PetraDiamonds

Sustainability Report 2022

A point of inflection

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Cover photo

The 2022 Sustainability Report cover features a 342.9ct white diamond from the Cullinan Diamond Mine, which sold for US$10.0 million and 50% profit share.

About this Report

Report scope and boundary

Petra Diamonds Limited (Petra) is pleased to present its FY 2022 Sustainability Report. This report sets out the Company's holistic approach to developing a sustainable business to the benefit of each of its stakeholders. It aims to provide a transparent overview of the Company's most material sustainability matters, how these are strategically managed over time and how we performed in FY 2022. For a comprehensive view of Petra's performance, the Sustainability Report should be read in conjunction with our FY 2022 Annual Report. Any material information after Year end and up to 10 October 2022, when the Board approved this report, has also been included.

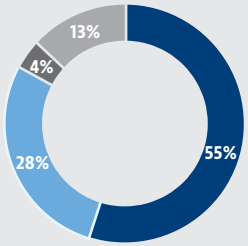
This report's structure has been updated to align with Petra's new Sustainability Framework (see page 38) that was approved by the Board in September 2022. This Framework, which aims to instil an inspirational culture that will ensure delivery of our business strategy, is based on four pillars as depicted alongside. These four pillars include specific aspects and focus areas to enable continuous business improvement. Ethical and responsible business practices, good governance and constructive, transparent stakeholder engagement form the foundation of all four pillars. The pillars will also be linked to management's key performance indicators (KPIs) as well as the Company's performance scorecard.

Our reporting scope and boundary covers the Group's operations, being the Cullinan Mine, Finsch, Koffiefontein and Williamson. In April 2022, it was announced that Petra is seeking a responsible exit from Koffiefontein, either through mining to closure or by selling the operation to a technically and financially competent buyer. This sales process has been unsuccessful in identifying a potential buyer and so Petra is now evaluating its other options and continues to operate the mine responsibly. Consequently and unless stated otherwise, the data used in this report includes Koffiefontein for the Year.

REVENUE BY MINES (%)

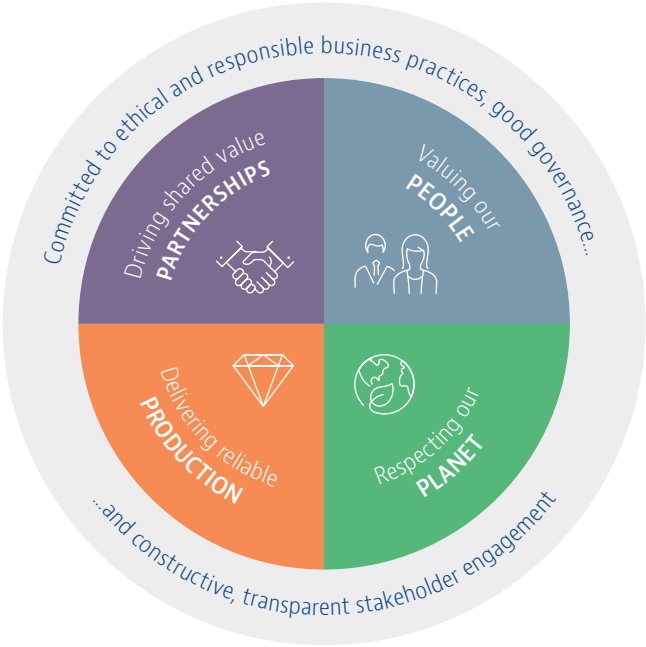
South Africa
- Cullinan Diamond Mine (FY 2021: 62%)
- Finsch Diamond Mine (FY 2021: 30%)
- Koffiefontein Diamond Mine (FY 2021: 7%)

Tanzania
- Williamson Diamond Mine (FY 2021: 1%)



Our new Sustainability Framework

Instilling an inspirational culture and embedding a continuous business improvement mindset



to ensure delivery of our business objectives

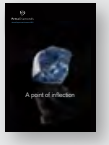
Continuous Business Improvement

Production Efficiency | Business Processes Improvements | Digitalisation and Innovation

Reporting suites, frameworks, regulations, codes and standards

To guide and inform our decisions during the preparation of our report suites, we applied various key principles and requirements contained within various regulations, guidelines, codes and standards (shown alongside). The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report covers the period 1 July 2021 to 30 June 2022 (FY 2022) and provides a review of our approach and commitment to ESG, sustainability and responsible business practices.

SUITE OF REPORTS AND REPORTING FRAMEWORKS AND STANDARDS



	Sustainability Report	Annual Report
GRI Standards	✓	
London Stock Exchange (LSE) Listings Requirements	✓	✓
UK Corporate Governance Code	✓	✓
Sustainable Development Goals (SDGs)	✓	
NDC Member Requirements and Sustainability Pledges	✓	
International Financial Reporting Standards (IFRS)		✓

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Petra's ESG and sustainability standards, regulations, guidelines and codes

In addition to the various frameworks, regulations, codes and standards, our ESG and sustainability policies and reporting processes are aligned with various international standards and voluntary initiatives, which are listed below and in each section under 'Standards we follow'. There are also external organisations and benchmarking agencies against which we provide disclosure. They assess and rate our performance.

Petra annually provides and/or verifies information and data collected by the below ratings agencies from our publicly available documentation.

CDP

ISS

REFINITIV

SUSTAINALYTICS

TRUCOST

vigeo eiris

Glass Lewis is a proxy voting agency that releases a voting recommendation report prior to Petra's AGM.

GLASS LEWIS

ISO Standard
Petra uses the following ISO Standards to govern our internal process around various aspects of ESG: ISO 14001, ISO 19011, ISO 31000 and ISO 45000. As an independent, non-governmental international organisation ISO provides a platform for developing practical tools through a common understanding and co-operation with all stakeholders.

NATURAL DIAMOND COUNCIL

Natural Diamond Council (NDC)
Petra is a proud member of the NDC. The NDC aims to advance the integrity of the modern diamond jewellery industry and inspire, educate and protect the consumer.

Task Force on Climate-Related Financial Disclosures (TCFD)
The TCFD has developed a framework to help public companies and other organisations disclose climate-related risks and opportunities. Petra is aligning its reporting to the TCFD recommendations.

International Council on Mining and Metals (ICMM)
Petra is a member of the ICMM. The ICMM's Mining Principles respond to evolving societal expectations of the mining and metals industry by strengthening our Company member requirements. Implementation of the Mining Principles will support progress towards the global targets of the UN Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change.

Extractive Industries Transparency Initiative (EITI)
We support the principles of the EITI and believe that publishing details of Petra's tax payments can increase confidence and help improve community support for its activities.

Global Reporting Initiative (GRI) Standards
This report has been prepared in accordance with the GRI Standards: Core option and has been partially assured.

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

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

UN Global Compact
Our sustainability strategy and policies are aligned with the 10 principles.

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

Assurance

Our Sustainability Report has been partially assured. The staff turnover rate (page 51), women in the workforce (page 8), amounts invested in staff training and development (page 8) and social investment spend (page 10) KPIs for FY 2022 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"). Petra Diamonds Limited participates in the CDP's climate change disclosure programme and the CDP encourages companies to verify the information disclosed to the CDP. Petra therefore appointed consultants (TiKOTECH) to perform an independent third party verification of its Greenhouse Gas (GHG) assertion for FY 2021. The objectives of the verification were to: confirm the size of the GHG inventory; and evaluate conformance with the principles of the GHG Protocol's corporate accounting and reporting standard. This verification resulted in environmental data for FY 2021 being restated in this Sustainability Report. The contents of this report have been reviewed by the Company's Health, Safety and Environment (HSE) and Social, Ethics and Diversity (SED) Committees and subsequently approved by the Petra Board on 10 October 2022.

Stakeholder feedback

We welcome stakeholders' feedback on our reporting, particularly regarding our report content and structure. Any feedback or queries regarding this report and its contents should be directed to investorrelations@petradiamonds.com.

Report navigation

To enhance the user experience and interface, we make use of interactive icons, footnotes and links as depicted below.

ICONS FOR STAKEHOLDER GROUPS

- Employees, contractors and unions
- Customers
- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

ICONS FOR OUR FOUR SUSTAINABILITY PILLARS

- People
- Planet
- Partnerships
- Production

ICON FOR MATERIAL TOPICS

- MT Material topics

NAVIGATION (READING AND WEB)

- Online Annual Report reading
- Sustainability Report page driver
- Web driver

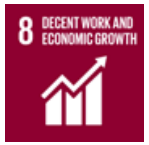
PETRA'S VALUES

- Let's do no harm
- Let's make a difference
- Let's do it right
- Let's take control
- Let's do it better

ICONS FOR OUR 5 SDGs

Good health and well-being

Quality education



Decent work and economic growth

Responsible consumption and production

Life on land

About Petra

Our purpose: "Creating abundance from rarity"

Who we are: Petra is a multi-asset diamond producer with strong sustainability credentials in a transformative phase.

- Petra is quoted with a **premium listing on the Main Market of the London Stock Exchange** under the ticker 'PDL'. The Company also has loan notes due in 2026 listed on the Global Exchange Market of the Irish Stock Exchange
- We **employ 5,265 (FY 2021: 4,895) people** in four countries: South Africa, Tanzania, the United Kingdom and Belgium
- Petra's **client base comprises predominantly international rough diamond traders and manufacturers**, based in key diamond centres including Antwerp, India, Israel, Hong Kong and the US. However, Petra also occasionally sells directly to vertically integrated retailers, which 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
- We **adopted our Sustainability Framework in FY 2022**, which will drive the Group's sustainability and responsible business strategy
- We are committed to a **GHG net-zero target for Scopes 1 and 2 by 2050**, but aspire to reach this goal by 2040. Petra has also committed to a **35% to 40% GHG reduction of Scopes 1 and 2** by 2030 off our 2019 baseline

Our values

Our values are the guiding principles by which Petra aims to conduct each part of its business:

Let's do no harm

Petra considers the health and safety of its employees, and care for the environment, as its top priorities. Management's focus on a zero harm environment requires a zero tolerance approach for any action that results in potential injury to employees.

Let's make a difference

Petra strives to make a real contribution to the 'triple bottom line' (people, profit and planet). This includes enhancing its local environment to the benefit of employees and communities. The Company achieves this through various initiatives, which aim to stimulate local socio-economic development, as well as by upholding high standards of environmental stewardship.

Let's do it right

Petra places a high priority on ethical conduct. The Company believes in the responsible mining and sale of its diamonds, and will only operate in countries which are members of the Kimberley Process. As a legitimate diamond miner with operations in South Africa and Tanzania, 100% of Petra's production is fully traceable and conflict free.

Let's take control

Petra believes that employees who are empowered and accountable for their actions work to the best of their ability, and the Company has fostered a culture whereby innovation and creativity in the workplace are encouraged and rewarded. We believe that no one knows our operations better than our own employees and the Company looks to leverage its internal skills base wherever possible.

Let's do it better

Petra strives to generate efficiencies at its operations and applies a 'back-to-basics' approach in order to review and assess areas for improvement at all times; key focus areas are power and water usage, security and effective use of labour. We promote a culture of continuous improvement, in which change is embraced and seen as an opportunity. Using past experience to improve future performance is integral to the Company's success.

Key highlights

Below are some of Petra's significant highlights per the sustainability pillar. More detail on each pillar is provided page 42 to 106.

Valuing our **people**

- Petra achieved 10 million fatality-free shifts in June 2022
- Cullinan Mine achieved 365 days without a Lost Time Injury (LTI) on 25 April 2022
- The Group achieved the lowest LTIs (15) in more than a decade
- All health and wellness KPI targets were achieved
- A three-year wage agreement (FY 2022 to FY 2024) and a one-year wage agreement (FY 2023) reached with our South African and Tanzanian operations respectively
- Established Petra's Women in Leadership Committee
- Developed group-wide career development paths and finalised career development plans for identified high potential employees as possible successors to Petra's Senior Management
- Increased female internships relating to technical positions

Driving shared value **partnerships**

- Submitted our next five-year social labour plans (SLPs) for Finsch and Koffiefontein
- Local supplier spend for FY 2022 – 59% for South Africa (FY 2021: 63%) and 89% for Tanzania (FY 2021: mine under care and maintenance)
- Robust and transparent stakeholder engagement at Williamson builds trust between local communities and the mine
- Rolled out a new Group supply chain operating model and centralised procurement
- Six Exceptional Stones sold with a record value of US$89.1 million
- Continue to support South African diamond cutting and polishing entities

Respecting our **planet**

- All South African operations certified according to ISO 14001: 2015 international standard
- Petra reported no major environmental incidents or environmental audit findings
- Committed to a GHG Scopes 1 and 2 net-zero target for 2050
- Water recycling on mine maintained at >80%
- Recycling 85% of our waste at our South African operations

Delivering reliable **production**

- Successful conclusion of Project 2022
- Rolled out the group-wide Diamond Value Management Framework to further improve process efficiencies and product security
- Life-of-mine (LOM) extension plans for Finsch and Cullinan Mine approved
- Williamson exited care and maintenance and resumed production
- Adopted and approved our new Tailings Management policy in line with the Global International Standard for Tailings Management (GISTM)

Reasons to invest in Petra

1. **Proven leadership and new operating model**
2. **Stabilised operations and resilient cash generation**
3. **Strengthened balance sheet**
4. **Production profile incorporating the full range of diamonds**
5. **One of the world's largest diamond resources of 226.7 million carats**
6. **Strong diamond market, supported by a structural supply deficit**

About Petra continued

Our operations and social environment

Operational environment

1 Cullinan Mine

REVENUE CONTRIBUTION	EMPLOYEES	CONTRACTORS
55%	1,281	435
(FY21: 62%)	(FY21: 1,260)	(FY21: 297)

Stake acquired: 2008

Resource: 147.2 Mcts

Opportunities: Diamond heritage tourism, raise maths and science education standards and support local economic development

Challenges: High youth unemployment and limited procurement opportunities for small businesses; COVID-19 and the knock-on impacts on economic output

2 Finsch

REVENUE CONTRIBUTION	EMPLOYEES	CONTRACTORS
28%	944	743
(FY21: 30%)	(FY21: 1,003)	(FY21: 579)

Stake acquired: 2011

Resource: 36.4 Mcts

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

Challenges: Fairly isolated location, high youth unemployment and poverty and water scarcity; COVID-19 and the knock-on impacts on economic output

3 Koffiefontein

REVENUE CONTRIBUTION	EMPLOYEES	CONTRACTORS
4%	542	119
(FY21: 7%)	(FY21: 576)	(FY21: 113)

Stake acquired: 2007

Resource: 5.2 Mcts

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

Challenges: Remote location, water scarcity, illegal mining and community unrest; COVID-19 and the knock-on impacts on economic output

4 Williamson

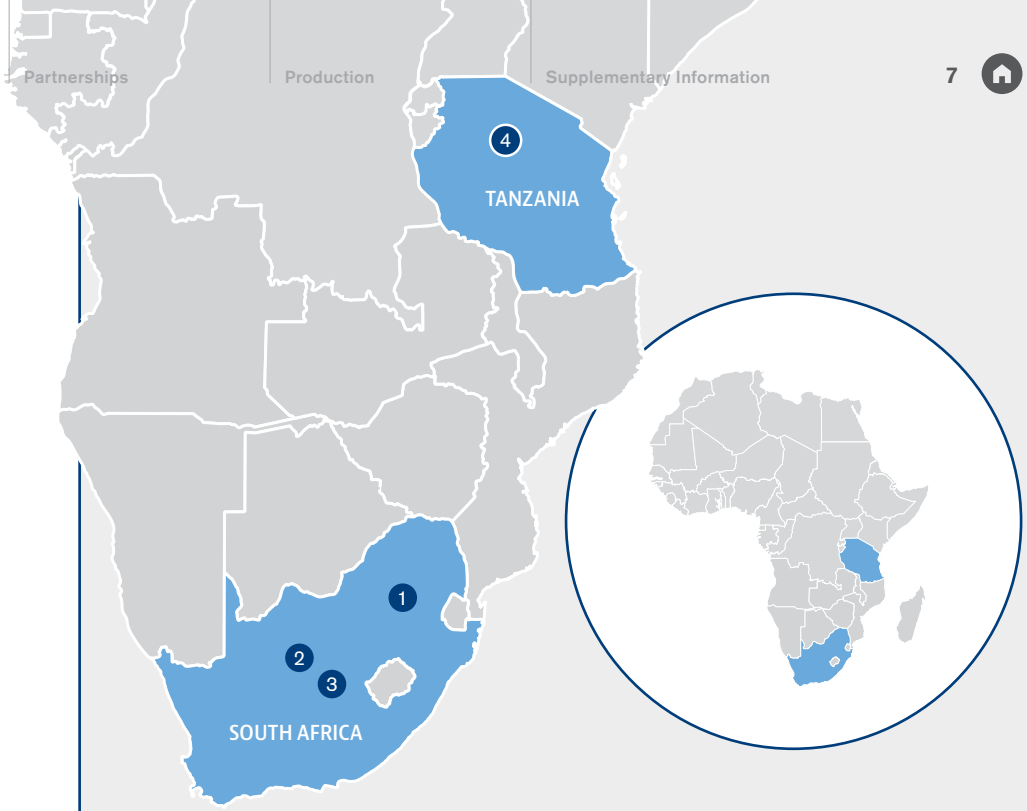
REVENUE CONTRIBUTION	EMPLOYEES	CONTRACTORS
13%	505	494
(FY21: 1%)	(FY21: 501)	(FY21: 388)

Stake acquired: 2009

Resource: 37.7 Mcts

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

Challenges: Women in the workforce, security of power and water supplies, illegal mining and malaria; COVID-19 and the knock-on impacts on economic output



Social operating environment

South Africa

Ethnic groups: Black African: 81%, Coloured[1]: 9%, White: 8%, Indian/Asian: 2%

Life expectancy: Male: 65, Female: 71

Urbanisation: 67.8% of total population

Literacy rate: 87%

Unemployment rate: 33.9%

2020 HIV/AIDS adult (15 to 49 years) prevalence rate: 19.1%

2020 value of diamond production: US$0.96 billion

2020 GDP: US$302.1 billion

Tanzania

Ethnic groups: Black African: 99%, Other: 1%

Life expectancy: Male: 75, Female: 81

Urbanisation: 36% of total population

Literacy rate: 78%

Unemployment rate: 2.16%

2020 HIV/AIDS adult (15 to 49 years) prevalence rate: 4.7%

2020 value of diamond production: US$24.5 million

2020 GDP: US$62.4 billion

1. 'Coloured' is a term used in South Africa, including on the national census, for persons of mixed-race ancestry who developed a distinct cultural identity over several hundred years.

Sources: The World Factbook – CIA, The World Bank, Kimberley Process Statistics, Statista, Trading Economics, UNAIDS.

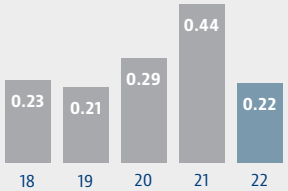
Key Performance Indicators

According to Petra's new Sustainability Framework pillars, 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. ESG measures comprised 30% of the Group scorecard KPIs used to determine the Exco and Senior Management performance for the purposes of awarding FY 2022 bonuses.

Pillar 1: Valuing our people

SAFETY[1] (GROUP LTIFR)
Lost time injury frequency rate

0.22 -50%



Overview: We met our LTIFR target with a substantial improvement, in part reflecting FY 2021's higher base resulting from COVID-19. On an absolute level, 15 LTIs compared favourably with 25 in FY 2021. The majority of accidents were behavioural in nature and of low severity. The focus remains on promoting safe behaviour.

Strategic relevance: The safety of our people is our number one priority. Our improved safety performance has a positive impact on our culture, operations, production and reputation.

Related material topic:

MT Employee safety, health and wellness

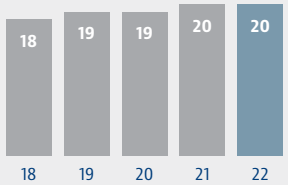
SDG:

Reference:

Page 42

WOMEN IN THE WORKFORCE[1] (%)
The percentage of women in the workplace

20% 0%



Overview: We place emphasis on diversity and unlocking benefits for all. We have made proactive and concerted efforts to advance workplace equality through employing and developing previously disadvantaged women in the workplace across all skills and levels.

Strategic relevance: A diverse workforce will allow us to attract and retain top talent, strengthen employee satisfaction and reflect the demographics of the societies where we operate thereby securing our licence to operate.

Related material topic:

MT Diversity and inclusion; Employee development

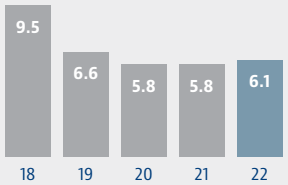
SDG:

Reference:

Page 59

TRAINING SPEND[1] (US$ MILLION)
Investment in employee training and development

6.1 +5%



Overview: Our investment in employee training and development increased, partly due to the uptake in training following the lifting of COVID-19 restrictions.

Strategic relevance: Achieving our group-wide ambitions is dependent on our employees' talent and commitment. Training is a critical driver of loyalty among employees and a means of ensuring they can meet objectives and deliver results.

Related material topic:

MT Employee development

SDG:

Reference:

Page 56

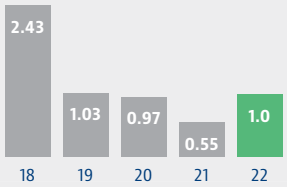
Key Performance Indicators continued

Pillar 2: Respecting our planet

WATER EFFICIENCY[2] (M^3/T)

The total fresh water used in production (ROM plus tailings)

1.0 +82%



Overview: Petra's total fresh water usage for production increased significantly owing to higher overall production and the ramp-up of Williamson Mine, which is the Group's largest user of fresh water, after being in care and maintenance in the prior year. The proportion of recycled water used on our mines was above 80%.

Strategic relevance: Our operations are water intensive, and we recognise the impact they could have on natural water sources that sustain the communities around our operations. We are therefore committed to utilising fresh water responsibly and efficiently, including using a substantial amount of recycled water in our production processes.

Related material topic:

MT Water management; Climate change

SDG:

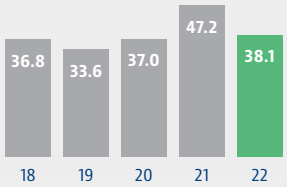
Reference:

Page 72

ENERGY EFFICIENCY[2] (KWH/T)

Total electricity consumption as a function of production

38.1 -19%



Overview: Petra's total electricity consumption increased by 16%, however energy efficiency per tonne improved by 19%, largely due to a 43% increase in production.

Strategic relevance: The majority of our electricity is sourced from the South African state provider, Eskom. Improving energy efficiency has the dual benefit of cost containment and enabling GHG reduction. Petra strives to continuously develop, implement and improve the Group's energy efficiency measures.

Related material topic:

MT Climate change

SDG:

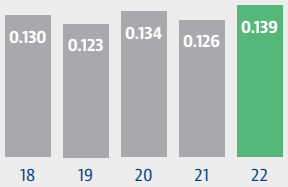
Reference:

Page 67

CARBON EMISSIONS[2] (TCO_2-E/CT)

Carbon emission intensity for Scopes 1 and 2

0.139 +10%



Overview: Petra's carbon emissions intensity increased by 10% largely owing to the resumption of production at Williamson following its period of care and maintenance in the prior year.

Our emissions profile is heavily weighted to Scope 2, particularly in South Africa, where we are reliant on fossil-based energy. However, recent reforms announced in South Africa present an opportunity for decarbonisation.

Strategic relevance: Our long-term ambition is to achieve net-zero by 2040, but no later than 2050. In addition Petra has also committed to a **35% to 40% reduction of Scope 1 and 2** by 2030, off our 2019 baseline.

Related material topic:

MT Climate change

SDG:

Reference:

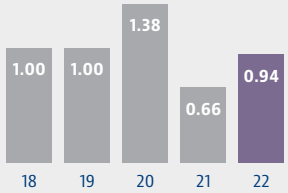
Page 67

Key Performance Indicators continued

Pillar 3: Driving shared value partnerships

SOCIAL SPEND[3] (US$ MILLION)
Total social spend (compulsory and discretionary) on local communities

0.94 +42%



Overview: The increase in social spend is largely attributable to Williamson exiting care and maintenance, but also an increase in corporate social investment and enterprise social development in local communities. Petra targets base case spend of 1% of Net Profit After Tax (NPAT) at asset level.

Strategic relevance: Apart from the direct benefits we can offer in local communities, social spend builds a positive reputation for the Company, ensuring local communities are supported and supportive of our mines. Our social spend also ensures we create and build a valuable resource of potential employees.

Related material topic:

MT Community relations and social investment; Enterprise and supplier development

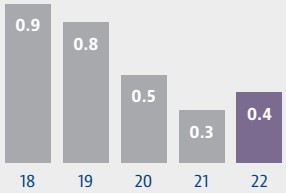
SDG:

Reference:

Page 88

COMMUNITY TRAINING AND DEVELOPMENT SPEND[3] (US$ MILLION)
Total community training spend

0.4 +33%



Overview: Our community training and development spend, which includes bursaries, portable skills, scholarships and annual contributions to the Minerals Education Trust Fund (METF) increased mainly due to community training programmes relaunching post COVID-19 and an increased contribution to METF.

Strategic relevance: Petra considers providing training education and development to local community members just as important as training its own workforce, as this enables us to contribute to community economic uplift and prepare potential labour for our operations.

Related material topic:

MT Community relations and social investment; Stakeholder engagement and management

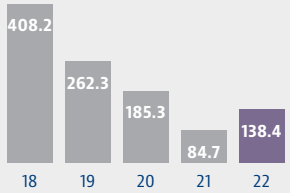
SDG:

Reference:

Page 90

PROCUREMENT SPEND[3] (US$ MILLION)
Total Group procurement spend

138.4 +63%



Overview: Petra's increase in procurement spend is largely due to spending on expansion projects and Williamson exiting care and maintenance. Our local supplier procurement in South Africa and Tanzania was 59% and 89% respectively, which demonstrates our commitment to economic growth in the countries where we operate.

Strategic relevance: Petra is committed to contributing towards economic growth in the countries where we operate, which is achieved through ethical procurement spend. We have zero tolerance towards human rights violations, corruption and bribery. Our integrated supply chain approach ensures minimal disruptions for our operations and minimal environmental impact.

Related material topic:

MT Community relations and social investment; Enterprise and supplier development

SDG:

Reference:

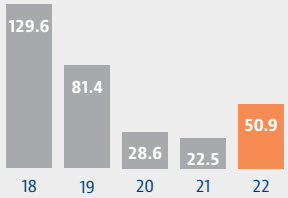
Page 95

Key Performance Indicators continued

Pillar 4: Delivering reliable production

OPERATIONAL CAPEX[3,4] (US$ MILLION)
Capital expenditure incurred by the operations, comprising expansion and sustaining capex

50.9 +126%



Overview: Capex overall came in at the lower end of guidance as delivery of certain capital items, amounting to around US$12 million, was deferred to FY 2023.

The year-on-year increase in operational capex included initial investments in the expansion projects.

Strategic relevance: Our future plans are enabled by further capital investment. We estimate and monitor the funds for sustaining our operations (sustaining capex) and for investing in capital projects (expansion capex).

Related material topic:

MT All material topics

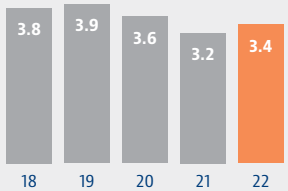
SDG:

Reference:

Page 104

ROUGH DIAMOND PRODUCTION[3] (MCTS)
The number of diamonds produced from Group operations

3.4 +1%



Overview: Group rough diamond production increased in line with our guidance, largely due to Williamson resuming production. Cullinan Mine's production was in line with guidance, despite the tunnel convergence. Finsch was just below guidance reflecting the waste ingress, where significant progress has been made towards mitigation. Williamson Mine was within the production guidance range. Koffiefontein Mine was below guidance.

Strategic relevance: Production targets, as stated in our annual guidance, reflect our strategy of achieving reliable production, which enables us to pursue our strategic objectives and ambitions.

Related material topic:

MT All material topics

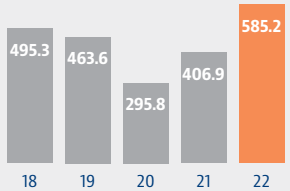
SDG:

Reference:

Page 102

REVENUE[1] (US$ MILLION)
Income earned from rough diamond sales and partnership stones

585.2 +44%



Overview: Revenue from rough diamond sales increased 44% to US$585.2 million, benefiting from positive diamond market fundamentals supporting a 41.5% increase in like-for-like rough diamond prices, the reopening of the Williamson Mine, and the recovery and sale of US$89.1 million of Exceptional Stones. In addition, revenue from the sale of a partnership stone yielded US$1.1 million.

Strategic relevance: Revenue depends on production and our in-house sales and marketing capability, which aims to maximise the value of our product mix.

Related material topic:

MT All material topics

SDG:

Reference:

Page 97

Notes:
1. Figures for FY 2018 include the Kimberley Ekapa Mining JV operation (KEM JV); Petra divested of its stake in KEM JV in December 2018. All figures include Williamson Mine.
2. Certain environmental figures for FY 2021 relating to Petra's carbon emissions and water consumption have been restated further to the independent verification of the Company's 2021 GHG Inventory by TiKOTECH.
3. Figures for FY 2020 and FY 2021 exclude Williamson Mine due to care and maintenance; figures for prior years include Williamson Mine.
4. Excluding capitalised borrowing costs.

Leadership Message

Richard Duffy
Chief Executive Officer

Peter Hill CBE
Non-executive Chair

"To ensure Petra's success, we incorporate sustainability in every aspect of our business. This means creating a safe workplace, being environmentally responsible, supporting local economic development, and ensuring a diverse and empowered workforce. In everything we do, we keep ESG factors at the heart of our business strategy to ensure we continue to meet stakeholder needs.

Overview

Here at Petra, sustainability starts, literally, from the ground up, from the discovery of our diamonds all the way through to their prominence in beautiful jewellery pieces. Across that value chain, we apply the principles of being a good corporate citizen, creating value for our stakeholders and limiting our impact on the natural environment.

Our Sustainability Framework (page 38) was finalised in FY 2022, which provides structure and guides the integration of sustainability into our business strategy. Our Sustainability Framework comprises four sustainability pillars with key aspects and focus areas for each pillar. These pillars are assigned to an accountable Executive Committee (Exco) member with set targets that are monitored and reported through a robust governance process. We continue to link sustainability commitments with the Company scorecard/ performance, which determines share awards and aligns with shareholder requirements. This supplements the sustainability component that is linked to individuals' key performance indicators.

We reopened our Williamson Mine towards the end of 2021, following a 17-month care and maintenance process. Considerable progress was made in implementing the settlement agreement, entered into with legal firm, Leigh Day, regarding the alleged human rights abuses at our Williamson Mine in Tanzania. We have strengthened and repositioned our stakeholder engagement process, resulting in a positive community response. The progress and response to the Restorative Justice Projects (RJPs) funded from the £1 million escrow account established by Petra, has been encouraging. The RJPs implemented include medical support services; feasibility studies for an agribusiness development initiative and an artisanal small-scale mining project; a community wood collecting initiative; and a gender-based violence campaign, which are detailed on pages 86 to 87. As part of our settlement agreement, noteworthy progress was made towards the establishment of a non-judicial Independent Grievance Mechanism (IGM) to be implemented for community members to seek remedy for allegations of severe human rights impacts in connection with security operations at the Williamson mine.

Overview continued

Petra's Project 2022 was concluded in June 2022 and has been embedded within our new operating model as part of our continuous business improvement process. Initiated in FY 2020, the project's aim was to generate US$100 to US$150 million of net free cashflow from the business over a three-year period to improve the Company's balance sheet, which was highly geared at the time. In parallel with Project 2022, we implemented our Organisational Design review to eliminate inefficiencies, speed up decision-making and integrate workstreams. As reported in our Annual Report, Project 2022, now concluded, has delivered US$265 million in net free cash over its three years.

Aligned with our mining charter requirements, our Social Labour Plans (SLPs) for Koffiefontein Diamond Mine and Finsch Diamond Mine were finalised, with Cullinan Diamond Mine due for submission in FY 2023.

Our people are the heart of our business; their voice shapes our culture and way of working. Our refreshed culture is based on a fully inclusive employee participation process, resulting in what we call our 'Formula for Success', which will drive accountability, transparency, respect and dignity to ensure that we continue to grow our business and add value to all our stakeholders.

Operating environment

Petra's like-for-like rough diamond prices were up 41.5% year-on-year, reflecting a stronger diamond market overall. Prices were driven by increased demand from the manufacturing centres, as they serviced record diamond jewellery sales following the hiatus that COVID-19 created, particularly during the festive season. With the simultaneous constraints on global production, as mines close or migrate from open pit to underground operations, the long-anticipated structural supply deficit is now evident and is expected to persist for the next decade. While the effects of the current conflict in Ukraine have led to tough economic conditions globally, diamond pricing has remained relatively resilient. We continue to closely monitor the impact of this war together with sanctions on Russian companies.

While our diamond market remains very supportive, there are some socio-economic challenges. Global inflation and interest rates have increased significantly, placing added financial burdens on consumers as costs escalate faster than salaries and wages. Global fiscal measures taken in response to these challenges are projected to result in global inflation and interest rates declining in the coming financial year.

South Africa is experiencing high unemployment (33.9%) which has increased pressure on Petra from its communities to provide additional employment and procurement opportunities. We are engaging with our communities to see where and how we can assist through our SLPs and local economic development (LED) programme for our community-based suppliers. The impact of COVID-19 has resulted in the closure of certain suppliers and global supply chain challenges have increased lead times for certain supplies and equipment. South Africa's electricity supply remains fragile as the country experienced increased load shedding during FY 2022. Although Petra's operations do not experience direct load shedding, operations are load curtailed. We are currently able to absorb most of the impact of this load curtailment as a result of having excess processing capacity, which allows us to stockpile production during periods of load curtailment and catch-up processing once full power has been restored.

Sustainability Framework progress

Progress on our recently adopted Sustainability Framework, comprising four key pillars, is set out below.

Valuing our people

Safety is our priority and is enshrined in our most important value: Let's do no harm. We are encouraged by our improved safety performance and achievements, including 10 million fatality-free shifts, the lowest number of LTIs (15) in over a decade and the Cullinan Mine achieving 365 consecutive lost time injury free days in April 2022. We continue to manage COVID-19 through our health and safety protocols and our vaccination rate of 64% compares favourably to the South African national average vaccination rate of 51%. In Tanazania 16% of the workforce have been vaccinated.

In an industry where skills shortages are a challenge, we remain focused on attracting, developing and retaining high-calibre, capable people. To address these challenges, we launched several initiatives during FY 2022. These included career development planning for Senior Management and high-potential employees, and the launch of our interaction management training programme to drive team excellence and optimise employee potential. Talent management and succession planning are focused on identifying and filling critical leadership positions.

To encourage diversity and inclusion, we afford underrepresented groups training, development and advancement opportunities within the organisation across all job levels. In FY 2022, we relaunched our Women in Leadership programme that feeds into our operational Women in Mining programmes. Through various diversity-related webinars and courageous conversations, participants were given time for self-awareness and reflection. Petra's female Board Directors are ambassadors of this programme and addressed the participants during some of these webinars conducted in FY 2022.

Stable labour relations are essential to our productivity and the implementation of our strategy. Fair remuneration and effective and transparent internal communication are central to building a trusting culture. A three-year wage agreement (FY 2022 to FY 2024) and a one-year wage agreement (FY 2023) were reached with our South African and Tanzanian operations respectively, which provides for some labour stability and no instances of industrial action were experienced in FY 2022.

