustainability Framework (this was planned for FY 2020 but delivery was impacted by the COVID-19 pandemic).
- Improve communication with local communities through continued engagement.
- Development of an Enterprise Development Policy, in line with the Group's Procurement Policy, to promote meaningful participation, growth and sustainability of local participants in the Company's supply chain.
- Conduct training for local SMME suppliers on Petra's eProcure Portal to improve their engagement in new procurement opportunities.
- Continued roll-out of community development projects to meet the needs of local communities.
- Improvement of the Group's grievance and issue management process as a pillar within the Stakeholder Engagement and Management Policy to ensure that all issues raised are tracked, monitored and closed out.
- Shift in focus to recruit more community members into engineering and mining learnerships.

Generating Positive Impacts

Our approach

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

Creating stakeholder value and providing an economic contribution to the countries and communities in which we operate are important objectives for the Group. Through the employment of local people, the payment of taxes and royalties, procurement from suppliers and corporate social investment, we can make a positive contribution to our stakeholders. Our value added statement can be viewed on page 75.

The benefits of stable and sustainable employment

ca. 50,000

PEOPLE DEPENDENT ON PETRA'S OPERATIONS

The Company currently employs 5,019 employees and contractors but given the generally accepted 'multiplier effect' in South Africa and Tanzania of x10, ca. 50,000 people are dependent on our operations.

Capital investment in our mines has facilitated being able to put mine plans in place, ensuring sustainable employment for our workforce and the associated socio-economic development opportunities for the wider local communities in the longer term, subject to external influences such as the state of the diamond market and the cumulative impacts of the COVID-19 pandemic. Read more about our social investment and how we work to generate sustainable development on pages 67 and 68.

The Group spent US$117.8 million on wages and benefits in FY 2020 (FY 2019: US$143.2 million), in line with inflationary increases across the operations partially offset by Williamson being put on care and maintenance and the positive effect of translating the South African operations' ZAR denominated payroll costs at the stronger ZAR:USD average exchange rate (FY 2020 average of ZAR15.68:US$1 versus FY 2019: ZAR14.19:US$1.

Payments to Governments

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

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

In FY 2020, the Group paid a total of US$19.7 million in taxes and royalties (FY 2019: US$49.9 million), with the decrease attributable to the negative impact of the COVID-19 pandemic on turnover resulting in a decrease in VAT payable to host countries. It should be noted that Petra's operations are currently subject to varying levels of tax shields, due to the significant level of investment having been spent by the Company at each operation. With a reducing capital expenditure profile, payments of taxes and royalties are due to rise in line with the profitability of each operation.

The Company did make certain charitable donations during FY 2020 (as noted on page 68), but not of a material financial size. The Company did not make any political donations during FY 2020 and received no financial assistance from Governments.

Taxes and royalty summary per country – 2020 (US$ million)

	FY 2020	FY 2019	Variance
South Africa	**13.3**	42.4	-69%
Tanzania	**6.7**	7.1	-6%
United Kingdom	**(0.3)**	0.4	-175%

Managing our supply chain

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

We proactively manage and develop a capable and commercially secure supply base, with the aim of delivering sustainable value to our Company and to our suppliers through leveraging long-term relationships and effective contract management. Our approach in this regard is guided by our Procurement Policy, which is continuously updated to ensure it complies with the latest legislatory developments.

Petra is utilising a supply chain management platform, enabling suppliers to register to do business with the Company via our online eProcure Portal. This ensures that suppliers are made aware of new opportunities as they arise and also allows us to expand our list of contractors and make our procurement system more transparent and effective. The platform also encourages potential suppliers to comply with various forms of legislature and registrations that are measured by a Business Maturity Index ("BMI") visible to every registered supplier on the platform. Petra aspires to improve the average BMI of suppliers contracted going forward. The eProcure platform has been rolled out across all the South African operations and the possibility of rolling it out to Williamson in Tanzania is currently being investigated.

A contract life cycle management system has been introduced to ensure effective contract management with as little as possible human intervention.

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

Generating Positive Impacts continued

Managing our supply chain continued

Petra has stringent verification processes and security vetting policies in place to ensure the integrity of its supply chain.

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

Supplier HSE assessment

100%

OF SUPPLIERS ARE SCREENED USING ENVIRONMENTAL CRITERIA

The Company has a mandatory supplier induction programme in place to ensure that suppliers are aware of their various obligations before their contract commences. This induction incorporates modules on Company general information, governance issues and security issues, as well as important HSE issues.

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

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

All supply chain activities are part of the EMS of each operation and its risk identification criteria as per ISO 14001. Special attention is given to suppliers of hazardous chemicals and those which deliver high-risk environmental services, such as waste management and disposal. Incidents that may lead to environmental impact are reported via the normal on-site incident reporting processes. Copies of significant incident reports are distributed to suppliers for their information.

Where costs are incurred for clean-up or remediation, these are recovered from the supplier as per the international accepted principle of 'the polluter pays'. The mechanisms for cost recovery and initiation of action against suppliers are described in detail in every contract. During the period under review, no supplier contract was terminated as a result of environmental bad practice and no significant impact actuated as a result of supplier action.

Local procurement

Petra sources the majority of the goods and services for its South African and Tanzanian operations from the countries in which they are located; even those goods supplied by international companies are purchased through the suppliers' operating entities in that country. We view targeted local procurement as a powerful lever for local economic development and community empowerment and preference is therefore always given to suppliers in close proximity to our mines when possible. An additional focus is the procurement of goods and services with maximum local content (i.e. manufactured in South Africa). This is a new Mining Charter requirement and the compliance measures are still being developed.

Despite significant progress made, challenges remain relating to the availability of BBBEE suppliers in South Africa and the fact that suppliers of high-value capital goods are very seldom situated in the host communities of our mines. Petra therefore has a strategy in place to help develop local suppliers to be able to enter our supply chain.

One of the key objectives for FY 2021 will be the development of an Enterprise Development Policy, in line with the Group's Procurement Policy, to promote meaningful participation, growth and sustainability of local participants in the Company's supply chain.

Petra has also identified that extra support is required for local SMMEs to ensure that they can make use of the eProcure Portal effectively and is therefore planning to commence training for local suppliers to enable them to access and respond to tenders, thereby improving their participation in the Company's supply chain.

By providing opportunities to increase 'local content' (i.e. local sourcing), Petra will be doing its part to help improve local economic activity, thereby stimulating employment opportunities, skills development and investment, which can help to alleviate local poverty.

Petra's supply chain

The supply chain serving our mining operations encompasses 1,220 suppliers in two countries, being South Africa and Tanzania. The proportion of goods procured from local suppliers increased during the Year from 49% in FY 2019 to 60% in FY 2020 in South Africa and from 90% in FY 2019 to 91% in FY 2020 in Tanzania. The reason for the significant increase in South Africa was due to the prior year's spend including a larger portion of capital expenses which are not so readily available from local suppliers.

Country	Procurement spend (US$m)	Discretionary procurement spend[2] (US$m)	% spent with local[3] suppliers
South Africa[1]	134.7	79.0	60%
Tanzania[1]	50.6	48.9	91%

1. South Africa and Tanzania are considered 'significant locations' due to the presence of our producing mining operations in country.
2. Discretionary procurement spend is the spend on services where Petra can choose a supplier, unlike for example electricity and water which have to be purchased from the national utility providers in South Africa and Tanzania.
3. We define 'local' as suppliers based in the relevant regional province in South Africa and 'local' relates to national spend in Tanzania.

Generating Positive Impacts continued

Managing our supply chain continued

Petra's supply chain continued

Commodity breakdown (excluding services):

- Capital projects: 21%
- Electricity: 21%
- Spares and maintenance: 16%
- Petroleum: 3%
- Other services: 39%
- Explosives: 1%

Developing local businesses

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

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

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

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

Services offered at the centres include:

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

Petra's ESD Community Fund (since inception in 2015)

260

LOANS TO LOCAL SMMES

US$2.1 million

DISBURSED LOAN FUNDING

Petra's ESD Community Fund FY 2020

Loans approved	59
Value of loans approved	US$0.4 million
Number of jobs created and sustained for duration of project/contract	235
Local small businesses supported	25
Petra's ESD spend	US$0.4 million

Generating Positive Impacts continued

Case study: SMMEs at Koffiefontein supported to make cloth masks for the community

The COVID-19 worldwide pandemic has seen an exponential increase in demand for cloth face masks, as one of the key steps to protect yourself and others from transmission of the disease.

The Koffiefontein mine played its part in helping to meet this demand by identifying four local companies that could assist with the manufacturing of masks for mine employees and the local community.