Respecting our planet

Climate change is a global threat and extreme shifts in temperatures and weather patterns are becoming increasingly prevalent. In FY 2022 Petra experienced some of these extreme weather patterns first hand, when significant rainfall led to flooding resulting in limited infrastructure damage at our South African operations.

To reduce our impact on climate change we have committed to a net-zero GHG Scopes 1 and 2 emissions target for 2050, aspiring to achieve this by 2040. Petra has also put in place a 2030 GHG reduction target for Scope 1 and 2 emissions of 35 - 40% based on our 2019 base line. Continued Board and Exco training is undertaken on the impacts of climate change as well as Petra's TCFD disclosure requirements.

Respecting our planet continued

Responsible consumption and production form part of our operational planning, with a dedicated focus on improved energy and water consumption, responsible waste management and biodiversity protection and rehabilitation. We continue to participate in voluntary reporting to the CDP on water, energy and forestry and all our operations have biodiversity management plans. We are pleased to report that 80% (FY 2021: 82%) of all water used on our mines is recycled and Petra's South African operations also recycled 85% (FY 2021: 86%) of its waste.

Driving shared value partnerships

We strive to create stakeholder value and economic upliftment in the countries and communities we operate in. Our approach to social investment is developmental and sustainable in nature, to provide economic benefit beyond the life of active diamond mining, to ensure we adhere to our SLP commitments and leave a positive legacy. Petra's Group social investment spend (compulsory and discretionary spend) increased by 43% to US$0.94 million (FY 2021: US$0.66 million) and we spent US$0.4 million (FY 2021: US$0.4 million) on community training and education programmes for our three local mines. Our South African discretionary procurement spend of US$138.4 million was significantly higher than last year's spend of US$84.7 million.

The challenging socio-economic conditions in South Africa and associated increased pressure from our communities underscore the need for socio-economic upliftment programmes, to equip our communities with critical skills. Each operation has its own specific projects that meet some of the needs of its communities, local Government development plans and SLP commitments. These projects include support to selected schools to improve performance in mathematics and science, as well as scholarship and bursary schemes. Our LED projects provide further assistance to our communities through the implementation of infrastructure projects, local business development support and job creation opportunities.

We continue to explore opportunities with some of our clients, where we believe we can add further value to certain of our diamonds, through partnering with them on the polished stones on a profit-sharing basis. The 342.9ct white Cullinan Diamond on our Sustainability Report cover was one of these partnerships stones.

Reliable production

Increasingly, consumers need to understand a diamond's provenance – where it was produced and its route to market. Great importance is placed on ethical, responsible and sustainable production. As a founding member of the Natural Diamond Council (NDC) we are ethical producers of natural diamonds in a diamond industry that values responsible and transparent business practices and that supports local communities to generate long-term sustainable development. According to research, NDC members directly and indirectly support the livelihoods of more than 10 million people worldwide, generating more than US$16 billion per year in net socio-economic and environmental benefits[1] like employment, education, taxes and local economic development programmes. We only operate in member countries of the Kimberley Process, which enhances consumer confidence in the integrity of natural diamonds and the natural diamond industry.

Governance

Effective governance is integral to ensuring responsible and ethical operations and we continually review and adapt our processes to meet the evolving expectations of our stakeholders. This is evident in the changes we have implemented over the past few years, including our refreshed culture journey, new operating model, Sustainability Framework and business improvements. We are confident that our leadership has the necessary skills, diversity and expertise to overcome future challenges in delivering opportunities to further grow our business.

Further detail on our corporate governance is shown on page 28 in this report and is also comprehensively covered in our Annual Report at petradiamonds.com/investors/results-reports/

Outlook

We look forward to the coming year with renewed optimism, despite the current macro-economic uncertainties around higher interest and inflation rates. Our focus is on embedding our Sustainability Framework, monitoring targets, progressing our GHG reduction targets and updating our climate change adaptation strategy. Safety remains our priority as we head into a more capital-intensive period, with our two expansion projects at Cullinan Mine and Finsch. Stakeholder management and engagement, particularly with our communities, are essential to continue building trust through our proactive, open and transparent approach thereby reframing our social contract. We will carefully manage our responsible exit from Koffiefontein.

Thank you to all our people, the Petra employees, and all our stakeholders who have endured these challenging times as we look forward to shaping Petra's future together.

Richard Duffy
Chief Executive Officer
10 October 2022

Peter Hill
Non-executive Chair
10 October 2022

1. https://www.naturaldiamonds.com/resources/the-framework-for-an-ethical-and-sustainable-diamond-industry/.

Stakeholder Engagement and Management

Petra remains committed to transparent and robust stakeholder engagement and we specifically acknowledge the importance of our host communities as key stakeholders in the jurisdictions where we operate.

Key stakeholders

- Employees, contractors and unions
- Customers
- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

Our approach

Stakeholders, especially local communities, have an increasing influence on all companies' operations, and in particular mining companies. This is most evident in developing countries, which includes the jurisdictions we operate in. Pressures on Government and increasingly corporates around development, employment and social service delivery have been exacerbated by the impacts of the COVID-19 pandemic. Besides continuing to focus on effective engagement with role players in our communities, a more integrated approach is required to better address these challenges in our evolving operational environment.

While Petra is incorporated in Bermuda and therefore not subject to the UK Companies Act, the Company considers the disclosures in its Governance Statement, to be consistent with the requirement for a UK incorporated company to include a Section 172 statement in our Annual Report petradiamonds.com/investors/results-reports/. Section 172 requires a company to report on how it is progressing towards fulfilling its purpose and achieving long-term success and how various stakeholders' impacts and consequences are considered in a company's strategic decision making. Petra continues to engage with its key stakeholders on strategic decisions and aims to develop more robust and structured stakeholder engagements. This will enable our operations to continue to build trust in securing support from our key stakeholders in shaping our strategy and enhancing our decision making for a sustainable future.

During the past Year, the Group's Stakeholder Engagement and Management Policy was approved by relevant governance committees and shared internally with our employees. This policy will be embedded group-wide through ongoing employee training and induction. To support the implementation process, Petra will be appointing a Group Communications and Stakeholder Engagement Manager to ensure consistent messaging across the Group as well as to ensure more effective and accountable stakeholder relations with key stakeholders.

Stakeholders and stakeholder engagement opportunities are being identified, captured, profiled, scheduled and managed, using an internal stakeholder engagement management (SEM) system. This system will provide an accurate overview of our ongoing stakeholder relationships and will continue to be enhanced. In addition, effective employee stakeholder engagement and management training continues.

Our stakeholder engagement approach, in conjunction with formal surveys, assists in continuously identifying and assessing issues material to the Company. In identifying our stakeholders' perceptions of Petra in this way, the Company can respond to these timeously and more effectively. Although no formal materiality assessment was conducted in FY 2022, Petra conducted formal Social Impact Assessments (SIA) for all our local mines. The SIAs were conducted to inform our Social and Labour Plans (SLPs) and the outcomes of the SIAs were also used to identify the most relevant needs and concerns in our mining communities.

Ongoing engagement with our stakeholders is the most critical part of our SEM process. While COVID-19 placed restrictions on engagement, we used a variety of suitable channels and media (including printed, broadcast and social) to continue constructive stakeholder engagement. Petra's social media accounts, especially Facebook, continue to play an increasingly important role in our engagement process. However, face-to-face engagements and community newsletters, produced by the respective operations, still play a key part in keeping communities informed of operational issues that affect them.

Our approach continued

A proactive stakeholder engagement approach is critical in building relationships and upholding our social licence to operate. We continually engage with our host Governments, at the national, regional and local level and also with communities, business forums 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 has provided a catalyst for social incidents in the past. The following issues are discussed: local procurement and enterprise development, environmental impacts of mining, employment opportunities, illegal mining, corporate social investment (CSI) opportunities, local economic development (LED) projects 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 and mine closure

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

Regular and transparent engagement at all levels with authorities and regulators, especially concerning compliance with SLP commitments, Mining Charter requirements and specific mine targets (including, amongst others, transformation, mine community development, housing and living conditions and procurement)

Stakeholder engagement

Key stakeholder identification

Identification of our most important stakeholder groups is an ongoing process, as is the continued engagement with them, to maintain consistent two-way communication. Feedback from these key stakeholder groups is relayed to management and the Board through the relevant Board Committees, which influences strategic discussions and decision making.

Key stakeholders

- Employees, contractors and unions
- Customers
- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

Significant decisions impacting key stakeholders in FY 2022

During FY 2022, the Company continued internal and external stakeholder engagement on material sustainability topics. The tables below includes our most important stakeholders, our engagement methods, how we perceive our relationship with each stakeholder, how we deliver value, issues raised and actions taken to address these issues.

Employees, contractors and unions

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
Our people are the heart of our business and are integral to the success of our business. Without a safe, healthy, skilled and productive workforce, Petra would be unable to implement its strategy and create shared value for its stakeholders.	Positive
HOW WE ENGAGE ▶ Day-to-day management of our employees through our managerial structures and leadership practices ▶ Workplace meetings and internal committees ▶ Employee briefs, publications, notice boards and electronic channels ▶ Tip-Offs Hotline ▶ Engagement with Union Mine Forums, Future Forums and Central Negotiating Forums ▶ Employee engagement with the Board, including CEO operational site visits ▶ Designated employee engagements with iNED and Chair of the SED Committee ▶ Social media and SMS communications	**HOW WE DELIVER VALUE** ▶ Employed 5,265 people (FY 2021: 4,895) up due to recommencement of Williamson ▶ Salaries and other benefits: US$146.0 million (FY 2021: US$108.1 million) ▶ Employee training and development: US$6.1 million (FY 2021: US$5.8 million) ▶ Opportunities for career progression afforded to HSDAs, including women
KEY STAKEHOLDER CONCERNS	**ACTIONS TO ADDRESS STAKEHOLDER CONCERNS**
▶ Job security due to business re-engineering at Finsch and Koffiefontein Mines	▶ Ongoing consultation on business re-engineering process, which has now been completed at both Finsch Mine and Koffiefontein Mine ▶ Ongoing consultation on optimal shift structure with unions ▶ Annual skills development and portable skills training for employees
▶ Outcomes of Organisational Design	▶ Centralised Group functions (Human Resources, Finance, Supply Chain and Sustainability) ▶ Reintroduced the COO role reporting into the CEO to enable the implementation of the operating model and centralisation of functions ▶ Standard organisational structures and job profiles across all local operations ▶ Operationalisation of Petra's the operating model ▶ Clear remuneration guidelines and the design of a performance management system
▶ Equal opportunities	▶ Ongoing training to develop and promote HDSAs and females in management ▶ Targeted recruitment and selection to promote a diverse and inclusive workforce
▶ COVID-19 awareness and vaccination drive/understanding/awareness	▶ COVID-19 awareness campaigns ▶ Implemented an incentive scheme to encourage employees to be vaccinated

Stakeholder engagement continued

Significant decisions impacting key stakeholders in FY 2022 continued

Customers

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
Our customers buy the diamonds mined at our operations and are the primary source of the Group's revenue. Long-standing relationships with its customers are based on mutual trust and respect.	Positive
HOW WE ENGAGE ▶ Continuous communication with our client base ▶ Open door policy and high-level business transparency ▶ Full certification of our products ▶ Industry advocacy through the NDC	**HOW WE DELIVER VALUE** ▶ Conflict-free production: 100% (FY 2021: 100%) ▶ Diamonds sold: 3.5 Mcts (FY 2021: 3.9 Mcts) ▶ Access to Exceptional Diamonds from Cullinan Mine and occasionally Williamson Mine ▶ The NDC annually supports various marketing initiatives to promote conflict-free diamonds ▶ Entered into three separate partnership agreements with customers giving Petra an agreed upon portion of downstream margin on the sale of the resultant and polished stone
KEY STAKEHOLDER CONCERNS ▶ Accessibility to tenders	**ACTIONS TO ADDRESS STAKEHOLDER CONCERNS** ▶ Travel restrictions lifted in our operating and marketing areas ▶ Reverted to South African-based tenders for local mines, improving product availability to both local and international customers ▶ Ongoing communication on tender process to all clients
▶ Responsible sale of product	▶ All products are verified and certified in accordance with the Diamond Act ▶ Petra is a member of the NDC ▶ Petra has applied to become a member of the RJC ▶ Petra continues to improve on its customer vetting through Know Your Customer (KYC)

Stakeholder engagement continued

Significant decisions impacting key stakeholders in FY 2022 continued

Financial stakeholders (includes shareholders, noteholders, South African Lender Group, analysts and B-BBEE shareholders)

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
Petra raises funding from its shareholders, fixed income investors and bank lenders. Clear, transparent and balanced communications are important to enable a good understanding of our strategy, business model and performance, as well as our industry.	Positive

HOW WE ENGAGE	HOW WE DELIVER VALUE
▶ Regular briefings through public announcements, webcasts, presentations and social media ▶ Regular direct engagement through meetings, conferences and site visits ▶ Annual and sustainability reporting ▶ Dedicated investor relations department	▶ Significant improvement in net debt profile and strong cashflow generation ▶ Total revenue of US$585.2 million (FY 2021: US$406.9 million) ▶ Gross debt reduction to US$366 million (FY 2021: US$430 million) ▶ Capital investment of US$52 million (FY 2021: US$24 million) ▶ Recovery in share price since the capital Restructuring ▶ Board approved a capital allocation strategy in FY 2022 ▶ Petra held its inaugural investor day in February 2022
KEY STAKEHOLDER CONCERNS	**ACTIONS TO ADDRESS STAKEHOLDER CONCERNS**
▶ High level of debt	▶ Settled first lien debt during FY 2022 ▶ Success of Project 2022 delivered significant cashflow
▶ Lack of clarity of business plans and forward-looking estimates	▶ Petra's inaugural investor day was held in Feb 2022 ▶ Provided three-year guidance on production cost and capex
▶ Not delivering on plan	▶ New operating model – clear accountability and closer delivery on plan

Stakeholder engagement continued

Significant decisions impacting key stakeholders in FY 2022 continued

Host Governments and regulators

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
Support from Governments and regulators is required for our social licence to operate. Petra ensures it complies with all material aspects with all relevant legislation in each of the countries in which it operates. Where new legislation is enacted or regulations are passed, Petra engages with Government when required.	Positive

HOW WE ENGAGE

- Continuous consultation
- Scheduled meetings
- Membership of Minerals Council SA
- Regulatory site visits and audits
- Active involvement as members of Government – initiated forums and other consultative structures

HOW WE DELIVER VALUE

- Taxes and royalties: US$57.6 million (FY 2021: US$18.6 million)
- Estimated number of dependants on our direct employees: c.52,650 (FY 2021: 49,000) – using the accepted x10 multiplier effect for South Africa and Tanzania

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
▶ Delay in implementation of SLP local economic development commitments	▶ Held various meetings with local municipalities, Cooperative Governance and Traditional Affairs (CoGTA) and the Department of Mineral Resources and Energy (DMRE) to identify local economic development projects ▶ Received approval for Finsch's revised SLP budget (Section 102) ▶ Reviewed and updated internal controls and project management approaches ▶ Continue to engage with all levels of Government
▶ Proactive engagement with Government to establish trust and mutually beneficial relationship	▶ We continue to follow and align with new Mining Charter developments ▶ Continued engagement with Williamson stakeholders, including the Government of Tanzania, regarding the IGM process

Stakeholder engagement continued

Significant decisions impacting key stakeholders in FY 2022 continued

Local communities and NGOs

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
The support of our local communities and NGOs is an important component of our licence to operate. A positive role in the community will ensure a sustainable future for Petra and contribute to a favourable Company culture.	Requires attention

HOW WE ENGAGE	HOW WE DELIVER VALUE
▶ Public participation processes and meetings ▶ Community newsletters and local media partnerships on socio-economic projects ▶ Establishing positive relationships through ongoing engagement with community structures ▶ Social media and radio ▶ Mine-specific hotlines, SMS and WhatsApp communications ▶ Mandated public participation processes ▶ Enterprise development resource centres at South African mines ▶ Whistleblowing hotline ▶ Operational grievance mechanisms (OGMs)	▶ Social spend: US$0.94 million (FY 2021: US$0.66 million) ▶ Community training spend: US$0.4 million (FY 2021: US$0.3 million) ▶ External stakeholder engagements held: 451 (FY 2021: 658) ▶ SMMEs trained in business skills at our enterprise development resource development centres: 251 (FY 2021: 307)

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
▶ Enterprise and supplier development opportunities	▶ Enterprise development resource centres at South African mines ▶ Notification of new SMME tender opportunities ▶ Ring-fencing procurement opportunities for SMMEs
▶ Onboarding of suppliers on the Company's procurement portal	▶ Training SMMEs on the procurement portal
▶ Job creation and appointment of non-local community members	▶ Ongoing engagement with Government and local community forums ▶ Advertising jobs locally
▶ SLP implementation and LED projects	▶ Social impact assessments conducted to inform SLPs ▶ Ongoing engagement and approvals from local municipality ▶ Engagement with community members on development needs ▶ The Petra Foundation donated R200,000 to education and female well-being projects at Cullinan Mine ▶ Re-introduced CSR programmes at Williamson after exiting care and maintenance ▶ Ongoing implementation and monitoring of the Restorative Justice Projects in Williamson Mine
▶ Lack of community engagement	▶ Continued reviews and updating of stakeholder engagement plans (SEPs) at all operations ▶ Conducted 451 community engagements throughout the Year ▶ Finalised the Group's stakeholder engagement and management policy ▶ Ongoing communication through face-to-face engagements and digital mediums ▶ Appointed a Social Performance Manager at Williamson Mine ▶ Conducted focused stakeholder engagement to promote Williamson's IGM ▶ Developed a Radio Programme to promote the IGM and RJPs at Williamson – to air in FY 2023 ▶ Addressed and closed out most of our community grievances and concerns raised during the Year

Stakeholder engagement continued

Significant decisions impacting key stakeholders in FY 2022 continued

Suppliers

WHY THIS STAKEHOLDER IS IMPORTANT	HOW WE PERCEIVE OUR RELATIONSHIP
Suppliers provide the goods and services necessary to keep our operations running. Dealing with suppliers who share our values is important in upholding Petra's ethical standards	Satisfactory
HOW WE ENGAGE	**HOW WE DELIVER VALUE**
▶ Meetings with suppliers ▶ Electronic correspondence ▶ Conduct relevant supplier forums ▶ Interaction via local enterprise development centres ▶ Technical assessment	▶ South Africa procurement expenditure: US$238.7 million (FY 2021: US$150.4 million) ▶ Tanzania procurement expenditure: US$35.6 million (FY 2021: US$7.6 million) ▶ Onboarding of 1,059 suppliers onto new procurement portal ▶ SMME loans approved of US$339,898 (FY 2021: US$228,267) and created 275 job opportunities (FY 2021: 386)
KEY STAKEHOLDER CONCERNS	**ACTIONS TO ADDRESS STAKEHOLDER CONCERNS**
▶ Identifying areas for local procurement opportunities	▶ Continued prioritisation of local procurement ▶ Advertised procurement opportunities at the enterprise development resource centres ▶ Ring-fencing procurement opportunities for SMMEs ▶ Engagement with businesses through our operations business forums
▶ Onboarding of SMMEs	▶ Training provided for local SMMEs on Petra's e-Procure portal in South Africa
▶ Enterprise and supplier development	▶ Directing spend from major contractors to influence local spend ▶ Providing business training through our enterprise development centres

Materiality

We regularly engage with our key stakeholders to ensure that we are reporting on the most material environmental, social and governance (ESG) topics and address any concerns they may have. In addition to this stakeholder engagement, various internal and external factors influence our material topics, which in turn inform our business model and shape our business strategy.

Petra's materiality definition

Petra defines a material topic as an ESG issue that could significantly impact (positively or negatively), the delivery of the Company's strategy and future performance and/or could have a material impact on individuals, groups, communities or other key stakeholders that are affected by Petra's operations. When determining materiality, Petra considers its own operating environment (internal) as well as external micro and macro factors as indicated in the approach alongside.

Approach to determining material topics

Petra conducts a formal materiality assessment every three years, with the next assessment to be conducted in FY 2023. While this formal assessment was not carried out in FY 2022, the Group's current material topics were reviewed together with any major changes in the internal and external environment. Our key stakeholder concerns and interests were considered in determining any new material topics or any amendments to existing topics. The impact and opportunity that the current and new material topics have regarding the Company's sustainability were also considered. This review resulted in changes to the FY 2021 material topics. Petra's material topics (see page 24) are discussed and referenced (through iconography) throughout our report as depicted in the diagram alongside.

External and internal factors influencing material topics

Stakeholder feedback	Risks and opportunities	Regulations and standards	Operating environment	Strategy, goals and targets	Purpose and values

Materiality process

Engage and identify

- Ongoing stakeholder engagement as well as consideration of internal and external factors (shown above) are used to identify, review and update material topics

Review and approve

- The final list of material topics is deliberated and approved by Exco
- The approved list is presented to the SED and HSE Committees which recommend the topics to the Board for approval

Align and manage

- Material topics are aligned with internal governance processes, operational imperatives and the Sustainability Framework
- Each material topic is also linked, where relevant, to one of the Group's focused Sustainable Development Goals (SDGs)
- Material topics are monitored and managed as part of Petra's internal processes

MT **Most material topics** (see page 24)

Materiality continued

FY 2022 material topics

The table below provides Petra's FY 2022 material topics with a description of each topic and why it is deemed material. Topics that are new have been marked as such in the table. Our material topics are aligned with Petra's Sustainability Framework pillars as well as Petra's selected SDGs. Reference is also made to the specific section within the report where the material topic is discussed in more detail with a link to the specific indicator in the GRI Standard.

	Reason for materiality	Sustainability pillar(s)	Read more	SDG	GRI
EMPLOYEE SAFETY, HEALTH AND WELLNESS	Safety is our key driver and people are integral to our business. Petra's priority remains the safety, health and well-being of all employees and contractors.		p. 43 p. 48	3, 8	403
COMMUNITY RELATIONS AND SOCIAL INVESTMENT	The ongoing challenging socio-economic conditions continue to highlight the importance of community relations and social investment. Petra's community engagements provide updates on the mining operations status which are important in building trust. The slow rate of economic development and lack of job opportunities in and around our host communities have highlighted the need for a more robust engagement process.		p. 88	4, 8	413 201 204
CLIMATE CHANGE	The increased demand and emphasis placed on corporates to commit and respond to climate change risks remains a reality. Investor requirements around more transparent reporting on ESG issues has also heightened the need for more concrete action. We recognise the increased impact of climate change on our operations and communities and are committed to addressing these risks as part of our Sustainability Framework.		p. 68	12, 15	305
ETHICAL BEHAVIOUR	Ethical behaviour is fundamental to how we operate and underpins all our stakeholder relationships.		p. 31	3, 8	205 408 409 411
STAKEHOLDER ENGAGEMENT AND MANAGEMENT	Our key stakeholders expect to be kept informed on a regular basis, further driven by social media accessibility and reach. Robust stakeholder engagement and management makes good business sense. We have renewed our focus on the development and implementation of a stakeholder engagement framework to ensure consistent, transparent and effective stakeholder engagement across the Group.		p. 15	8	102
WATER MANAGEMENT	Water management remains a key focus area as we operate in predominantly arid environments that pose an ongoing risk to our operations. Water quality and availability continue to be a Group focus to ensure a sustainable supply of water for our mining operations.		p. 73	12, 15	303
ENTERPRISE AND SUPPLIER DEVELOPMENT (N)	The need for enterprise and supplier development has intensified as socio-economic conditions remain challenging and job opportunities scarce, with host communities becoming more vocal about these issues. We aim to stimulate local business through our enterprise development programmes and procurement opportunities. We are in the process of improving our procurement onboarding processes as well as providing improved communication channels.		p. 94	4, 8	204
DIVERSITY AND INCLUSION	We are committed to strengthening our diversity pipeline as well as focusing on historically disadvantaged groups in all the areas we operate. We are committed to driving diversity and inclusion across the business, which provides better decision making through incorporating a range of viewpoints and opinions within our diverse culture.		p. 60	8	405 406
EMPLOYEE DEVELOPMENT	Employee development is essential to ensure the Group has the required skills in place to deliver its business strategy. Our focus on training and development, to support our value driven growth strategy, will ensure we upskill employees to realise their full potential and improve business outputs.		p. 56	4, 8	404

The FY 2021 material topics below were either combined with a related material topic in the table above or removed from the list of most material topics:

- **Employee health and wellness:** this was combined with employee safety
- **Corporate governance:** this remains the foundation upon which the business operates and all material topics are underpinned by good governance. It has therefore not been considered as a standalone material topic, but is implicit across all of the above topics

(N) New material topic for FY 2022

Responsible Business

Responsible business practices are essential to the long-term success of the Company and are managed at Petra through 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.

> Effective governance and ethical behaviour are at the core of responsible business and are central to Petra's success. We have continued to review and adapt our processes to meet the ever-evolving expectations of our stakeholders and focus on embedding a culture that supports both our governance and ethical commitments.
>
> **Peter Hill**
> Non-executive Chair

Material topics:

- Ethical behaviour (especially human rights, ethics and bribery)

Stakeholders concerned

ALL All stakeholders

Company policies and guidelines

- Code of Ethical Conduct (updated in June 2022)
- Human Rights Policy Statement (updated in July 2021 and May 2022)
- Human Rights Defenders Procedure (adopted in May 2022)
- Group Tailings Management Policy (adopted in June 2022)
- Group Tailings Storage Facilities Procedure
- Gifts and Hospitality Policy (updated in June 2022)
- Declaration of Interests Policy (updated in June 2022)
- Public Officials Expenditure Policy (updated in June 2022)
- Investigations Framework (updated in June 2022)
- Whistleblowing Policy (updated in June 2022)
- Diversity and Inclusion Policy
- South African Promotion of Access to Information (PAIA) and Protection of Personal Information Acts (POPIA) Manual
- Stakeholder Engagement and Management Policy and Procedure (adopted in May 2022)
- Stakeholder Feedback and Grievance Procedure

KPIs

100%
PETRA PRODUCTION CERTIFIED 'CONFLICT FREE'

85%
EMPLOYEES IN SUPERVISORY AND MANAGEMENT POSITIONS COMPLETED HUMAN RIGHTS TRAINING

0
FINES PAID FOR REGULATORY NON-COMPLIANCE

43
TIP-OFFS REPORTED THROUGH THE TIP-OFFS HOTLINE

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

Standards, frameworks and guidelines we follow

Tabled below is some of Petra's key standards, frameworks and guidelines.

Safety, health and environment

- ISO 14001: 2015 Environmental Management System
- ISO 31000: 2018 Risk Management Guidelines
- ISO 45001: 2018 Occupational Health and Safety Management System
- ISO 14064: 2018 GHG Emissions Inventories and Verification
- Greenhouse Gas Protocol
- Task Force on Climate-related Financial Disclosures (TCFD)
- Carbon Disclosure Project (CDP): Climate Change, Water and Forestry

People

- International Labour Organization Declaration on Fundamental Principles and Rights at Work
- South Africa Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace
- Voluntary Principles on Human Rights and Security

Production

- Kimberley Process
- ISO 55000: Asset Management Principles
- Publish What You Pay (PWYP)
- Global Industry Standard on Tailings Management
- Global Forum for Maintenance and Asset Management

Governance and other

- UK Corporate Governance Code
- Global Reporting Initiative
- Standards for the Professional Practice of Internal Auditing
- EU Directive on Non-Financial Reporting
- UN Global Compact
- UN Sustainable Development Goals
- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)

Key achievements and performance against FY 2022 objectives

- Despite the virulence of the COVID-19 pandemic and continued waves of infection rates in South Africa, the Company has implemented systems and strategies across all its operations aimed at preventing or containing the spread of the virus, with the core aim of keeping our people safe, whilst also maintaining an appropriate level of production
- Petra has implemented remedial programmes and initiatives and is establishing the Independent Grievance Mechanism (IGM) to address the historical allegations of human rights abuses at Williamson. Engagements with the Government of Tanzania and local stakeholders were completed shortly after Year end, with Petra now focusing on updating the IGM processes and appointing the various structures constituting the IGM. The target remains for the IGM to become operational by the end of this calendar Year
- Several initiatives to provide sustainable benefits to the communities located close to the mine, including a project to create awareness around gender-based violence at Williamson Mine have been progressed in FY 2022
- Petra's Sustainability Framework was finalised in FY 2022 following several workshops with management. An outline of the Sustainability Framework was presented to the Board at the Board Strategy Day in February 2022 and in a further Board session in August 2022 and implementation will commence in FY 2023. Further details on the Sustainability Framework can be found on page 38 of this report
- A new Group Risk, Assurance and Compliance Manager was appointed to oversee the continued implementation of the Company's Enterprise Risk Management (ERM) systems and procedures. Following this appointment, a comprehensive review of the Company's ERM and Combined Assurance frameworks and methodology was conducted, with certain improvements being identified. The key improvements focus on incorporating leading risk management practices and simplifying risk management processes and software to make it more user-friendly and easily understood by management (Risk Improvement Project)
- Petra continued to work with the NDC, both by providing funding and by sharing information and insight into the world of diamonds, to further the NDC's 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 achievements and performance against FY 2022 objectives continued

- A number of Petra's Group policies (including, for example, the Code of Ethical Conduct, the Human Rights Policy Statement, Group Tailings Management Policy, Stakeholder Engagement and Management Policy, Whistleblowing Policy and various anti-bribery and corruption policies) were updated and/or introduced during FY 2022. See page 25

Key challenges

- Challenging external operating environments, where bribery, collusion, crime, poverty, poor education facilities, unemployment and lack of investment in social infrastructure are issues impacting our local communities and supplier base; these challenges have been heightened due to the COVID-19 pandemic

Objectives for FY 2023

- Maintain standards of ethical awareness and behaviour, particularly given that consumer confidence is crucial in the diamond industry
- Continue to implement actions to address the findings of the external investigation into the allegations of human rights abuses at Williamson (in particular the establishment of the IGM and the implementation of various restorative justice projects) and continue to use the learnings to enhance systems and processes at all Group operations
- Continued assessment of Petra's bribery, modern slavery, tax evasion, money laundering and human rights risks and the roll-out and implementation of the updated and new policies and procedures that address such risks
- Development and continued roll-out of a suite of training governance-related modules for employees, facilitated on an e-learning platform, on topics including, amongst others, human rights, whistleblowing, anti-bribery, anti-money laundering, tax evasion and modern slavery and raising awareness of the updated Code of Ethical Conduct
- Petra's new Sustainability Framework to be implemented across the Group
- Continued work with the NDC to assist in its goal of maintaining and enhancing consumer demand for and confidence in natural diamonds
- Continue to proceed with applying for membership with the Responsible Jewellery Council
- Complete and implement our 'Petra Formula for Success' that would define Petra's way of working
- Continued reporting to key benchmarking agencies and international standards to further improve Petra's disclosures and transparency
- Implement the Risk Improvement Project referred to above, further details of which can be found in the Annual Report at **petradiamonds.com/investors/results-reports/**

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

Corporate governance

Our commitment

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 continuous improvement in the area of corporate governance, to ensure that we reflect the evolving regulatory environment and best practice.

Our approach

Governance and risk management

The Board oversees overall risk management, with Board Committees providing an additional level of oversight. The Risk, Assurance and Compliance function reviews, analyses and reports on risk on a continuous basis, including monitoring any emerging risks. It then consolidates key, principal risks and reports on these on a quarterly basis to the Executive, which is responsible for risk management processes and systems and drives a culture of individual risk ownership and employee accountability in implementing these processes/systems. Internal audit provides assurance with regards to the effective functioning of the internal control systems.

Sustainability risk falls under the remit of two separate Board Committees: 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 overseeing and monitoring principal risks highlighted by the other Board Committees, the Risk, Assurance and Compliance function, internal audit and, where relevant, independent external assurance providers. Further information on the activity of these Committees can be found in our Annual Report at **petradiamonds.com/investors/results-reports/**.

A new Group Risk, Assurance and Compliance Manager was appointed to oversee the continued implementation of the Company's ERM systems and procedures. Following this appointment, a comprehensive review of the Company's ERM and Combined Assurance frameworks and methodology was conducted, with certain improvements being identified. The key improvements focus on incorporating leading risk management practices and simplifying risk management processes and software to make it more user-friendly and easily understood by management and is referred to as the Risk Improvement Project. An outline of the Risk Improvement Project can be found in our Annual Report at **petradiamonds.com/investors/results-reports/**.

Following the Company's new risk management software becoming operational in FY 2021, there have been some significant improvements, especially in the following areas: the monitoring and tracking of risks; the recording of risk assessments and mitigating actions by risk owners; the aggregation and consolidation of risks across the Group. The new risk management software is in the process of being updated to make it more user-friendly as part of the risk improvement project but overall it continues to serve as an enabling tool, in assisting management to undertake its risk management responsibilities in a more efficient and effective manner.

Aided by this new risk management software, Petra's risk consolidation and aggregation processes now comprise a top-down, bottom-up and cross-functional approach leading up to the identification of significant risks and ultimately the Group's principal risks. Petra carries out a quarterly review of its principal risks and further detail on these principal risks for FY 2022 is included in the Annual Report at **petradiamonds.com/investors/results-reports/**.

Both PDL and WDL continue to take steps in improving governance and risk management processes with regard to human rights and stakeholder relations. This saw updates to and the adoption of several new policies and procedures, including updates to the Human Rights Policy Statement, the adoption of a new Human Rights Defenders Procedure and the adoption of a new Stakeholder Engagement and Management Policy, as outlined above. Stakeholder relations at the Williamson Mine have also improved as a result of engagements on the establishment of the IGM and the implementation of various Restorative Justice Projects – see pages 86 to 87 of this report for more details.

Informal briefings and updates for the Board on governance and ESG matters are provided throughout the Year.

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

More information on our approach to risk management can be found in our Annual Report at **petradiamonds.com/investors/results-reports/**

Board and Committee changes

There were several changes to the Board of Directors and its Committees during the Year. At the conclusion of the 2021 AGM, Mr Gordon Hamilton retired from the Board, with Ms Deborah Gudgeon succeeding him as Chair of the Audit and Risk Committee.

Mr Matthew Glowasky, having been appointed as a non-independent NED by Monarch in accordance with the Nomination Agreement between it and the Company, stepped down from the Board on 17 May 2022. While Monarch does not currently intend to nominate a Director to replace Mr Glowasky, it retains the right to do so under the Nomination Agreement.

With effect from 1 March 2022, Mr Jon Dudas was appointed as an iNED. Mr Dudas was appointed to the Nomination, Audit and Risk and Remuneration Committees, and as a result, such Committees continue to only be comprised of iNEDs.

Further details on the Board of Directors and the composition of the Board Committees can be found in the Annual Report at **petradiamonds.com/investors/results-reports/**

Sustainability management

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

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).

Corporate governance continued

Our approach continued

Sustainability management continued

The Company's operational management approach is a risk-based one aligned with the ISO 31000 Risk Management Guideline, which is based on continual risk identification, risk assessment and instilling awareness into the workplace.

Petra's new Sustainability Framework was finalised in FY 2022 and will start to be implemented in FY 2023. As the Sustainability Framework is implemented, we expect to further review and revise the material sustainability objectives for the business. These will be put in place across our operations, with specific indicators that enable monitoring and assessment of performance against targets on a mine-by-mine basis, as well as at a 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, through the relevant Board Committees.

The indicators are monitored daily at mine level and then monthly and quarterly reports are prepared by the mine management and Group Discipline Managers to Petra's Operating Committee before then being 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. Following the human rights allegations at Williamson Mine, reporting structures have been revised, enabling more timely, accurate and transparent incident reporting.