One of the companies, Boipelo's New Beginnings (Pty) Ltd, is owned by Georgina Molakeng, who was born in Koffiefontein and who is part of the mine's ESD Programme, which focuses on development of local youth in the community. She now works alongside her mother, Elizabeth Molakeng, who is a well-known skilled, but retired, seamstress.

Georgina sourced employees from within the community in order to fulfil the orders placed and skills have been effectively transferred to unskilled seamstresses.

Although the business is a start-up, Georgina has been supported by the Business Accelerator Courses offered by the Koffiefontein mine during October 2019 and is putting her enterprise skills to good use now.

Koffiefontein's ESD Programme also assisted Georgina to obtain the necessary statutory compliance documentation, which is required to become a Petra Diamonds Supplier and is in line with Petra's Supply Chain Policy.

To see pictures of this and other COVID-19-related case studies, visit https://www.petradiamonds.com/sustainability/health-and-safety/our-response-to-covid-19/covid-19-case-studies/.

Community Relations and Development

Our ambition

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

Our approach

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

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

We also recognise that in order to develop the next wave of employees in our local communities, it is imperative that we have programmes in place to prepare and equip them with the skills they require. These initiatives include support to selected schools in our communities to improve performance in mathematics and science, which are considered as gateway subjects to feed the education pipeline, as well as the scholarship and bursary schemes.

To ensure coordination and inclusivity in social planning and development, we strive to establish partnerships with our employees, Governments, communities, NGOs and educational institutions in order to optimise the impact of our initiatives.

The structure of our community engagement and development programmes is guided by both the Company's stakeholder engagement and management approach (see page 71) and the SLPs and EMPs (read more on pages 16 to 17) in place for each operation.

These plans include the following:

- initial social impact assessments based on participatory processes prior to drafting SLP;
- applicable legislation relating to diversity/employment equity;
- environmental impact assessments and ongoing monitoring;
- public disclosure of results of environmental and social impact assessments;
- local community development programmes based on local communities' needs;
- Stakeholder Engagement Plans ("SEP") based on stakeholder mapping;
- broad-based local community consultation committees and processes that include vulnerable groups; and
- worker representation bodies to deal with impacts.

Social investment

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

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

Expenditure in FY 2020

Our Group social spend in FY 2020 increased 40% to US$1.4 million (FY 2019: US$1.0 million), with higher spend in South Africa due to the completion of two projects at Daniëlskuil in the Northern Cape, being an electrification project and the construction of a Technical High School, as well as the completion of the Onverwacht Primary School Project at Cullinan. Community spend in Tanzania remained curtailed to a minimum, as a result of the mine's liquidity constraints, further exacerbated by the COVID-19 pandemic and the mine being placed on care and maintenance in April 2020.

Expenditure by country

	FY 2020 (US$m)	FY 2019 (US$m)
South Africa	**1.2**	0.7
Tanzania (Williamson)	**0.2**	0.3
Group total spend	**1.4**	1.0

Only ca. 53% of budgeted spend was committed in South Africa in FY 2020 due to the continued inability of stakeholders to agree on suitable local economic development (see definition below) projects, hindering the implementation of larger projects in the community, as well as the disruptive impact of the COVID-19 pandemic. The operations are continuously engaging with local authorities and representatives to identify suitable projects, but community stakeholders must first come to a consensus on their desired projects.

Community Relations and Development continued

Social investment continued

Expenditure in FY 2020 continued

South Africa

Social investment in South Africa is partially mandated and is provided in the following areas:

- Local economic development ("LED") is mandatory spend and corresponds with the Company's commitments as per the approved SLPs for each of the South African operations. LED projects are agreed with local municipality representatives and the DMRE and approved by the latter.

  Current projects include:

  - the building of the Technical High School in Daniëlskuil, which was completed in partnership with the Department of Education in the Northern Cape;
  - expansion of the Onverwacht Primary School Project (Phase 2a) near Cullinan, again in partnership with the Department of Education in Gauteng; and
  - the completion of the electrification project in Daniëlskuil during Q4. This involved the supply and construction of MV/LV distribution networks to informal dwellings in Kgatelopele, thereby providing electricity to 118 homes.
- Corporate social investment ("CSI") spend is discretionary and the level that can be spent on qualifying projects in the local community is agreed upon by the Company's CSI Committee. These projects and their criteria are outlined in Petra's Group Corporate Social Investment Policy. Each operation has an established CSI Committee to approve and oversee the roll-out of the projects.

  Current projects include a focus on support to combat COVID-19 in our communities such as:

  - the provision of a branded gazebo and furniture for Refilwe Clinic (used as mobile screening stations);
  - distribution of additional food hampers in communities over and above the commitment made through the Petra Hardship Fund; and
  - provision of face masks for community members during the COVID-19 lockdown period.
- The Petra Foundation ("PF") was established in FY 2016 with the purpose of attracting funding from our large suppliers, contractors and multi-nationals, as well as securing other contributions, to be used for community projects in areas adjacent to our operations, which meet the criteria of the PF's Memorandum of Incorporation.

  Current projects include:

  - the Lethabong Day Care Centre, an early childhood development centre which was completed in September 2020; and
  - the Partners for Possibility project, which is a leadership development initiative designed to equip school principals to lead change towards quality education for all in South Africa. In a 12-month certificated programme and partnership with business partners, principals acquire the skills and support needed to sustainably improve the lives of South Africa's students and their own.
- Sponsorships are one-off expenditures, granted on a case-by-case basis, usually by a specific Petra operation, following a request received by the local community. Such requests are also considered in light of meeting the criteria set out in the PF's Memorandum of Incorporation.
- The Petra Hardship Fund

  The PHF was an initiative set up specifically to provide assistance to distressed host communities and qualifying employees in response to COVID-19. The PHF was funded by salary and fee sacrifices from Petra Directors and Senior Management over the period April to June 2020. The PHF partnered with the lead Government relief agencies in order to optimise its reach and included measures such as the distribution of food parcels, blankets (to address the winter cold) and PPE such as face masks and hand sanitisers to local clinics and schools in the communities.

Tanzania

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

Williamson's Corporate Social Responsibility Plan, which is informed by the mine's Stakeholder Engagement Plan, concentrated on the following areas for contribution and support during FY 2020:

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

Williamson also owns and runs the Mwadui A Primary School, providing subsidised English education for 516 students. This is the only primary school in the district which has formalised computer training and a computer centre and continues to be considered a top achiever at district, regional and national level.

Community Relations and Development continued

Community training and development

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

In order to address the scarcity of skills in our local communities, our involvement starts at a grassroots level, in the form of the maths and science school support programme and the provision of scholarships. This is continued at tertiary education level with opportunities provided through the bursary scheme, the graduate development programme and the provision of practical experience through our experiential training programme.

US$0.5 million

SPENT ON COMMUNITY TRAINING AND EDUCATION PROGRAMMES

The main areas of expenditure for the community training and education programmes were the school support projects and bursary scheme. Williamson's spend was focused on the Industrial Practical Training Project for students at universities and colleges.

Bursary scheme

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

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FULL-TIME BURSARS FROM OUR COMMUNITIES WERE SUPPORTED BY PETRA IN FY 2020

The group of full-time bursars supported during FY 2020 is suitably diverse, consisting of 95% HDSAs and 60% female participation. As part of the scheme, students are supported in carrying out vacation work or practical modules at operations as required by their respective institutions.

Young graduate work experience project

Youth unemployment is a significant challenge in South Africa, with graduates often not getting the opportunity to enter the labour market due to a lack of experience. As part of Petra's ambition to contribute to addressing this national problem, a programme was implemented to employ young graduates for a period of six to 12 months to participate in project-based work at our operations. In FY 2020 there were four active young graduates in service, of whom 100% are HDSA.

Since inception of the work experience programme in FY 2015, 50 young graduates have been recruited onto the programme, 22 of whom went on to be offered further employment opportunities at Petra.

Portable skills for community members

The issue of portability of skills also extends to local residents who are not employed by the mine, but reside in the surrounding communities. For this reason, some of these programmes are also extended to community members. Portable skills training includes computer literacy training, technical training, plumbing, basic building techniques and carpentry, sewing, driver's licence training and agricultural training, as well as other opportunities related to local economic activity. In FY 2020, 65 community members were enrolled for portable skills training. This represents a slight decrease on last year (FY 2019: 78) due to the Cullinan mine not implementing portable skills training while awaiting approval of its new SLP by the DMRE.

Case study: Putting portable skills to great effect for the benefit of the community

The wearing of face masks has been made mandatory for the public in South Africa, as an addition to hand washing and social distancing, in order to significantly reduce the risk of spreading the COVID-19 virus.

A number of employees from the Finsch mine who recently graduated from Petra's Portable Skills Training Programme, having completed a course in sewing skills, have put their new skills to fantastic use by working alongside local volunteers to make face masks for local community members. Masks were also donated to the local police force, Lime Acres SAPS.

Finsch's General Manager, Ntokozo Ngema, said: "We are extremely thankful for the hard work done by our employees on the mask project and I am proud to assist the members from our local SAPS branch on behalf of Petra Diamonds."

Value in action: Let's make a difference

Community Relations and Development continued

Community training and development continued

School support project

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

Due to the school closures during the COVID-19 pandemic, the school support project implemented innovative technological solutions to continue supporting learners. This included the use of WhatsApp groups, assisting with access to educational support programmes on various TV channels, and access to educational videos via formats such as YouTube, the Khan Academy and Siyavula.

Five additional schools were supported by providing them with the 'My Maths Buddy' dictionary, which aims to assist teachers and pupils in mastering the language of mathematics.

Demonstrating the success of our school support programme is the continued improvement in the number of Grade 12 learners passing the National Senior Certificate as well as the number of learners achieving distinctions. This was especially the case in the Chipa-Tabane Comprehensive High School near Cullinan, where the project has been running for more than six years, and where three students achieved distinctions in both mathematics and science during the Year.

Scholarships

Scholarships are awarded to deserving learners from schools in our communities. The purpose of a scholarship is to alleviate the pressure that financial burden can place on both the learner and parent by supporting learners to attend high-performance schools where possible. 52 learners were supported in this manner during FY 2020, 63% of which were female and 100% were HDSA. Bursaries were awarded to two scholars from the Finsch mine to study engineering.

Supporting the Minerals Education Trust Fund ("METF")

The METF is a body which provides a means to pool resources in South Africa's minerals industry to address and resolve some of the many challenges facing tertiary education. Petra provides annual contributions and committed ca. US$71,800 in FY 2020.

Case study: Cullinan celebrates its talented local students

The Cullinan mine in South Africa celebrated the accomplishments of its top student achievers at the 2020 Matric Awards Gauteng North District, which was held on 30 January 2020 at the Sinenhlanhla Primary School, Bronkhorstspruit.

Cullinan strives to make a real contribution to the people of its surrounding communities through various initiatives, including its long-standing partnership with the Department of Education. Apart from investing in scholarships and bursaries, Cullinan also donated five laptops and 45 textbook vouchers to enable and assist the top achievers of the 2020 Matric Awards Gauteng North District in their further studies.

Cullinan was very proud to see two of its scholarship students from the Chipa-Tabane School walking away with top honours.

Chikonde Maisela received the award as Dux Scholar for the Gauteng North District 2019 with an overall percentage of 90.4% and seven distinctions. Chikonde also received awards in the following categories:

- Top Learner Achiever in English FAL: 87%
- Top Learner Achiever in Priority Content Subjects Physical Sciences: 97%
- Top Learner Achiever in Priority Content Subjects Life Sciences: 95%
- Top Learner Achiever in Content Subjects Geography: 90%
- Top Learner Achiever in Priority Schools

Aretta Mmakola also finished top in the class of 2019 with seven distinctions. She received the following award:

- Top Learner Achiever in Sepedi HL: 87%

To view pictures of the awards ceremony and the scholarship students, visit https://www.petradiamonds.com/sustainability/communities/celebrating-local-students/.

Value in action: Let's make a difference

Stakeholder Engagement and Management

Our ambition

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

Our approach

We have identified our most important stakeholder groups and we use a variety of methods of engagement in order to maintain consistent two-way communication throughout the year. Feedback from these stakeholder groups on key issues or impacts as a result of our operations are relayed to management and the Board and are taken into account in strategic discussions and decisions. For further information on our key stakeholder groups, the methods used to engage them and how we have considered our impact on stakeholders and the resultant actions taken, see the 'Stakeholder engagement' section on pages 15 to 17 of our 2020 Annual Report.

As has been reported before, the influence that stakeholders, especially local communities, have on the operations of all companies – and in particular mining companies – that operate in or close to them is continuing to increase. This has heightened the focus on effective engagement with role players in our social environment and has led to a more integrated approach that is better suited to the changing operational environment.

The Company's SED Committee, with the necessary supporting operational structures, such as the multidisciplinary SED Steering Committee, was established in FY 2019 to deal specifically with the demands of social, ethics and diversity factors, with the social component playing a large role in its activities. With stakeholder engagement and management ("SEM") having been a significant focus of the Group since 2013, the efforts to standardise policies and processes in this regard, in order to ensure more effective and accountable stakeholder relations, have been intensified.

Continuous progress is being made with the implementation of a consistent and effective stakeholder engagement approach across the Petra Group. Our objective is to standardise processes and provide stakeholder relationship owners with the required management framework. This is a continuous process, subject to a very dynamic environment, but we are pleased to have made significant headway in fulfilling this.

The Company uses a software system, IsoMetrix Social Management, to capture, profile, schedule and manage engagement, as well as carry out the required reporting. Some further enhancements were made to the IsoMetrix system and our stakeholder approach during FY 2020, which centred around capturing a significant amount of historical demographical data on stakeholder individuals and entities, as well as engagement. Unfortunately, delivery of the enhancements was negatively impacted by the COVID-19 pandemic, but work will continue in FY 2021, as it is considered necessary to ensure that the system provides an accurate overall picture of our ongoing stakeholder relationships. This process further includes ensuring that all stakeholder relationship owners have been identified, trained in the principles of effective stakeholder relations, and are actively using the IsoMetrix system not only as a means of data capturing but also as an SEM tool.

This approach and system will also assist in materiality assessments going forward, in conjunction with formal surveys carried out, and will be instrumental in identifying our stakeholders' perceptions of Petra's most material issues, enabling the Company to respond to these speedily and more effectively. No formal, Company-wide Social Impact Assessment ("SIA") was conducted during FY 2020, but the materiality survey conducted during the Year provided valuable information on the key issues concerning the Company's primary stakeholders.

Ongoing communication with our stakeholders is the most critical part of our SEM process. In addition to face-to-face meetings and forums, we use a variety of suitable channels and media, including printed, broadcast and social media. While our social media accounts, especially Facebook, are playing an increasingly important role in this, quarterly community newsletters produced and distributed to the communities by the respective operations, with support from the Communication Management sub-department, still play a key part in keeping communities informed of operational issues that affect them. Although these newsletters are generally well received by communities, their success largely depends on the prevalent social issues that affect the respective communities' relationship with the operations.

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EXTERNAL AND INTERNAL STAKEHOLDER ENGAGEMENT MEETINGS HELD IN FY 2020 REGARDING COMMUNITY AND SOCIAL DEVELOPMENT

Stakeholder Engagement and Management continued

Our approach continued

A proactive approach to stakeholder engagement is critical in building relationships and upholding our social licence to operate. We engage continually with the Government, and in particular the DMRE, local Government (municipality), communities and organised labour on matters of mutual benefit and interest.

The most tangible benefits of our proactive approach are:

- collaboration with stakeholders (including the municipality) on key issues such as Integrated Development Plans (including their development and implementation), the roll-out and alignment of projects with the needs of the community, and collaboration with the Government on funding developmental opportunities;
- enabling and exploring possible synergies in community development initiatives and co-funding of projects with other mining houses and/or Government departments;
- involvement in community forums, aiming to address and manage the risk of mistrust and lack of clear communication, which have provided a catalyst for many social incidents. The following issues are discussed: local procurement and enterprise development, environmental impacts of mining, employment opportunities, illegal mining and skills development (bursaries, internships and learnerships);
- engagement with organised labour on differing issues at various levels such as: accommodation and living conditions, skills development, skills retention, health and safety, operational performance and achievement of targets relating to sustainability of the business, labour unrest and productivity;
- management of issues relating to the environmental impact of mining, which remain the concern of all our local communities; synergies are required between the environmental liability and the needs of the community; and
- regular and transparent engagement at all levels with authorities and regulators, especially concerning compliance with SLP commitments and Mining Charter requirements and targets (including, amongst others, transformation, mine community development, housing and living conditions and procurement).

Responding to issues

During the Year, the Company commenced a process to revise its Stakeholder Feedback and Grievance Procedure with the aim of establishing a standardised, Group-wide approach to ensure that all queries, complaints and grievances received are properly captured, investigated, addressed and closed out.

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

Cullinan pit scaling in FY 2020

In October 2019, the Cullinan mine experienced scaling of the open pit wall, after a period of heavy rainfall, resulting in 3 Mt of material falling into the open pit. Most importantly, no one was harmed in the incident and the mine was declared safe on the same day following an underground inspection by ventilation specialists and proto team members. While the pit scaling at Cullinan is not expected to impact production, the immediate surrounding area of the open pit may be impacted over the medium to longer term by this natural degradation.

This matter therefore requires consistent and proactive engagement with the communities residing closest to the pit, as well as with the DMRE in order to keep the regulator up to date on all developments as per the agreed Stakeholder Engagement Plan.