Petra complies in all material aspects with relevant laws and regulations in South Africa and Tanzania and was not subject to any fines during FY 2022.

Operational 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, namely health and safety, environment, social impact and diversity and inclusion, are explicitly included as part of the annual bonus framework, and represent 30% of the Company's KPIs, reflecting Petra's commitment to corporate responsibility. In recognition of Petra's commitment to embedding sustainability performance, the Company's Performance Share Plan FY 2023 award will include a performance measure (amounting to 15%) that is linked to Petra's stated greenhouse gas reductions targets, with performance measured over a three-year period to 30 June 2025.

An Organisational Design Review, that closely supported Project 2022, was carried out and resulted in a simplification of Petra's people operating model, ensuring greater consistency throughout the Group. Phase 2 of this review involved a zero-based organisation design for Petra's South Africa operations, with the aim of right-sizing the organisation, defining role profiles and conducting job evaluation and grading exercises to establish market-related remuneration, in accordance with a revised Operational Remuneration Policy.

Two important objectives of the revised Operational Remuneration Policy are to ensure internal equity and external market competitiveness (i.e. to attract and retain critical skills). Achieving these objectives will help the policy to be seen as value adding, fair, objective, equitable, defendable and sustainable and supports investment in employees as an imperative to the achievement of the Group's strategic objectives.

Further information on our remuneration policies can be found in the Directors' Remuneration Report of our Annual Report at petradiamonds.com/investors/results-reports/

Legal compliance

Petra's licence to operate comprises various mining rights, 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 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 DMRE
- 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. The MWP also informs the EMP and SLP reports

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 and regarded as essential to maintaining our licence to operate. The core responsibilities in that regard for our South African operations 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, social and legal.

Corporate governance continued

Our approach continued

Legal compliance continued

Managing compliance continued

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 seek to 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 supported by our in-house Legal function (which includes our Group General Counsel & Company Secretary who is a member of the Executive) and 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 internal and external audits are communicated to the Board.

Our mining operations in South Africa have access to a 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. In Tanzania, our Legal department keeps track of all laws and regulations applicable to our mining operations and notifies any updates or changes to relevant managers.

The new risk management software that became operational in FY 2021 includes a Legal and Regulatory Compliance software solution which is an extension to and integrated with the risk management software. The Risk Simplification Project is looking to adapt the way in which this software solution is used by the business to further strengthen legal compliance across our operations.

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 the DMRE regionally, as well as by the British Standards Institution (BSI).

No material findings were made regarding non-compliance or potential health and safety-related liabilities that resulted from formal instructions, court subpoenas or administrative fines in FY 2022.

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 with the DMRE for each operation
- Internal compliance, assurance and performance audits are performed annually
- 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
- Our Tanzanian operations have annual independent environmental compliance assessments as per Tanzanian legislation

The Company did not receive any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations during FY 2022. This is the 15th consecutive 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 upliftment, 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 local 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 annual 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, which include municipal and labour representatives, are present in addition to representatives from the DMRE.

At Williamson we are committed to active and transparent stakeholder engagement, as well as striving to make a positive impact on our local communities through Williamson's Corporate Social Responsibility Programme and through the development and implementation of a comprehensive Stakeholder Engagement Plan.

During FY 2022, the Company did not receive any notification of non-compliance with laws and regulations in the social environment.

Material legislative updates

In last year's report, we highlighted that the Company is closely monitoring developments around the Broad-Based Socio-Economic Empowerment Charter for the Mining Industry (the Mining Charter) and reported on the judicial review brought by the Minerals Council SA, of which the Company is a member. The High Court of South Africa confirmed in September 2021 that the Mining Charter is a policy document, and non-compliance with any of its provisions cannot lead to a suspension or cancellation of mining rights. Whilst the DMRE has indicated that they will not appeal this judgment, they have indicated that they will seek to introduce a legislative amendment of the Mineral and Petroleum Resources Development Act to Parliament which would have the effect of reversing certain aspects of the judicial review, in particular the legal status of the Mining Charter. The timing and outcome for such a legislative amendment is unclear and if pursued is likely to take years to implement.

The Company has, together with industry, adopted an approach to strive to attain the targets where practically possible.

Ethical behaviour

Our commitment

We remain committed to ethical and responsible business practices in all our business dealings. As a responsible corporate citizen, we seek to protect, enhance and invest in the wellbeing of the economy, society and the natural environment. Responsible corporate citizenship implies an ethical relationship of responsibility between the Company and the community in which it operates. Petra and its subsidiary companies are therefore committed to a policy of ethical conduct, which includes fair dealing and integrity when conducting business.

Our approach

Petra's commitment to ethical behaviour is clearly set out in the Group's Code of Ethical Conduct (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 purpose and values, and encourage and guide us to conduct ourselves professionally.

The Code of Ethical Conduct is reviewed annually by the Board and was extensively updated in FY2022. The updated Code has had our previous anti-bribery policy integrated into it, and the Code now serves as a useful guide and summary of other internal policies, standards and procedures that are relevant to the way we work and the ethical conduct that is expected from all staff as well as other business partners who work with us or act on our behalf.

Petra continues to assess its fraud, corruption, bribery, modern slavery, tax evasion, money laundering and human rights risks and will continue to make improvements to the policies and procedures that address such risks. During FY 2022, Petra conducted an ethics and compliance risk assessment across its operations which identified various areas for improvement. In response, Petra has developed and is implementing an Ethics and Compliance Programme that has seen the SED Committee approve new Gifts and Hospitality, Declaration of Interests and Public Officials Expenditure Policies and a revised Whistleblowing Policy. Compliance with these new policies will be facilitated through online registers that enable employees to declare and seek approval for gifts, hospitality, interests and expenditure involving public officials. Raising awareness amongst staff and training for these new policies and the updated Code will be facilitated through an e-learning platform.

The updated Code of Ethical Conduct and suite of new anti-bribery and corruption policies will be shortly be rolled out across the South African operations and will involve a series of workshops attended by management and staff. The updated Code will be provided in booklet format to all staff, including contractors and will be communicated to our key suppliers who are expected to act in a manner consistent with the Code. WDL is also in the process of developing a new Code of Ethical Conduct and suite of anti-bribery and corruption policies which will be based on Petra's Code and policies but adapted to cater for country-specific requirements. WDL's Code and anti-bribery and corruption policies will need to be approved by the WDL Board before being rolled-out across the organisation, again involving workshops attended by management and staff.

In FY 2023, we will also update our standard supplier terms and conditions to make a formal reference to our updated Code and to make other improvements. The updated Code has also been made available on Petra's website for access by our business partners and stakeholders.

Anti-bribery, fraud and corruption

Bribery, fraud and corruption 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.

Petra's suite of anti-bribery policies consists of the Code of Ethical Conduct and the Gifts and Hospitality, Declaration of Interests, Public Officials Expenditure and the Whistleblowing Policies. These have been made public on both the Company's intranet and website. All Petra employees, contractors and suppliers will, once the updated Code and policies have been rolled out, be informed of them as part of the Company's induction procedure. Depending the level of employment, employees will be required to complete an annual certification of their compliance with the Code and these policies and to participate in regular training and awareness workshops.

The Audit and Risk Committee receives a quarterly security intelligence report, detailing any investigations of potential bribery, fraud and corruption. This report provides details of incidents and actions taken. In FY 2022, there were a number of allegations which were investigated and appropriate action was taken (further information is provided in the 'Whistleblowing procedure' section immediately below).

Due diligence on third parties

We recognise that we are exposed to compliance risks related to our third party stakeholders, especially our suppliers, and acts of bribery and corruption, human rights violations, sanctions breaches and other non-compliances with the law, may impact our business. We have proactively assessed our risks in relation to sanctions and trade restrictions breaches as a result of the conflict in Ukraine. Our risk assessments did not indicate any sanctions or trade restriction breaches.

In FY 2022, we started reviewing and updating our third party due diligence procedures as part of the Ethics and Compliance Programme referenced above. We expect these new procedures to be implemented in the first half of FY 2023. The new due diligence procedure will apply to all third parties (e.g. customer, supplier, social investment beneficiary, etc.) and will involve an initial online screening of ethics and compliance risks. On a risk-based basis, a due diligence questionnaire will be issued to the third party to identify, assess and address any compliance red flags, through an automated compliance workflow management platform, prior to entering into a contract with the third party. This third party due diligence automation will also enable us to perform compliance screening against sanctions, watchlists and adverse media.

Ethical behaviour continued

Our approach continued

Whistleblowing Policy and Investigations Framework

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 suite of anti-bribery and corruption policies referenced above.

To uphold its independence, this whistleblowing service is outsourced to an independent external service provider, Deloitte. It is provided in all local languages in the countries in which Petra operates, as well as several 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 through our other communication channels such as social media. The Whistleblowing Policy was updated in FY 2022 to include a more transparent and effective reporting mechanism for employees, contractors and stakeholders. Petra's investigation processes were also updated with the introduction of a new Investigations Framework, that sets out Petra's investigation processes and protocols.

Investigations are conducted by an internal investigation team of suitably qualified personnel who report directly to the Group General Counsel function. This investigation team 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 confidential and protected according to applicable local and international laws. The service is monitored by the Audit and Risk Committee and the SED Committee.

In FY 2022, Petra received 43 reports (FY 2021: 28) involving alleged irregularities considered necessary to investigate, which are tabled below:

Type of tip-off	Classification	Number	Unfounded	Action taken	Further action	In progress
Appointment irregularities	Minor	3	3	—	—	—
Fraud	Minor	6	5	—	1	—
Job scam	Minor	15	13	—	1	1
Misconduct	Minor	2	—	—	—	2
Nepotism	Minor	3	1	1	1	—
Non-compliance with Company policies and procedures	Minor	4	3	—	—	1
Possible theft	Minor	3	—	—	1	2
Suspicious behaviour	Minor	2	2	—	—	—
Trespassing	Minor	2	2	—	—	—
Unauthorised activities	Minor	1	—	—	—	1
Verbal abuse	Minor	2	2	—	—	—
Total		**43**	**31**	**1**	**4**	**7**

Of these reports, 36 were resolved and closed and seven remain under investigation.

Human rights

Petra acknowledges the global problem with regard to human rights abuses, such as slavery, gender-based violence, child labour and other abuses committed against vulnerable members of society. The Company is committed to upholding the human rights of all of its stakeholders, as set out in its 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.

In FY 2022, Petra updated its Human Rights Policy Statement and adopted its new Human Rights Defenders Procedure, reiterating our commitment to respecting the rights of human rights defenders or anyone raising concerns about our activities, and reflecting the need to continually ensure that effective training on human rights is provided throughout our organisation.

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 Organization Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the UN Declaration on Human Rights Defenders, the Voluntary Principles on Security and Human Rights (VPSHR), and all legislation pertaining to human rights in the countries where it operates.

Ethical behaviour *continued*

Our approach continued

Human rights continued

In ensuring our respect for human rights, we pledge to:

- Welcome diversity and treat all people equally, without unfair 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
- Respect the rights of human rights defenders and anyone opposing or raising concerns about our activities and behaviours
- Operate with respect for human rights in post-conflict and weak governance zones
- Where it is within our control to do so, seek to ensure respect for human rights in the deployment of security forces
- Have consideration for society's most marginalised individuals and groups, including women and youth

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.

In accordance with the Group's Human Rights Policy Statement, which was recently updated and approved by the Board, Petra has increased awareness of human rights within the workplace by implementing various types of human rights awareness training for the Board, employees (including management), contractors and security personnel.

Our general induction training for all employees and contractors was also amended and enhanced to increase awareness of the impact of human rights in the workplace and the rights of human rights defenders.

We have zero tolerance for child labour, forced labour or discrimination, and we respect the right of our workers to form unions. The risk of child labour or forced labour taking place at any of Petra's operations has been mitigated by the Group's rigorous recruitment and pre-employment vetting processes and strict adherence to the relevant local labour legislation. We consider that risks of slavery or human trafficking with regard to our operations or supply chain have also been mitigated by the due diligence processes undertaken by our supply chain management, particularly once those processes have been improved (as outlined above).

IGM and Restorative Justice Projects

In last year's report, we reported at some length on the human rights abuses alleged at the Williamson mine in Tanzania, and the steps taken by Petra to investigate such abuses, the actions taken to address the findings of that investigation and the settlement agreement entered into between Petra and Leigh Day. Further details on the background to these allegations, the findings of Petra's investigation and the measures taken by Petra and WDL to address them, are set out in the Company's announcement of 12 May 2021, 'Findings of the Independent Board Sub Committee', which is available to view along with all other related announcements:

petradiamonds.com/our-operations/our-mines/williamson/allegations-of-human-rights-abuses-at-the-williamson-mine/

Petra has made significant progress in the design and establishment of a non-judicial Tier 2 Independent Grievance Mechanism (IGM) to address allegations of severe human rights impacts. As reported in 2021, the IGM will have the capacity to investigate and resolve complaints alleging severe human rights impacts in connection with security operations at the Williamson mine. This will be done through an independent panel of Tanzanian experts applying Tanzanian law, and with complainants having access to free and independent advice from local lawyers. A series of engagements with Government ministries and agencies, civil society and NGOs were conducted in Dodoma and Dar es Salaam, seeking feedback and support on the proposed design of the IGM. The Company has specialist external support from Synergy Global Consulting (Synergy) in the development of this process. Synergy is a specialist international consultancy with over 20 years' experience working with companies, Governments and community-based organisations.

In FY 2022:

- Petra undertook extensive stakeholder engagements in relation to the IGM, from a local through to national level, aimed at creating awareness of the IGM process and familiarising stakeholders with the steps that will be taken in preparation for operationalising the IGM which is expected to occur by the end of this calendar Year. Feedback from these engagements has been used to update the IGM processes.
- Petra appointed two Independent Monitors to monitor and report on the functioning of the IGM. They have been trained on the IGM principles and design and have visited the Williamson mine to familiarise themselves with the context in which the IGM will be implemented.

Proposals have been sought from entities to perform the function of the Secretariat which is to be followed by the recruitment of the Independent Panel and Fact Finding Team. Once the IGM personnel have been appointed, they will be trained on the IGM and its processes according to the manual. Thereafter, the IGM's systems and procedures will be established and tested in a pilot phase.

While the IGM is still being finalised, a mechanism has been set up to enable community members to confidentially and securely register alleged historical human rights grievances. This mechanism continues to receive grievances, with a significant amount of grievances having been registered to date. As the IGM is not yet operational (and therefore unable to start investigating these grievances), it is too early to evaluate the merits of these grievances.

Ethical behaviour *continued*

Our approach continued

Human rights continued

IGM and Restorative Justice Projects continued

Petra has also made significant progress in relation to the implementation of the Restorative Justice Projects (RJPs), funded by the £1 million paid by Petra into an escrow account. The RJPs which Petra has implemented include

- **Medical support services**: in January 2022, working in conjunction with its project partner, CCBRT, Petra started providing physiotherapy screening to the community surrounding the mine at Mwadui hospital. Following the screening process in January, additional services including surgery, psychosocial support, orthopaedic equipment and provision of medication and testing have been confirmed and are being rolled out as part of the medical support services offered to the mining communities. The high demand for physiotherapy and other medical services has resulted in Petra providing additional funding for the project. Even with the additional funds, the project's resources are finite and thus decisions as to how resources will be allocated to fund surgeries and medication will be made on a rolling basis by the medical team involved in the project
- **Agribusiness Development Initiative**: this project aims to support sustainable and self-sufficient agribusinesses in the communities surrounding the Mwadui mine. Building on the engagements and findings of the scoping study, a feasibility study conducted by SpaDe (a consultancy with extensive agricultural business expertise based in Tanzania) has conducted household surveys and engagements with key stakeholders (Government, businesses and markets) in order to develop a sustainable ADI and align actors. The feasibility study is currently in analysis phase, and findings will be workshopped with WDL, the community and Government in order to ensure participatory selection of the most viable ADI project(s). The ADI project will only be implemented once the feasibility study confirms that the necessary support can be achieved and importantly, that the potential to impact the communities' economic and wider benefits is understood
- **Artisanal small-scale mining (ASM) project**: the purpose of this project is to support sustainable, responsible and legitimate artisanal diamond mining in the local area, in order to increase economic and wider community benefits, improve the relationship between WDL and surrounding communities and reduce incentives for illegal diamond mining on the Williamson mine. Building on the engagements and findings of the pre-feasibility study, partners TDi and Solidaridad (which hold extensive experience of ASM projects internationally, and in Tanzania) have been appointed to conduct a feasibility study that will identify the desirable, feasible and viable potential model(s) of implementation for the ASM project. The ASM project will only be implemented once it is confirmed that the necessary support and approvals from the Government can be achieved and the potential impact on the community's economic and wider benefits is understood
- **Gender-based violence campaign**: Petra has committed to undertake an awareness campaign in respect of sexual and gender-based violence (SGBV). This commitment was not a requirement of the settlement agreement that Petra entered into with Leigh Day. The approach to this project is highly collaborative, across civil society organisations, Government and local leadership, with Petra complementing and supporting the Government's efforts to effectively address SGBV. The campaign has included extensive engagement with community members and local officials at all levels, with a particular emphasis on women. To this end, Petra has appointed HerDignity, a local Tanzanian partner to implement the project and continue community engagement and training in Shinyanga. A total of 1,400 people across the 11 communities were engaged in the Participation Action Research (PAR) process and over 2,500 people were involved in the village assemblies where the action plans were developed. Her Dignity completed the first phase of its programme in March 2022 and trained 22 animators as well as completing the PAR outlined above. Phase 2 is currently underway and ongoing site visits by Her Dignity support the community and survivor groups in achieving their aims. Monitoring performance and impacts of the project will form part of Phase 3 of the initiative
- **Radio Programme**: in addition to the above initiatives, a Radio Programme was identified as a way to better reach communities to communicate, raise awareness and ensure understanding of the IGM and RJPs. As part of the programme, 12 Listening Club leaders, one for each community (selected by the communities), were trained in July FY 2023 to facilitate and guide the Listening Clubs in their respective communities. 15-minute radio inserts/shows will be produced and broadcast by Radio Free AFRICA at the end of August 2022

Illegal incursions onto the Williamson mine lease area

During FY 2022, there were a total of 429 reported incidents of illegal incursions onto the Williamson mine lease area, with 55 illegal miners and 13 security officers sustaining minor injuries and 161 individual illegal miners being apprehended. These incidents have been further investigated as appropriate and corrective actions taken where necessary.

Whilst it will never be possible to completely eradicate illegal mining, WDL continues its extensive engagement with communities around the mine to highlight the dangers of illegal mining, thereby seeking to reduce illegal incursions onto the mine lease area, with a particular focus on seeking to reduce or eliminate the involvement of minors in illegal mining. Furthermore, WDL continues its engagement with local authorities to actively target those individuals that are known to be providing economic support to disaffected youth and the wider community to trespass onto the mining area.

As previously announced, Petra has entered into a Framework Agreement with the Government of Tanzania under which, once effective, Petra's indirect shareholding in WDL will reduce from 75% to 63% and a Memorandum of Understanding with Caspian Limited under which, once effective, Petra's indirect shareholding in WDL will reduce further from 63% to 31.5% but with Petra retaining control of WDL. If these transactions complete this will not impact the Company's commitment to the community programmes, IGM or other initiatives detailed in its 12 May 2021 announcement and referenced above.

Indigenous people

Petra reported no disputes relating to Company-owned land use or involving the rights of indigenous people during FY 2022 in South Africa or Tanzania.

1. Regional Strategic Plan to End Violence Against Women and Children 2020/2021-2024/25).
2. UNFPA Fact Sheet for Shinyanga (2011).

Ethical behaviour *continued*

Our approach continued

Security

The mission of Petra's Security team is to provide a safe and secure business and operating environment for the Company and its people, while respecting human rights.

The Group's security strategy is focused on: the promotion of a culture that discourages theft of the Group's products and assets; continuous risk analysis and management; adopting protective and detective control measures and appropriate technology to create a credible loss prevention capability; and having a well-trained and focused Security team.

In FY 2022, the Security team continued to detect and deter threats, criminal acts, illicit activity and unethical behaviour that represent unacceptable risks to Petra's assets and interests and the interests of its key stakeholders. The Group's security strategy is under continuous review to align with ever-evolving security threats.

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.

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 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 managing and monitoring high-risk areas in Petra's operations.

Petra undertakes and regularly updates risk assessments relating to security (in the three main security focus areas of information, 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 works in close co-operation with the local police forces.

There is an ongoing risk of illegal artisanal small-scale mining taking place at Williamson, due to the large size of the 146 ha orebody, which is mined as an open pit operation, together with the alluvial resources included in the 30.6km^2 SML and the challenges associated with securing such a large perimeter. This business risk is managed through frequent consultation, policing patrols and relationship management. WDL is in the process of deploying several additional security technologies to detect intrusion and to proactively deter potential threats.

As reported in FY 2021, WDL appointed a new security contractor, Gardaworld, to carry out security services at the Williamson SML. Together with Gardaworld, WDL had made significant improvements in relation to the management of illegal mining activities and WDL seeks to ensure that its processes and systems comply with all relevant international standards, including the VPSHR. WDL has also taken steps to ensure that all security personnel on the ground at the mine are fully aware of their commitments in terms of the VPSHR and have carried out refresher training on the VPSHR.

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 through the NDC, 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 continues to fund generic marketing campaigns to promote responsible diamond sales to consumers, and it 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.

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

The members of the NDC have agreed three sustainability pledges in alignment with the UN SDGs, as follows:

Sustainability pledge	SDGs supported
1. Strengthening communities	8, 9
2. Protecting the environment	6, 12, 13, 15
3. Promoting gender equality and inclusivity	4, 5, 10

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 legacy for future generations. Read more at **naturaldiamonds.com/diamond-industry-sustainability/**. In Petra's Sustainability Framework, all 17 UN SDGs are supported, but we have identified the five most relevant SDGs (see page 40).

Culture

Our commitment

At Petra Diamonds, we believe that our people are the heart of our business. We therefore need to ensure that everyone has a voice in determining the ideal culture that everyone can relate to. Our culture is the framework that enables us to execute our strategy while allowing the business to accelerate, sustain and deliver ongoing improvements. Petra aims to jointly create a clear and compelling culture for the organisation and ensure that the entire organisation not only understands it but will also be consciously contributing to its attainment.

Our approach

Petra has undergone significant change over the past few years. The Company completed a major capital investment cycle to develop new mining areas at its operations and upgrade the infrastructure required to support these projects. In FY 2021, we completed some restructuring that fundamentally improved the Company's balance sheet with a more sustainable level of debt going forward. We have also focused on embedding a new operating model, including centralising the Group functions (Supply Chain, Human Resources, Sustainability and Finance) for consistency and alignment and ensuring we meet all our regulatory and governance commitments.

Petra embarked on a formal procedure of building and embedding a refreshed culture that is based on a fully inclusive employee participation process. This is referred to as Petra's Formula for Success. This formula will be our unique way of ensuring that we continuously grow from strength to strength and create shared value for all our stakeholders. Through our approach of developing a cultural Formula for Success, our aim is to successfully deliver our value-led growth strategy, while ensuring a sustainable future for the organisation.

Our new culture captures the initiatives that enabled the repositioning of Petra over the past few years, which has delivered so much value for stakeholders already. We have embarked on an inclusive process to identify the culture we need to reflect our intentions and bring about this Formula for Success which is relevant for everyone in Petra. The outcome of this process reflects a distillation of employees' opinions regarding the most enabling and disabling factors, which are then weighted according to those which are the most vital for how our culture can achieve our purpose. These elements are visualised as icons to help everyone internalise our winning culture and serve as constant symbolic reminders of how the organisation needs continuously to align with and transform towards our purpose.

> "Having created a solid foundation, with the right structures and processes in place as well as the successful implementation of Petra's operating model, we are poised to implement our culture change intervention. This gives our people, who are the heart of our business, a voice in shaping our culture to ensure the successful delivery of our value-led growth strategy.
>
> **Thashmi Doorasamy**
> Head of Group Human Resources & Public Affairs

Agreeing our purpose – so that the entire organisation Is aligned and contributing to its attainment

Establish the critical success factors – factoring in what we need more of or less of to fulfil Petra's purpose

Disseminate the Formula for Success throughout Petra with weighting and descriptors of the constructs

Measurement and innovation cycles to ensure the culture is gaining traction

Culture *continued*

Organisational initiatives to reinforce our culture

We also continued to implement initiatives (see below) that we consider to be the building blocks for developing and reinforcing a culture that is aligned to our values and repositioning of the business.

Leadership alignment and development

To build capacity as leaders, it was an imperative for Exco to invest in personal leadership effectiveness through a process of 360 Leadership Feedback, carried out in FY 2022. The intention has been to encourage connection within the leadership teams, as custodians and stewards of Petra and its people, in the belief that there is a shared, purposeful and possible ambition. Organisational conversations, about how we are living up to our defined culture, are planned for each quarter going forward.

This initiative seeks to standardise the Petra approach in training for management excellence in the expectation that it will develop the competencies needed to ensure we optimise employee potential. Three focus areas align with differing needs across the business: Senior Management development to deliver operational excellence; supervisory and junior manager development to drive team excellence; and empowering individuals. Formal training sessions for each of these groupings will occur in FY 2023.

Enhancing our safety culture within the organisation

Petra's priority has always been safety, and to enhance focus on our value to do no harm, a production bonus scheme for all employees, up to and including the supervisory level, was implemented in July 2021. This scheme aims to align employees' variable pay with achievements that meet and exceed production expectations. The scheme is aligned to an employee's line of sight which enables discretionary effort and reduces absenteeism and focuses on adherence to safety standards. The scheme is moderated by various elements including safety performance. No bonus is payable if there is a fatal accident during the quarter. A deduction of 2% will be applicable for every lost time injury (LTI) during the quarter. If there are no LTIs in a quarter, the mine will qualify for an additional 5% bonus. We believe our improved lost time injury frequency rate (LTIFR) for FY 2022 can, in part, be attributed to this emphasis within our culture.

The new Organisational Design embeds the benefits of Project 2022

Lessons taken from Project 2022, which was initiated in 2019 and completed in June 2022, have been embedded in our new operating model with continuous improvement and accountability at its core. We have put in place clear structures with well-defined roles that include KPIs and an understanding of the necessary cross-functional work. This project aims to eliminate inefficiencies and duplication of effort, speed up decision making and ensure the integration of workstreams. Honest, open and transparent communication and interaction is central to achieving this and is supported by structured Results-Action-Review sessions (RAR) for all senior managers. This operating model aligns with our strategy, engenders consistency across the business, and ensures we meet our regulatory and governance commitments.

> "Our culture is the framework that enables us to execute our strategy while allowing the business to accelerate, sustain and deliver ongoing improvements.

Sustainability Framework

Petra Diamonds is committed to continue integrating sustainability into its day-to-day operations, to create and sustain value for all key stakeholders in the short, medium and long term.

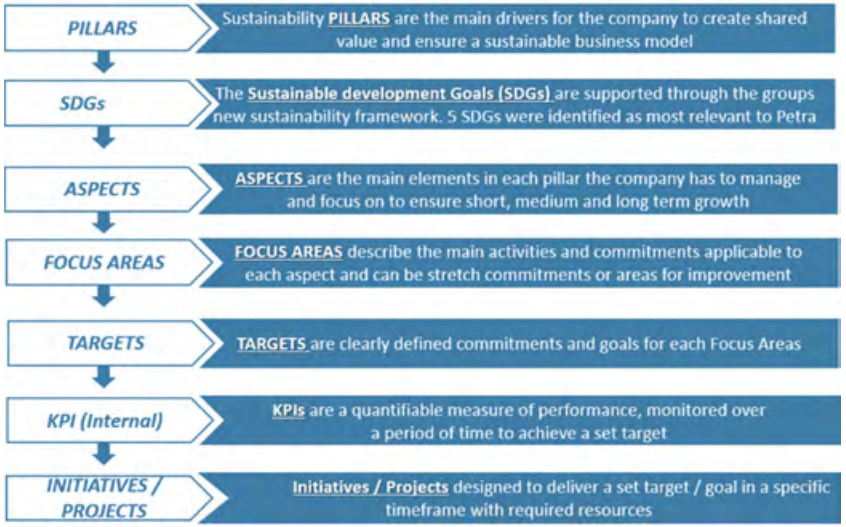
Petra's Sustainability Framework

Sustainability is inherent within our business operations, from providing a safe work environment, being environmentally responsible and supporting local economic development to ensuring empowerment and inclusion in our diverse workforce. All these elements are important strategic drivers of the Company and as stakeholders continue to expect more from us in the ESG field, our Sustainability Framework aims to support our business strategy and meet stakeholders' needs.

Petra started its Sustainability Framework process in 2019; however, progress was significantly impacted by COVID-19 and resource availability. The Company made good progress in FY 2022, including the appointment of a Group Sustainability Manager to drive the finalisation and integration of Petra's Sustainability Framework. The process (alongside) included a review of the work already completed and a detailed internal and external environmental review. Various internal workshops were held with senior managers and Exco, while keeping our Board updated on progress. These workshops resulted in four sustainability pillars being identified, together with key aspects, focus areas and targets per pillar, as illustrated on see page 39.

To ensure the ongoing commitment and necessary support at Group level each aspect will have a dedicated Exco member that drives the framework's initiatives. The focus areas were determined to be the most important for the Group in the short to medium term and align with our business strategy of improving operations group-wide. Each focus area has a specific set of targets and relevant key performance indicators (KPIs) to monitor ongoing progress. All aspects, pillars, targets and initiatives will be reviewed annually through Petra's governance process, with the main committees being Exco, Health, Safety and Environment (HSE) and Social, Ethics and Diversity (SED) Committees. This will ensure that the Board is kept apprised of annual progress and any changes or concerns identified. While Petra supports all 17 UN SDGs, it identified the five most relevant SDGs (see page 40) where the Company can make the most contribution.

Petra's Sustainability Framework was finalised following various workshops held with Senior Management during the course of FY 2022 and then presented and approved by the Board in September 2022. Implementation of the Sustainability Framework has commenced and will continue throughout FY 2023, with progress reported on in this Sustainability Report. Our Sustainability Framework is also supported by our inspirational culture, robust governance practices, ethical behaviour and constructive and transparent stakeholder engagement processes.

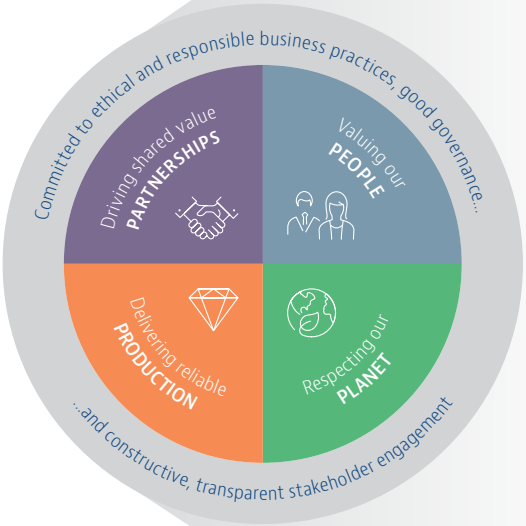


> "Petra is proud to present its first Sustainability Framework that will drive the Group's sustainability and ESG agenda.

Sustainability Framework continued

Our Sustainability Framework is underpinned by four pillars as depicted below and will inform balanced day-to-day decision making, while ensuring a sustainable long-term future for Petra.

Instilling an inspirational culture and embedding a continuous business improvement mindset to ensure delivery of our business objectives



Valuing our **People**

Safety
- Zero fatalities
- Injury prevention

Health, hygiene and wellness
- Disease management
- Promote employee wellness
- Occupational hygiene management

Diversity and inclusion
- Strengthen diversity and inclusion
- Leadership accountability

Training, development and upskilling
- Leadership management development
- Technical skills development

Respecting our **Planet**

Climate change
- Robust climate change adaptation and carbon mitigation strategy

Water management
- Optimal water consumption

Circular economy
- Waste optimisation and responsible resource consumption

Biodiversity
- Biodiversity conservation
- Concurrent conservation
- Responsible conservation

Driving shared value **Partnerships**

Stakeholder engagement
- Open and transparent stakeholder engagement
- Robust grievance mechanisms

Community and social investment
- Sustainable mine community development
- Alternate local economic development

Responsible sourcing
- Leverage local procedure
- Drive economic growth through enterprise and supplier development
- Responsible products and sales

Responsible sales
- Responsible products and sales

Delivering reliable **Production**

Mineral resources management
- Sustainable production

Asset management
- Optimise mining and process equipment availability
- Optimise asset capacity to meet LOM production requirement

Capex and opex efficiencies
- Robust cost control
- Improved supply chain performance and efficiencies
- Appropriate project preparation
- Effective project controls

Sustainability integration into Petra's operations

The graphic below depicts how our Sustainability Framework allows for the seamless integration of our sustainability ambitions with our business strategy and strategic objectives. This integration will lead to specific outcomes for the Group as we navigate our sustainability journey. Our sustainability pillars and aspects also support Petra's selected five SDGs and while our focus remains on these five SDGs, our Sustainability Framework also support the other 12 SDGs.

Business strategy

Driving the optimisation of our diversified asset base to deliver consistent production, revenue and free cashflow to maximise stakeholder value – all underpinned by our focus on safety and sustainability

Strategic objectives

- Work responsibly
- Drive optimisation
- Consistent delivery

Sustainability ambition

Focuses on creating a sustainable business while supporting a shared value proposition for all our key stakeholders as well as supporting our business strategy

Sustainability Framework

Provides the blueprint for Petra to be a more sustainable and responsible Company that underpins our business strategy and ambitions

Sustainability pillars and outcomes

Pillar 1: Valuing our People

Provide a safe workplace, attract and retain high-performing employees and invest in employees' development and growth

Pillar 2: Respecting our Planet

Minimise our environmental footprint with a focus on water, carbon and waste

Pillar 3: Driving shared value Partnerships

Improved stakeholder relations and a shared value proposition

Build trust and credibility within the marketplace and continue to drive and build on what differentiates us

Pillar 4: Delivering reliable Production

Optimise production through our diverse asset base to attract investors and capital inflow

Petra's relevant SDGs

Both our business strategy and our Sustainability Framework supports all 17 SDGs with a specific focus on the five SDGs identified by the Group as being most relevant

Going forward

The Sustainability Framework implementation will include the allocation of roles and responsibilities for the pillars (Exco member), aspects (general management/Senior Management) and focus areas (mine management). We will also create a group-wide communication strategy to launch and embed the framework, which aligns with Petra's new culture and business strategy. Mine-specific initiatives will be identified to support Group initiatives and ensure targets are achieved. Progress against targets will be reported to various governance management and Board committees including Exco, HSE and SED.

Valuing our People

Our people enable us to achieve our shared vision and strategy; ensuring their safety, health and wellbeing in the working environment is our priority. We invest in employing the right people for each role, developing them to reach their potential and retaining them to our mutual benefit. Group-wide, we are driven by our diversity and unlocking benefits for all.

42 Safety
47 Health, hygiene and wellness
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55 Training, development and upskilling
59 Diversity and inclusion

Safety overview

Our people enable us to achieve our shared vision and strategy, ensuring their safety and striving for a 'zero-harm' working environment is our priority. Petra is also committed to creating a culture that promotes employee wellbeing through healthy lifestyles.