Illegal mining and artisanal and small-scale mining ("ASM")

At the Group's underground operations in South Africa, there is no risk of illegal artisanal mining taking place given the defined outline of the mine site areas and the associated security.

However, there is an ongoing risk of illegal artisanal mining taking place at the Williamson mine in Tanzania, due to the large size of the 146 ha orebody together with the alluvial resources included in the 30.6km^2 Special Mining Licence and the challenges associated with securing such a large perimeter. Some illegal artisanal mining activity therefore sporadically takes place at Williamson and steps to manage this illegal mining activity are taken by WDL, its third party security contractor and the local Government authorities on an ongoing basis. Post Year end, the Company announced that there had been allegations of human rights abuses at Williamson, arising from the mine's security operations. These allegations are taken extremely seriously and an independent investigation has been launched by the Board – read more on page 20.

There is also a risk of illegal artisanal mining taking place upon the tailings dumps at Petra's South African operations, due to the nature of these deposits being at surface, meaning they can be more easily targeted. In terms of various pieces of South African legislation, amongst which are the Diamond Act, the MPRDA, the Mine Health and Safety Act and the National Environmental Management Act, the prospecting for or extraction of diamonds, and trade in uncut diamonds, without the necessary authorisations is illegal.

Historically, instances of such illegal artisanal mining have been sporadic at the Group's South African operations and dealt with in terms of the aforementioned legislation in conjunction with the relevant authorities. As part of Petra's commitment to finding a long-term solution, the Koffiefontein Diamond Mine ("KDM") partnered with local stakeholders to create the opportunity for an ASM Initiative at the Koffiefontein mine in the Free State of South Africa – see case study to follow.

The scale of illegal mining is not expected to have a material impact upon production in the short to medium term. However, there are risks in terms of illegal miners contravening a number of regulations for which the Group companies may be held responsible, in particular in the areas of health and safety and environmental management. There are also reputational risks associated with human rights issues relating to the management of illegal mining; hence, steps are being taken to strengthen management processes, including grievance mechanisms, as set out on page 20.

Stakeholder Engagement and Management continued

Case study: Launch of the Artisanal Small-Scale Mining Initiative at Koffiefontein

In October 2019, KDM launched the ASM Initiative at Koffiefontein, by making available some of the tailings mineral resources ("TMR"), notably the resource generally referred to as the 'Eskom dump', for the benefit of the community of Koffiefontein.

Petra believes that there is a space for artisanal small-scale miners to co-exist with formalised, large-scale mining, since ASM can often profitably recover diamonds from resources that would be unprofitable, or at best marginal, for a larger operator due to the capital and overhead costs involved. KDM's objective with this initiative was therefore to create a framework within which ASM can be conducted by community members in a regulated and sustainable manner.

In order to meet the needs of the various stakeholders involved, the process included extensive consultation and co-operation with relevant stakeholders, including the DMRE, as mining sector regulator, the Letsemeng Local Municipality, as elected representatives of the community, and the community itself. The end result was the establishment of the Koffiefontein Community Mining Primary Co-operative ("KCM") which was registered as the primary beneficiary of this project, and KDM assisted with putting in place the infrastructure and processes required to ensure the operation of this venture. KCM has created and sustained employment of 30 local jobs to date.

Since inception a small number of diamonds of low value were recovered and sold through Petra's diamond marketing department. A recent request by the KCM to introduce mechanisation to the mining method is being investigated with all stakeholders to determine the viability of the request, whilst taking into account all relevant aspects and risks involved. KDM continues to provide ongoing support to the KCM to ensure that this initiative benefits the local community.

Value in action: Let's make a difference

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Back-up Data

Value added statement

US$ million	FY 2020	FY 2019	FY 2018
Value added			
Revenue	**295.8**	436.6	576.9
Paid to suppliers for material and services	**(139.4)**	(151.3)	(196.7)
Value added	**156.3**	312.3	380.2
Income from investments	**3.2**	0.3	4.7
Wealth created	**159.5**	312.6	384.9
Wealth distribution			
Employees	**117.8**	143.2	139.1
Net salaries and benefits	**92.8**	108.9	103.7
Salary-related taxes	**25.0**	34.3	35.4
Providers of capital	**68.0**	73.2	79.2
Finance cost	**68.0**	73.2	79.2
Dividends paid	**—**	—	—
Governments			
Tax paid	**(5.3)**	15.6	15.5
Reinvested in the Group	**(21.0)**	80.6	151.1
Depreciation and capital items	**115.0**	195.0	311.1
Accumulated losses	**(136.0)**	(114.4)	(160.0)
Wealth distribution	**159.5**	312.6	384.9

Workplace safety and occupational health

Group safety data

	FY 2020	FY 2019	FY 2018
LIFR unit calculations			
Rate per 200,000 hours	**0.29**	0.21	0.23
Rate per million hours	**1.45**	1.05	1.15
Number of LTIs	**19**	16	25
LTI – male/ female breakdown:	**17 males, 2 females**	15 males, 1 female	24 males, 1 female
LTI – employee/contractor breakdown:	**15 employees, 4 contractors**	11 employees, 5 contractors	17 employees, 8 contractors
FIFR unit calculations			
Rate per 200,000 hours	**0.00**	0.00	0.00
Rate per million hours	**0.00**	0.00	0.00
Number of fatalities	**0**	0	0
Fatal accident male/female breakdown	**N/A**	N/A	N/A
Fatal accident employee/contractor breakdown	**N/A**	N/A	N/A

Safety per operation – FY 2020

	Finsch	Cullinan	Koffiefontein	Williamson	Petra Group
LTIFR					
FY 2020	0.65	0.19	0.57	0.00	0.29
FY 2019	0.27	0.20	0.46	0.06	0.21
FY 2018	0.33	0.21	0.58	0.00	0.23
LTIs					
FY 2020	11	4	4	0	19
FY 2019	6	5	4	1	16
FY 2018	9	6	5	0	25

LTIs breakdown by workforce type – FY 2020

Employee	15
Contractor	4

LTIs breakdown by gender – FY 2020

Male	17
Female	2

Back-up Data continued

Workplace safety and occupational health continued

Petra Group vulnerable employees for COVID-19 – FY 2020

	Cullinan	Finsch	Koffiefontein	Williamson	**Total**
Hypertension					
Employees	111	209	79	280	**679**
Contractors	25	145	2	70	**242**
Diabetes					
Employees	42	57	34	27	**160**
Contractors	6	17	1	8	**32**
Asthma					
Employees	8	6	8	13	**35**
Contractors	0	5	0	5	**10**
HIV[1]					
Employees	18	34	31	4	**87**
Contractors	8	22	3	3	**36**
TB					
Employees	0	2	0	1	**3**
Contractors	1	2	0	0	**3**

1. The Company does not have a high level of confidence in its HIV statistics as these rely on voluntary testing or declarations only, and some workers do not disclose their results for privacy reasons.

Back-up Data continued

Social

Data per operation – FY 2020

	Belgium office	Finsch	Cullinan	Koffiefontein	Williamson	Botswana[1]	Head office	London office	Board	**Total**
Employee and contractor breakdown	2	1,749	1,529	675	880	12	167	3	9	**5,026**
Permanent and part-time employees	1	1,036	1,307	633	542	6	167	2	9	**3,703**
Contractors	1	713	222	42	338	6	0	1		**1,323**
Rate of employee recruitment										
Male										**2.7%**
Female										**0.9%**
Group terminations by type and gender										
Voluntary terminations		44	27	17	1		11			**100**
Involuntary terminations		81	52	30	40		5			**208**
Male		102	61	43	36		12			**254**
Female		23	18	4	5		4			**54**
Recruitment by gender										
Male		23	33	26	16		4			**102**
Female		10	11	3	5		4			**33**
Total recruitment		33	44	29	21		8			**135**
Recruitment by area										
Gauteng			44				7			**51**
Northern Cape		33					1			**34**
Free State				29						**29**
Recruitment by age group										
18–29		16	16	14	14		1			**61**
30–50		14	20	11	7		5			**57**
51+		3	8	4	0		2			**17**

Positive impacts

Social spend	US$	839,725	254,179	103,211	188,975	145,085[1]	**1,386,090[2]**

1. The Petra Foundation spend is not included in Petra's total social spend figures, as this is money raised from other parties and therefore not Company funds.
2. With the exception of workforce numbers, it was not deemed appropriate to provide data for the Botswana operations as these have been classified as 'Assets held for sale' since 30 June 2018 following a decision by the Board to dispose of the Botswana assets. Post Year end, the Company announced that it had reached agreement to dispose of its exploration assets in Botswana via the sale of 100% of its holding in Sekaka Diamonds Exploration (Pty) Limited to Botswana Diamonds PLC.