Achievements

- Petra achieved 10 million fatality-free shifts in June 2022 – the last fatality occurred at Cullinan Diamond Mine in April 2017
- Cullinan Diamond Mine achieved 365 days without a Lost Time Injury (LTI) in April 2022
- Achieved lowest number of LTIs (15) in more than a decade
- Achieved 83% safety KPIs
- Williamson Mine achieved two million fatality-free shifts (equal to 5.9 years) in June 2022 – last fatal accident was in September 2016

Challenges

- Resource challenges due to restructuring processes

Standards/Guidelines/Codes

- ISO standards
  - ISO 45001: 2018 Occupational Health and Safety Management System
  - ISO 31000: Risk Management Principles
  - ISO 31010: Risk Management Techniques
  - ISO 73: Risk Management Vocabulary
- Minerals Council South Africa
- Mine Health and Safety Council milestones in South Africa
- International Council on Mining and Metals (ICMM)

Progress against FY 2022 objectives

Safety	Progress
Zero fatalities, 20% reduction in LTIs and 10% reduction in total injuries	✓
100% mandatory safety compliance	✓
Maintain ISO 45001: 2018 certification	✓
Continued safety awareness campaigns and awareness programmes to improve health and safety behaviour in the workplace	✓
Continual improvement of management/worker relationships and overall workplace conditions	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Material topics

- Employee safety, health and wellness
- Community relations and social investment
- Ethical behaviour

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

SDGs

Safety KPIs

0
FATALITIES
(FY 2021: 0)

0.50
TOTAL INJURY FREQUENCY RATE (TIFR)
(FY 2021: 0.75)

34
TOTAL INJURIES (TI)
(FY 2021: 42)

15
LOST TIME INJURIES (LTI)
(FY 2021: 25)

0.22
LOST TIME INJURY FREQUENCY RATE (LTIFR)
(FY 2021: 0.44)

Objectives for FY 2023

- Zero fatalities
- 20% reduction in LTIs
- 20% reduction in total injuries (LTIs and NLTIs)
- 90% achievement of safety KPIs

Safety

Our health, safety and environmental (HSE) risk-based management process focuses on improving our ability to anticipate and prevent harm to our people, equipment and the broader environment. This approach entails a continual hazard identification process that raises health and safety awareness and integrates HSE best practices group-wide. It also encourages active employee participation to promote a safety culture.

Our ambition

Our aim is to ensure each of our employees and contractors return home safely at the end of each shift. Our people enable us to achieve our shared vision and strategy; ensuring their safety and striving for a 'zero-harm' working environment is our priority. Petra is also committed to creating a culture that promotes employee wellbeing through healthy lifestyles.

Our approach

We are committed to preventing and mitigating any safety event or impact and to identifying and capturing opportunities that deliver positive impacts. Our safety performance is an important indicator of Company culture; 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 by carefully managing strategic risks, safety and other risks and opportunities at all levels group-wide, including management and employee committees.

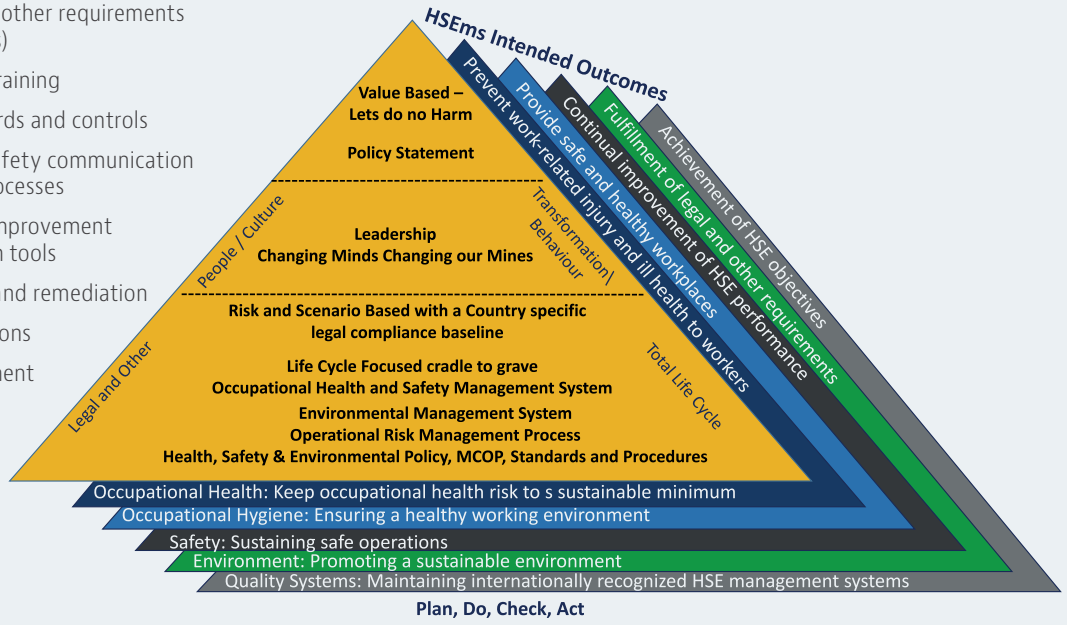
> "We value our employees and ensuring their safety and wellbeing remains our priority.

Our HSE risk-based management process focuses on improving our ability to anticipate and prevent harm to our people, equipment and the broader environment. This approach entails a continual hazard identification process that raises health and safety awareness and integrates HSE best practices group-wide.

Petra's holistic approach to health and safety management is depicted below. This approach is based on five outcomes and aligns with the value of doing no harm. It also involves our employees taking personal responsibility for their own safety as well as that of their colleagues. This approach is important in building a safety culture group-wide.

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

- Maximum visibility through our visible felt leadership (VFL), 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
- Improved health and safety communication during start of shift processes
- Continual review and improvement of management system tools
- Quality investigations and remediation
- Stop-and-fix interventions
- Consequence management



How we identify risk and manage risks

Any significant risks that remain after controls at source are mitigated through codes of practice, policies, procedures, working practices and management instructions, according to the risk management hierarchy of controls.

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

Petra's HSE operational risk management process consists of mine-specific operational processes, with a three-tiered analysis process (see below) to identify and treat all significant hazards and associated risks. Significant hazards are further assessed to determine major unwanted events and mitigated through major hazard control protocols and controlled by trigger action response plans.

1
HSE baseline risk assessment process

2
HSE workplace risk assessment process

3
HSE continuous risk assessment process

Every accident resulting in injury, loss of life or damage or categorised as a dangerous occurrence is investigated in detail using the root cause analysis technique (RCAT) model. Causes are analysed and action plans are designed and implemented to mitigate re-occurrences.

Every incident that has the potential to result in serious injury, loss of life or damage is assessed to determine if it is a high-potential incident (HPI). All identified HPIs are investigated and remediated to mitigate similar reoccurrences.

Reviews of the risk assessments and operational controls are conducted according to the following timescales:

- After an incident or accident occurs
- If a process or sub-process in operations change
- Per instruction from the national mine health and safety legislator or regulatory inspectorates
- Every three years

Incident reporting and response process

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

Incidents are reported to operational supervisors and management before the end of each shift

Incidents are investigated and analysed

Causes, failures and shortcomings are identified and logged for remediation

Learnings are shared with all Group operations to avoid similar occurrences

Leading from the top: HSE Committees

The HSE Committees at each operation comprise supervisory, union and management members and represent 100% of the workforce. We have 9% (FY 2021: 8%) workforce representation in formal management and worker HSE Committees, which equates to one representative for every 12 people (FY 2021: 13 people). This compares favourably to the South African legislator requirement of one representative for every 50 people.

Management ensures that health and safety material topics are addressed during consultation sessions with the various trade unions that represent employees at specific mine sections. Any concerns are elevated to the HSE Committee meetings, consisting of Senior Management and employee representation.

The HSE Committees also collaborate with mine management to effectively eliminate, control, minimise or monitor hazard and risk in the workplace; sharing oversight and management of the remedial action plans.

Minerals Council South Africa – South African Health and Safety Policy Committee

Our Group health, safety and quality (HSQ) manager and department leads are members of this Minerals Council South Africa Committee. They are 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 formally trained in health and safety, to enable them to do their work safely and know how to eliminate, control and minimise workplace hazards and risks.

7,670

NUMBER OF EMPLOYEES, CONTRACTORS AND STAKEHOLDERS PROVIDED WITH SAFETY TRAINING IN FY 2022
(FY 2021: 6,741)

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 new and current personnel receive general, departmental and sectional orientation training, focused on relevant health and safety standards, prior to entering the operations.

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

Our safety performance

Petra continues to target a zero-harm working environment. Our health and safety objectives and KPIs are underpinned by the 0:20:90 strategy, which targets 0 fatalities, a 20% reduction in total injuries and a 90% achievement of safety KPIs annually. We also aim to achieve a 20% reduction in LTIs annually.

This was largely reached during FY 2022 as the Group achieved an 83% (FY 2021: 73%) improvement of all measured safety KPIs during FY 2022. This included a 19% improvement in the number of total injuries reducing from 42 in FY 2021 to 34 in FY 2022. Management therefore considers that Petra has achieved an improvement in its safety performance when compared to FY 2021.

Petra's number of LTIs decreased from 25 in FY 2021 to 15 in FY 2022, with a corresponding decrease in LTIFR from 0.44 in FY 2021 to 0.22 in FY 2022. The LTIs during FY 2022 continued to be low in severity and mostly behavioural in nature. The various remedial actions and behaviour-based intervention programmes instituted have assisted in achieving this strong improvement in our safety trend. The total number of injuries during FY 2021 (42), which includes LTIs, decreased in FY 2022 to 34.

Significant material hazards that resulted in LTIs during the Year related to walking, material handling and maintenance tasks. Causal triggers indicated that 73% of significant accidents were due to unsafe behaviour and 27% due to unsafe conditions. 20% of all recorded significant accidents were non-work related (walking-related slips and trips) caused by a lack of focus 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.

Decrease in LTIs in FY 2022

LTIs represent a work-related injury resulting in the injured being unable to attend work and perform all the tasks for which the employee was appointed, on the next calendar day, after the day of the injury. The number of LTIs experienced by the Group decreased by 40% (FY 2022: 15) following a 32% increase between FY 2020 and FY 2021 (FY 2021: 25), which meant that the Group's annual target of a 20% reduction in LTIs was achieved.

LTI performance by mine

Mine	FY 2022	FY 2021	Variance
Cullinan Mine	**3**	10	7
Finsch	**10**	10	0
Koffiefontein	**1**	5	4
Williamson	**1**	0	(1)
Total	**15**	25	10

Overall assessment of FY 2022 performance

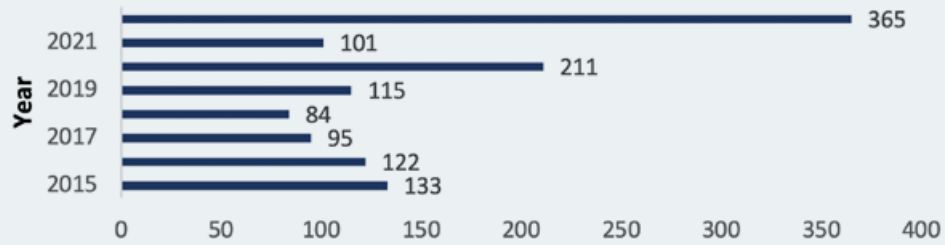
The 83% (FY 2021: 73%) overall improvement in safety objectives and KPIs is a clear indication of the commitment, drive and effectiveness of the implemented OHS management system and associated tools. The Group motto is: 'Together we can make a difference and contribute to a safer Petra every shift – one shift at a time.'

Case study

Safety performance achievement – Cullinan Mine's 365 days lost time injury free

Cullinan Mine celebrated 365 consecutive LTI free days on 25 April 2022, with the last accident reported on 25 April 2021. This achievement has superseded the previous Cullinan Diamond Mine record of 211 LTI free days, as well as Petra's record of 249 LTI free days held by Finsch in 2015. The operations' management arranged a memorable celebration with its workforce and received motivation and accolades from the Exco and HSE Board Sub-Committee members.

Cullinan Diamond Mine lost time injury free days - Historic statistics (2015-2022)



	2015	2016	2017	2018	2019	2020	2021	2022
CDM	133	122	95	84	115	211	101	365

Days rolling

Cullinan Mine celebrates 365 consecutive LTI free days

Health, hygiene and wellness overview

Our occupational health, hygiene and wellness programmes focus on sustaining a healthy and productive lifestyle for all employees and contractors as well as improving employee mental wellness.

Achievements

- All health and wellness KPI targets were achieved
- 8,643 medical examinations conducted (FY 2021: 8,132)
- 100% compliance with medical certificate of fitness
- Improved compliance with chronic disease monitoring (91% compliance in South Africa, 68% Williamson Diamond Mine)
- One noise induced hearing loss (NIHL)
- Project 2022 resulted in Finsch Diamond Mine and Koffiefontein Diamond Mine occupational health centres being outsourced, with notable cost savings
- Compliance with Department of Health HIV/AIDS milestone (93% of HIV/AIDS cases diagnosed confirmed to be on treatment)
- Compliance with Department of Health TB milestone (100% of diagnosed TB cases confirmed to be on treatment)

Challenges

- Historical exposures are still resulting in suspected occupational diseases
- Take-up of the COVID-19 vaccination resulted in 64% of Petra's South African employees and contractors and 15% of Tanzanian employees and contractors being partially or fully vaccinated
- An increase in substance abuse (positive alcohol tests)

Standards/Guidelines/Codes

- Mine Health and Safety Council milestones in South Africa
- International Council on Mining and Metals (ICMM)
- Fitness and noise medicals conducted according to Mandatory Code of Practice (MCOP)

Progress against FY 2022 objectives

Health, hygiene and wellness	Progress
Maintain rigorous application and enforcement of our COVID-19 systems and promote awareness	✓
100% compliance with medical certificate of fitness schedule	✓
Improve the compliance with chronic disease monitoring (91% compliance in South Africa, 68% at Williamson Mine)	✓
Compliance with Department of Health HIV/AIDS milestone (93% of HIV/AIDS cases diagnosed confirmed to be on treatment)	✓
Compliance with Department of Health TB milestone (100% of diagnosed TB cases confirmed to be on treatment)	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Material topics

- Employee safety, health and wellness
- Ethical behaviour

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators

SDGs

Health, hygiene and wellness KPIs

8,643

MEDICAL EXAMINATIONS
(FY 2021: 8,132)

100%

COMPLIANCE WITH MEDICAL CERTIFICATE OF FITNESS
(FY 2021: 100%)

IMPROVED COMPLIANCE WITH CHRONIC DISEASE MONITORING

91%

COMPLIANCE IN SA

68%

COMPLIANCE IN TANZANIA

100%

COMPLIANCE WITH DEPARTMENT OF HEALTH TB MILESTONE

Objectives for FY 2023

- Annual medical reports compliance
- Reduce the number of NIHL cases (>10% shift from baseline)
- Reduce the number of occupational diseases to below seven cases
- Improve the compliance with chronic disease monitoring – 90% of people diagnosed monitored
- Conduct a mental health baseline assessment
- Compliance with Department of Health HIV/AIDS and TB milestones

Health, hygiene and wellness

Petra strives to have a workforce that is healthy in body and mind. We 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. Our occupational health programme targets the elimination of health hazards at source. The key occupational health issues that can affect our workforce relate to noise induced hearing loss (NIHL) and respiratory illnesses.

Outside the workplace, prior to the COVID-19 pandemic, 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 ambition

Our ambition is to develop an integrated, holistic approach to managing workplace and personal health risks that is consistent and relevant.

Our approach

Our occupational health programme's primary focus is to manage 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.

Our health strategy addresses the following three focus areas:

Managing occupational health risks 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 critical control management processes and mitigation measures. In workplaces where an occupational exposure limit might be exceeded, employees are given appropriate PPE, such as respiratory protection and hearing protection devices. We also ensure that employees and contractors are trained in using PPE, and that there are strict control measures in place to ensure adherence to requirements.

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 threshold limit of 105 dB(A). The roll-out of personalised hearing protection devices at areas 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.

Implementing employee health and wellbeing programmes

In addition to primary healthcare and occupational health services, Petra has an extensive wellness programme 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 try to encourage healthy lifestyles, such as 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 guide and counsel employees and contractors on mental health and other wellbeing issues. In FY 2022 560 employees and family members used this facility (FY 2021: 551), equating to an employee engagement rate of 19.5% (FY 2021: 14.5%) compared to an average mining industry rate of 7.9% (FY 2021: 7.5%). The increased number of employees using the facility reflects better awareness of the programme, helped by internal communication wellness promotions (e.g. Wellness Wednesday weekly campaign).

Williamson Mine 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.

Our approach continued

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 must belong to an approved Medical Aid Fund to ensure that employees, and their families, primary healthcare, chronic needs and trauma incidents are provided for.

Contract employees are also regarded as Company employees for the purposes of occupational health and safety. The practical limits of managing contract workers means these employees are referred to state medical facilities for care. Petra uses in-house and outsourced private medical services, including occupational health service providers.

Tanzania

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

Subsidised primary healthcare is also provided to employees, dependants and external communities by the Mwadui Hospital, which is owned and operated by the mine. 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 with the Tanzanian Government. These 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 free of charge to employees and their families, as well as community members. These programmes are financially supported by the Tanzanian Government, with infrastructural and services support from Williamson Mine. The Mwadui Hospital is considered a vital service to Williamson Mine and its surrounding communities.

Engaging on health issues

Petra partners with the South African Department of Health in the Northern Cape, Free State and Gauteng (the three provinces in South Africa where our operations are situated) which focuses on HIV/AIDS/TB and non-communicable disease management. As part of this initiative we now offer Isoniazid Preventive Therapy (IPT), through a partnership with local state clinics, to employees who are HIV/AIDS positive or who have diabetes, 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: 121 (hypertension) (FY 2021: 18), 25 (HIV) (FY 2021: 8) and 16 (diabetes) (FY 2021: 17). The increased number of employees using the facility reflects better awareness of the programme and better management from the occupational health centres, to ensure people comply with their medical treatments.

Health management and performance

7,000 (FY 2021: 8,132) medical examinations were conducted across all the South African occupational health clinics during the Year. 1,643 medical examinations were carried out at Williamson Mine by the occupational safety and health administration (OSHA).

During FY 2022, two community-acquired TB cases were diagnosed (FY 2021: one) but this does not meet the criteria for submission to the Medical Bureau for Occupational Diseases, as it is not assessed to be related to workplace exposure. One work related pulmonary TB case was diagnosed in FY 2022 (FY 2021: zero) that meets the criteria for submission to the Medical Bureau for Occupational Diseases, with one other case diagnosed that is not work related.

During FY 2022, three occupational asthma cases and one NIHL case for PDSA operations were referred to Rand Mutual Assurance for consideration for compensation (FY 2021: zero) that are related to workplace exposure. At Williamson Mine, there was one asthma case (not work related) which was referred to the Social Health Insurance Benefit Scheme (SHIB), which is part of the National Social Security Fund (NSSF), for treatment. When a condition is confirmed, we ensure that all our employees can access 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 some 7.7 million living with HIV, representing c.14% of the total population; however, the prevalence rate among the adult population is believed to be around 20%, or one in five. Although HIV/AIDS continues to be a serious public health threat, awareness-raising campaigns and the wider availability of ART are 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. It has ambitious '90-90-90' targets which are that: 90% of all people living with HIV will know their HIV status, 90% of all people with diagnosed HIV infection will receive sustained ART and 90% of all people receiving ART will have viral suppression. The UNAIDS targets were 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.

Petra helps to combat the HIV/AIDS epidemic in South Africa and ensures that all employees and contractors are offered voluntary testing every year. During FY 2022, 1,373 employees (FY 2021: 1,710) participated in the voluntary testing during medicals, representing 33.4% of our total workforce (FY 2021: 45%). Of these, eight employees (FY 2021: nine) tested positive and were referred for treatment. The number of HIV-positive employees enrolled on our HIV wellness programme increased in FY 2022 to 117 (FY 2021: 115). All were referred to the relevant service providers for ART; 93% (FY 2021: 89%) of these patients were confirmed to be on treatment but because of medical confidentiality it is impossible to get the viral load suppression data.

Health management and performance continued

Malaria

During the Year, 176 people (FY 2021: 279) were diagnosed with malaria at Williamson Mine, all of whom received treatment. This reduction is largely due to the mine being on care and maintenance for part of FY 2022.

COVID-19

Petra's group-wide systems and strategies to mitigate the spread of COVID-19 to protect our employees, contractors and other stakeholders are available on our website at **petradiamonds.com/sustainability/health-and-safety/our-response-to-covid-19/**. As at 30 June 2022, the Company was screening 2,303 (FY 2021: 2,733) individuals daily and a total of 1,388 (FY 2021: 1,683) possible cases were referred to medical practitioners to be tested. 14 Petra employees have tragically lost their lives to COVID-19 or related complications. Our heartfelt condolences go to the families, friends and colleagues of the deceased and support has been offered to their next of kin.

Petra will continue to strive to ensure the health and safety of all its people, with the major strategy now to ensure the maximum uptake of available COVID-19 vaccines and booster vaccines across our workforce.

Human resources overview

We aim to empower our employees to fulfil their true potential through training and attractive career development opportunities. Employees who enhance their skill-sets contribute to the Company's success and have greater career satisfaction, which improves morale, productivity and employee retention.

Achievements

- Finalised a three-year (FY 2022 to FY2024) wage agreement with our bargaining units for our local operations
- Updated the Workplace Harassment Policy to align with the Government Gazetted Code of Good Practice
- Rolled out Petra's housing solution to all operations

Challenges

- Delays in finalising and implementing our refreshed culture initiative
- Finalising the Section 189 at Koffiefontein
- Increased number of disputes emanating from previous collective agreement
- Finalising the three-shift configuration at Finsch

Standards/Guidelines/Codes

- South African Mining Charter
- International Labour Organization Declaration on Fundamental Principles and Rights at Work
- EU Directive on Non-Financial Reporting

Progress against FY 2022 objectives

Human resources	Progress
Continue to rebuild and implement the Petra culture to support the values of the organisation and foster a stable and cohesive workforce	In progress
Implementation of employee engagement initiatives	In progress
Fully implement the Organisational Design review outcomes, including accountability, focused job profiles, job grading and market competitive remuneration structures for all critical positions	In progress
Continued focus on improving relationships with organised labour to ensure stable and sustainable operations	Achieved/good progress

KEY

Achieved/good progress | In progress | Limited progress

Material topics

- Employee safety, health and wellness
- Ethical behaviour
- Employee development
- Diversity and inclusion
- Stakeholder engagement and management

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators

SDGs

Human resources KPIs

5,265

PEOPLE EMPLOYED
(FY 2021: 4,895)

9.8%

STAFF AND FIXED-TERM CONTRACTORS TURNOVER
(FY 2021: 9.6%)

US$146.0 m

SPEND ON EMPLOYEE WAGES AND BENEFITS
(FY 2021: US$108.1 M)

Objectives for FY 2023

- Finalise our Organisational Design implementation for the Group
- Roll out training on managing workplace harassment and bullying throughout the organisation
- Implement a performance management process and system linked to Petra's talent management framework
- Finalise and implement Petra's Formula for Success initiative
- Finalise and implement our business re-engineering at Finsch and agree a three-shift configuration
- Review and consolidate recognition agreements for all mines

Human resources

People remain at the heart of our operations, enabling us to achieve our shared purpose and strategy. It is for this reason that we invest in employing the best people, developing them to reach their full potential and retaining them to our mutual benefit. This approach is driven by our diversity and inclusion commitment.

We also acknowledge that stable labour relations are essential to our productivity and the delivery of our strategy and it is essential to cultivate trust in our culture and leadership, through fair remuneration and effective internal communications. We ensure effective and transparent dialogue with our employees, trade unions and local community representatives to resolve concerns as and when they arise.

Our ambition

We aim to empower our employees to fulfil their true potential through training and attractive career development opportunities. Employees who enhance their skill-sets contribute to the Company's success and have greater career satisfaction, which improves morale, productivity and employee retention.

Our approach

Our workforce

As at 30 June 2022, our people, employees and contractors increased by 8% to 5,265 (30 June 2021: 4,895). Permanent employees decreased by 1% to 3,474 (FY 2021: 3,517) and contractors increased by 30% to 1,791 (FY 2021: 1,378), mainly due to their services being re-engaged on projects that support production.

Our staff turnover rate increased marginally from 9.6% to 9.8%, with a higher incidence of retrenchments, retirements and non-renewal of fixed-term contracts. This is a comparatively low staff turnover rate, on par with the mining sector and industry in general.

Local hiring

Petra prioritises recruitment from the local area and communities as prescribed by our Social Labour Plans (SLPs). From a business perspective this reduces Petra's need to provide transport and housing as employees reside close by. There are skills shortages in the local communities for expert positions, which necessitates regional or national vacancy advertisements for positions in specific skilled bands. All unskilled and semi-skilled positions are only advertised locally. Major contractors to the operations are expected to apply the same recruitment principle when employing workers for contracts at these operations.

We have implemented a new recruitment system to enhance data management and operational efficiencies. This automated recruitment system provides opportunities for statistical analysis of recruitment needs and trends, to transform recruitment from being a reactive business function to a proactive tool for attracting and retaining high-calibre skills and expertise.

Staff retention

Staff retention is particularly important for us, due to the limited local employment pool and the difficulty in attracting skilled employees from larger urban centres. Although there is still competition in the labour market for skilled employees (43% of Petra's workforce in FY 2022), and a shortage of certain specialised skills, the strained South African economic conditions, have positively impacted staff retention.

Organisation design

Considerable work and progress has been made over the last 18 months to develop and implement an operating model for Petra, which enables Group functions to support operations in delivering operational excellence. With our operations largely stabilised we have centralised many functions at Group level such as HR, Sustainability and Finance (including Supply Chain). This allows for better integration across Petra's South African operations and standardisation of key equipment to drive further efficiencies.

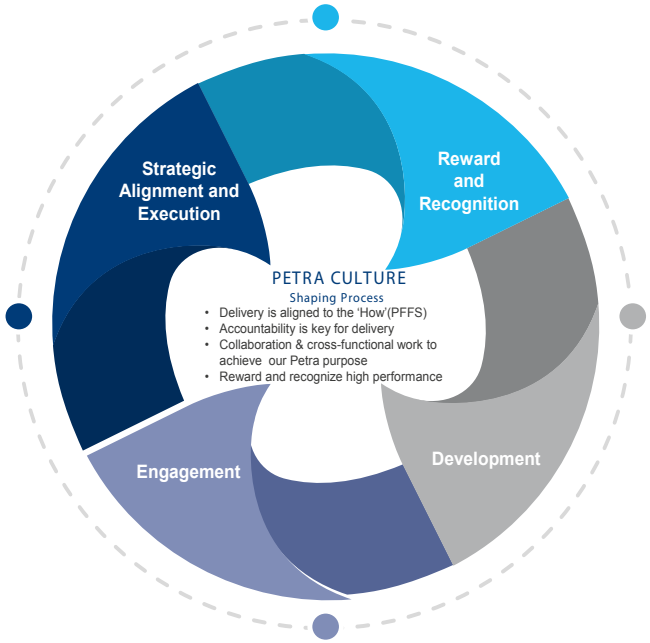
The Organisational Design process resulted in the need for new roles and expertise in Petra's Group functions. This process will optimise the Group's organisational capabilities by aligning strategy, structure, people and management processes. Employees in Group functions increased by 25% over the past Year. However, staff turnover remained constant with retrenchments being the main reason. The Koffiefontein Diamond Mine retrenchment process has resulted in 86 severance packages, which were concluded in June 2022.

> "We invest in employing the right people for each role, developing them to reach their full potential and retaining them to our mutual benefit. As a Group we are driven by our diversity emphasis as we unlock the benefits inherent in a diversity-driven approach to our people.

Our approach continued

Performance management

Formalising Petra's Performance Management Framework has been a focus over the past two years. KPIs will be included in performance agreements for all our managers, senior managers, general managers and executives. These KPIs will contribute to employee overall performance assessments and final performance ratings, which contribute to their annual increases and incentives. Petra's framework comprises five key areas outlined below.



Creating a culture of managerial excellence

To embed a culture of openness, trust and empowerment, balanced with a sense of personal responsibility and accountability, we will be rolling out interaction management (IM) modules to ensure consistent application of principles and processes by our leaders. The IM modules capacitate our managers and supervisors to lead discussions on crucial business topics such as setting goals, addressing poor performance, ongoing engagement and sustaining trust.

In FY 2022, a talent management review and succession planning exercise was also conducted for Exco and our Senior Management. This process identified talent to fill critical leadership positions as well as the necessary development plans.

Career development planning for Senior Management successors and high-potential employees

We completed career development discussions to create individual career development plans using the 70:20:10 method, where 70% of the plan focuses on leveraging experiences in the organisation, 20% on development from others and 10% on training. These individual development plans will accelerate the development of identified individuals as well as enhance retention.

Workforce remuneration policy and guidelines

At Petra, remuneration is an effective tool to reinforce and encourage desired behaviours, aligned with achieving our business objectives. Remuneration is fully integrated into all our management processes such as job profiling and grading, talent management, performance management and retention policies.

Petra established pay scales per mine in 2014 based on internal data, reviewing and increasing these by inflation annually. This resulted in Petra's remuneration being misaligned with the market at certain levels. Internally in 2020, Petra implemented the Paterson system of job evaluation, which also resulted in grade changes and pay scale anomalies. These anomalies are being addressed by Petra on an ongoing basis and will facilitate employee attraction and retention. In FY 2022, Petra's salary review process incorporated various factors such as the economy, inflation, our remuneration policy and guidelines, and the Company's financial performance. External research and benchmarking also took place as well as engagement with the unions to ensure fair and equitable remuneration.

Our culture and cultural Formula for Success

Our culture captures the initiatives that enabled Petra's repositioning over the past three years. In developing a cultural Formula for Success we aim to embed this drive for continuous improvement, which has already delivered value for stakeholders, to successfully implement our value-led growth strategy.

We embarked on an inclusive process to identify the culture we need to reflect our intentions and bring about this Formula for Success, which is relevant for everyone in Petra. The outcome of this process reflects a distillation of employees' opinions regarding the most enabling and disabling factors which are then weighted according to which are the most vital for how Petra's culture can achieve our purpose. These elements are visualised as icons to help everyone internalise our winning culture and serve as constant symbolic reminders of how the organisation needs to align with and transform towards our purpose. Further information on our culture is provided on page 36.

Engaging with our employees and employee satisfaction

It is important that we engage with our people effectively. To do this, we use written and electronic content, social media, awareness and educational campaigns, and face-to-face meetings at different levels of the Company. For cost and accessibility reasons, the digitisation of communication products such as newsletters is being pursued. Various feedback mechanisms are in place, with an emphasis on face-to-face engagement such as briefing sessions and CEO roadshows. Sensitive feedback or grievances are channelled through the mechanisms provided for by open-door communication with line managers, employee relations and ethics procedures.

At each operation, monthly management engagement with employees is used for regular, official communication to update employees on progress in their respective area of operation. General managers also update employees on Group developments and factors in the macro-environment that could impact operations. Although employment policies are not translated into other languages, they are explained in vernacular when required.

Furthermore, various awareness campaigns are rolled out at all operations, mainly focusing on health and safety topics. Weekly wellness topics align with these campaigns to educate, communicate and highlight Company benefits and support for these health topics.

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.

Our approach continued

Labour relations

Stable labour relations are essential to our productivity and the delivery of our strategy and it is essential to cultivate trust in our culture and leadership through fair remuneration and effective internal communications. Through our labour relations Petra aims to guide, build and monitor a sound, stable employee relations climate. We ensure proactive and transparent dialogue with our employees, trade unions and local community representatives to resolve concerns as and when they arise. We also manage and ensure an effective employee relations management process that is compliant with relevant labour legislation.

Petra completed a business re-engineering project (BRE) for Koffiefontein to improve efficiencies and align the operations with the business model. In March 2022, this project resulted in the issuance of a Section 189(3) notice as prescribed by Section 189A of the Labour Relations Act, when an employer is contemplating retrenchment. The consultation process was facilitated by the CCMA with management, employees and organised labour at the Koffiefontein Mine.

Wage negotiations

In August 2021, Petra Diamonds South Africa concluded wage negotiations with its recognised trade unions, for various salary levels. In FY 2022, these wage agreements were concluded for a three-year period (FY 2022 to FY 2024) with the National Union of Metalworkers and UASA, for respective bargaining units. Increases were agreed upon as well as other benefits (housing allowance, sick leave, maternity/paternity leave, and medical and retirement contributions). Our operation in Tanzania, Williamson Mine, concluded a one-year wage agreement of an 8% increase for all its employees, assisting with labour stability.

Trade union representations

There has been a steady increase in union membership, as result of a recruitment drive by unions using the recent wage increases and better conditions of employment, agreed to with the unions as well as the Koffiefontein Mine restructuring process. Petra's union representation is tabled below.

South African union representation

	FY22	FY21
No union	**20%**	24%
Union	**80%**	76%
NUM	**87%**	86%
NUMSA	**0.3%**	1%
Solidarity	**6%**	7%
UASA	**7%**	6%
Grand total	**100%**	100%

NUM: National Union of Mineworkers.
NUMSA: National Union of Metalworkers of South Africa.

Tanzanian union representation

	FY22	FY21
No union	**15%**	31%
Management	**18%**	20%
Expatriates	**1%**	1%
Union	**66%**	70%
TAMICO	**95%**	95%
NUMET	**5%**	5%
Grand total	**100%**	100%

TAMICO: Tanzania Mines Energy Construction and Allied Workers Union.
NUMET: National Union of Mine and Energy Workers of Tanzania.

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 work hours, with procedures in place to monitor and manage maximum work hours, based on employees clock records and timesheets. Procedures include the management of standby and overtime, as well as the scheduling of lay-off periods.

Petra's South African operations and its Tanzanian operation ensure compliance with all the Employment and Labour Relations Acts, as well as with the provisions and spirit of other applicable legislation, intended to create and foster sound health and safety practices, in the workplace.

Employees may only work within the determined working hours envisaged in the Basic Conditions of Employment Act (BCEA). An employee may only be required or permitted to work overtime hours more than those stipulated in the BCEA where an overtime variation is obtained from the Department of Labour, or where work is required to be done without delay and cannot be performed by employees during their ordinary hours of work per 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. This includes hours of work, night work, a compressed working week and average hours of work. Petra ensures compliance with this legislation.

Training, development and upskilling overview

Petra recognises that employee training, development and upskilling is a key driver of our future success and long-term sustainability. We aim to provide education and training opportunities that enable our employees to fulfil their best potential. It is only with the continued effort and contribution of our employees that the significant value of our resources is unlocked.

Achievements

- Launched our Interaction Management training programme for all managers and supervisors
- Developed group-wide career development paths and finalised career development plans for identified high-potential employees as possible successors to Petra's executive team
- Relaunched and implemented the Petra's Women in Leadership Programme

Challenges

- Delay in the identification of suitable management and leadership development programmes aligned to our value-led strategy

Standards/Guidelines/Codes

- South African Mining Charter
- International Labour Organization Declaration on Fundamental Principles and Rights at Work

Progress against FY 2022 objectives

Training, development and upskilling	Progress
Implementation of a talent management framework with formalised performance management, retention and succession policies, linked to pay (variable and fixed)	In progress
To deliver on our targets for learnerships, internships and development programmes	In progress
Review of our training and development framework, regarding employee development and community training, to ensure that it better supports our operational outcomes	In progress
Contribute to the development of our local communities	Achieved/good progress

KEY

Achieved/good progress | In progress | Limited progress

Material topics

- Employee safety, health and wellness
- Employee development
- Diversity and inclusion
- Community relations and social investment

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators

SDGs

Training development and upskilling KPIs

US$6.1 million

INVESTMENT IN EMPLOYEE TRAINING AND DEVELOPMENT
(FY 2021: US$5.8 MILLION)

221

AMOUNT OF EMPLOYEES SUPPORTED BY STUDY ASSISTANCE
(FY 2021: 131)

44%

FEMALE MINING LEARNERSHIP TRAINEES
(FY 2021: 44%)

Objectives for FY 2023

- Finalise suitable leadership and management development programmes
- Cascade the succession planning process and career development plans to the rest of the organisation
- Develop standard training programmes for identified critical and scarce technical skills

Training, development and upskilling

Petra is committed to developing and training staff at all our operations to ensure we have the right skills in the right places. This includes both leadership, management and technical skills.

Our ambition

By equipping our people with the right core competencies for their role, we help them perform now and in the future. We also aim to maintain the best pool of technical mining experts in the industry to ensure business continuity.

Our approach

Petra recognises that employee training, development and upskilling is one of the key drivers of our future success and long-term sustainability. It is only with the continued effort and contribution of our employees that the significant value of our resources is unlocked. We aim to provide education and training opportunities that enable our employees to fulfil their best potential, covering basic literacy and technical training right through to portable skills that can be used beyond a career on the mine.

As a Company we focus on employing people in our local communities, with programmes to equip them with much-needed skills. This includes financial support to selected local schools, to improve performance in mathematics and science, and enhance the education pipeline. Petra also provides bursaries, internships and practical work experience.

Petra cultivates the leadership and management skills required for the business, with a range of in-house and externally facilitated employee development programmes. The inclusion of significant numbers of Historically Disadvantaged South Africans (HDSAs) 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 as well as to empower our future leaders.

Training and development

Our investment in employee training and development of US$6.1 million in FY 2022 (FY 2021: US$5.8 million) increased partly reflecting the pick up following the continued disruption caused by COVID-19 to our training programmes. Petra targets a training spend of 5% of annual payroll in ZAR terms, a target that was met for South African operations. At Williamson Mine we focused on community training, including teacher development and training of medical staff. Total employee training spend for Williamson Mine was US$21,488 compared to US$18,283 in FY 2021. This increase is due to the mine resuming production after a period of care and maintenance.

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 Mine continued to focus on 'on-the-job' training. During FY 2022, we continued with Voluntary Principles on Security and Human Rights refresher training sessions, to ensure that knowledge and practice are embedded with all managers and security staff. Williamson Mine does not have bursary or scholarship programmes in place, but it supports those engaged with self-development programmes as far as possible.

A total of 25,047 instances of legally required training sessions were presented across the operations in FY 2022 (FY 2021: 28,425). These are mostly health and safety related courses required by legislation and aimed at improving workplace safety. The decrease in legal training is due to a focus on legal training programmes linked to job requirements, ensuring improved efficiencies and not just conducting training 'for the sake of training'.

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. The Engineering Aide Development Programme continued to gain traction, transitioning from full-time to part-time training to provide an opportunity for more employees to participate. In FY 2022, 64 employees participated on the Engineering Aide Development Programme with 46 employees (FY 2021: 38) successfully completing it.

Internships are offered to graduates to prepare them for the professional responsibilities in roles such as engineering, geology, geotechnical work and other professional roles. In FY 2022, 28 interns (FY 2021: 33 interns) were enrolled in these programmes, 46% (FY 2021: 39%) of whom were female. Nine interns completed their programmes and were appointed in the workforce, 44% of whom were females appointed in core disciplines.

Training, development and upskilling continued

Our approach continued

Creating a managerial excellence culture

During FY 2022, Petra rolled out the Interaction Management Training Programme – Empowering People for Performance to 124 line managers at Cullinan Mine and 34 at Group functions. We will roll out this programme to the rest of the organisation's supervisors and managers in FY 2023.

This programme aims to capacitate line managers to drive team excellence, optimise employee potential and enhance openness, trust, empowerment and personal accountability in driving business performance. This initiative is an important culture building block as we begin the journey towards implementing our performance management system in FY 2023.

The modules capacitate our line managers to lead discussions on crucial business topics are presented in the diagram below.

- Setting goals and reviewing results
- Addressing poor performance
- Coaching: move people forward
- Connecting through conversations
- Building and sustaining trust

Developing the next generation of leaders

Petra's Women in Leadership (WiL) programme continued in FY 2022, transitioning to a new format, and was attended by 18 female leaders (FY 2021: 12). Selected activities were also attended by senior male leaders. This customised programme enables women in key leadership positions to master important personal skills and gain insight into leadership at both a micro- and macro-organisational level. The new format promoted discussion with male leaders and the building of networks among participants.

In FY 2022, eight middle managers, of whom 50% were female and 75% were HDSA, enrolled for the management development programme, and three senior managers (all HDSA) enrolled for the Senior Management development programme, at the University of Stellenbosch Business School.

50%

FEMALE REPRESENTATION ON MANAGEMENT DEVELOPMENT PROGRAMMES
(FY 2021: 55%)

Career development through learnerships

In South Africa, a learnership is a registered and accredited learning programme that combines practical work experience with academic learning. These learnerships enable qualified learners, both current employees and non-employees, to be appointed as artisans or miners within our operational structures.

Learners are recruited from both internal and external applicants. We have learners on several programmes ranging from various engineering disciplines through to rock breaking and metallurgy. Of the 88 learners in FY 2022, 36% were female (FY 2021: 37%). 29 trainees (FY 2021: 36) successfully completed their learnerships with the remaining participants still on the programme.

Case study
Cullinan Mine's Career Day

We value our employees and continuously invest in and support their development and training. Coaching and training in different skill-sets enhance a favourable working environment and assist in opportunities to advance employees' careers in the mining sector. Cullinan Mine hosted a Career Day in June 2022, where employees could engage with Cullinan Mine training staff, Technikon SA and Media Works. The aim was to highlight opportunities available to employees to acquire matric (for those who have Grade 11 or below) or add mathematics to their matric certificate, enabling them to apply for different learnership opportunities available on mine.

Cullinan Mine's Career Day held in June 2022

Training, development and upskilling continued

Our approach continued

Improving further and higher education

Petra provides various opportunities to further employee education and qualifications. One initiative is the Study Assistance Scheme, which supports employees in obtaining tertiary qualifications or other training relevant to their current positions or future positions. Assistance is through a service obligation, an interest-free loan or study leave.

Addressing transferability of abilities: portable skills training for employees

One of the issues facing employees at our South African operations is the lack of skills transferability, 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 skills include agricultural production, mechanical repairs, electrical, welding and cutting technology, business skills, carpentry, vehicle operators and computer training. 120 employees participated in portable skills training during FY 2022 (FY 2021: 57).

221

EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEMES IN FY 2022
(FY 2021: 131)

Case study

Cullinan Mine's Portable Skills Programme

We offer several portable skills to employees and to the local community through our community development programme. Cullinan Mine identified having a driving licence as a portable skill to employees. Twenty-one Cullinan Mine employees enrolled with Makhenzo Driving School in Refilwe to obtain their learner's licence and Code 10 driving licence. To date ten employees have passed their learner's licence and two employees passed their driving licence.

Billy Ntuli (Multi Operator) Code 10 driver's licence and Jaison Rajan (General Manager)

Case study

Adult education and training (AET) and Amended Senior Certificate

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

AET facilities were used by 59 enrolled learners in FY 2022 (FY 2021: 73), including three contractors (FY 2021: three). Ten employees completed their AET subjects. Petra also offers adult learners, who did not complete high school, an opportunity to enrol for the Amended Senior Certificate, a qualification equivalent to Grade 12. In FY 2022, 22 employees enrolled and 24 community members were assisted to re-write their Senior Certificate. Read more about the education and training opportunities we provide to our local communities on page 90.

Diversity and inclusion overview

Petra strives to attract and retain diverse human capital and eliminate discrimination throughout our workforce. This will allow us to attract and retain top talent, strengthen employee satisfaction and reflect the demographics of the societies where we operate thereby securing our licence to operate.

Achievements

- Established Petra's Women in Leadership Committee
- Increased female internships relating to technical positions
- Updated Petra's Diversity and Inclusion Policy

Challenges

- Improving our female workforce at mine level
- Achieving HSDA diversity targets due to restructuring and a freeze on recruitment of certain positions

Standards/Guidelines/Codes

- South African Mining Charter
- International Labour Organization Declaration on Fundamental Principles and Rights at Work

Progress against FY 2022 objectives

Human resources	Progress
Make further strides on overall transformation, including our female diversity by continuing development and support initiatives for graduates from the Women in Leadership (WiL) programme, and by focused targeted recruitment	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Material topics

- Employee safety, health and wellness
- Ethical behaviour
- Employee development
- Diversity and inclusion

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators

SDGs

Diversity and inclusion KPIs

20%

FEMALE WORKFORCE
(FY 2021: 20%)

46%

FEMALE INTERNS
(FY 2021: 39%)

40%

FEMALE REPRESENTED ON BOARD
(FY 2021: 25%)

Objectives for FY 2023

- Ongoing focus on improving diversity and inclusion

Diversity and inclusion

A diverse human capital will allow us to attract and retain top talent; strengthen employee satisfaction and motivation; improve decision making; as well as understand customer and community needs and preferences. It will also enable us to identify threats and opportunities to promote long-term growth.

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

We embrace diversity and inclusion group-wide and believe by including a broad mix of expertise, skills and people we can improve performance. Petra's Diversity and Inclusion Policy outlines our approach to diversity, with the aim of realising our strategic objectives and future success. Our policy's purpose is to encourage leadership, at all levels group-wide, to think broadly about diversity and to ensure that our appointments and succession planning practices, including retention, are designed to support diversity. Simultaneously, we believe that effective management of diversity through this policy will result in a diverse succession pipeline within the Company.

Petra has a grievance procedure as well as a disciplinary policy and procedure to investigate and address discrimination allegations. All reported cases follow the Company's grievance procedure. Contractors are also advised to align their practice to ours to avoid any inconsistencies in the application of the rule. The option of dismissal is available in the event of non-compliance. During FY 2022 nine cases (FY 2021: seven) related to unfair treatment/discrimination were reported.

Petra's Diversity and Inclusion Policy's core principles are:

- Equal opportunities and treatment for all persons
- No unfair discrimination in the course of hiring, career advancement, allocation of responsibilities, professional training, performance management and remuneration of employees
- Respect for personal rights, equality and dignity, transparent organisational procedures and other equitableness at the workplace and in the management structure
- Contribution to the development, motivation and application of various ideas, skills and talents of employees – representative of different race, gender, age and other groups (e.g. LGBTQ) to improve competitiveness, performance and efficiency of our employees
- Leveraging the strengths of a diverse workplace to achieve the greatest impact while pursuing Petra's strategic development plans
- Establishing a working environment in which employees can voice their opinions

The Diversity and Inclusion Policy sets out several steps towards the achievement of its objectives including:

- Setting policy and goals to ensure that diversity and inclusion are established as clear policies of Petra
- Fostering a diverse and inclusive culture
- Making diversity visible through engagement with stakeholders
- Continually assessing and developing workforce skills and nurturing the talent pipeline
- Providing education and training on diversity to leadership
- Recruiting with diversity in mind

Our approach continued

Encouraging women in mining

Petra is committed to encouraging women in mining by actively appointing women at all levels of the business, and developing women to fill more senior positions.

In FY 2022, 46% (FY 2021: 39%) of our interns, 30% (FY 2021: 36%) of our engineering learnerships, 44% (FY 2021: 44%) of our mining learnerships, 67% (FY 2021: 75%) of our bursary students, 50% (FY 2021: 55%) of employees attending the management development programme in FY 2022 were female.

Petra has several initiatives aimed at developing women into managerial positions. In FY 2022, we relaunched our Women in Leadership (WiL) programme. This programme is built on the success of previous years and incorporates several enhancements through lessons learnt. In FY 2022, our male employees were included in the programme; attending several diversity related webinars and engaging in courageous conversations in sessions with female participants on several WiL topics. These sessions were aimed at creating awareness of WiL issues and time for self-awareness and reflection. The WiL programme was further endorsed by our female Board members, who addressed the participants during some of these webinars.

In FY 2022, Petra continued its Women in Mining (WiM) Committees at each operation. The WiM committees' charter aim to create a safe and respectful workplace culture for all women in Petra. Our WiM committees aim to review Company policies and procedures, attract and retain female representation, provide input and recommendations to management on issues relating to women. Chairpersons of the WiM Committees at each operation are invited to attend Petra's WiL committee meeting to report on any material issues. The Group health and safety manager is a member of the WiL committee and provides updates and feedback on the activities of the WiM committees. The WiL Committee's five focus areas are tabled opposite.

Women in Leadership
Identify and recommend developmental programmes focused on women in leadership roles

Women in Petra
Introduce developmental programmes for women in C and D Bands with a focus on female artisans/miners

Women in Mining
Focus on PPE, safe and hygienic sanitation facilities and appropriate health services

Women in Communities
Focus on enterprise and supplier development opportunities and initiatives

Culture
Instil the tone from the top: CEO messaging and implementing systems, policies and procedures to keep women safe at work

Diversity

The Company's overall gender diversity remained constant at 20% in FY 2022. Petra made good progress on female representation at Board level (40%) compared to FY 2021 (25%). Diversity remains a focus going forward.

Breakdown of gender diversity

	Men		Women		
	FY 2022	FY 2021	**FY 2022**	FY 2021	**Total (number)**
Board	**60%**	75%	**40%**	25%	**10**
Senior Management	**81%**	82%	**19%**	18%	**34**
Management	**73%**	76%	**27%**	24%	**196**
Employees	**80%**	81%	**20%**	19%	**3,242**
Total	**80%**	80%	**20%**	20%	**3,482**

Our approach continued

Equality and equity

In South Africa, Broad-Based Black Economic Empowerment (B-BBEE) 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, and with the measures prescribed in other official documents, such as the new Mining Charter, is mandatory. Petra views transformation as the right thing to do and a strategic business imperative. We have employment equity plans at all our South African operations, with specific targets regarding HDSAs and women in mining.

Employment equity committees continue to meet regularly to monitor employment equity implementation, 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 South African Department of Labour and Employment, as prescribed by law.

Case study

Petra launches a new chapter of its 'Women in Leadership' development programme

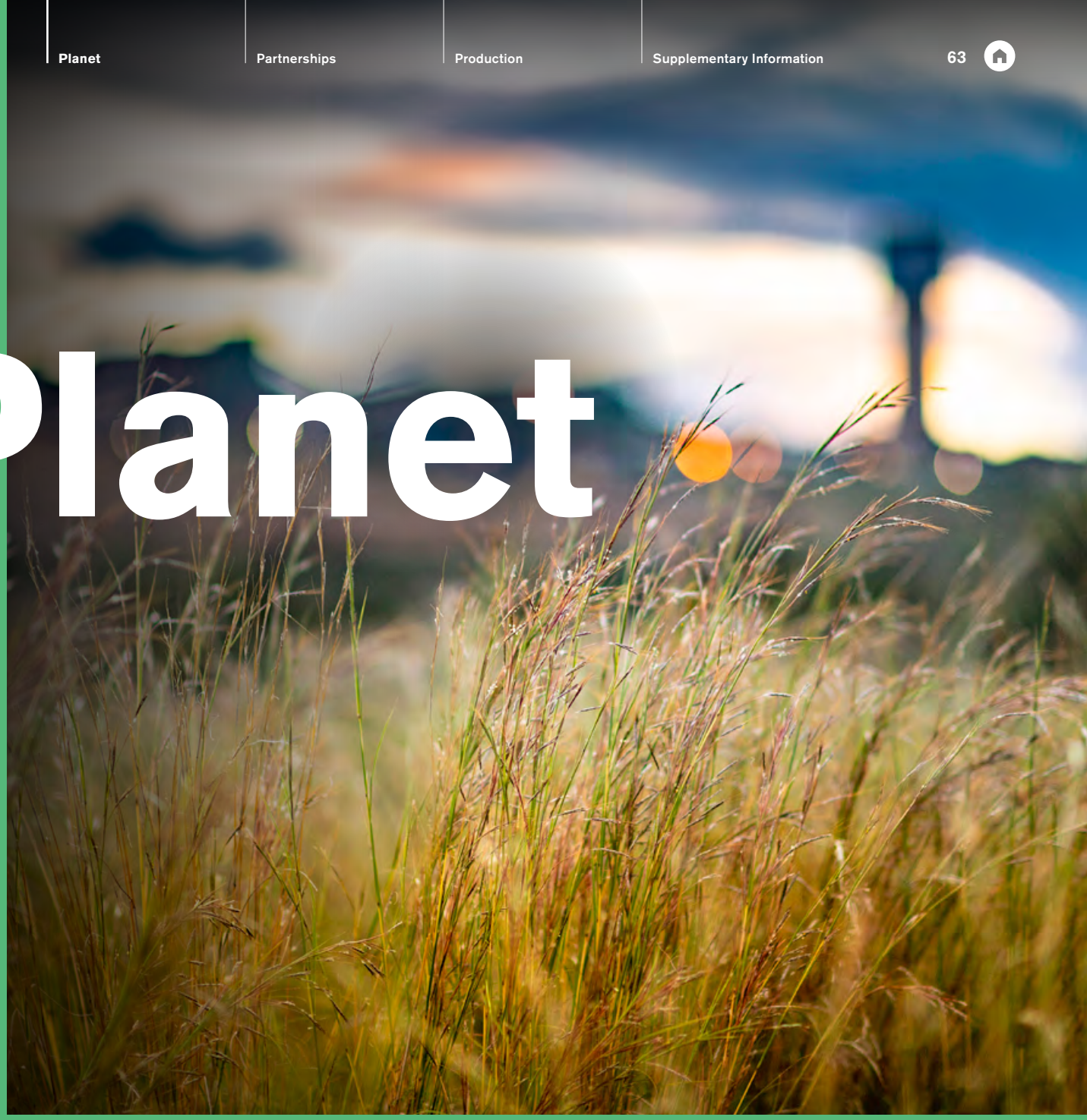
Three years ago Petra implemented a leadership development programme to empower its female leaders, with 29 female leaders graduating. In FY 2022, we have taken this programme to the next level by not only empowering female leaders, but also influential male leaders who are pivotal in creating an inclusive workplace. There are about 40 female participants and 20 male participants.

This programme, known as WiLPower, consists of a series of webinars and conversations on pertinent topics including personal mastery, influencing others and decision making. WiLPower aims to enhance a unified synergy between male and female colleagues, to create a rich leadership network, increasing the visibility of female leaders with Senior Management. Personal growth plans were also created.

As per our Diversity and Inclusion Policy, it is crucial to ensure diverse and inclusive teams are formed to leverage the benefits of such inclusivity to support the realisation of our strategic objectives and success into the future.

Lerato Mphahlele, Plant and Shift Supervisor at Cullinan Mine, is one of the females supported by the Group's WiL programme to empower females in leadership positions.

Respecting our Planet



Managing our environmental impact is a priority for Petra and, in so doing, we aim to align our interests with that of relevant stakeholders. Responsible consumption and production are at the forefront of our operational planning, with a dedicated focus on improved energy and water consumption, responsible waste management and biodiversity protection and rehabilitation.

64 Environmental management
67 Climate change
72 Water management
75 Circular economy
78 Biodiversity

General environmental management overview

Our general environmental management supports our commitments in the Sustainability Framework, with specific reference to climate change, water and waste management and protecting our biodiversity. Through our certified environmental management systems Petra ensures compliance with relevant legislation and protects its reputation as an environmentally responsible Company.

Achievements

- All South African operations certified according to ISO 14001: 2015 International Standard
- Petra reported no major environmental incidents or environmental audit findings
- Zero major findings during external certification audits
- Zero major environmental incidents
- Zero major or high-rated environmental incidents in 12 consecutive years
- Zero environmental directives (i.e official or authoritative instruction received from a Government body to address a specific legislative non-compliance issue)

Challenges

- Number of community complaints relating to vibration and noise received at Cullinan Mine
- Limited support from local Government (municipalities) to ensure sound environmental management in the areas where Petra operates

Standards/Guidelines/Codes

- ISO 14001: 2015 Environmental Management System
- ISO 31000: 2018 Risk Management Guidelines
- ISO 19011: 2018 Guidelines for Auditing and Management Systems

Progress against FY 2022 objectives

General environmental management	Progress
No more than one legal instruction, compliance notice or directive allowed per operation in the financial Year	✓
Zero major or high-rated environmental incidents	✓
Retention of ISO 14001: 2015 certification	✓
Zero major environmental findings during external certification audits	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Material topics

- Employee safety, health and wellness
- Climate change
- Water management
- Community relations and social investment

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

SDGs

General environmental KPIs

0

MAJOR ENVIRONMENTAL INCIDENTS
(FY 2021: 0)

ISO 14001: 2015

ALL SOUTH AFRICA OPERATIONS CERTIFIED
(FY 2021: ALL SOUTH AFRICAN OPERATIONS CERTIFIED)

0

ENVIRONMENTAL DIRECTIVES
(FY 2021: 0)

Objectives for FY 2023

- Zero significant environmental incidents
- Retention of ISO 14001: 2015 certification

General environmental management

Environmental management supports the Planet pillar including the specific aspects of climate change, water management, circular economy and biodiversity. Our environmental management systems, policies and procedures ensure the Group remains compliant with relevant legislation and allow us to continually improve on all environmental matters and our commitment to be a responsible corporate citizen.

Our ambition

Our primary ambition is to embed environmental management across our operations as a value-add and not merely as a regulatory exercise. We aim to show our employees, communities, investors and other stakeholders that taking care of our environment is part of our culture, with a value proposition of 'Let's do no harm'.

Our approach

Our value emanates from the natural world and so protecting the environment we operate in is core to running our business. Our objectives, planning and KPIs all consider the principles of pollution prevention, and compliance with legal and other voluntary obligations.

An environmental management system (EMS) is in place for each mining licence, which sets out detailed processes for identifying environmental risks and acting 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), as an LCA is not relevant to diamond production, but rather the analysis of a continuum of interlinked stages from service providers and suppliers, using resources up to final disposal of waste products/packaging material.

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

The Group health, safety and environmental (HSE) policy, which is our guiding document for setting operational performance objectives, is covered in more detail at **petradiamonds.com/sustainability/managing-sustainability/**.

Petra's Board-level HSE Committee oversees environmental issues and therefore these are considered in business and strategic discussions, as well as when monitoring Group performance and setting objectives.

During FY 2022, Exco made strategic changes to the reporting structure of our environmental management discipline. This was done to align structures with the Group's new Sustainability Framework (see details on page 39) where environmental management is incorporated under the Planet pillar.

Risk management

Managing risk is integral to governance and leadership, and fundamental to running our business group-wide. It helps improve 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, through inefficient use and the 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
- The continued deepening of underground operations may cause an increase in the open pit footprint, leading to the risk of damage to surface infrastructure, including sites of historic or cultural importance

Risk identification, analysis and management

Our approach to environmental risk management, which forms part of the enterprise risk management and combined assurance plan, 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. Once identified and assessed, these risks are aggregated and integrated into the Group risk register. Updates to the environmental baseline risk assessments are conducted at least annually to re-evaluate existing and identify emerging climate change risks including the effectiveness of mitigating actions, resulting from process changes, significant incidents or disasters, or by instruction from regulatory bodies, amongst others.

Environmental engagements

Petra has processes in place to engage with its stakeholders on environmental matters, including handling 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 in 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 2022, we engaged our stakeholders, on some of our mines, on the following topics:

- Water use licence revision
- Environmental management programme report update
- Community complaints

Environmental incidents

We aim to minimise environmental incidents at all our operations and have processes to manage any incidents as effectively as possible. We classify incidents according to their severity and these 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 2022, zero medium environmental incidents were reported (FY 2021: three). For the past 12 years, no 'major' or 'high' environmental incidents were reported group-wide.

Spillage management

0

SIGNIFICANT SPILLAGES AT OUR OPERATIONS IN FY 2022
(FY 2021: 0)

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.

Materials

The liberation of diamonds requires a process that involves mining, crushing, washing and screening of ore, followed by the recovery and sorting of rough diamonds from concentrates, after which the product is shipped offsite for further classification. During this beneficiation process, certain raw materials and consumables are used, with the most significant inputs shown below.

- Energy (in the form of fuel and electricity)
- Water (mostly recycled/reused water sources)
- Construction steel
- Cement
- Timber
- Explosives
- Lubricating oils and grease
- Moisture sealant
- Dense media separation (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 310: 2011 and SANS 10131: 2004 specifications to prevent pollution from accidental spillages and inappropriate handling. The Company gives preference to local suppliers.

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
- 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. Business travel is included in Scope 1 (Company aeroplane to reach mine sites: 235 tCO_2-e) and Scope 3 (commercial airline travel: 94 tCO_2-e; chartered aeroplane: 0 tCO_2-e; and car rentals: 1 tCO_2-e) totalling 330 tCO_2-e (FY 2021: 275 tCO_2-e), approximately 0.07% of Petra's total carbon footprint (FY 2021: 0.07%). Employee commuting is included in Scope 3 and is calculated based on surveys and assumptions. In the reporting Year, 533 tCO_2-e were emitted due to employee commuting which is dominated by public transport (bus and taxi services).

Climate change overview

We acknowledge the global threat of climate change and continually explore initiatives to reduce our carbon footprint. The Group has publicly committed to a net-zero Scopes 1 and 2 GHG emissions target for 2050, with aspirations to achieve this target by 2040.

Achievements

- Committed to a net-zero Scopes 1 and 2 GHG emissions target for 2050
- Continually reviewing and updating our climate change adaptation strategy
- Reviewed and updated our TCFD disclosures

Challenges

- Retro-fitting energy efficient processes to established infrastructure
- Reducing our diesel fleet carbon footprint
- Expanding our Scope 3 mapping to include other elements of our value chain

Standards/Guidelines/Codes

- TCFD
- CDP Climate Change
- ISO 14064: 2018 GHG Emissions Inventories and Verification
- Greenhouse Gas Protocol

Progress against FY 2022 objectives

Climate change	Progress
Continued implementation of the Group's climate change adaptation action plans	✓
Maintain the Company's carbon footprint in line with FY 2019 baseline over a period of five years, while continuing to explore available options to minimise the Group's carbon footprint	✗
Support efforts to find sustainable carbon sequestration methods	↻

KEY

✓ Achieved/good progress ↻ In progress ✗ Limited progress

Material topics

- Employee safety, health and wellness
- Climate change

Stakeholders

- Financial stakeholders
- Employees, contractors and unions
- Suppliers

SDGs

Climate change KPIs

38.1 kWh/t

ELECTRICITY EFFICIENCY
(FY 2021: 47.2 KWH/T)

0.040 tCO_2-e/t

CARBON INTENSITY PER TONNE
(FY 2021: 0.050 TCO_2-E/T)

464,380 tCO_2-e

SCOPE 1 AND 2 CARBON FOOTPRINT
(FY 2021: 409,121 TCO_2-E)

Objectives for FY 2023

- Continue to pursue energy efficiency initiatives
- Initiate the roadmap development to achieve our Scope 1 & 2 reduction target of 35-40% by 2030 off our 2019 baseline
- Expand the mapping of our Scope 3 emissions produced by our top ten suppliers
- Investigate renewable energy options
- Continue to implement, review and update our climate change adaptation strategy in-line with our new Sustainability Framework and the TCFD disclosure
- Refresh our climate change scenario analyses

Climate change

We have committed, for the first time, to a net-zero GHG Scopes 1 and 2 emissions target that will drive our Group's climate change approach.

Our ambition

Our ambition is to reduce the Company's contribution to climate change, through various measures, while building resilience and capitalising on opportunities brought about by a changing future.

Our approach

Petra's refreshed value-led growth strategy is firmly underpinned by our focus on sustainability with decisions taken for the long-term success of the business. The Group has a significant resource base of c.226.6 million carats, which supports the potential for long-life operations.

Petra is committed to achieve net-zero GHG emissions target for Scope 1 and 2 by 2050, but aspire to reach this goal by 2040. To support this long-term target, Petra has further committed to a 35-40% GHG reduction of Scope 1 and 2 by 2030 off our 2019 baseline.

Our short-term strategy is to minimise overall energy usage wherever possible. Long term we aim to reduce our reliance on fossil fuel energy sources by continuously finding ways to reduce energy consumption, be more efficient, and advocating for renewable power sources in line with The Paris Agreement and the UN's SDG on climate change. This will be crucial to our competitive position and our ability to contribute meaningfully to the future.

In addition, Petra developed an energy management plan, based on the principles of ISO 50001, in FY 2021. Accordingly, each operation has its own specific energy management policy and management plan that is updated annually. Currently, these management plans focus on efficient electricity usage.

As a responsible Company, Petra continues to focus on reducing our carbon footprint and impact on climate change. The Group's climate change journey is depicted in the diagram alongside.

2013
- Started CDP reporting

2020
- Developed Petra's climate change adaptation strategy

2021
- Conducted first climate change vulnerability assessment
- Issued first TCFD aligned report
- Developed energy management plan (ISO 50001)

2022
- Set net-zero GHG Scopes 1 and 2 emissions target for 2050
- Set Scope 1 and 2 reduction targets for 2030

2023
- Review and update climate change adaptation strategy
- Develop road map to achieve our 35-40% Scope 1 and 2 reduction target by 2030

Risks and opportunities

The identification, assessment and management of the impact of climate change risks is undertaken by management in accordance with Petra's ERM Framework. Climate change risks, among others, are governed in accordance with the principles adopted in the Five Lines of Defence (FLD) model which can be found in our Annual Report (petradiamonds.com/investors/results-reports/).

In light of climate change's potential material impact on the achievement of Petra's strategy, climate change risk is identified and classified as a principal risk as articulated in our Annual Report (petradiamonds.com/investors/results-reports/).

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

The second approach is to continue to implement the findings of climate change vulnerability assessments across the Group. The vulnerability assessment evaluates acute, chronic, transitional, financial, legal and reputational risks and opportunities. These are evaluated for two scenarios (low-carbon emission future and high-carbon emission future) and over three mining phases (operational, decommissioning and post-closure). Petra completed its first vulnerability assessments in FY 2021 and plans to reassess its vulnerabilities in FY 2023.

Climate change context

Our business must be able to adapt with predicted climate change models. This means anticipating the adverse effects of climate change, taking appropriate action to prevent or minimise the damage it can cause or taking advantage of opportunities that may arise.

Our approach continued

Climate change context continued

The Board has ultimate accountability for climate change matters through monitoring progress of Petra's climate change strategy, including oversight and monitoring of the adequacy of climate change risk management processes and the effectiveness of climate change-related internal controls. The Board's oversight role is primarily undertaken through the work of three of its sub-committees: the HSE, ARC, and Remuneration Committees. Refer to the Annual Report at **petradiamonds.com/investors/results-reports/** to obtain an overview of the Boards and it's Sub-Committees roles and responsibilities.

Petra's commitment to reduce climate change impacts is evident in its ongoing training and awareness efforts. Training was provided to Exco and the Board and we plan to roll this training out to relevant senior managers.

Petra's climate change strategy

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

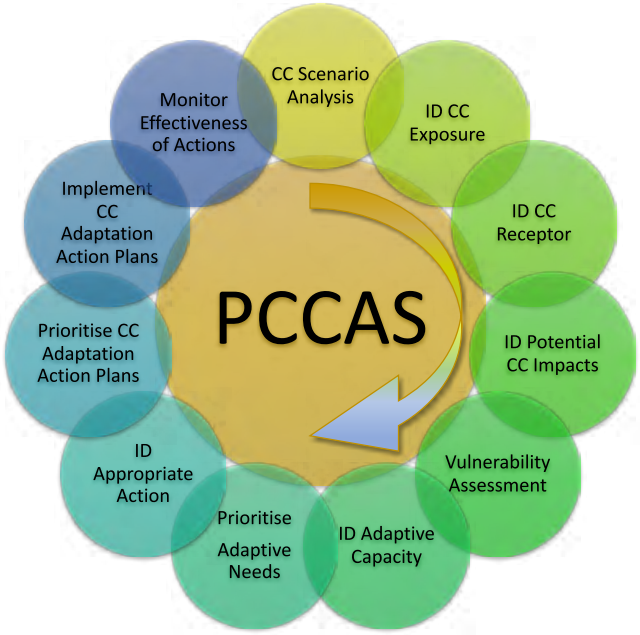
Petra defines materiality (including climate change aspects), on the basis of potential issues within our Sustainability Framework that could significantly impact the delivery of the Company's strategy and future performance. We also include issues that could have material impacts on individuals, groups or communities surrounding our operations.

As a Group we don't believe that we face an imminent threat, to the placing of our product (rough diamonds) into the markets where we operate, as a result of our GHG footprint. Our GHG footprint is dominated by our Scope 2 emissions (>90%), and therefore, we will face input pricing pressures as the cost of carbon-based energy increases going forward. Petra has embarked on a journey to decarbonise our operations, which we believe also presents an opportunity to differentiate ourselves, while also reducing our GHG footprint and stabilising our electricity supply and cost profiles.

Petra's climate change adaptation strategy (PCCAS) supports the overachieving group strategy and Sustainability Framework in that it:

- Incorporates our climate targets, addresses disclosure requirements and provides a road map to all operations regarding their climate journey
- 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 and its plans to reduce the vulnerabilities and maximise opportunities
- Acts as a common reference point for climate change adaptation efforts within Petra, providing guidance across all levels and disciplines including the TCFD disclosure requirements

The strategic framework for PCCAS consists of 11 steps as depicted below:



Scenario analyses, to evaluate our resilience, are important for Petra to determine it's long-term potential exposure to physical climate-related risks and opportunities. The Group completed its first climate change scenario analysis, for each operation, in FY 2020.

Petra uses the World Bank Climate Change Knowledge Portal (CCKP) to determine climate change impacts and assess its vulnerabilities based on climate change scenarios. The projections used in the CCKP are based on a combination of 35 Global Climate Models and specifically those that are used by the Intergovernmental Panel on Climate Change (IPCC).

As part of our preliminary climate change scenario analysis, Petra considered two main climate change scenarios. The first scenario (RCP 8.5) is based on the premise that no significant global climate change mitigation is undertaken. RCP 8.5 refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square meter across the planet. The RCP 8.5 pathway delivers a temperature increase of about 4.3°C by 2100, relative to pre-industrial temperatures.

The second scenario (RCP 2.6) analysis considered a world in which global climate change mitigation is undertaken in line with limiting global average temperature increase to 2° C. The RCP 2.6 pathway delivers a temperature increase of a maximum of 1.7°C by 2100, relative to pre-industrial temperatures. The boundary of the scenario analysis was based on the specific Watersheds for each of our operations.

We aim to refresh these scenarios in FY 2023 in order to inform our mitigation action plans, adaptation strategy and the Group's financial position to build Petra's resilience to the anticipated impacts of climate change.

> "One of Petra's new Sustainability Framework pillars is dedicated to environmental aspects, highlighting the importance Petra continues to place on reducing our environmental footprint.

Our approach continued

Task Force on Climate-related Financial Disclosures (TCFD) and CDP

As a Group we continue to integrate climate-related risks and opportunities into our business model and operating structures. While we believe we have made significant progress on our climate change journey, in providing greater transparency to our stakeholders and shareholders, we recognise the importance of continuing to refine our reporting requirements, in particular working to improve data quality, increase data coverage, and continuously updating the progress we have made.

As a primary listed UK company, Petra is required to address the requirements of the TCFD, which aims to develop voluntary, consistent climate-related financial risk disclosures for the financial markets and other stakeholders. After conducting an external review of our FY 2021 TCFD Report, the Group achieved 41 of the possible 49 disclosure requirements. We are currently reviewing and updating PCCAS to better align with the TCFD guidelines and our new Sustainability Framework. Refer to the TCFD table in the Annual Report (**petradiamonds.com/investors/results-reports/**) for more detail on the group's TCFD disclosures.