Employee breakdown by age group – FY 2020

	18–29		30–50		50<		**Total**	
	Female	Male	Female	Male	Female	Male	**Female**	**Male**
Board	0	0	1	1	1	6	**2**	**7**
Senior Management	0	0	3	19	1	14	**4**	**33**
Management	3	3	31	84	8	65	**42**	**152**
Employees	105	418	449	1,812	93	586	**647**	**2,816**
Total	108	421	484	1,916	103	671	**695**	**3,008**

Back-up Data continued

Environment

Group environmental data

	Unit	FY 2020	FY 2019	FY 2018
Water consumption by source	m^3 (unless otherwise indicated)			
Municipal water		**2,916,408**	3,226,719	3,666,103
Surface water		**6,310,356**	9,493,707	9,006,203
Ground water		**2,732,429**	2,540,317	4,795,203
Total water usage		**11,959,192**	53,652, 156	47,366,805
Recycled water		**51,385,297**	38,391,412	27,838,472
Rain water	mm	**2,294**	1,592	2,546
Water consumption by source	%			
Municipal water		**5**	6	8
Surface water		**10**	18	19
Ground water		**4**	5	10
Recycled		**81**	71	59
Business waste and waste recycling	t (unless otherwise indicated)			
Hazardous waste disposed		**140**	203	279
Non-hazardous waste disposed		**2,869**	3,735	4,261
Total waste to landfill		**3,009**	3,938	4,540
Total waste recycled		**2,460**	5,523	24,203
Total waste incinerated		**13**	350	14
Total waste generated		**5,483**	9,812	28,757
Recycled waste as a percentage of total waste	%	**45**	56	84
Mine waste generated	t			
Coarse		**5,011,544**	6,064,754	8,518,121
Fines		**6,566,966**	7,947,049	9,600,069
Energy consumption				
Total diesel consumption	L	**9,467,337**	12,577,035	17,106,022
Total electricity consumption	kWh	**456,616,506**	499,812,784	651,761,346
Total diesel consumption	GJ	**360,706**	479,185	651,739
Total electricity consumption	GJ	**1,643,818**	1,799,325	2,346,339
Total energy consumption[1]	GJ	**2,011,684**	2,285,434	3,004,511
Carbon footprint				
Scope 1	tCO_2-e	**28,551**	37,214	49,753
Scope 2	tCO_2-e	**451,803**	438,118	586,746
Total tCO_2-e (Scopes 1 and 2)	tCO_2-e	**480,354**	475,332	636,499
Intensity indicator 1	tCO_2-e/ct	**0.134**	0.123	0.131
Intensity indicator 2	tCO_2-e/t	**0.039**	0.032	0.028
Scope 3	tCO_2-e	**3,828**	4,916	7,642
Total tCO_2-e (Scopes 1, 2 and 3)	tCO_2-e	**484,182**	480,248	644,399
Ozone-depleting substances	kg			
1,1,1-trichloroethane (“TCA”)		**0**	0	0
Carbon tetrachloride (“CTC”)		**0**	0	0
Halon		**0**	0	0
Methyl bromide		**0**	0	0
R134a		**2.2**	28.5	24.0
R-410		**101.3**	92.5	115.9
R507		**41.0**	34.0	19.0
R-404		**30.0**	13.5	0
Total ozone depleting substances		**174.5**	168.5	159.0
R22		**95**	129.0	147.0

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

Back-up Data continued

Environment continued

Environmental data per operation FY 2020

	Unit	Finsch	Cullinan	Koffiefontein	Williamson	Botswana	Head office	London office	Total
Water efficiency	m^3/t	1.09	0.16	2.08	1.45	Not recorded	Not applicable	Not applicable	**0.97**
Water consumption by source	%								
Surface water		20.37	0.87	16.92	18.62	Not recorded	Not applicable	Not applicable	**9.96**
Ground water		26.28	0.75	33.52	0.00				**4.31**
Municipal		19.47	0.55	0.34	7.52				**4.60**
Recycled		33.87	97.83	49.23	73.86				**81.12**
Volume of business waste generated	t	144.06	294.16	150.96	2,279.95	Not recorded	Not recorded	Not recorded	**2,869.13**
Closure liability as at 30 June 2020	US$m	17.2	14.5	6.4	5.06	Not recorded	Not applicable	Not applicable	**43.1**
Surface area occupied by mining waste	ha								
Coarse		203.36	58	90.38	211.3	Not recorded	Not applicable	Not applicable	**563.04**
Fines		335.37	319	151	415.5				**1,220.87**
Waste rock		113.00	0	119.75	22.33				**255.08**
Total energy consumption	Mill GJ	0.674	0.816	0.182	0.334	Not recorded	0.0039	0.0001	**2.012**
Electricity consumption	kWh	167,037,781	200,656,803	43,684,260	44,877,591	Not recorded	332,059	28,012	**456,616,506**
Electricity efficiency	kWh/t	56.99	47.43	48.99	10.48	Not recorded	Not applicable	Not applicable	**37.02**
Carbon emissions	tCo_2-e								
Scope 1		6,030	7,195	1,876	13,158	Not recorded	291	Not recorded	**28,551**
Scope 2		173,719	208,656	45,432	23,644		353		**451,803**

Significant environmental incidents FY 2020

Operation	Severity	Description
Cullinan	Medium	Pit wall failure – following a thunderstorm on Saturday 26 October 2019, a notable scaling of the sidewall of the open pit at Cullinan occurred over the weekend and on Monday 28 October 2019. The scaling was along geological structures with approximately 3 million tonnes of material falling into the open pit. The scaling resulted in a large plume of dust being generated, having some effect on the local community and entering the underground areas. As a precautionary measure, all employees were evacuated, while an underground team of ventilation specialists and proto team members carried out an underground inspection and declared the mine safe, with the result that underground mining resumed later on the evening of Monday 28 October 2019. Community members were also engaged to assess the impact.
Cullinan	Medium	Flooding, due to heavy rains, caused damage to the Bronkhorstspruit river banks at the Wilge River Dam. This also resulted in permanent damage to the water conveyance system (pumping and piping infrastructure) that supplies raw water to the mine and to the Magalies Water Board ("MWB"). The MWB in turn is responsible for the treatment and distribution of potable water to Cullinan, Refilwe, Rayton and surrounding areas. Note: this is a 'vis major' incident.
Koffiefontein	Medium	On 28 September 2019, water was observed running via the storm water channel from the mining area. Upon investigation it was discovered that the water originated from the plant. As the drain pump at the plant did not start up and the secondary pump that should have pumped the water back into the system was not functioning, contaminated water left the mine area via the storm water system. It did not enter any other water bodies.

Back-up Data continued

Environment continued

Hazardous gas

Depending on the type of mining there are five main sources of hazardous gas in mining.

a) Gases from blasting: gases resulting from blasting are principally carbon dioxide, nitrogen and steam. However, toxic gases including carbon monoxide and nitrogen dioxide also result. As oxygen is consumed in any such blast, oxygen deficiency may also be a result. For safety purposes all employees are evacuated from the underground workings prior to every significant blast and only allowed re-entry after a specific time period to allow for the dispersion of toxic fumes. Special detection apparatus are used to measure the levels of primarily carbon monoxide (CO) to declare an area safe for re-entry. From an environmental point of view these gases cannot be accurately monitored in this scenario as the working areas are too diverse. Real-time monitoring of gas emissions through the extraction fans are not practical as the concentration of NO_x and SO_x is constantly below detectable levels.

b) Methane from orebody: highly combustible methane (CH_4), or 'firedamp' as it is called in many coalfields, is formed in the latter stages of coal formation and, because of the depths and pressures, it becomes embedded in the coal. This is insignificant to Petra as only Koffiefontein has detected low concentrations in testing holes (cover drilling) and never in the general atmosphere.

c) Vehicle exhaust: as with any other vehicle exhaust application, toxic fumes are a result of the operation of internal combustion engines. In mining, diesel vehicles are used primarily, and carbon monoxide and nitrogen dioxide, as well as oxygen deficiency, are of concern. A 10% sample of all underground vehicles are monitored on an annual basis to ensure compliance with local legislation. These vehicles are routinely maintained to reduce excessive air emissions. Special catalytic converters are also installed as Petra standard to reduce the volume of CO released to the atmosphere.

d) Underground explosions and fires: even small, smouldering fires can create toxic gases including CO and nitrogen dioxide (N_2O) and also consume enough oxygen to cause asphyxiation. Petra did not have any such events in FY 2020 and thus nothing to report under this section.

e) Liberation of gases due to acidic water: low concentrations of sulphur dioxide (SO_2) could be present at Koffiefontein but to date have not been detected. This is as a result of the high pH of the ground water in the area.

f) Volatile organic compounds: at Petra, non-methane volatile organic compounds ("NMVOCs") have been detected and are monitored during belt splicing operations only (trichloroethylene). Environmentally these levels of emissions are insignificant as this activity is done infrequently. Occupational hygiene exposures are monitored.

g) Ammonia gases: Petra's standard is to use emulsion-based explosives in lieu of higher ammonium-based explosives. This implies that high ammonium-based products have been phased out and the detection of NH_3 is insignificant to Petra operations.

Land disturbed vs. protected

		FY 2020			FY 2019		
Operation	Unit	**Area disturbed**	**Area protected**	**Requiring rehab**	Area disturbed	Area protected	Requiring rehab
Cullinan	ha	**1,642**	**2,673**	**1,631**	1,642	2,673	1,631
Finsch		**1,406**	**1,388**	**1,008**	1,406	1,388	1,008
Koffiefontein		**1,642**	**2,014**	**1,636**	1,642	2,014	1,583
Williamson		**699**	**906**	**293**	690	906	291
Total		**5,389**	**6,981**	**4,569**	5,380	6,981	4,514

Impact of mining on water catchments – South Africa[1] – FY 2020

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

Protected habitat – FY 2020

Operation	**Type of habitat protected**
Cullinan	Marikana Thornveld
Finsch	Ghaap Plateau Vaalbosveld
Koffiefontein	Northern Upper Karoo
Williamson	Southern Acacia-Commiphora bushlands and thickets ecoregion

1. Source: www.dea.gov.

Back-up Data continued

Environment continued

Protected and vulnerable fauna and flora at Petra's operational sites – FY 2020

Fauna sp.	Flora sp.
Anthropoides paradiseus	*Vachellia erioloba*
Mystromys albicaudatus	*Boscia albitrunca*
Felis nigripes	*Albuca gladoilus*
Pyxicephalus adspersus	*Anacampseros lanigera*

GHG inventory verification

Petra appointed external specialists to perform an independent third party verification of its greenhouse gas ("GHG") assertion for FY 2019. The verification was performed according to the ISO 14064-3 standard: 'Specifications with guidance for the validation and verification of greenhouse gas assertions' as a guideline for the verification process.

Petra's GHG assertion accounts for direct and indirect GHG emissions from each of its mines, as well as its offices in London and Johannesburg. The following operations remain excluded from Petra's GHG inventory:

- exploration projects in Botswana and South Africa; and
- game farms at the Cullinan, Finsch and Koffiefontein mines. These game farms are managed by independent committees.

The verification statement is as follows:

Based on the process and procedures conducted during the limited assurance verification, it is our conclusion that there is no evidence that the GHG assertion:

1. is not materially correct and is not a fair representation of the GHG data and information for FY 2019; and
2. has not been prepared in accordance with the GHG Protocol's Corporate Accounting and Reporting Standard.

Glossary

AET	adult education and training
AIDS	Acquired Immune Deficiency Syndrome, a disease of the immune system caused by the HIV infection. HIV/AIDS poses serious challenges; South Africa is one of the countries worst affected by the pandemic
ART	anti-retroviral treatment for HIV/AIDS
ASM	artisanal small-scale mining
barring	barring of underground workings to bring down loose rocks, minimising the potential for fall of ground incidents/accidents
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment is a programme launched by the South African Government to redress the inequalities of Apartheid by giving previously disadvantaged groups of South African citizens economic privileges previously not available to them
beneficiation	the refining of a commodity; in the case of diamonds, refers to the cutting and polishing of a rough stone
BSI	the British Standards Institution
business Waste	definition as per the National Environmental Management: Waste Act No. 59 of 2008 – means waste that emanates from premises that are used wholly or mainly for commercial, retail, wholesale, entertainment or Government administration purposes. Petra differentiates between non-hazardous and recyclable business waste
carbon sequestration	a natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form
CCMA	the Commission for Conciliation, Mediation and Arbitration Charter
CDP	carbon disclosure project
CO_2-e	carbon dioxide equivalent
COVID-19	COVID-19 is an infectious disease caused by a newly discovered coronavirus
CVD	chemical vapour deposition
dB(A)	A-weighted decibels are an expression of the relative loudness of sounds in air as perceived by the human ear
DMRE	Department of Mineral Resources and Energy, South Africa
DMS	dense media separation
effluent	mine effluent is a regulated discharge from a point source like a treatment plant or dam spillway
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Programme
EMS	Environmental Management System
ERM	enterprise and risk management
ESG	environmental, social and governance
Exco	Executive Committee
FIFR	fatal injury frequency rate: the number of fatal injuries per million hours worked
freeboard	vertical distance from the normal water surface to the top of a confining wall
FTSE4Good	a benchmark and tradable index, designed to measure the performance of companies demonstrating strong ESG practices
GHG	greenhouse gases
GHG Protocol	the Greenhouse Gas Protocol provides standards, guidance, tools and training for business and Government to measure and manage climate-warming emissions
grey water	wastewater generated in households of office buildings from streams without faecal contamination, such as sinks, showers, washing machines or dishwashers
GRI	Global Reporting Initiative, a multi-stakeholder process and independent institution the mission of which is to develop and disseminate globally applicable sustainability reporting guidelines. These standards set out principles and indicators that organisations can use to measure and report their economic, environmental and social performance
GM	General Manager

Glossary continued

ha	hectares
hazardous waste	definition as per the National Environmental Management: Waste Act No. 59 of 2008 – means any waste that contains organic or inorganic elements or compounds that may, owing to the inherent physical, chemical or toxicological characteristics of that waste, have a detrimental impact on health and the environment
HDSAs	Historically Disadvantaged South Africans refers to all persons and groups who have been historically discriminated against on the basis of race, gender and disability
HIRA	hazard identification and risk assessment
HIV	Human Immunodeficiency Virus which causes AIDS by infecting the helper T cells of the immune system. This virus is transmitted through blood or bodily secretions
HR	human resources
HSE	health, safety and environment
HSEC	health, safety, environment and community
IPDET	Itumeleng Petra Diamonds Employee Trust
IPCC	the Intergovernmental Panel on Climate Change is the United Nations body for assessing the science related to climate change
ILO	International Labour Organization
ISO standards	the ISO standards are a set of quality management standards for companies and organisations developed by ISO, an international standard-setting body composed of representatives from various national standards organisations
KDM	Koffiefontein Diamond Mine
Kimberley Process	a joint Governments, industry and civil society initiative to stem the flow of conflict diamonds (i.e. rough diamonds used by rebel movements to finance wars against legitimate Governments)
KPIs	key performance indicators
kWh	kilowatt hour
L	litres
LCA	life cycle analysis
LDP	leadership development plan, a Petra initiative to assist in the identification and development of future leaders within the Group
LED	local economic development (when used in reference to socio-economic development)
LFA	land function analysis
LHD	load haul dumper
LOM	life of mine
LPG	liquefied petroleum gas
LTI	lost time injury. An LTI is a work-related injury resulting in the employee/contractor being unable to attend work and perform all of the tasks for which he/she was appointed on the next calendar day after the day of the injury; note: fatalities are recorded as LTIs
LTIFR	lost time injury frequency rate is calculated as the number of LTIs multiplied by 200,000 and divided by the number of hours worked
m^3	cubic metres
material topic	an ESG issue that is of critical importance to both its stakeholders and to its long-term success as a business
MCOP	Mandatory Code of Practice
Mcts	million carats
MHSA	Mine Health and Safety Act, South Africa
Mining Charter	the Broad-Based Socio-Economic Empowerment Charter for the South African mining and minerals industry. The goal of the Mining Charter is to facilitate sustainable transformation, growth and development of the mining industry
mining waste	Waste deposited as part of the ore processing activities. Split between coarse residue deposits (particle size between 12 mm and 1 mm) and fine residue deposits (particle size smaller than 1 mm)
MPRDA	Mineral and Petroleum Resources Development Act, which came into effect in South Africa on 1 May 2004 and regulates the granting of mining rights and prospecting rights
MV/LV	a MV/ LV transformer electrical substation consists, therefore, of the set of devices dedicated to the transformation of the voltage supplied by the distribution network at medium voltage, into voltage values suitable for the power supply of the low voltage lines
NDC	Natural Diamond Council
NGOs	non-governmental organisations