During FY 2022, the Company completed the CDP climate change submission, which has been updated to include the recommendations of the TCFD.

Energy management

Energy consumption

Petra's total energy consumption for FY 2022 increased by 27% to 1.9 million gigajoules (FY 2021: 1.5 million gigajoules). This reflects energy use from non-renewable resources, which includes diesel consumption in trackless mobile machinery (TMMs), diesel consumption for electricity generation, and overall electricity consumption. The main reason for the increase was the operations coming back online after scaling back in response to the COVID-19 pandemic (FY 2020–FY 2021) and Williamson Mine exiting care and maintenance.

Petra's diesel consumption increased by 87% to 0.33 million gigajoules or 8,739,457L in FY 2022 (FY 2021: 0.17 million gigajoules; 4,686,277L), further to our local operations returning to full production for the Year and due to the Williamson Mine returning to production. See further details in the Back-up Data section in the Supplementary Information on page 107.

Electricity consumption was up 16% to 1.6 million gigajoules (FY 2021: 1.4 million gigajoules) for the same reason as above. However, electricity efficiency improved by 19% to 38.11 kWh/t (FY 2021: 47.2 kWh/t) due to a 43% increase in tonnes processed for the Year.

In South Africa, Petra consumes all its electricity from the national grid, with standby generators used for emergencies. The Williamson Mine in Tanzania receives the bulk of its electricity from the national grid. In FY 2022, Williamson Mine generated 1.5% of its electricity needs (5% in FY 2021) from its own back-up resources.

Fuel efficiency of our trackless mobile fleet deteriorated by 29% from 0.57 L/t in FY 2021 to 0.73 L/t in FY 2022. This change is due to the Williamson Mine, Petra's biggest diesel consumer, returning to production and because of the inconsistent supply of electricity from the local energy provider (diesel used to generate electricity).

Carbon emissions

Scope, boundaries and methodology

Petra tracks Scope 1, 2 and 3 (limited) emissions at all operations and uses FY 2019 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.

The following activities are included in the carbon footprint calculation:

Scope 1
- Fuel consumed for electricity generation
- Fuel consumed by TMMs
- LPG
- Business travel (Company aeroplane)
- Fugitive emissions (R22 gas is separately reported on)
- Process emissions: water treatment (domestic effluent)

Scope 2
- Electricity purchased from Eskom (South Africa)
- Electricity purchased from Tanesco (Tanzania)
- Electricity consumption of the London office (UK)

Scope 3
- Waste disposal
- Water pumping (potable)
- Paper consumption
- Business travel
- Commercial airlines
- Chartered flights
- Car rental
- Employee commute
- Scrap metal for recycling

Carbon emissions continued

Scope, boundaries and methodology continued

Petra uses the GHG Protocol for reporting its GHG emissions as well as the IPCC Guidelines for National Greenhouse Gas Inventories of 2001, to calculate and report on our carbon footprint. An independent verification of the Group's GHG emissions inventory has been completed and continues to provide our GHG Emissions Report on an annual basis.

Performance

In FY 2022, the Group's total carbon footprint (Scopes 1, 2 and 3) increased 15% to 475,237.71 tCO_2-e (FY 2021: 412,360.93 tCO_2-e), due to a 43% increase in production and an associated 16% increase in electricity consumption and an 86% increase in diesel consumption for the Year. The direct carbon emissions linked to our operations (Scope 1) increased by 83% to 26,650 tCO_2-e (FY 2021: 14,575 tCO_2-e), mainly due to the increase in diesel consumption for the Year. The Group's indirect emissions (Scope 2) increased by 11% to 437,731 tCO_2-e (FY 2021: 394,546 tCO_2-e), due to the 16% increase in electricity consumption. Further information on the different operations' performance is available in the Back-up Data section in the Supplementary Information on page 107.

Reporting year	Scope 1 emissions (10^3 tCO_2-e)	Scope 2 emissions (10^3 tCO_2-e)
2018	50	587
2019	37	438
2020	28	452
2021	15	395
2022	**27**	**438**

Scope 3 emissions increased by 235% to 10,857 tCO_2-e (FY 2021: 3,239 tCO_2-e) due to an increase in the transport of waste to landfill and business travel after the relaxation of the COVID-19 restrictions in FY 2022. Carbon emissions from R22 gas amounting to 242 tCO_2-e (FY 2021: 132 tCO_2-e) are included separately in the calculation.

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

1. Carbon emissions per production tonne
2. Total carbon emissions per carat recovered

The table below provides the history of these measures. Only Scope 1 and 2 emissions are included in the calculations below.

Reporting year	Intensity Indicator 1 tCO_2-e/t (Scopes 1 & 2)	Intensity Indicator 2 tCO_2-e/ct (Scopes 1 & 2)
2018	0.028	0.133
2019	0.032	0.124
2020	0.039	0.135
2021	0.050	0.126
2022	**0.040**	**0.139**

Carbon sequestration

Carbon sequestration at Petra is implemented by maximising indigenous vegetated areas. Research shows that each hectare of natural vegetation sequesters 300kg of carbon per annum. Therefore, the approximate 6,981 ha of protected area under Petra's control results in the sequestration of 2,094 tonnes CO_2 per year. Petra also participates in projects with academic institutions that focus on the potential of carbon sequestration through mineralisation of mining waste, specifically Kimberlite tailings. Petra continues to follow new developments around carbon sequestration initiatives and projects. For those carbon emissions that cannot be mitigated or replaced with alternative energy resources, we plan to support off-set projects like the 'Wonderbag' initiative.

2,094

TONNES OF CO_2 SEQUESTRATION PER YEAR

Significant air emissions

Petra has no significant sources of air emissions and does not produce, import or export any ozone-depleting substances. Non-point sources of dust and particulates (i.e. environmental drop-out dust and particulate matter measured as pm_{10}) because of surface activities, are strictly regulated and annual results are submitted to the authorities for evaluation. None of our operations reported dust levels above the allowable limit of 1,200 mg/m²/day. See the Back-up Data on page 107 for detail on expected gases and other air emissions as they relate to the Company.

Reporting to the CDP

Petra has participated in voluntary reporting to the CDP since 2013. During 2016 and 2017, Petra scored a 'C' (the 'awareness' band), in line with industry and region scores. In 2018 and 2019, we improved our score to 'B' (the 'management' band) and in 2020 we achieved our highest score yet: A- ('leadership' band), which places Petra within the top 11% of companies reporting to the CDP. The drop in our 2021 score to B was due to a focus on our transition plan as well as limited progress in reduction initiatives during COVID-19.

Verification

Petra appointed consultants to perform a third party verification of its GHG assertion for FY 2021 (1 July 2020 to 30 June 2021). 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. This was a limited assurance. The results of the verification resulted in environmental data for FY 2021 being restated in this report.

For a detailed breakdown of our emission and energy data, refer to our Back-up Data in the supplementary section of this report (see page 107)

Water management overview

Water demand and water conservation management is our most significant environmental risk to operations. This is because our operations are in water-scarce areas and our operations are water intensive. Therefore Petra continues to focus on and commit to production efficiencies and recycling initiatives.

Achievements

- Water recycling initiatives resulted in 80% recycled water used on mine
- Critical controls for water management implemented at all South African operations
- Petra maintained its 'B' CDP disclosure score

Challenges

- Managing surplus water in the production circuit due to above normal rainfall
- Cullinan Mine applied for an emergency discharge due to excessive rainfall

Standards/Guidelines/Codes

- ISO 14001: 2015 Environmental Management System
- CDP Water Security

Progress against FY 2022 objectives

Water	Progress
Identify and implement measures to prevent regression in water efficiency levels	In progress
Identify and implement measures to maximise the volumes of water reused and recycled	In progress

KEY

Achieved/good progress | In progress | Limited progress

Material topics

- Employee safety, health and wellness
- Water management
- Community relations and social investment

Stakeholders

- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators

SDGs

Water management KPIs

1.0m³/t

TOTAL WATER INTAKE FOR PRODUCTION
(FY 2021: 0.55m³/t)

80%

RECYCLED WATER USED ON MINE
(FY 2021: 82%)

9,238,310m³

FRESH WATER CONSUMED
(FY 2021: 1,998,702m³)

Objectives for FY 2023

- Reduce the intake or improve the efficiency of fresh water used
- Improve the percentage of water recycled
- Review and update Petra's water management strategy

Water management

Petra's operations depend on water availability – another finite resource that impacts the natural environment, our mine communities and our bottom line. We are actively reducing our reliance on fresh water, improving water efficiencies and eliminating any negative impact on the environment.

Our ambition

As a Group we aim to improve our water use practices, increase water efficiencies and invest in 'on-mine' infrastructure and technology, to reduce our dependence and impact on fresh water resources.

Our approach

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

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

Petra's short to medium-term strategy remains the same as previous years – to secure water resources through:

- Service-level arrangements and co-operative agreements with local Government and neighbouring industries
- Reducing water losses
- Securing water from Governmental water schemes
- Expanding our own internal storage capacities
- Maximising internal recycling (e.g. reuse of process water, greywater and rain harvesting)

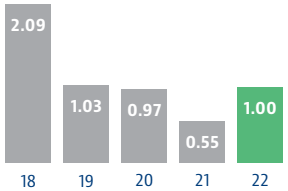
Petra's water management objectives focus on improving water use efficiencies and increasing the percentage of recycled water used in production. All Petra's operations have had water management plans in place since FY 2019 and continue to implement these plans.

Water efficiency

Petra's total fresh water usage for production increased significantly due to higher overall production and the ramp-up of Williamson Mine. Petra's water efficiency decreased by 82% from 0.55 m³/t in FY 2021 to 1.0m³/t in FY 2022 as a result of Williamson exiting care and maintenance as well as being the Group's largest water consumer.

WATER USE EFFICIENCY
(m^3/t)

1.00 +82%



Water consumption

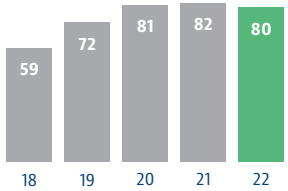
In FY 2022, total fresh water consumption by all operations, which includes total raw water plus potable water consumed for mining-related activities, increased significantly to 9,238,310m³ (FY 2021: 1,998,702m³). This significant increase is mainly due to Williamson Mine, the Group's largest user of water, being placed under care and maintenance in 2020 and subsequently coming back online in FY 2022.

Water recycling

All new projects are designed to substitute either potable or raw water with reused/recycled water from various sources. Besides internal recycling, most operations also use treated effluent from municipal wastewater treatment facilities. Recycled water used by our operations has remained above 80% for FY 2020 and FY 2021. The total volume of recycled water used during FY 2022 was 45,549,356m³, (FY 2021: 20,634,646m³), due to the overall higher amount of water used during the Year because of additional production and excessive rainfall.

WATER RECYCLING
(%)

80 -2%



80%

OF ALL WATER USED ON MINE IS RECYCLED
(FY 2021: 82%)

Our approach continued

Effluent discharge

Petra does not treat mining effluent for discharge and does not discharge any mining effluent from its sites. However, during FY 2022 Cullinan Mine discharged 146,073m³ of effluent as part of an emergency release to reduce the risk of localised flooding, due to significant rainfall that caused on-site water storage levels to rise above manageable levels. The emergency discharge was done as a last resort after consultation and authorisation was obtained from Government agencies.

Both the Cullinan Mine and Finsch Mine updated their stormwater management plans in FY 2021 and implemented them in FY 2022. Koffiefontein Mine updated its stormwater management plan in FY 2022, with scheduled implementation in FY 2023. The benefit of these improved structures is better separation of clean run-off from project affected process water, further eliminating the potential for effluent discharge.

Co-operative agreements

We place a high value on our working relationships with external parties, including those operating in adjoining areas to our mines and local municipalities. These relationships aim to improve the management of shared issues such as resource consumption (water) and community involvement. We have these working agreements in place at all operations.

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 completed the CDP water questionnaire for the first time in 2020, achieving a 'B-' disclosure score, and improved in 2021 to achieve a 'B' disclosure score, which further enhances the Company's disclosures in this key area.

Case study

The Koffiefontein Diamond Mine Water Response Project

The Letsemeng Local Municipality (LLM) is the local Government agent, which provides basic services to the people and fosters development in the surrounding communities. Local Government has the challenging role of improving community livelihood, through delivering basic services and promoting good health, wellbeing and human dignity.

Due to LLM's financial constraints and the declining regional economy, the delivery of these services has become increasingly difficult to sustain. Koffiefontein Mine has consistently partnered with LLM to solve the problems that directly affect communities surrounding our operation. These partnerships include projects that involve water supply, energy, machinery, maintenance and repairs, and other local economic development programmes.

Koffiefontein Mine recently assisted LLM to provide an emergency water supply pipeline, as the town was impacted by water shortages. The water supply project rerouted water from the Adventure Club dam. The municipality's electric water pump motor was also replaced to ensure that community members have clean running water in their homes.

For a detailed breakdown of our water data, refer to our Back-up Data in the supplementary section of this report (see page 107)

Circular economy overview

Petra acknowledges that waste can have a detrimental impact on the environment but reused correctly it has the potential to support a circular economy, which in turn can support local economic development. By managing our general and hazardous waste responsibly we reduce our environment footprint, save costs and contribute to the economic development of a community.

Achievements

- Recycled 85% of our waste at our local operations
- Ongoing awareness campaigns and clean-up projects
- Refined the delineation of waste streams at all South African operations
- Waste compactors installed at 75% of operations

Challenges

- Lack of waste management resources at Koffiefontein Mine
- Availability of waste recycling facilities and safe disposal areas for hazardous waste near our Williamson Mine in Tanzania
- Waste data accuracy at Williamson Mine

Standards/Guidelines/Codes

- Task Force on Climate-related Financial Disclosures (TCFD)
- CDP Climate Change
- ISO 14064: 2018 GHG Emissions Inventories and Verification
- Greenhouse Gas Protocol

Progress against FY 2022 objectives

Circular economy	Progress
Improve management of mining waste facilities in line with internationally recognised guidelines	In progress
Increase the percentage of business waste redirected to the circular economy	Achieved/good progress

KEY

Achieved/good progress | In progress | Limited progress

Material topics

- Employee safety, health and wellness
- Climate change
- Community relations and social investment

Stakeholders

- Employees, contractors and unions
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

SDGs

Circular economy KPIs

85%

WASTE RECYCLED AT LOCAL OPERATIONS

(FY 2021: 86%)

The above percentage excludes Williamson Mine's recycling efforts

139 tonnes

HAZARDOUS WASTE DISPOSAL

(FY 2021: 190 TONNES)

The above tonnes exclude Williamson Mine's waste contribution due to data accuracy challenges

Objectives for FY 2023

- Reduce the volumes of hazardous waste disposed by operations
- Continue to increase the percentage of waste recycled by the Group
- Improve waste practices (waste handling, separation and disposal) and related data accuracy at Williamson

Circular economy

Petra acknowledges that waste can have a detrimental impact on the environment but reused correctly it has the potential to support a circular economy, which can also support local economic development. By managing our general and hazardous waste responsibly we minimise disposal of waste to landfill, reduce our environmental footprint and contribute to the economic development of a community.

One of Petra's Sustainability Framework focus areas is circular economy. This highlights the fact that Petra is not only committed to reducing its waste volumes, but also to using the waste generated to support local economic development. Petra is investigating waste prevention and waste as a resource, as entry points to a circular economy within our local communities.

Our ambition

Petra's ambition is to reduce waste to landfill and we will achieve this by:

- Implementing initiatives to reduce waste generated on site
- Managing and reduction our suppliers' waste
- Increasing community involvement in sustainable and economically viable recycling projects

Our approach

Waste prevention emphasises avoiding and reducing waste before substances, materials and products are discarded. In terms of the hierarchy of waste management practices, these interventions have the highest priority and will be the first to be applied to any waste stream. The main economic driver is to avoid the cost to businesses and the public sector associated with waste collection and disposal.

Waste as a resource emphasises stimulating a secondary resources economy based on recycling and recovering materials and energy from waste. Circularity can deliver substantial material savings throughout value chains and production processes, generating extra value and transforming an industry towards climate neutrality. This can unlock long-term competitiveness and economic opportunities. In terms of the waste management hierarchy practices, recycling waste for reuse and recovery of materials are prioritised over recovery of energy from waste. The main economic driver lies in exploiting the full potential value of waste.

PETRA AIMS TO REDUCE WASTE TO LANDFILL BY INCREASED RECYCLING AND REPURPOSING OF WASTE, THUS SUPPORTING A CIRCULAR ECONOMY

Petra's waste management strategy provides strategic interventions for waste management practices within the Company, giving effect to the following commitments:

- A fundamental shift in the way that we view waste, specifically waste as a resource
- Arrangements for mitigating risk and capitalising on opportunities relating to waste management
- Improved operating standards that control or influence waste management practices in a life cycle perspective
- Specific waste management measures
- Licensing and control of waste management activities, including all compliance obligations
- Socio-economic involvement in the communities where we operate to improve waste management
- A high-level implementation plan with timeframes and reporting arrangements
- A monitoring and measurement framework

Waste management

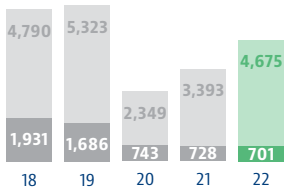
Petra manages separate waste streams within the organisation and includes business waste (non-hazardous domestic), hazardous waste and mining waste.

Business and hazardous waste

We continuously strive to improve waste management, according to the internationally recognised hierarchy of waste management, and set annual objectives and KPIs to drive continual improvement.

WASTE MANAGEMENT
(tonne)

4,675 +38%



One of our main drivers of change is to focus on the repurposing of waste and improving recycling initiatives, to reduce the overall volume of waste to landfill and maximise the percentage of business waste entering the circular economy.

The overall volume of waste generated increased by 38% to 4,675t[1] (FY 2021: 3,392t). The increase is due to operations normalising after COVID-19 restrictions lapsed. The amount of combined waste (business and hazardous) sent to landfill decreased by 4%. This is due to the ongoing awareness and recycling initiatives implemented at our local operations. Hazardous waste disposal decreased by 27% (FY 2022: 139t vs FY 2021: 190t); while the amount of business (non-hazardous domestic) waste disposed decreased by 6% (FY 2022: 561t vs FY 2021: 596t). A continuous drive to identify and remove re-usable and recyclable items from the waste stream resulted in 85% of all waste generated being recycled.

85%

PERCENTAGE OF WASTE RECYCLED IN FY 2022
(FY 2021: 86%)

The above percentage excludes Williamson Mine's recycling efforts

1. Quoted waste figures exclude volumes for Williamson Mine.

Waste management continued

Business and hazardous waste continued

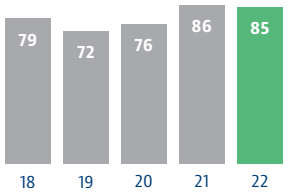
Williamson Mine's waste management practice is not aligned with our South African operations. Currently Williamson Mine disposes 98% of waste in landfill and only 2% is recycled. Williamson Mine experienced challenges with waste management due to its remote geographic location, a lack of local waste recycling initiatives and the unique situation that the mine is responsible for the waste management of an entire village (Mwadui). In FY 2023, we will explore measures to exclude waste from the village in the mine's calculation of waste volumes, as well as to develop local waste recycling initiatives.

For a detailed breakdown of our waste data refer to our Back-up Data in the supplementary section of this report (see page 107)

Petra only uses reputable waste handling companies vetted for legal compliance prior to awarding tenders. All waste handling companies are ISO 14001 certified, which provides additional assurance that waste is handled, transported and disposed responsibly. This includes managing hazardous and electronic waste.

WASTE RECYCLED
(%)

85 -1.2%



The above percentage excludes Williamson Mine's recycling efforts

Contracted waste handling companies are responsible for transporting hazardous waste. Petra receives waste disposal notes as confirmation that all hazardous waste was disposed of at the designated sites. We also check that the disposal sites have all the required licences and permits.

All on-site waste handling areas are audited by independent specialists as part of the mines' ISO 14001: 2015 management systems. Off-site handling and disposal sites are inspected on an ad hoc basis. All waste generated by the Company is recycled or disposed of within the country of origin.

Mining waste

Petra operates several different mining waste facility types:

Coarse residue deposits (CRD)

Coarse processed tailings, with limited moisture content, are mechanically deposited at angles of repose in continuously growing dump facilities.

Fine residue deposits (FRD)

Fine processed tailings, together with used process water, are deposited at facilities where the fine material can settle and the water can be returned to the processing plant, to minimise total process water consumption. These are mostly upstream slimes dams or impoundment dams.

Waste rock dumps (overburden)

In very limited instances development waste is separated from run-of-mine (ROM) material and deposited in dedicated areas without it being exposed to any treatment process.

The Company's mining waste areas are planned, operated and maintained according to the host country's legislative framework. In addition, external professional engineers are appointed to monitor the safety and stability 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 project affected communities downstream. Refer to our Back-up Data section on page 107 for a detailed breakdown of the size of Petra's mining waste facilities.

Biodiversity overview

Petra operates in areas rich in plant and animal diversity, which provide natural resources and essential services to the mines and local communities. We protect and manage our biodiversity and reinstate ecological services through our ongoing rehabilitation processes and various environmental initiatives.

Achievements

- 56% of land owned by Petra is protected
- Initiated a review of Petra's mine rehabilitation and closure strategy
- 152,700 seedlings distributed amongst schools and community members in Tanzania

Challenges

- Theft and illegal poaching of wildlife from mine owned areas

Standards/Guidelines/Codes

- ISO 14001: 2015 Environmental Management System
- CDP Forestry
- Endangered Wildlife Trust of South Africa's Best Practice Guidelines
- IFC's Performance Standard 6 (PS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources

Progress against FY 2022 objectives

Biodiversity	Progress
Implementation of annual rehabilitation plans	✓
Establishment and monitoring of closure sign-off criteria	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Material topics

- Climate change
- Community relations and social investment
- Water management

Stakeholders

- Local communities and NGOs
- Host Governments and regulators

SDGs

Biodiversity KPIs

6,981 ha

PROTECTED WILDLIFE AREAS
(FY 2021: 6,981 ha)

7 species

NUMBER OF PROTECTED/VULNERABLE SPECIES UNDER OUR CARE
(FY 2021: 7 SPECIES)

Objectives for FY 2023

- Embed concurrent rehabilitation as the norm for rehabilitation activities in Petra
- Identify and describe the essential ecological services present at all Petra managed areas
- Identify relevant conservation initiatives

Biodiversity

An abundance in biodiversity equates to resilience to climate change and optimal functioning of ecosystem services. By managing biodiversity, Petra is also contributing to climate change resilience by keeping ecosystem services intact and potentially increasing the agricultural opportunities of mine affected areas. as part of mine closure planning.

Our ambition

Our ambition is to change the status quo of mining affected areas by fostering productive and ecologically sustainable solutions during operation and after mine closure. We will achieve this through enhancing the unique biodiversity assets of our operations.

Our approach

Petra manages areas rich in plant and animal diversity, which provide natural resources and essential services. We protect and manage our biodiversity and reinstate ecological services through rehabilitation. We also increase the socio-economic production potential of mine impacted land through the implementation of an integrated rehabilitation and mine closure strategy.

Biodiversity and land management

We recognise that our activities can significantly alter an area's biodiversity and topography. Negatively, this may include habitat destruction, vegetation clearance, introducing invasive species and permanently changing the original ecological processes. Positively, this may include conserving large areas of habitat that would otherwise be over-exploited as well as supporting conservation research.

We monitor the negative 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:

- Completing environmental impact assessments prior to any 'greenfield' development
- Training all employees on the importance of biodiversity
- Encouraging employees to participate in biodiversity management, i.e. snake catchers and bee keeping
- Implementing biodiversity management guidelines

None of our operations are located in or adjacent to formally protected areas. As part of Petra's commitment to conserve biodiversity, game parks (conservation areas) 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. This includes 906 ha in Mwadui, Tanzania; 2,014 ha in Koffiefontein; 1,388 ha in Lime Acres and 2,673 ha near Bronkhorstspruit and Cullinan, South Africa. Refer to our Back-up Data on page 107 of the report for a summary of types of habitats protected.

6,981 ha

PROTECTED WILDLIFE AREAS

(FY 2021: 6,981 ha)

The goal of our ecological management strategy is to guide the implementation of specific management controls (biodiversity management plans) of the operation's wilderness, vacant land or game farm areas, by incorporating the international mitigation hierarchy (avoidance, minimisation, restoration, offset and compensation). To ensure ecosystem service conservation, all controls must be synergistic to reach the overall objective of the ecological services area and include the objectives shown alongside as a minimum.

Several protected species (four fauna and three flora species) have been identified in the areas under our care and are listed on page 115. Where appropriate, protected plants are relocated, or 'no-go' areas are established around species that cannot be relocated.

- Avoidance of any ecological services system degradation as far as possible by:
  - Protecting endangered and rare ecosystems within the operation's management areas
- Mitigation of any current impacts on ecological services systems as far as practical by:
  - Maintaining game populations within the ecological carrying capacity of the ecological reserve
  - Maintaining a balanced ecosystem resulting in balanced ecological services
  - Management of controlled burning and preventing veld fires
- Restoration of the ecosystem service by:
  - Removing invasive alien vegetation from the ecological service areas
  - Restoring soil erosion occurrences
  - Restoring bush encroachment due to veld mismanagement
- Promotion of environmental awareness on biodiversity and general veld management
- Promotion of tourism to the area, therefore benefiting the community with additional employment and investment through tourism in rural areas
- Promotion of carbon sequestration through the promotion of vegetative proliferation

Biodiversity and land management continued

Biodiversity certification

There is currently no standard to certify biodiversity management. 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 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. We have considered the nine principles in the Best Practice Guidelines and understand our upstream and downstream impacts on biodiversity in terms of chemical management, reducing waste to landfill, and reducing the inflow of raw water in the process. These principles have been embedded into Petra's environmental management systems, making a standalone Biodiversity Management Standard unnecessary.

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.

For more detail on our biodiversity data, refer to our Back-up Data in the supplementary section of this report (see page 107)

Case study

Description of a new ant species at Cullinan Mine, South Africa

Invertebrates constitute the majority of earth's species and are vital to global ecosystem functioning. They are considered in environmental impact assessments and monitoring programmes. Due to the hyper-diversity of invertebrates, the use of indicator groups is of great value in the rehabilitation progress assessment at mines.

An unusual new species of ant belonging to the genus Solenopsis (commonly known as 'fire ants' or 'thief ants') was discovered during an environmental impact assessment survey at the Cullinan Diamond Mine in 2001. Subsequent surveys at this and other sites throughout South and Southern Africa have resulted in the discovery of several other new and potentially new species. A description of the first new species found at Cullinan Mine will be of great significance and will result in the re-definition of genus-level characters of Solenopsis worldwide.

The proposed species name for the first new Solenopsis species discovered at Cullinan Mine, South Africa, is 'taemane', North Sotho for 'diamond', to commemorate the site where it was found. As several other species found here are also believed to be undescribed, there is potential for other names to be selected that will provide further recognition of Petra's contribution to scientific development and conservation. A description of the new Solenopsis species would also help to improve the value of ants as indicators in Africa and would allow IUCN Red List assessments to be carried out.

Petra is supporting the re-definition of the Genus Solenopsis, as a three-year project starting in FY 2023.

Source: Peter G. Hawkes BSc.(Hons) Pr.Sci.Nat

Microscopic image of the new species of ant belonging to the genus Solenopsis

Rehabilitation and closure plans

Petra is implementing a Group strategy on rehabilitation and mine closure. The aim is to have an economically productive and ecologically sustainable solution for all project affected areas after mine closure. The specific objectives of this strategy are listed below.

- Provide guidance for the enhancement of 'productive potential' of the mining affected areas
- Provide a framework for setting clear rehabilitation and closure objectives
- Entrench concurrent rehabilitation as the norm for rehabilitation activities
- Fulfilment of compliance and other obligations directed at rehabilitation and mine closure

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 spans through the operational phase until ten years post closure. However there is potential to extend or reduce the LOM at several of the operations and therefore these timelines are subject to change.

100%

OF OPERATIONS HAVE CLOSURE PLANS
(FY 2021: 100%)

The environmental impact from Petra's mining activities is not expected to last long after the cessation of operations due to our strategic approach and commitment to our values throughout 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. Previously, specialist studies identified several uncertainties, especially relating to final land use and post-closure latent impact. This information gap has been reduced by updating technical rehabilitation plans and compiling closure risk assessments.

Rehabilitation budgets are allocated for concurrent rehabilitation activities to address the impacts of mining. External specialists perform annual closure liability assessments 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 2022 was US$53.3 million (FY 2021: US$62.4 million).

Case study

Paddocks Rehabilitation Project – from wasteland to grazeland

In 2018 Finch Diamond Mine embarked on its largest rehabilitation project to date. The old paddocks were an old fine residue deposit (FRD) that was abandoned when the FRD 1-3 dams were commissioned. As one of the largest areas needing rehabilitating, the old paddocks span some 160 ha. The project was divided into five phases and took two years to complete. It is estimated that rehabilitating this area reduced the overall closure costs by over R67 million.

The area was seeded in two South African biomes: Savannah and Nama-Karoo. The paddocks as a rehabilitated area are earmarked as grazing land post mine closure. The end of the project also included putting up fencing and laying infrastructure for fresh water.

Although well grown, the area was not blending into the surrounding environment and the dominant grass species were more suitable for higher rainfall areas. To address this, a decision was taken to graze the area as the added movement of cattle would loosen up compacted ground allowing better seed germination for the next season as well as providing organic fertiliser.

During the time of the cattle project it was fire season in the Northern Cape and many farmers had lost grazing land during that time. Working with a local farmer relief NGO, a farmer who had lost almost all his grazing land during a fire was identified and a contract between the mine and the farmer was drawn up, following which 350 cattle were offloaded at the paddocks in September 2021. The area was split into four test camps to establish the best grazing method going forward. Based on the biomass and carrying capacity of the area, the cattle were allowed to graze for 100 days, following which the cattle were removed. This next season, the area will be left to get a good basal cover and then it will be grazed again, according to the best method identified during this trial.

Driving Shared Value
Partnerships

Petra understands the value of building sustainable partnerships not only to improve business opportunities but also to create shared value outcomes. We are committed to upholding high ethical business standards and safeguarding human rights, which is extended to all our employees, suppliers, customers, contractors and other stakeholders. Meaningful stakeholder engagement enables us to build trust and inform our business strategy.

83 Stakeholder engagement
88 Community and social investment
93 Responsible sourcing
97 Responsible sales

Stakeholder engagement and community and social investment overview

Stakeholder engagement forms an integral part of our business processes and influences our business strategy. Our stakeholder engagements are transparent and we aim to acknowledge various stakeholder perspectives, in a balanced manner that allows us to build trust. The quality of our stakeholder relationships is important as it determines our social licence to operate.

Achievements

- Submitted our next five-year Social Labour Plans (SLPs) for Finsch and Koffiefontein
- South African discretionary procurement spend up 39% to US$138.4 million (FY 2021: US$84.7 million)
- Robust and transparent stakeholder engagement building trust between local communities and the mine
- Completed our social impact assessments (SIAs) for all South African mines
- Reviewed and updated our community engagement plans to enhance engagement opportunities
- Williamson continued to build strong relationships with its communities

Challenges

- Dissatisfaction from communities regarding Petra's frequency of engagement
- Local economic development (LED) budgets not spent according to plan
- Collection of reportable contractors' contributions, per SLP requirements, into Petra's Foundation, for community projects
- Increased community grievances driven by socio-economic pressures

Standards/Guidelines/Codes

- United Nations SDGs
- UK Corporate Governance Code

Material topics

- Employee safety, health and wellness
- Community relations and social investment
- Stakeholder engagement and management
- Enterprise and supplier development
- Employee development

Stakeholders

- Employees, contractors and unions
- Customers
- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

SDGs

Stakeholder engagement and community and social investment KPIs

451

EXTERNAL SOCIAL ENGAGEMENTS
(FY 2021: 658)

US$0.94 million

TOTAL SOCIAL INVESTMENT SPEND
(FY 2021: US$0.66 MILLION)

US$146.0 million

SALARIES AND BENEFITS SPEND
(FY 2021: US$108.1 MILLION)

US$138.4 million

LOCAL DISCRETIONARY PROCUREMENT SPEND
(FY 2021: US$84.7 MILLION)

US$57.6 million

TAXES AND ROYALTIES PAID
(FY 2021: US$18.6 MILLION)

Objectives for FY 2023

See page 84

Stakeholder engagement and community and social investment overview continued

Progress against FY 2022 objectives

Stakeholder engagement and community and social investment	Progress
Successful completion of our SIAs for each South African operation to inform our new cycle of SLPs	✓
Improve communication with local communities through continued engagement	⟳
Continue roll-out of community development projects to meet the needs of local communities	⟳
Continue review and optimisation of the Group's stakeholder relations management software to ensure that all issues raised are tracked, monitored and closed out	⟳
Aim to build community confidence in the newly established grievance mechanisms at each operation through transparent engagements	✓
Progress on restorative justice projects at Williamson: Petra has committed funds in excess of £1 million to community initiatives to provide sustainable benefits to communities surrounding Williamson	✓
Ongoing monitoring of the extent of any pit scaling events at Cullinan Mine and regular engagement with the local community	✓
Appointment of a Group Sustainability Manager to consolidate the Group's extensive activity in this important area	✓

KEY

✓ Achieved/good progress ⟳ In progress ✕ Limited progress

Objectives for FY 2023

- Enhance stakeholder engagement plans to allow for robust, proactive and transparent engagements
- Respond to all grievances registered within the prescribed timeframe enabling social contracting with our communities
- Increase contributions to the Petra Foundation, through reportable contractor spend contributions, for dissemination into local communities as part of our social commitment
- Ensure compliance with local LED projects in South Africa and corporate social responsibility (CSR) commitments in Tanzania

Stakeholder engagement

Petra commits to meaningful engagement with our stakeholders, particularly on the issues most material to both stakeholders and the organisation and aim to acknowledge all stakeholder perspectives, in a balanced manner.

Our ambition

We aim to build strong relationships and trust with all our stakeholders through effective and transparent engagement that creates stakeholder value.

Our approach

Improved technology and social media platforms continue to increase the influence that local communities have on mining companies. This is particularly evident in developing countries, such as the jurisdictions in which Petra's operations are situated. Pressures on development, employment and social service delivery by both Governments and corporates, which are often regarded as the only other role players able to make a tangible contribution, have been exacerbated by the impacts of the COVID-19 pandemic. This necessitates a continued focus on effective engagement with stakeholders in our social environment and a more integrated approach that is better suited to the changing operational environment.

Identifying our most important stakeholder groups is an ongoing process. As a Group we continue engagement with stakeholders through a variety of methods in order to maintain consistent two-way communication. For more information on our key stakeholder groups, the methods used to engage them, how we have considered our impact on stakeholders and the actions taken, see the stakeholder engagement section on page 15.

Stakeholder engagement and management (SEM) has been a Group priority. During FY 2022, we focused on finalising and standardising policies and processes, to ensure more effective and accountable stakeholder relations. We finalised and began to implement our SEM policy, which will be used to update and align on-mine procedures.

Stakeholders and engagement opportunities are managed using stakeholder relations management software; however, the Group is reassessing the use of this software going forward. Despite the challenges we experienced with our stakeholder management software the Group continued to identify capture, profile, schedule and engage with our stakeholders using manual stakeholder engagement plans (SEPs). Going forward we plan to review, update and align all stakeholder engagement strategies and systems to improve our stakeholder database and ensure a more robust engagement schedule, that will result in more proactive stakeholder engagement.