Glossary continued

NIHL	noise induced hearing loss
NOx	mono-nitrogen oxide
NPAT	net profit after tax
NPO	non-profit organisation
NQF	National Qualifications Framework, being the South African framework used to arrange levels of learning achievements
NUM	National Union of Mineworkers, South Africa
NUMET	National Union of Mine Energy workers of Tanzania
NUMSA	National Union of Metal Workers of South Africa
OD-ETDP	the OD-ETDP qualification is for those who want to build on a Further Education and Training Certificate from another field to enter the field of OD-ETD as a potential career, and have little or no previous exposure to education, training and development
OHSAS 18000	an international occupational health and safety management system specification
PAIA	Promotion of Access to Information Act of South Africa
Paris Agreement	the Paris Agreement entered into force on 4 November 2016; its central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C
Paterson A and B Band	the Paterson grading system is an analytical method of job evaluation, used predominantly in South Africa, and is comprised of grades A through F, with A being the lowest skilled and F being the highest
PPE	personal protective equipment
Project 2022	business improvement programme launched in July 2019 with the aim of identifying opportunities to increase throughput across the business, drive efficiencies and facilitate continuous improvement
PWYP	publish what you pay
RCAT	root cause analysis technique
RCPs	Representative Concentration Pathways try to capture how our climate may change in the future by predicting how concentrations of GHGs in the atmosphere will change as a result of human activities; the four RCPs range from very high (RCP8.5) through to very low (RCP2.6) future concentrations
rehabilitation	the process of restoring mined land to a condition approximating to a greater or lesser degree its original state
ROM	run of mine, i.e. relating to production from the primary orebody
risk work hours	the actual amount of hours worked by employees and contractors while exposed to controlled material risk
SADC	South African Development Community
SANS	South African National Standard
SDGs	the United Nations Sustainable Development Goals
Section 54	Notice to deal with a dangerous condition. A Section 54 notice is issued in terms of the MHSA by an inspector of the regulating body who has reason to believe that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine
Section 55	Notice to order compliance. A Section 55 notice is issued in terms of the MHSA by an inspector of the regulating body who has reason to believe that an employer has failed to comply with any provision of the MHSA
SED	social, ethics and diversity
SEP	Stakeholder Engagement Plan
Severity Rate	Severity Rate indicates the severity of work-related injuries (number of days lost due to injuries) where individuals were booked off from work impacting on workforce effectiveness. The rate calculus is as follow (number of days off from work due to injury x 200 000 ÷ total man-hours worked)
SHE	safety, health and environment
SI	social investment
significant spillage	we define a significant spillage as any chemical spill that meets the following criteria: the impact lasts longer than one year and will affect an area outside of the mining area, and the receptor area includes some sensitivity (vulnerable habitat/species)
SLC	sub level cave
SLP	Social and Labour Plan stipulated in the MPRDA and aimed at promoting the employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development
Solidarity	a South African trade union
SOP	Standard Operating Procedure
SMEP	Stakeholder Management and Engagement Plan
SMME	small, medium and micro enterprises

Glossary continued

SML	Special Mining Licence
t	tonne
tailings	the waste products of the processing circuit which may still contain quantities of the economic mineral
TAMICO	the Tanzania Mines, Energy, Construction and Allied Workers Union
Tanesco	the Tanzania Electric Supply Company Limited
TB	tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures; the Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information
tCO_2-e/Ct	total CO_2-e per carat produced
TIFR	total injury frequency rate
TMM	trackless mobile machinery
UASA	a South African trade union, formerly named United Association of South Africa
USD	United States Dollar
VCT	voluntary counselling and testing, a programme aimed at encouraging voluntary HIV testing in order for individuals to know their status
VPSHR	The Voluntary Principles on Security and Human Rights
WDL	Williamson Diamonds Limited
WiL	Women in Leadership
WiM	Women in Mining
ZAR	South African Rand

GRI Index

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2020 Annual Report ("2020 AR") and 2020 Sustainability Report ("2020 SR") can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI 101: Foundation			
GRI General Disclosure			
Organisation profile			
GRI 102: General Disclosures	GRI 102–1	Name of organisation	Cover
	GRI 102–2	Activities, brands, products and services	2020 SR p.7)
	GRI 102–3	Location of headquarters	2020 AR, p.207
	GRI 102–4	Location of operations	2020 SR, p.7
	GRI 102–5	Ownership and legal form	https://www.petradiamonds.com/about-us/who-we-are/group-structure/
	GRI 102–6	Markets served	2020 SR, p.72020 AR, pp.18 to 23
	GRI 102–7	Scale of the organisation	2020 SR, pp.7 and 11 2020 AR, pp. 3 139 and 208
	GRI 102–8	Information on employees and other workers	2020 SR, p. 77
	GRI 102–9	Supply chain	2020 SR, pp. 63 to 65
	GRI 102–10	Significant changes to the organisation and its supply chain	2020 SR, pp. 64 to 65
	GRI 102–11	Precautionary principle or approach	2020 SR, pp.45 to 59
	GRI 102–12	External initiatives	SR 2020, pp. 1, 13, 25, 35, 46, 61
	GRI 102–13	Membership associations Link to sections on NDC, Minerals Council	SR 2020, pp. 17 and 22
Strategy			
GRI 102: General Disclosures	GRI 102–14	Statement from senior decision maker	2020 SR, pp.3 to 4
	GRI 102–15	Key impacts, risks and opportunities	2020 SR, pp. 10 to 11, 14 to 17, 26, 36, 47, 62 2020 AR, pp. 13 to 15, 93 to 99
Ethics			
GRI 102: General Disclosures	GRI 102–16	Values, principles, standards and norms of behaviour	2020 SR, pp. 12 to 23
	GRI 102–17	Mechanisms for advice and concerns about ethics	2020 SR, pp. 18 to 19 www.petradiamonds.com/about-us/corporate-governance/business-ethics/
Corporate governance			
GRI 102: General Disclosures	GRI 102–18	Governance structure	https://www.petradiamonds.com/sustainability/managing-sustainability/
	GRI 102–19	Delegating authority	2020 SR, p. 15
	GRI 102–20	Executive-level responsibility for economic, environmental and social topics	https://www.petradiamonds.com/sustainability/managing-sustainability/ https://www.petradiamonds.com/sustainability/environment/ https://www.petradiamonds.com/sustainability/people/
	GRI 102–21	Consulting stakeholders on economic, environmental and social topics	2020 SR, pp. 71 to 73 2020 AR, pp. 15 to 17
	GRI 102–22	Composition of the highest governance body and its committees	2020 AR, pp. 61 to 62, 64, 68
	GRI 102–23	Chair of the highest governing body	2020 AR, pp. 59 and 61
	GRI 102–24	Nominating and selecting the highest governance body	2020 AR, pp. 100 to 101

	GRI 102–25	Conflicts of interest	2020 AR, pp. 69, 173 to 174
	GRI 102–26	Role of highest governance body in setting purpose, values and strategy	2020 AR, pp. 5, 7, 58, 59
	GRI 102–27	Collective knowledge of highest governance body	2020 AR, pp. 69 to 71
	GRI 102–28	Evaluating the highest governance body's performance	2020 AR, pp. 71 to 72
	GRI 102–29	Identifying and managing economic, environmental and social impacts	2020 SR, pp. 8 to 9, 15 2020 AR, pp. 15 to 17, 43 to 44
	GRI 102–30	Effectiveness of risk management processes	2020 SR, p. 15 2020 AR, pp. 43 to 44
	GRI 102–31	Review of economic, environmental and social topics	2020 SR, p. 152020 AR, pp. 67, 102 to 105
	GRI 102–32	Highest governance body's role in sustainability reporting	2020 SR, p.1
	GRI 102–33	Communicating critical concerns	2020 SR, pp. 15, 18 to 192020 AR, 15 to 17
	GRI 102–34	Nature and total number of critical concerns	2020 SR, pp. 18 to 19, 71 to 732020 AR, pp. 15 to 17
	GRI 102–35	Remuneration policies	2020 AR, pp. 107 to 126
	GRI 102–36	Process for determining remuneration	2020 AR, pp. 107 to 108, 119
	GRI 102–37	Stakeholders' involvement in remuneration	2020 AR, pp. 107 to 108
Stakeholder engagement			
GRI 102: General Disclosures	GRI 102–40	List of stakeholder groups	2020 SR, 8 to 9 2020 AR, pp. 15 to 17
	GRI 102–41	Collective bargaining agreements	2020 SR, pp. 42 to 43
	GRI 102–42	Identifying and selecting stakeholders	2020 SR, pp. 71 to 73
	GRI 102–43	Approach to stakeholder engagement	2020 SR, pp. 71 to 732020 AR, pp. 15 to 17
	GRI 102–44	Key topics and concerns raised	2020 SR, pp. 71 to 73 2020 AR, pp. 15 to 17
Identified material topics			
GRI 102: General Disclosures	GRI 102–45	Entities included in the consolidated financial statements	2020 AR, p 176
	GRI 102–46	Defining report content and topic boundaries	2020 SR, pp. 1, 8 to 9
	GRI 102–47	List of material topics	2020 SR, pp. 8 to 9
	GRI 102–48	Restatement of information	2020 SR, pp. 10 to 11
	GRI 102–49	Changes in reporting	2020 SR, pp. 8 to 9
Report profile			
GRI 102: General Disclosures	GRI 102–50	Reporting period	Year ended 30 June 2020
	GRI 102–51	Date of most recent report	15 October 2019
	GRI 102–52	Reporting cycle	Annual reporting cycle
	GRI 102–53	Contact point for questions regarding the report	2020 SR, p. 1
	GRI 102–54	Claims of reporting in accordance with GRI standards	2020 SR, p. 1
	GRI 102–55	GRI content index	2020 SR, pp. 86 to 95
	GRI 102–56	External assurance	2020 SR, p.1
GRI material topics			
Economic performance (material topic: community relations and development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 60 to 66
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 60 to 66

GRI 201: Economic Performance	GRI 201–1	Direct economic value generated and distributed	2020 SR, pp. 60 to 66, 75
	GRI 201 –4	Financial assistance received from government	2020 SR, p. 63
	MM	Report countries of operation that either candidate to or compliant with the EITI	Tanzania and the UK are members of the EITI – www.eiti.org/countries
Procurement practices (material topic: community relations and development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 63 to 65
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 63 to 65
GRI 204: Procurement Practices	GRI 204–1	Proportion of spending on local suppliers	2020 SR, p. 64
Anti-corruption (ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 18 to 23
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 18 to 232020 AR, p. 84
GRI 205: Anti-corruption	GRI 205–3	Confirmed incidents of corruption and actions taken	2020 SR, p. 19
Environment (material topic: environmental management)			
Energy (material topic: climate change and energy usage)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic	2020 SR, pp. 53 to 57
	GRI 103–2	The management approach and its components	2020 SR, pp. 53 to 57
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 53 to 57
GRI 302: Energy	GRI 302–1	Energy consumption within the organisation	2020 SR, p. 55
	GRI 302–3	Energy intensity	2020 SR, p. 55
Water (material topic: water management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 58 to 59
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 58 to 59
GRI 303: Water and effluents	GRI 303–3	Water withdrawal by source	2020 SR, pp. 78 to 79
Biodiversity (Environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 51 to 52
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 51 to 52
GRI 304: Biodiversity	GRI 304–1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	2020 SR, p. 51, 80
	GRI 304–2	Significant impacts of activities, products, and services on biodiversity	2020 SR, pp. 51 to 52
	GRI 304–3	Habitats protected or restored	2020 SR, pp. 51 to 52, 80
	GRI 304–4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	2020 SR, p. 51, 81

	MM	Disclosures on approach to biodiversity management should include consideration of ecosystems services and associated values (e.g. the functions of ecosystems that provide benefits to people, such as fresh water, fisheries, forests, climate and natural hazard regulation, cultural and recreational services, plus functions that provide benefits such as food, health, shelter and raw materials)	2020 SR, pp. 51 to 52
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	2020 SR, p.80
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	2020 SR, p.51
	MM10	Number and percentage of operations with closure plans	2020 SR, p. 52
Emissions (material topic: climate change and energy usage)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 53 to 57
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 53 to 57
GRI 305: Emissions	GRI 305–1	Direct (Scope 1) GHG emissions	2020 SR, p. 56, 79 https://www.petradiamonds.com/wp-content/uploads/Final-FY-2020-Annual-GHG-Emissions-Report.pdf
	GRI 305–2	Energy indirect (Scope 2) GHG emissions	2020 SR, p. 56, 79 https://www.petradiamonds.com/wp-content/uploads/Final-FY-2020-Annual-GHG-Emissions-Report.pdf
	GRI 305–3	Other indirect (Scope 3) GHG emissions	2020 SR, p. 56 https://www.petradiamonds.com/wp-content/uploads/Final-FY-2020-Annual-GHG-Emissions-Report.pdf
	GRI 305–4	GHG emissions intensity	2020 SR, p. 56 https://www.petradiamonds.com/wp-content/uploads/Final-FY-2020-Annual-GHG-Emissions-Report.pdf
	GRI 305–5	Reduction of GHG emissions	2020 SR, p. 56 https://www.petradiamonds.com/wp-content/uploads/Final-FY-2020-Annual-GHG-Emissions-Report.pdf
	GRI 305 –6	Emissions of ozone-depleting substances (“ODS”)	2020 SR, p. 78
	GRI 305–7	Nitrogen oxides (NO_X), sulfur oxides (SO_X) and other significant air emissions	2020 SR, p. 80
	MM	Disclosure of approach to emissions should include discussion of the management of fugitive emissions such as dust from mining and processing activities or noise and seismic impacts from explosives use, e.g. through monitoring activities and compliance with regulatory limits	2020 SR, p. 57

Waste (Environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp.49 to 50
	GRI 103–3	Evaluation of the management approach	2020 SR, pp.49 to 50
GRI 306: Waste	GRI 306–3	Waste generated	2020 SR, pp. 49 and 78
	MM	Indicator G4-EN23 refers to site waste, e.g. waste oils, spent cell lining, office, canteen and camp waste, scrap steel, tires and construction waste. Large-volume mining and mineral processing waste should be reported under MM3	2020 SR, p. 78
	MM	Includes spillage of tailings, slimes, or other significant process materials	There were no significant spills in FY 2020
Environmental compliance (Environmental management)			
GRI 103: Management Approach	GRI 103 –1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 16 to 17
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 16 to 17
GRI 307: Environmental Compliance	GRI 307–1	Non-compliance with environmental laws and regulations	2020 SR, p. 17
Supplier environmental assessment (Environmental management)			
	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, p. 64
	GRI 103–3	Evaluation of the management approach	2020 SR, p. 64
GRI 308: Supplier Environmental Assessment	GRI 308–1	New suppliers that were screened using environmental criteria	2020 SR, p. 64
Occupational health and safety (material topics: workplace safety and employee health and wellbeing)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 24 to 33
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 24 to 33
GRI 403: Occupational Health and Safety	GRI 403–1	Occupational health and safety management system	2020 SR, p. 27
	GRI 403–3	Occupational health services	2020 SR, pp. 30 to 31
	GRI 403–4	Worker participation, consultation and communication on occupational health and safety	2020 SR, p. 28
	GRI 403–5	Worker training on occupational health and safety	2020 SR, p. 28
	GRI 403–6	Promotion of worker health	2020 SR, pp. 30 to 31
	GRI 403–9	Work-related injuries	2020 SR, pp. 28, 75
	GRI 403–10	Work-related ill health	2020 SR, p. 31
	MM	Provide a description of each accident resulting in a fatality, and actions taken following the accident. These may be aggregated where the causes of accidents or the actions taken are similar	No fatalities recorded in FY 2020

Training and education (material topic: employee development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	pp.32 and 33
	GRI 103–3	Evaluation of the management approach	pp.32 and 33
GRI 404: Training and Education	GRI 404–2	Programmes for upgrading employee skills and transition assistance programmes	pp.32 and 33
Diversity and equal opportunity (material topic: diversity)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 38 to 39
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 38 to 39
GRI 405: Diversity and Equal Opportunity	GRI 405–1	Diversity in governance bodies and employees	2020 SR, pp. 40, 77
Non-discrimination (material topic: diversity)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 40 to 42
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 40 to 42
GRI 406: Non-discrimination	GRI 406–1	Incidents of discrimination and corrective actions taken	2020 SR, p. 40
Child labour (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 18 to 20
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 18 to 20
GRI 408: Child Labour	GRI 408–1	Operations and suppliers at significant risk for incidents of child labour	2020 SR, p.20
Forced or compulsory labour (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103– 1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 18 to 20
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 18 to 20
GRI 409: Forced or Compulsory Labour	GRI 409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2020 SR, p.20
Rights of indigenous people (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, pp. 18 to 20
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 18 to 20
GRI 411: Rights of Indigenous People	GRI 411–1	Incidents of violations involving rights of indigenous peoples	There were no such incidents in FY 2020

Society			
Local communities (material topic: community relations and development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2020 SR, p. 9
	GRI 103–2	The management approach and its components	2020 SR, 16, 35 to 36, 48, 51 to 52, 63 to 73
	GRI 103–3	Evaluation of the management approach	2020 SR, pp. 63 to 73
GRI 413: Local Communities	GRI 413–1	Operations with local community engagement, impact assessments and development programmes	2020 SR, p. 17
	MM	Lengthy guidance on reporting re. local communities	2020 SR, pp. 67 to 73
	MM	Local communities report whether there are programmes in place for assessing the impacts of operations on local communities prior to entering community, while operating in the community and while making decisions to exit the community	2020 SR, p. 72
	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	2020 SR, pp. 20, 72
	MM8	Artisanal and small-scale mining: number (and percentage) of company operating sites where artisanal and small-scale mining (“ASM”) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	2020 SR, pp. 20, 72 to 73

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