Each mine has a specific SEM that caters for its specific stakeholder needs. To further support and improve our SEM system, the Company conducted SIAs for all the mines; however, no formal employee survey or materiality survey was done in FY 2022. Both employee and materiality surveys will be conducted again in FY 2023.

Constant stakeholder engagement and feedback is critical for our SEM process. While COVID-19 restrictions continued to impact face-to-face meetings for most of FY 2022, ongoing constructive key stakeholder communication was maintained at our operations through a variety of suitable channels and media, including printed, broadcast and social media. During the latter part of FY 2022, we had face-to-face meetings with our stakeholders where possible.

Key stakeholders

- Employees, contractors and unions
- Customers
- Financial stakeholders
- Local communities and NGOs
- Host Governments and regulators
- Suppliers

Our approach continued

We continually engage with Government, particularly the DMRE in South Africa and the Ministry of Mines in Tanzania, local Government (municipality), communities, business forums, NGOs, NPOs 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 has provided a catalyst for social incidents in the past. The following issues are discussed: local procurement and enterprise development, environmental impacts of mining, employment opportunities, illegal mining, corporate social investment (CSI) opportunities, LED projects 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 and mine closure
- **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
- **Regular and transparent engagement at all levels with authorities and regulators**, especially concerning compliance with SLP commitments, Mining Charter requirements and specific mine targets (including, amongst others, transformation, mine community development, housing and living conditions and procurement)

Engagement in FY 2022

South Africa

Our local operations continue to review their SEPs, to increase value-add engagements at Government and community level. In FY 2022 local operations conducted 451 (FY 2021: 658) external social engagements, including Government, communities, NGOs, NPOs and SMMEs.

Part of the five-year SIA process is to assist each operation in updating its SEP in line with the stakeholders identified during the assessment. The SIA will be used to review and update our SEM process and our SEP in FY 2023. The updated systems and plans will be used to enable a more proactive SEP so that we communicate relevant messages to relevant stakeholders.

Tanzania

As part of Williamson Mine commitment to ongoing constructive engagements, the mine appointed a permanent Social Performance Manager that has been instrumental in improving the engagement process. Williamson Mine recorded 126 (FY 2021: 34) external stakeholder engagements in FY 2022. This is a significant increase from the previous year and can be contributed to the mine coming out of care and maintenance, improved reporting of incidents and the focus on increasing awareness around our independent grievance mechanism (IGM). The implementation of the Restorative Justice Programmes (RJPs) and the Voluntary Principles on Security and Human Rights (VPSHR) aims to address the risks of illegal mining.

Williamson Mine continued extensive engagement with communities around the mine to highlight the dangers of illegal mining, thereby seeking to reduce illegal incursions on the mine lease area, with a particular focus on seeking to reduce/eliminate minors in illegal mining. Furthermore, Williamson continues its engagement at local and central Government level to work with the authorities to act against the illegal syndicates that are believed to be funding many of the incursions.

Petra is implementing various remedial initiatives including its IGM as well as RJPs to address the historical allegations of human rights abuses at the Williamson Mine in Tanzania. Part of these remedial actions include the airing of a radio programme that will further promote an understanding of the IGM process and give ongoing feedback on the progress made on the RJPs and illegal mining. Updates on the IGM and the RJPs are set out below.

Independent grievance mechanism

In March 2022, Petra's local stakeholder engagements created awareness around the IGM process and elicited feedback on how the IGM is envisaged to operate. This feedback has been incorporated into the IGM manual that is being finalised ahead of the IGM becoming operational. This manual contains the systems, policies and procedures for the operation of the IGM.

Our approach continued

Restorative Justice Projects

Several projects are in place to provide sustainable benefits to the communities located close to the mine. These RJPs are being funded by £1 million which was paid into an escrow account established by Petra. These RJPs include (i) a medical support project, (ii) an artisanal and small-scale mining (ASM) project, (iii) the agribusiness development initiative (ADI) and (iv) an improved delineation of the Williamson Mine boundaries, including access to the mine lease area for the collection of firewood by local communities.

For more information on the progress and impact of the RJPs refer to Petra's online trading statements at petradiamonds.com/investors/results-reports/

In addition to the RJPs listed above (which Petra is required to undertake as part of the settlement agreement entered in May 2021), we have committed to an awareness initiative in respect of sexual and gender-based violence (SGBV). This SGBV initiative is progressing well, with next steps including the confirmation of community action plans and engagement with local Government. Williamson Mine's local partner completed a full programme of field work with local Government and communities in FY 2022. Petra and Williamson Mine will work with the local and regional Government authorities, surrounding communities and local NGOs to monitor the effects of actions taken to date.

Stakeholder engagement and management policy

Our SEM policy was approved in FY 2022 and will be implemented group wide in FY 2023. This policy reflects Petra's values and aligns with international best practice. Each mine will develop its own SEM procedures in line with the Group policy and Petra's induction training has already been updated to include a section on this policy.

Case study

Williamson Mine's Sexual and Gender-Based Violence (SGBV) Project

The SGBV Project aims to contribute to reducing the high incidences of SGBV in Shinyanga. 40% of all women in Tanzania aged 15–49 years have experienced physical violence, while 17% have experienced sexual violence, and spousal violence prevalence is highest in rural areas.[1] Shinyanga specifically has the highest proportion of child marriages in the country (59%)[2] and the highest average rate of pregnancies below the age of 19.[3]

Although SGBV is not stated as a RJP in the settlement agreement, it is Petra's understanding of the importance of decreasing SGBV for the benefit of the communities surrounding the mine that has contributed to this much needed project taking place. Through assessing the magnitude of SGBV in the surrounding communities and identifying the underlying and basic causes, Petra is in the process of enabling an effective response. The SGBV Project is being implemented by Petra in partnership with a local SGBV organisation, Her Dignity, to deliver on its aim to support the communities around the mine.

A total of 1,400 people across the 11 communities were engaged in the Participation Action Research (PAR) process and over 2,500 people were involved in the village assemblies where the action plans were developed. Her Dignity completed the first phase of its programme in March 2022 and trained 22 animators as well as completing the PAR outlined above. Phase 2 is currently underway and should be completed by the end of September 2022. 40 young men champions have been trained, as well as 180 first responders and 50 SGBV survivors (as well as setting up survivor self-help groups). Ongoing monitoring visits are conducted by Her Dignity to support the community and survivor groups in achieving their aims and to monitor performance. The impact of the project will be assessed in Phase 3.

1. https://www.worldbank.org/en/country/tanzania/publication/tanzania-can-do-more-to-protect-women-and-girls-by-urgently-addressing-gaps-in-efforts-to-combat-gender-based-violence.
2. Regional Strategic Plan to End Violence Against Women and Children (2020/21–2024/25).
3. UNFPA Fact Sheet for Shinyanga (2011).

Williamson Mine – one of the village assemblies where the SGBV action plans were developed

Community and social investment

Our community development process focuses on contributing to the most important issues our mine communities face, in a sustainable manner. This includes creating social upliftment through job creation, skills transfer (education and training), enterprise and supplier development and sustainable infrastructure projects.

Our ambition

Our ambition is to foster meaningful relationships with all our stakeholders in a manner that builds trust, ensures transparent communication and creates shared value opportunities. To mitigate reputational, financial and social risks and enhance shared value opportunities, all stakeholder engagement and management is conducted in line with our stakeholder engagement and management policy and mine-specific procedures.

Our approach

Due to our operations' remote locations, predominantly in areas of relatively low levels of socio-economic development and high unemployment, three of Petra's four mines present the only major economic activity in the local area. This results in increased expectations and pressure on Petra to create employment and increase procurement opportunities to uplift the communities.

With the deteriorating socio-economic conditions in South Africa (inflation, increase in fuel prices, load shedding and corruption), Petra recognises the importance of having programmes in place to prepare and equip our communities with the skills they require. These initiatives include support to selected schools to improve performance in mathematics and science, as well as scholarship and bursary schemes. Our support also extends to our LED and CSI projects, that have an educational focus.

We strive to establish partnerships with our employees, communities, Governments, local business forums, NGOs and educational institutions to optimise the impact of our initiatives. The structure of our community engagement and development programmes is guided by the Company's stakeholder engagement and management approach. In addition to the above, each mine also considers the following when developing its engagement programmes:

- Initial SIAs based on participatory processes prior to drafting SLPs
- Stakeholder engagements and committee feedback
- Internal and external grievances registered
- Applicable legislation relating to diversity/employment equity
- Environmental impact assessments and ongoing monitoring
- Local community development programmes based on local communities' needs
- SEPs based on stakeholder mapping
- Local municipality's Integrated Development Plans (IDPs)
- Broad-based local community consultation committees and processes that include vulnerable groups
- Worker representation bodies that provide input to our initiatives and projects

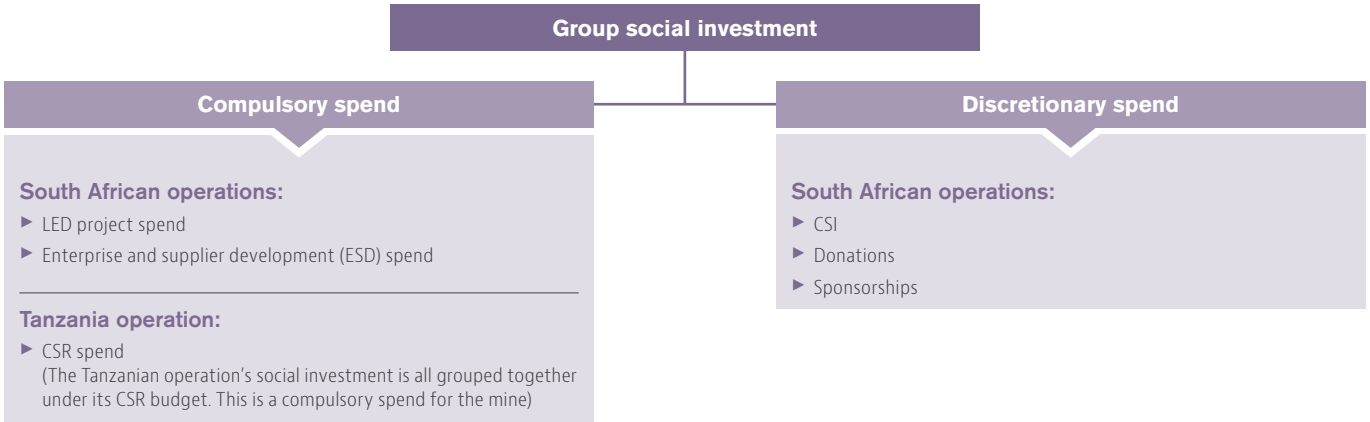
Social investment

Petra's social investment extends beyond its commitment to LED projects, enterprise development and socio-economic development. We also contribute through our discretionary spend (CSI), our Petra Foundation and staff contributions and community volunteering initiatives.

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

Expenditure in FY 2022

Petra's social investment contribution is made up of compulsory and discretionary spend as depicted in the diagram below.



Social investment continued

Expenditure in FY 2022 continued

The Group's total social investment spend increased by 43% to US$0.94 million (FY 2021: US$0.66 million). This increase can be attributed to Williamson Mine exiting care and maintenance as well as an increase spend by local operations on CSI and ESD.

Petra South Africa's LED project spend continues to be an area of focus as only US$0.34 million of our planned US$1.8 million LED project budget was spent in FY 2022. The contributing factor to this shortfall is that Koffiefontein Mine could not complete the feasibility study for the proposed US$0.33 million brick making and crusher plant in FY 2022. The mine is expected to finalise the feasibility study in FY 2023. In addition, Cullinan Mine and Finsch Mine continued to experience challenges in aligning stakeholders with suitable LED projects, as well as ongoing changes in local and regional Government appointments.

Social investment spend by country

	FY22 US$m	FY21 US$m
South Africa	**0.81**	0.63
Tanzania (Williamson Mine)	**0.13**	0.03
Group total social investment spend	**0.94**	0.66

More detail on the Group's social investment in FY 2022 is provided below.

South Africa

Social investment in South Africa consists of both compulsory and discretionary spend. A breakdown of the contributing vehicles is provided below:

Local economic development is mandatory spend and corresponds with the Company's SLP commitments for each South African operation. LED projects are identified using feedback from SIAs, community engagements and Government's local IDPs. Projects are agreed with local municipality (representing local communities) and the DMRE and approved by the latter.

In FY 2022 Petra spent US$0.5 million (FY 2021: US$0.4 million) on LED/CSR projects with the bulk of the funding being spent at our Finsch and Williamson Mines. As discussed, Koffiefontein Mine did not spend the planned US$0.33 million on the proposed brick making project.

The following are the most significant LED projects we invested in:

- Eradication of conservancy tanks in Kuilsville and Danielskuil that provided a sewer gravitational network to 369 properties, by constructing a network of sewer pipes to existing sewer pump stations
- Ongoing planning and construction of a community multi-purpose centre in Leyden Village, one of Cullinan Mine's host communities
- Finsch Mine supported an emergency water project at Danielskuil that included the augmentation of water sources as the existing water sources were contaminated and not safe for human consumption

Enterprise and supplier development spend forms part of the overall LED spend as per the mine's SLP. This forms part of our compulsory spend and is aimed at supporting and developing our SMMEs in local mining communities. In FY 2022 Petra spent US$0.28 million (FY 2021: US$0.07 million) on LED projects with the majority invested in the onboarding of SMMEs, training and development opportunities for local enterprises and providing loans to local SMMEs, as part of growing the local economy and creating jobs.

Corporate social investment spend is discretionary and includes donations and sponsorships and any funding contributed to our Petra Foundation. CSI spend is a one-off expenditure, granted on a case-by-case basis, by a specific Petra operation, following a request received from the local community or NGOs. The level that can be spent on qualifying projects is agreed upon by each operation's CSI Committee, that was established to review, approve and oversee the roll-out of the projects. Projects eligible for support are outlined in Petra's Group Corporate Social Investment Policy.

In FY 2022 Petra spent US$0.20 million on CSI (FY 2021: US$0.16 million) with the largest CSI commitments made at Cullinan Mine and Finsch. As a responsible corporate citizen, Petra continues to commit to CSI spend to relieve socio-economic pressures and to support struggling local communities. The following were some of the most significant CSI projects supported by our local operations:

- Cullinan Mine received a R200,000 donation to the Petra Foundation in FY 2022 for distribution of educational and dignity packs to female learners in the local schools (refer to case study for more information)
- Finsch continued to support its Adopt-a-School project that provides funding to five local schools to support learning and development projects
- Koffiefontein purchased screens and overhead projectors for eight Letsemeng high schools and purchased a mobile kitchen for a local NPO that is using it to supply soup to local community members

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 contributions from other donors. These funds are used for community projects in areas adjacent to our operations, which meet the criteria of the funds Memorandum of Incorporation. The Group continues to work on improving the collections from our large suppliers and contractors as part of their contractual commitments. Our procurement processes are currently being updated to cater for these collections and our contractor terms and conditions are also being updated to clearly stipulate the compulsory contribution to the PF. This process will be a focus for the Group in FY 2023 to ensure more contributions are received for re-distribution to the local communities. Refer to the case study for more detail on a £20,000 donation made to the PF.

The Petra Hardship Fund (PHF) was an initiative set up specifically to assist distressed host communities and qualifying employees in response to COVID-19. This fund was discontinued in FY 2022 because of COVID-19 restrictions being lifted.

Social investment continued

Social investment spend by country continued

Tanzania

In Tanzania, Williamson contributes directly towards community development through the advancement of social, commercial, industrial, educational, medical and administrative infrastructure for the benefit of local communities. All funds allocated to communities are part of the mine's CSR budget that is equivalent to the LED spend in South Africa. CSR spend is compulsory spend; however, Williamson did not have a CSR budget for FY 2022 as it was moving out of care and maintenance. Williamson nonetheless committed US$0.13 million (FY 2021: US$0.03 million) towards community and infrastructure development projects across all 11 local communities. This amount is in addition to the £1 million escrow account, funded by Petra, that has been allocated to the implementation of the RJPs as part of the Leigh Day settlement agreement (for more information on these projects please refer to page 87 of this report).

In terms of supporting local education, Williamson owns the Mwadui Primary School, providing subsidised English education for its pupils. This is the only primary school in the district that has formalised computer training and a computer centre and continues to be considered a top achiever at district, regional and national level.

Williamson also provided resources (building materials and heavy machinery) and technical support to various public schools for clearance and lifting purposes as part of construction and renovation activities. It also provided free utility support (annual free electricity and water) to six primary and secondary schools.

In addition to the above, Williamson CSR plan, which is informed by the mine's updated SEP, also concentrated on the following initiatives, among others:

- Donated a vehicle and fuel to the Kishapu District Council to improve policing and inspections
- Supported various local and regional community events and festivities
- Provided timber and firewood to surrounding communities
- Supported the local sports clubs
- Distributed 14,380 seedlings to various institutions located within the surrounding villages to prevent deforestation and erosion

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 us to contribute to community economic upliftment and prepare potential labour for our operations.

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

US$0.4m

SPENT ON COMMUNITY TRAINING AND EDUCATION PROGRAMMES
(FY 2021: US$0.3 MILLION)

Our community training and development spend increased from US$0.3 million in FY 2021 to US$0.4 million in FY 2022, mainly due to community training programmes relaunching post COVID-19, and an increased contribution to the Minerals Education Trust Fund (METF).

Bursary scheme and support to tertiary students

Petra's bursary scheme focuses on supporting promising students studying towards higher qualifications in the core disciplines of the mining industry as well as supporting skills (teaching and social work) which are required in the communities. These bursaries form part of the South African mines' SLP commitments. The bursary covers the cost of the studies as well as accommodation and allowances and are only available to South African students.

11

FULL-TIME BURSARY STUDENTS FROM OUR COMMUNITIES WERE SUPPORTED BY PETRA IN FY 2022
(FY 2021: 11)

The group of full-time bursary students supported during FY 2022 consists of 92% HDSAs (FY 2021: 100%) and 67% female participation (FY 2021: 75%). Students are supported in carrying out vacation work or practical modules at operations as required by their respective institutions. Many tertiary courses require a component of vocational training. Therefore, Petra provides opportunities for experiential training or vacation work opportunities. 11 students from local communities (FY 2021: 11) were supported during FY 2022.

Portable skills for community members

The issue of skills portability 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 training, basic building techniques and carpentry training, sewing training, driver's licence training and agricultural training, as well as other opportunities related to local economic activity.

In FY 2022, 92 community members (FY 2021: 20) were enrolled for portable skills training. This increase is due to the lifting of COVID-19 restrictions, where we focused on training more community members on portable skills, which are relevant to the local labour market.

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 for more students to achieve quality passes in these subjects, is currently implemented at four schools in the communities surrounding our operations. This project aims to improve opportunities to access tertiary studies and to secure employment. It focuses 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 FY 2022, as well as Grade 12 motivation workshops.

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

Scholarships

Scholarships are awarded to learners from schools in our communities to attend high-performance schools where possible, which helps alleviate the financial pressure that the learners and their parents face. 43 learners (FY 2021: 44) were supported during FY 2022; 60% (FY 2021: 80%) were female and 100% (FY 2021: 100%) were HDSAs.

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 challenges facing tertiary education. Petra provides annual contributions and invested US$69,229 in FY 2022 (FY 2021: US$13,000). This increase is due to Petra's contribution being based on actual numbers of professional employees in the geology, metallurgy and mining environment, as opposed to a donation in FY 2021.

Case study
The Boodles Sponsorship Programme

"Through receiving these products, a big burden has been lifted financially for both me and my family at home. I look forward to being in class every day of the month now." – Angelina Mashlloanne, a female learner at Chipa Tabane Secondary School.

Cullinan Mine, in partnership with Boodles, distributed 200 dignity packs to girl learners in Refilwe in March 2022. The Boodles Sponsorship Programme supports two topical and worthy causes including promoting basic hygiene and self-care amongst girl learners, and supporting additional scholarship programmes for the girl learners that do not have access or the financial means to address these social issues. Unemployment and poverty remain some of the biggest contributing factors to high incidents of not attending or failing to finish schooling programmes. Two schools were identified to benefit from this – Chokoe Primary School and Chipa Tabane Secondary School.

Learners from Chokoe Primary School, educator Sindy Langa (Institutional Development and Support Official) and Cullinan Mine representatives

Case study
The Boodles Sponsorship Programme

On 8 April 2022, 20 learners and their teachers attended a prestigious event hosted at Cullinan Mine. These learners form part of the 2022 Cullinan Mine Scholarship Programme. This Year, apart from the ten scholarships awarded annually, an additional ten scholarships were awarded in partnership with the Boodles Scholarship Programme. The intention of the programme is to support the learners both financially and academically through different school support programmes.

Mbali Mkwanazi, Training Manager, and Thabo Manne, Social Performance Manager, represented Cullinan Mine's management team at the event. They addressed the students, motivating them to focus academically on the year ahead and to make the best of their final school year. Other guests on the day were members from the Department of Education (DOE), Mr Thabo Makoe and Mr Nthabiseng Ramorula, as well as Mr Johan Becker, Councillor of Ward 100.

Socio-economic impacts

By creating sustainable employment opportunities, we can support our local communities, by investing in ethical and, where possible, local supply chains and assisting small businesses. We also 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 Group objectives. Through local employment, the payment of taxes and royalties, procurement from local suppliers and CSI, we can make a positive contribution to our stakeholders.

The benefits of stable and sustainable employment

c.52,650

PEOPLE DEPENDENT ON PETRA'S OPERATIONS

The Company currently employs 5,265 employees and contractors (FY 2021: 4,895) but given the generally accepted 'multiplier effect' in South Africa and Tanzania of x10, c.52,650 people (FY 2021: 48,950) are dependent on our operations.

Ongoing capital investment in our mines ensure sustainable employment for our workforce and the associated socio-economic development opportunities for the wider local communities in the longer term. This is subject to external influences such as the state of the diamond market. Read more about our social investment and how we work to generate sustainable development on pages 88.

The Group spent US$146.0 million (FY 2021: US$108.1 million) on wages and benefits in FY 2022, increasing largely due to Williamson resuming operations, coupled with general increases across the rest of the Group.

Payments to Governments

Petra is committed to transparent 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 Publish What You Pay, given that publishing details of Petra's tax payments to Governments can increase confidence and help improve community support for its activities.

In FY 2022, the Group paid a total of US$57.6 million in taxes and royalties (FY 2021: US$18.6 million), driven by increased royalties following higher revenues and improved profitability. 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 made by the Company at each operation.

The Company made certain charitable donations during FY 2022 but not of a material amount. The Company did not make any political donations during FY 2022 and received no financial assistance from Governments, other than Temporary Employer/Employee Relief Scheme (TERS) payments in relation to the COVID-19 pandemic.

Taxes and royalty summary per country – FY 2022 (US$ million)

	FY 2022	FY 2021	Variance
South Africa	**43.5**	22.0	97.7%
Tanzania	**14.6**	1.3	>100%
United Kingdom	**(0.5)**	(4.7)	(89.4)%

Responsible sourcing overview

Petra is committed to responsible sourcing through its procurement due diligence processes. We also strive to ensure that no human rights violations, corruption or bribery occur, directly or indirectly, when we source goods. Petra continues to contribute towards economic growth in the countries we operate, particularly our host communities.

Achievements

- Local supplier spend for FY 2022 – 59% for South Africa (FY 2021: 63%) and 89% for Tanzania (FY 2021: mine under care and maintenance)
- 1,059 new suppliers onboarded on our e-Procure portal (FY 2021: 252)
- Rolled out a new Group supply chain operating model and centralised procurement
- Launched our 'Request for Quotation' portal for all suppliers
- Mining Charter targets exceeded in most procurement areas

Challenges

- Increased unemployment in South Africa is burdening the host communities' dependence on our operations for procurement opportunities
- Continuing COVID-19 impact on the sustainability of some suppliers
- Ability to identify, access and reach potential supplier base
- Identifying and ring-fencing procurement opportunities for SMMEs

Standards/Guidelines/Codes

- UK Corporate Governance Code

Progress against FY 2022 objectives

Responsible sourcing	Progress
Appoint a new Group Supply Chain Manager	✓
Develop and roll out a new Group supply chain operating model	✓
Achieve Mining Charter targets	✓
Identify and implement ring-fenced procurement opportunities for SMMEs	✗

KEY

✓ Achieved/good progress ⟳ In progress ✗ Limited progress

Material topics

- Community relations and social investment
- Ethical behaviour
- Stakeholder engagement and management
- Enterprise and supplier development

Stakeholders

- Suppliers
- Local communities and NGOs
- Host Governments and regulators

SDGs

Responsible sourcing KPIs

59%

LOCAL SUPPLIER PROCUREMENT IN SA
(FY 2021: 63%)

89%

LOCAL SUPPLIER PROCUREMENT IN TANZANIA
(FY 2021: 91%)

69

LOANS ISSUED TO LOCAL SMMES
(FY 2021: 83)

US$339,898

VALUE OF SMME LOANS
(FY 2021: US$228,267)

Objectives for FY 2023

- Reviewing and updating our tender specifications and general terms and conditions and ensuring awareness training on contract conditions
- Identifying and increasing ring-fenced procurement opportunities for SMMEs
- Increasing mine community supplier spend
- Progressively improving our total supplier base compliance through vetting

Responsible sourcing

As part of supply chain management, Petra supports group-wide procurement and supply chain initiatives that enhance local economic development (LED) and enterprise and supplier development (ESD) as per our Social and Labour Plans (SLPs).

Our ambition

We aim to develop and responsibly implement an integrated supply chain approach to ensure an efficient supply chain with minimal disruptions for our operations and minimal environmental impact. Through our supply chain we manage commercial relationships, contracts and commitments and execute inventory management, as well as ensure responsible sourcing and procurement of goods and services at optimal cost.

Our approach

In a circular economy our supply chain's approach is to reuse, share, repair, refurbish, recycle or remanufacture to reduce unnecessary resource consumption, waste, pollution and carbon emissions. Through our supplier selection process we aim to gain an understanding of how our suppliers manage their resources, from cradle to grave, with a specific focus on our bigger and more experienced suppliers. This approach ensures that suppliers become our partners in caring for the environment and our communities.

Managing our supply chain

Petra's supply chain performs a key role in providing a wide range of goods and services to ensure efficient production. Some challenges we faced included the COVID-19 global pandemic which disrupted supplies; increased ESG regulations; and increased stakeholder expectations. Supplier and community engagement remains important and to improve accessibility to the local host communities' supplier base, we implemented a platform so that suppliers can register for procurement opportunities. As this communication and awareness grows, the potential supplier base will expand, allowing for more proactive supplier engagement and an increase in local procurement opportunities.

All our suppliers are vetted against legislative and regulatory requirements to ensure engagement with responsible and compliant suppliers. Petra also performs ongoing due diligence measures to check for sanctioned and politically exposed suppliers. A group-wide contract management system is being integrated to facilitate effective management of all our supplier contracts.

Supplier health, safety and environmental (HSE) assessment

100%

OF SUPPLIERS ARE VETTED AGAINST LEGISLATIVE AND REGULATORY REQUIREMENTS
(FY 2021: 100%)

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

Petra uses pre-qualification questionnaires and site inspections (under special circumstances) to scrutinise suppliers before contracts are finalised. Where tenders require environmental considerations, the scope will specify the requirements, including compliance with relevant environmental legislation and certification of suppliers' environmental management system (EMS).

All supply chain activities are part of each operation's EMS 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 impacts are reported through the normal on-site incident reporting processes.

During the period under review, no supplier contract was terminated due to bad environmental practice and no significant impact actuated due to supplier action.

Local procurement

Petra strives to responsibly source most goods and services from the countries where they are located. Even with goods supplied by international companies, we try to purchase through the suppliers' operating entities in that country. We view targeted local procurement as a powerful lever for local economic development and community empowerment. Preference is given to suppliers close to our mines as far as possible, which supports the Mining Charter and Mineral and Petroleum Resources Development Act requirements for procurement of goods and services with maximum local content.

Despite considerable progress made, the operations continue to face challenges relating to purchasing of high-value capital goods from local B-BBEE suppliers and/or suppliers situated in the host mines' communities. Petra's Enterprise Development Policy, that is in line with the Group's Supply Chain Policy, promotes meaningful participation, growth and sustainability of local participants in the Company's supply chain. In FY 2023, we aim to establish a procurement task team that will promote, facilitate and support procurement from qualifying local community enterprises. This will guide the procurement opportunities, including the procurement and quality specifications for each of the opportunities ring-fenced for procurement from local enterprises. To enhance our centralisation process certain functions will be automated and integrated group-wide, which will increase efficiencies in timeous supplier payments.

Managing our supply chain continued

Local procurement continued

Petra also identified that extra support was required for local SMMEs to ensure that they can make use of the e-Procure portal effectively. During the Year, training was provided to local suppliers to improve their participation in the Company's supply chain opportunities. The portal supplier base currently comprises 1,059 potential suppliers, which has grown significantly since inception in 2019. The operations' enterprise development teams have been trained and assist suppliers with registration onto the portal. One of the challenges that we face is maintaining supplier information. In FY 2023, we intend to focus on improving our due diligence mechanisms across our supplier base to identify risks, including corporate compliance.

By providing opportunities to increase 'local content', Petra helped to improve local economic activity, thereby stimulating employment opportunities, skills development and investment, which can help to alleviate local poverty. This also forms part of our SLP requirements.

Petra has a Supplier Compliance Committee that meets on an ad hoc basis. This Committee aims to address supplier governance and identify key risks and any irregularities that have occurred and how they need to be addressed and mitigated.

COVID-19 had a severe impact on our operations, with Williamson Mine being placed on care and maintenance. Petra has made significant efforts to ensure that our employees and suppliers were supported during this difficult period. However, with the job losses and retrenchments that have occurred in our supplier base, there are some suppliers which are no longer going concerns, which poses a sourcing risk, as alternate suppliers are not always available. Other challenges we face are the rising unemployment rate in South Africa and ongoing reliance on our operations to provide procurement and employment opportunities.

Petra's supply chain

The supply chain serving our mining operations encompasses 1,324 South African (FY 2021: 1,600) and 276 Tanzanian suppliers (FY 2021: 1,220). The proportion of goods procured from local suppliers decreased during the Year from 63% in FY 2021 to 59% in FY 2022 in South Africa and from 91% in FY 2021 to 89% in FY 2022 in Tanzania.

Petra's procurement spend for the reporting period for South Africa was US$238.7 million (FY 2021: US$150.4 million) and for Tanzania was US$35.6 million (FY 2021: US$7.6 million). The increased South African spend was due to spend on expansion projects, and in Tanzania, the increase is due to Williamson resuming operations.

Country	Procurement spend (US$m)	Discretionary procurement spend[2] (US$m)	% spend with local[3] suppliers
South Africa[1]	**FY 22: 238.7** (FY 21: 150.4)	**FY 22: 138.4** (FY 21: 84.7)	**FY 22: 59%** (FY 21: 63%)
Tanzania[1]	**FY 22: 35.6** (FY 21: 7.6)	**FY 22: 30.6** (FY 21: 6.3)	**FY 22: 89%** (FY 21: 94%)

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 must be purchased from the national utility providers in South Africa and Tanzania.
3. We define 'local' as suppliers based in the regional province in South Africa and as national spend in Tanzania.

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 several barriers such as access to finance and access to markets, which limits the ability of start-ups and existing local businesses to grow and expand.

Through our ESD programme, the Company aims to assist local businesses in accessing financing and markets, thereby 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 are shown below.

- Business advisory services
- Readiness assessments – business, financial and technical
- Generic business and technical training
- Access to market
- Boardroom facilities
- Formal business mentoring
- Computer and printing facilities
- Access to funding through low-interest funding for qualifying SMMEs
- Financial training and invoice generation

Developing local businesses continued

In FY 2023, we aim to renew contracts with broader scopes of work being offered to SMMEs through the identification of ring-fenced opportunities at each of our operations. In addition Petra aims to identify 15 SMMEs, based on the technical needs of the mines, which will be enrolled in a technical development programme over a five-year period. We will also identify joint venture procurement opportunities as part of SMMEs' training and development to gain experience and on the job training.

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

Petra continued to support its local SMMEs by providing funding to small companies to execute local procurement contracts awarded to them. Of the 69 (FY 2021: 83) loans approved, 21 (FY 2021: 29) were for first time suppliers to Petra.

69

LOANS ISSUED TO LOCAL SMMES, WITH A TOTAL OF 409 LOANS ISSUED SINCE 2015
(FY 2021: 83)

The value of loan funding approved to SMMEs in FY 2022 amounted to US$339,898 (FY 2021: US$228,267). The increase in loan values and amounts in FY 2022 can generally be attributed to the lifting of the COVID-19 restrictions and an increase in economic activities as well as the need for SMMEs to grow and re-establish their businesses after COVID-19.

The loans disbursed created 275 job opportunities (sustained for the duration of project/contract) (FY 2021: 386) that supported 26 female entrepreneurs (FY 2021: 26) and 27 youth entrepreneurs (FY 2021: 15).

Petra's ESD Community Fund support since inception in 2015

Contribution period	2015–2022
SMME Loans approved	409
Value of loans approved	US$3.04 million
Number of jobs created and sustained for duration of project/contract	2,389
Number of local small businesses supported	194

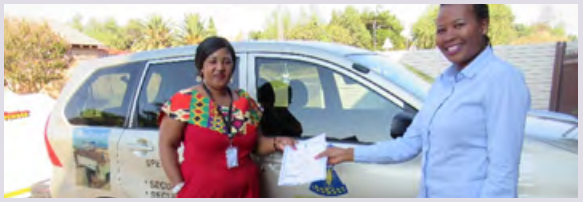
Case study

Enterprise development – Nomza Cleaning and Security Services

Nomza Cleaning and Security Services is one of Cullinan Diamond Mine's enterprise development success stories. Through our partnership with Phakamani Impact Capital, this business was assisted and mentored from a start-up to a sustainable business. Nomkhosi Sebe (owner) is the supplier of security services to Cullinan Diamond Mine and her contract was renewed in February 2021 and will end in January 2024. Importantly, Nomkhosi was able to fund herself after her mentorship and assistance from Phakamani Impact Capital, with no further financial dependence needed from Cullinan Diamond Mine.

Nomkhosi also got training in financial management for her business as well as how to use Petra's e-Procure portal system, which enabled her to take part in tender opportunities at Petra. Petra also invested financially in her business by assisting with stationery, uniforms for the staff, branding, dog training and a motor vehicle, among others. The total value of financial assistance is estimated at R677,000. Nomkhosi recently paid off her vehicle and the registration papers were handed over to her.

Nomza Cleaning and Security Services is also a manufacturer and supplier of cleaning materials to a vast range of clients. Her business is a Level 1 B-BBEE company and she currently employees 31 people in her community.



Nomkhosi of Nomza Cleaning and Security Services receiving her vehicle registration papers after paying off her vehicle

Responsible sales overview

Behind every diamond we sell is a fascinating story and experience. Part of our commitment, when selling our diamonds, is to create lasting memories for our customers – this is done by upholding ethical standards and safeguarding human rights throughout our business operations and ensuring that our diamonds provide a unique experience for all customers.

Achievements

- Six Exceptional Stones sold with a record value of US$89.1 million
- Continued to support local Historically Disadvantaged South African (HDSA) cutters and polishers
- Continued sales during COVID-19 through a flexible sales process
- Increase in partnership stones

Challenges

- COVID-19 restrictions continued to impact our sales and logistics process

Standards/Guidelines/Codes

- Kimberley Process Certification Scheme
- The South African Diamond and Precious Metals Regulator (SADPMR) – a state owned entity that administers the Diamond and Precious Metals Act
- Natural Diamond Council (NDC) membership

Progress against FY 2022 objectives

This is a new area for our Sustainability Report and therefore does not include any specific FY 2022 objectives.

Material topics

- Ethical behaviour
- Community relations and social investment
- Enterprise and supplier development

Stakeholders

- Customers
- Local communities and NGOs
- Host Governments and regulators

SDGs

Responsible sales KPIs

3.4 Mcts

TOTAL CARATS PRODUCED
(FY 2021: 3.2 MCTS)

3.5 Mcts

DIAMOND SALES
(FY 2021: 3.9 MCTS)

US$585.2 million

GROUP REVENUE
(FY 2021: US$406.9 MILLION)

Objectives for FY 2023

- Pursue membership of the Responsible Jewellery Council (RJC) – membership application is currently with the RJC
- Relocate and consolidate the sales and marketing departments
- Investigate systems to improve traceability of diamonds after sales

Responsible sales

Petra's diamonds are sourced from some of the most historic and well known mines in the world. We also ensure that we unearth and sell our diamonds in an ethical manner to create a unique and lasting memory for our customers.

Our ambition

Our ambition is to create lasting memories for our clients. We sell diamonds in an ethical and responsible manner to ensure we create shared value through our beneficiation project(s) and realise a fair value for our diamonds as part of maximising shareholder value.

Our approach

Acting ethically and responsibly

Given the high value placed on natural diamonds, often gifted to celebrate life's most special moments, we ensure that our business operates in keeping with the value and sentimental connection placed upon our product. We manage each step in the diamond production process to the highest ethical standards and in accordance with our responsible business ethos, from mining through to processing, sorting and finally marketing and sales. Petra's commitment to ethical conduct is included in our Group Code of Ethical Conduct, which sets out the behaviour we expect from employees, contractors, partners and suppliers. This Code, together with our Group Anti-Bribery Policy and our Human Rights Policy, is implemented and monitored group-wide.

Transparent and equitable sales process

We are committed to a transparent and equitable sales process and offer all our South African products for sale in Johannesburg – promoting South Africa as an international diamond hub and, where possible, promoting local economic development. We also proudly contribute to the economic upliftment of Africa and only operate in member countries that adhere to the Kimberley Process. All our diamonds are traceable from source to sale and are certified as conflict free.

Petra is also a founding member of the Natural Diamond Council (NDC). NDC members produce the majority of the world's natural diamond. Petra's CEO represents Petra on the NDC Board and we continue to support the NDC's three sustainability pledges (strengthening communities, protecting the environment and promoting gender equality and inclusivity). The NDC's objective is to advance the integrity of the modern diamond jewellery industry and inspire, educate and protect the consumer. This is done by communicating the inherent value and benefits of natural diamonds and the companies supplying them, reinforcing the positive impact of the natural diamond industry by sharing insights, communicating best practices and promoting ethical, social and environmental standards, ensuring clear and accurate information about diamonds and the diamond industry, and partnering with industry stakeholders for the purpose of driving transparency and trust.

Tender process

Petra normally holds seven tenders each year: three in the first half of the financial year and four in the second half. In FY 2022 we only held six tenders that realised US$585.2 million (3,5 Mcts) in sales (FY 2021: US$406.9 million and 3,9 Mcts). COVID-19 travel restrictions in South Africa impacted our South African diamond tenders for part of our financial year. Therefore, our rough diamond tenders for South African goods were held in Antwerp (Belgium) instead of Johannesburg until travel restrictions were lifted in early 2022. Williamson production continued to be sold in Antwerp (Belgium).

Petra times its tenders to ensure maximum participation from our international client base, taking into account secular and religious holiday periods, which are likely to be quieter times for the rough diamond market. To promote and improve our tender participation, tender dates are communicated in advance to all clients and prospective clients.

For our Exceptional Stones, Petra issues press releases on all social media platforms, and to local and international clients. The NDC is also invited to all special stones tenders along with the Gemological Institute of America's Executive Vice President. During FY 2022, six Exceptional Stones were sold with a record value of US$89.1 million (FY 2021: US$62.0 million). Five of the six Exceptional Stones were mined from Cullinan Mine, with the sixth stone mined from Williamson.

Our approach continued

Petra's sales and marketing process flow

1. Production received from our four mines
2. Diamonds are cleaned, sieved, sized and machine processed
3. Diamonds are assorted into sales lots according to size and assortment category
4. The South African State Diamond Trader may purchase up to 10% by value of the South African mines' run-of-mine production
5. 15% based on value is split off from assortment balance (90%) for Diamond Beneficiators
6. The balance of production is sold on tender and administered by SADPMR (South African mines) and overseen by Tanzanian Government officials (Williamson) with bids measured against Petra's reserve process before winning bids are awarded

Our approach continued

Legislation, governance and security

Kimberley Process

Consumer confidence in the integrity of diamonds and the diamond industry is crucial. Petra follows the Kimberley Process, which was adopted in 2003 and unites administrations, civil societies, and the industry in reducing the flow of conflict diamonds (rough diamonds used to finance wars against Governments) around the world through a certification process.

The South African Diamond and Precious Metals Regulator (SADPMR)

The SADPMR is the main regulatory body that was established to administer the Diamonds Act 1968 (as amended) and the Precious Metals Act 2005 (Act 37 of 2005). One of the core functions of the SADPMR is to facilitate the buying, selling, exporting and importing of diamonds through its Diamond Exchange and Export Centre (DEEC). The DEEC is a secure and controlled environment where goods are offered to other licensees and plays a vital role in ensuring that unpolished diamond tenders are facilitated fairly to the local market.

Tanzania: The Mining Act 2019

In Tanzania the Group complies with The Mining Act 2019 (chapter 123), that are holders of primary mining licences and gemstone mining licences.

Petra Diamond Management (PDM) System

Petra's internal PDM system ensures all relevant details of the mine (production) to market (sales) process are accurately and timeously captured, documented and reported. This system also ensures full compliance with all local and international legislations relating to diamond sales.

Security

There is always risk in transporting diamonds; therefore, security around the transportation and storage of our diamonds is critical To mitigate this risk, Petra uses an external company specialising in logistics for the diamond and jewellery industries worldwide.

Partnerships

Petra also pursues feasible partnerships with clients whereby Petra sells rough diamonds to suppliers which polish and cut the diamonds for selling. Petra's partnership also includes a share of the profits, net of all costs. During FY 2022, we received around US$1.1 million from the sale of polished diamonds through a partnership, where we sold an 18.30 ct, blue rough diamond for US$3.5 million and retained a 50% share of the future profits. The 7.09 ct final polished diamond fetched US$5.8 million, while the total net profit for the partnership from all the stones totalled just over US$2.1 million.

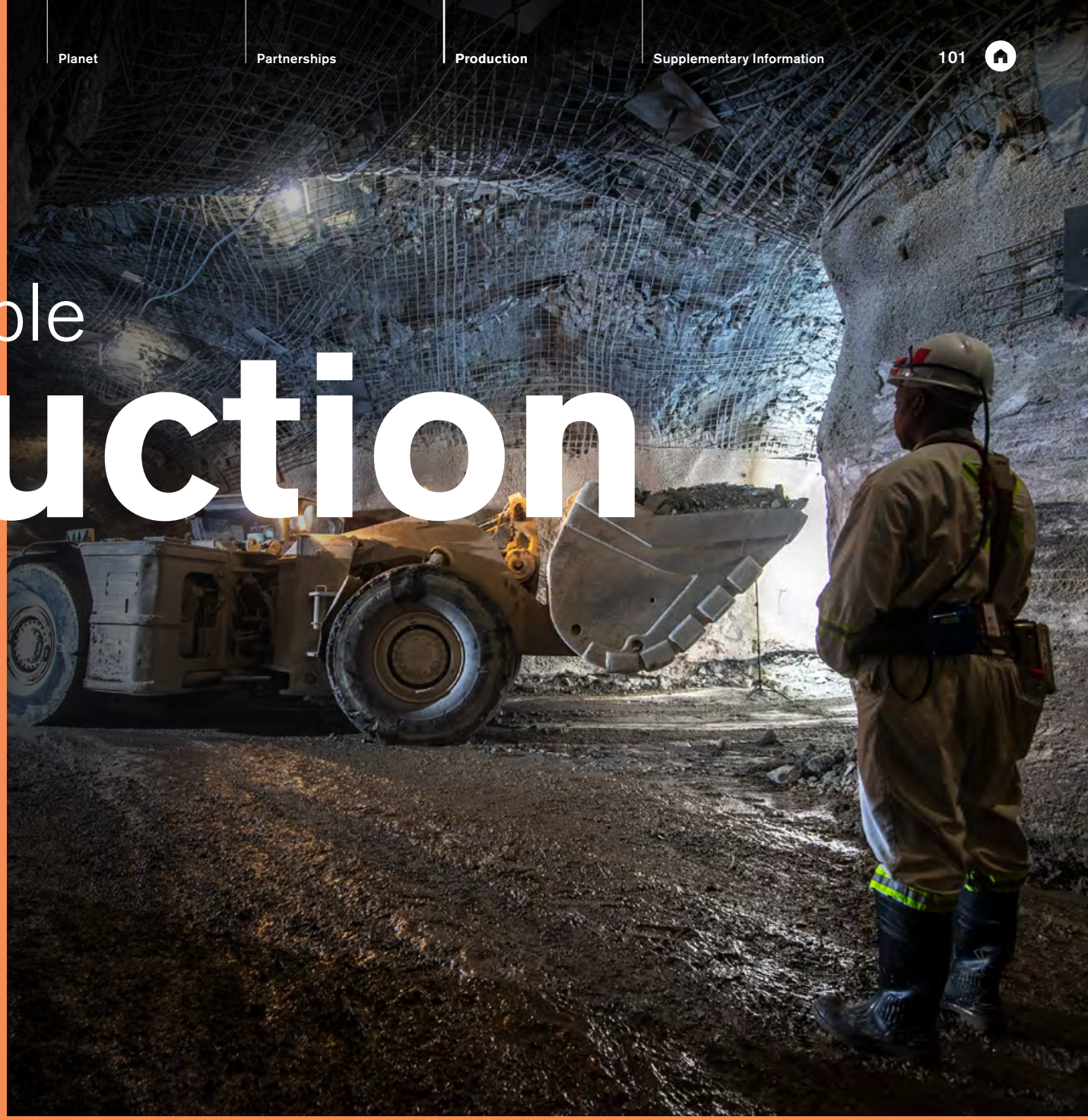
Case study

Petra's Tarorite project – impacting diamond beneficiation in South Africa

As part of Petra's responsibility to encourage the development of the diamond cutting industry in South Africa, we run an ESD programme, through our subsidiary Tarorite (Pty) Limited. The Tarorite ESD programme aims to develop learners within the diamond industry through internships and other diamond-related courses. It also aims to equip local beneficiation businesses through both funding and mentoring.

One of the project beneficiaries is Molefi Letsiki, a second generation diamantaire whose father worked as a diamond master cutter for over three decades. Molefi owns Molefi Letsiki Diamond Holdings CC and has a wealth of experience in cutting and polishing. This South Africa-based company was established in 2005 and manufactures diamond and custom-made jewellery. His love for diamonds ensures that employees do not polish diamonds only to set into jewellery but rather they polish diamonds that inspire jewellers. HDSA companies lack access to rough diamonds for beneficiation purposes and Molefi's company has played an instrumental role in working with HDSA companies to assist them with a rough diamonds supply as well as mentoring and supporting them with capital for rough diamonds when necessary. This has enabled more companies to grow successful sustainable businesses focused on local beneficiation, which results in increased job opportunities among HDSA companies, more local sales and increased exports of polished diamonds.

Delivering Reliable Production



Petra monitors and manages each step in the diamond production process to the highest ethical standards. We aim to ensure optimum economic extraction from the available orebodies, while maximising the life of mining operations. Our reliable production pillar is achieved through accurate and precise mineral resources planning, efficient ore extraction and processing, and responsible project and asset management, together with optimising capex and opex efficiencies.

102 Mineral resources management
102 Asset management
104 Capex and opex efficiencies

Mineral resources and asset management overview

Petra's aim is to ensure optimum economic extraction from the available orebodies while maximising the life of mining operations, through accurate and precise mine planning and production and optimising the availability of mining and processing equipment.

Achievements

- Adopted and approved our new Tailings Management policy in line with the Global International Standard for Tailings Management (GISTM)
- Rolled out the group-wide Diamond Value Management Framework
- Williamson Mine exited care and maintenance and started production
- Asset maintenance management system upgraded and rolled out at our South African operations
- Asset maintenance management system implementation:
  - Planned maintenance systems rolled out at all South African mines
  - 80% of assets loaded on system
  - KPI measures and targets defined
  - Asset maintenance management system hosted on a cloud-based server
- Significant improvement in planned maintenance
- Established test sites for integration between the asset maintenance management system and the procurement system

Challenges

- Sub-optimal maintenance planning due to:
  - Lack of consistent maintenance schedule application
  - Lack of optimal system usage
  - System maturity

Standards/Guidelines/Codes

- Global International Standard on Tailings Management (GISTM)
- Global Forum for Maintenance and Asset Management (GFMAM) – Key Performance Areas
- ISO 55000: Asset Management Principles and Systems
- The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code)

Progress against FY 2022 objectives

This is a new area for our Sustainability Report and therefore does not include any specific FY 2022 objectives.

Material topics

- Employee safety, health and wellness
- Ethical behaviour

Stakeholders

- Employees, contractors and unions
- Customers

SDGs

Mineral resources and asset management KPIs

11.7 Mt

TOTAL ORE PROCESSED
(FY 2021: 8.1 MT)

US$307.1 million

ADJUSTED MINING AND PROCESSING COSTS
(FY 2021: US$276.1 MILLION)

3.4 Mcts

TOTAL CARATS PRODUCED
(FY 2021: 3.2 MCTS)

3.54 Mcts

DIAMOND SALES
(FY 2021: 3.96 MCTS)

Objectives for FY 2023

- Continue to improve on our Diamond Value Management (DVM) Framework throughout the organisation to further improve process efficiencies and product security
- Implement a group-wide tailings management standard aligned to the GISTM
- Implement feasibility studies to extend the LOM at Cullinan Mine beyond 2030
- Enhance asset maintenance management system integration and implementation

Mineral resource and asset management

Our mines produce the full spectrum of diamonds, from low to the highest quality and across several colours, including blue, pink, yellow and champagne. The production profile (diamond quality and size ranges) of a specific kimberlite type remains constant over time, resulting in accuracy for diamond price forecasting.

Our approach

Petra continuously monitors and optimises each step in the diamond extraction and sales process – from exploration and mining, through to processing, sorting, marketing and sales. This ensures a sustainable operation, with minimal environmental impact and value add for the communities where we operate. We achieve this through economic extraction of the available orebodies and effectively managing mine assets to reduce costs, improve efficiencies and ensure asset longevity.

Our ambition

Our ambition is to unearth, process and sell our diamonds responsibly and efficiently while maintaining our asset base and maximising the life of mining operations. We achieve this through accurate and precise mine planning and production and optimising the availability of mining and processing equipment.

Sustainable production

Sustainable production can only be attained if the mining and treatment of our mineral resources are executed in an effective and efficient manner. This is achieved using mine planning, asset management and diamond value management systems, as well as feasibility studies and subsequent LOM extension projects.

As the current mining blocks mature, waste ingress from overlying depleted mining blocks becomes more difficult to predict and control. Mixing models in block and sub-level cave scheduling and simulation software are refined and calibrated to better predict waste ingress in the current mining blocks. Drill and blast practices for ring blasting in sub-level caves are constantly reviewed and improved to limit and control waste ingress during the production cycle.

The group-wide roll-out of the Diamond Value Management (DVM) Framework in FY 2022 contributes towards optimising the US$/Rand per tonne extracted from current ore resources. Part of the framework includes assurance meetings to present progress updates and identify action plans to improve the various aspects identified in the measurement matrix of the DVM Framework. The frequency of DVM operational self-assessments was increased to bi-monthly, with the aim of improving the turnaround time of the continuous improvement cycle.

Petra continues to implement resource delineation, bulk sampling and feasibility studies to add to the current reserves and LOM for each operation, with the aim to ensure sufficient mineral inventory at the correct resource and reserve confidence levels, for a minimum target of 15 years' production. Mine plans have been finalised and approved for new mining blocks at Cullinan Mine (CC1 East) and Finsch Mine (lower Block 5 SLC), extending the LOM to 2030 for both these mines. These plans were approved by the Board in FY 2022.

Asset management

Asset management is performed to achieve Petra's long-term objectives that will support our corporate strategy, by optimising the availability of mining and processing equipment, reducing down time and improving asset efficiency.

Petra aims to maintain all its physical assets in a manner that enables the Company to achieve its business objectives. This is done by increasing the engineering uptime and reliability of production and services, related to equipment, to a higher standard. Proper asset care reduces operating and maintenance costs and prolongs and optimises the life and efficiency of assets to meet the LOM requirements for production. It also reduces risks associated with safety, health and hygiene, the environment and our communities.

Petra's asset maintenance management system has significantly improved our planned maintenance and 80% of our active assets, across Petra's South African operations, have been loaded onto this system. Some challenges were experienced with the implementation of the system including data integrity and on-mine resistance to change but this is being addressed through ongoing training, performance management and implementation of relevant policies, standards and guidelines. Ongoing monitoring of KPIs, audits and assurance checks also ensures maintenance is done according to schedule. Going forward, we aim to enhance our system integration through ongoing digitisation and improving interaction between the maintenance and procurement departments as well as increasing KPI measurements.

Standard operating procedures are in place for the majority of maintenance activities to ensure ongoing optimal maintenance, which prolongs the life of the assets and avoids unnecessary asset replacement costs. Likewise, this improves the asset performance by reducing maintenance downtime, increasing asset efficiency and increasing output to the original manufacturer's standards.

It is critical that all machinery is operated safely and in accordance with the relevant occupational health and safety compliance requirements in our operating jurisdictions. We achieve this by adhering to the original equipment manufacturing standards and specifications as well as measuring and monitoring employees' key performance indicators.

> "Through our mining production we create a positive impact on our communities and countries where we operate, through job opportunities, employee growth, localised projects and taxes paid, which is very rewarding.

Capex and opex efficiencies overview

Part of our capex and opex performance management strategy includes ensuring our assets remain financially feasible and our supply chain supports our sustainable business strategy. Petra's new project management process facilitates informed investment decisions, minimises risks and improves project delivery in terms of cost and schedule.

Achievements

- Completed feasibility studies and obtained Board approval for projects to extend the LOM for Finsch and Cullinan Mines through to FY 2030
- Implemented and upgraded system of tracking capex expansion projects against approved budget
- Introduced a project management office to conduct studies from inception to Board approval and thereafter provide guidance, oversight and assurance during project execution

Challenges

- Skills availability/shortage
- Equipment lead times for project implementation
- Number of projects to be managed and implemented

Standards/Guidelines/Codes

- Relevant project feasibility studies and Project Management Standards

Progress against FY 2022 objectives

This is a new area for our Sustainability Report and therefore does not include any specific FY 2022 objectives.

Material topics

- Enterprise and supplier development
- Ethical behaviour
- Community relations and social investment

Stakeholders

- Financial stakeholders
- Customers
- Local communities and NGOs
- Suppliers

SDGs

Capex and opex efficiencies KPIs

US$50.9 million

OPERATIONAL CAPITAL EXPENDITURE

(FY 2021: US$22.5M)

Objectives for FY 2023

- Robust cost control:
  - Enhance management accounting through improved reporting, trend and variance analysis
  - Research potential technology enablers to improve governance
- Supply chain:
  - Improve supply chain performance and metrics
  - Incorporate new digital technologies to optimise procurement and materials management
- Project preparation and effective project controls:
  - Ensure that the optimum framework and capabilities are in place to deliver safe, predictable, and competitive projects

Capex and opex efficiencies

Managing and improving capex and opex spend is one of the fundamental elements of managing a company. Petra's aim is to drive continuous improvement in optimising on our capex and opex spend, which will increase shareholder and stakeholder value.

Part of our capex and opex performance targets includes ensuring our operations remain financially feasible and our supply chain continues to deliver and support our growth, profitability and sustainability commitments. Petra recently implemented a project management process that allows the Company to make more informed investment decisions, minimise risk and deliver predictable and competitive projects in terms of cost and schedule.

Our ambition

Petra's ambition is to consistently out-perform on our capex and opex management against set targets, instilling trust in our stakeholders and increasing market confidence.

Our approach

Robust cost control

Robust cost control includes traditional cost control measures like reports and trend analysis. During FY 2022, we began our data enablement project and completed some critical workflow processes. This project will support our digitisation strategy and will further enable efficient and robust cost controls. Challenges we face include the lack of visibility in certain cost elements such as trackless mining machine (TMM) maintenance, which is one of our largest cost contributors. Our asset management maintenance system has linked most TMM maintenance costs to specific assets to provide better maintenance planning and cost control.

Going forward, our goal is to maintain annual unit cost increases below CPI, improve spend visibility and enhance management accounting through improved reporting and trend analysis.

Supply chain performance and efficiencies

Petra's supply chain is managed as a Group function that aims to provide efficient end-to-end supply chain and procurement support with minimal disruptions to our operations and projects. We source and procure goods and services at optimal cost, through contractual commercial arrangements and management. Inventory and material management as well as warehouse services are also included.

A key achievement in FY 2022 was the procurement centralisation process, which will provide benefits such as economies of scale, procurement optimisation and spend transparency. This will also ensure a standardised supplier engagement and contracting approach. Some of the challenges faced during FY 2022 included global supply chain disruption, logistics challenges, currency fluctuations and the aftermath of COVID-19.

Going forward we aim to explore opportunities to incorporate new digital technologies that will enable efficiencies in cost-to-serve operations and the transparency of stockholding positions, and further enhance our inventory optimisation and standardisation. We are also developing a dashboard that will show performance against target spend, which will also assist with supply chain trend and predictability analysis.

Appropriate project preparation

Historically, mines conducted their own project management with no professional project support structures and processes, which put a strain on project timeframes and financial resources. During FY 2022, we identified the need for a project management office to provide strategic direction and to establish the framework, systems and programmes required as well as providing ongoing project oversight – from initiation to completion. Part of the project management office's responsibility is to develop a formal project management approach and identify relevant systems based on industry best practice and that align to Petra's strategic objectives. In addition, we aim to maximise the predictability of our capital project portfolio by ensuring that strategic risks are identified, assessed and managed proactively.

Projects where guidance, oversight and assurance are to be provided by the project management office are identified based on known and/or foreseen risks, the LOM for operations, projects that exceed a capex budget of R20 million, and the strategic importance of a project. The initial projects managed by this office, in 2022, were two LOM capex expansion projects for Cullinan Mine and Finsch. In FY 2023, additional feasibility studies are planned for both Cullinan Mine and Finsch.

Effective project controls

Effective project controls are achieved through project tracking, operational performance and reporting against approved plans. We also provide monthly progress reports to Opco and Exco as part of our governance process. Assurance on effective project controls is provided and focuses on project scope, cost and schedule. Going forward we will optimise this function by appointing external assurers.

Case study

The legacy of Project 2022

Initiated in 2019, Project 2022's scope was far-reaching and touched on every element of our business. Ideas were encouraged, reviewed and ultimately developed as projects with cross-disciplinary project teams working together. Diagnostics and the road map to delivery included the following major aspects:

- Throughput in the mines
- Operational expenditure efficiencies
- Capital expenditure efficiencies
- Organisation Design

Since the completion of the diagnostic and road map phase, the key has been to ensure that the benefits are fully integrated into our business and embedded as part of our way of working, so that we really do continuously improve in everything we do. We have done this in a variety of ways including:

- Putting business improvement at the core of our Formula for Success culture
- Rolling out weekly RAR meetings, introduced as part of Project 2022 to facilitate the execution of the project across Petra. At these meetings we monitor performance, provide support and resourcing, and ensure accountability
- Petra's incentive and production bonus schemes have been aligned to support and reward the delivery of Project 2022 behaviours and targets

We have now fully transitioned Project 2022 from project to operational norm.

Project 2022 was initiated in 2019 to significantly improve net free cashflow (NFCF) and instil a culture of continuous improvement

YEAR 0 – FY 2019

Identify the opportunity

- A high level size of prize established ($100–150m NFCF)
- Diagnostics on key opportunities
- Develop road map

YEAR 1 – FY 2020

Stabilise and generate cash – existing assets

- Operations: deliver substantial part of benefit in first 12 months
- Overhead cost optimisation

YEAR 2 – FY 2021

Instil a continuous improvement culture

- Establish systems and processes (wiring) to create demand for improvement
- Continuous improvement in Petra

YEAR 3 – FY 2022

Position the Company to pursue further growth opportunities

Conclusion – FY 2022

Project 2022 delivered US$265.4 million in net FCF and is now established within the Company's Operating Model and culture

Back-up Data

All data provided in this section includes the Williamson Mine, which is currently classified as an asset held for sale.

US$ million	FY 2022	FY 2021	FY 2020
Financial value-added statement			
Value added			
Revenue	**585.2**	406.9	295.8
Paid to suppliers for material and services	**(153.0)**	(125.4)	(139.4)
Value added	**432.2**	281.5	156.3
Income from investments	**0.4**	7.4	3.2
Wealth created	**432.6**	288.9	159.5
Wealth distribution			
Employees	**146.0**	108.0	117.8
Net salaries and benefits	**119.3**	84.5	92.8
Salary-related taxes	**26.7**	23.5	25.0
Providers of capital	**32.5**	63.4	68.0
Finance cost	**32.5**	63.4	68.0
Dividends paid	**—**	—	—
Governments			
Tax paid	**31.0**	(4.9)	(5.3)
Reinvested in the Group	**223.1**	122.4	(21.0)
Depreciation and capital items	**135.0**	99.7	115.0
Accumulated profits/(losses)	**88.1**	22.7	(136.0)
Wealth distribution	**432.6**	288.9	159.5

Workplace safety and occupational health

	FY 2022	FY 2021	FY 2020
Group safety data			
LIFR unit calculations			
Rate per 200,000 hours	**0.22**	0.44	0.29
Rate per million hours	**1.12**	2.20	1.45
Number of LTIs	**15**	25	19
LTI – male/female breakdown	**11 males 4 females**	23 males 2 females	17 males 2 females
LTI – employee/contractor breakdown	**12 employees 3 contractors**	21 employees 4 contractors	15 employees 4 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	6
Fatal accident – male/female breakdown	**0**	N/A	N/A
Fatal accident – employee/contractor breakdown	**0**	N/A	N/A

	Finsch	Cullinan	Koffiefontein	Williamson	Petra Group
Safety per operation – FY 2022					
LTIFR					
FY 2022	**0.63**	**0.12**	**0.14**	**0.06**	**0.22**
FY 2021	0.66	0.43	0.73	0.00	0.44
FY 2020	0.65	0.19	0.57	0.00	0.29
LTIs					
FY 2022	**10**	**3**	**1**	**1**	**15**
FY 2021	10	10	5	0	25
FY 2020	11	4	4	0	19

Workplace safety and occupational health continued

LTI breakdown by workforce type	FY 2022	FY 2021
Employee	**12**	21
Contractor	**3**	4

LTI breakdown by gender	FY 2022	FY 2021
Male	**11**	23
Female	**4**	2

Internal commutations to promote good health and safety culture

Blue Star Award (Health and Safety)

FY 2022 Winners	*Category*
Koffiefontein Mine	Mining
Cullinan Mine	Plant
Koffiefontein Mine	Services

Blue Leaf Award (Environmental)

FY 2022 Winners	*Category*
Cullinan Mine	Mining
Cullinan Mine	Plant
Finsch Mine	Services

Petra employees vulnerable to COVID-19 – FY 2022	Cullinan	Finsch	Koffiefontein	Williamson	Total FY 2022	Total FY 2021
Hypertension						
Employees	119	184	95	78	**476**	742
Contractors	17	116	4	23	**160**	245
Diabetes						
Employees	33	47	51	43	**174**	172
Contractors	4	16	1	10	**31**	32
Asthma						
Employees	10	10	1	15	**36**	43
Contractors	1	3	1	6	**11**	11
HIV[1]						
Employees	22	29	26	7	**84**	93
Contractors	7	20	3	3	**33**	37
TB						
Employees	1	0	0	0	**1**	1
Contractors	0	0	0	0	**0**	0

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.

People

	Cullinan	Finsch	Koffiefontein	Williamson	Johannesburg office	London office	Antwerp office	Board	**Total FY 2022**	Total FY 2021
Data per operation – FY 2022										
Employee and contractor breakdown	1,716	1,687	661	999	195	6	1	8	**5,273**	4,901
Permanent and part-time employees	1,281	944	542	505	195	6	1	8	**3,482**	3,523
Contractors	435	743	119	494	0	0	0	0	**1,791**	1,378
Rate of employee recruitment										
Male									**5.36%**	3.82%
Female									**2.94%**	1.54%
Group terminations by type and gender										
Voluntary terminations	25	42	29	6	17				**119**	137
Involuntary terminations	43	40	98	17	11				**209**	206
Male	55	62	109	19	15				**260**	287
Female	13	20	18	4	13				**68**	56
Recruitment by gender										
Male	96	33	17	16	22	2			**186**	135
Female	36	18	8	6	31	3			**102**	54
Total recruitment	132	51	25	22	53	5			**288**	189
Recruitment by area										
Gauteng	132				50				**182**	56
Northern Cape		51			3				**54**	84
Free State			25						**25**	40
Recruitment by age group										
18–29	42	11	6	13	8	0			**80**	80
30–50	83	34	16	7	35	4			**179**	95
51+	7	6	3	2	10	1			**29**	14

Back-up Data continued

People continued

	18–29		30–50		51+		Total	
	Female	Male	Female	Male	Female	Male	Female	Male
Employee breakdown by age group								
Board	0	0	1	1	3	5	4	6
Senior Management	0	0	6	13	1	16	7	29
Management	2	4	41	73	10	64	53	141
Employees	74	211	471	1,816	98	572	643	2,599
Total FY 2022	**76**	**215**	**519**	**1,903**	**112**	**657**	**707**	**2,775**
Total FY 2021	87	319	499	1,897	102	619	688	2,835

Age distribution	**FY 2022**	FY 2021	FY 2020
18–29	**8%**	12%	14%
30–50	**70%**	68%	65%
51+	**22%**	20%	21%

		Cullinan	Finsch	Koffiefontein	Group	Williamson	Total
Training spend per operation							
Training spend FY 2022	**US$**	**2.9**	**1.9**	**1.1**	**0.8**	**0.2**	**6.1**
Training spend FY 2021	US$	2.6	1.9	0.8	0.3	0.2	5.8

Back-up Data continued

Environment

Group environmental data	Unit	FY 2022	FY 2021	FY 2020
Water consumption by source	m^3 (unless otherwise indicated)			
Municipal water		**2,482,464**	686,791	2,907,763
Surface water		**6,755,846**	1,311,911	6,310,356
Ground water		**2,416,888**	2,482,592	2,732,429
Total water usage		**11,655,198**	4,481,294	11,950,548
Recycled water		**45,549,356**	20,634,646	51,385,297
Rain water	mm	**3,111**	2,421	2,294
Water consumption by source	%			
Municipal water		**4**	3	5
Surface water		**12**	5	10
Ground water		**4**	10	4
Recycled		**80**	82	81
Business waste and waste recycling (excluding WDL)	t (unless otherwise indicated)			
Hazardous waste disposed		**139**	190	140
Non-hazardous waste disposed		**561**	596	2,869
Total waste to landfill		**700**	3,445	3,009
Total waste recycled		**3,969**	2,906	2,460
Total waste incinerated		**5**	40	13
Total waste generated		**4,675**	3,392	5,483
Recycled waste as a percentage of total waste	%	**85**	86	76
Mine waste generated (including WDL)	t			
Coarse		**3,655,487**	3,120,335	5,011,544
Fines		**7,520,298**	4,397,458	6,566,966

Group environmental data continued	Unit	FY 2022	FY 2021	FY 2020
Energy consumption				
Total diesel consumption	L	**8,739,457**	4,686,277	9,210,023
Total electricity consumption	kWh	**443,256,694**	383,571,092	456,613,645
Total diesel consumption	GJ	**332,973**	178,547	331,561
Total electricity consumption	GJ	**1,595,724**	1,380,878	1,643,809
Total energy consumption[1]	GJ	**1,928,697**	1,559,425	1,975,370
Energy efficiency				
Electricity efficiency	kWh/t	**38.11**	47.20	37.02
Diesel efficiency in TMMs	L/t	**0.73**	0.57	0.74
Carbon footprint				
Scope 1	tCO_2-e	**26,650**	14,575	27,797
Scope 2	tCO_2-e	**437,731**	394,546	451,800
Total tCO_2-e (Scopes 1 and 2)	tCO_2-e	**464,380**	409,121	479,597
Intensity indicator 1	tCO_2-e/ct	**0.139**	0.126	0.134
Intensity indicator 2	tCO_2-e/t	**0.040**	0.050	0.039
Scope 3	tCO_2-e	**10,857**	3,239	3,834
Total tCO_2-e (Scopes 1, 2 and 3)	tCO_2-e	**475,238**	412,360	483,431
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		**17**	15	2
R-410		**136**	45	101
R507		**80**	20	41
R-404		**47**	4	30
Total ozone depleting substances		**276**	84	175
R22		**242**	132	170

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

Back-up Data continued

Environment continued

	Unit	Cullinan	Finsch	Koffiefontein	Williamson	**Total FY 2022**	Total FY 2021
Environmental data per operation – FY 2022							
Total water efficiency	m^3/t	0.13	0.94	2.26	2.06	**1.00**	0.55
Water consumption by source							
Surface water	%	0	9	20	21	**4**	5
Ground water	%	2	27	13	0	**12**	10
Municipal	%	1	11	0	7	**4**	3
Recycled	%	97	47	67	73	**80**	82
Water consumption by source							
Surface water	m^3	112	498,495	628,387	5,628,852	**6,755,846**	1,311,911
Ground water	m^3	543,665	1,448,315	424,908	0	**2,416,888**	2,482,592
Municipal	m^3	111,015	608,859	3,278	1,758,721	**2,482,464**	686,791
Recycled	m^3	21,335,276	2,546,010	2,160,000	19,508,070	**45,549,356**	20,634,646
Waste generated (including WDL)							
Business waste	t	252	214	96	20,558	**21,120**	5,070
Hazardous waste	t	36	77	26	0	**139**	190
Recycled waste	t	2,218	1,514	237	375	**4,226**	3,371
Recycled waste	%	88	84	66	2	**16.6**[1]	39
Surface area occupied by mining waste							
Coarse	ha	263	202	90	212	**767**	900
Fines	ha	80	494	151	416	**1,140**	1,379
Waste rock	ha	0	181	119	23	**323**	260
Energy consumption							
Total energy consumption	GJ	815,121	572,426	203,879	336,149	**1,928,697**	1,559,425
Electricity consumption	kWh	204,891,104	141,536,511	51,824,618	44,787,740	**443,256,694**	383,577,092
Electricity efficiency	kWh/t	42.11	52.29	110.98	12.47	**38.11**	47.20
Diesel consumption	L	2,034,462	1,650,765	454,331	4,590,906	**8,739,457**	4,686,277
Diesel efficiency	L/t	0.42	0.61	0.97	1.22	**0.73**	0.57

1. These figures include WDL waste data. WDL's waste includes community waste managed by the mine on behalf of the community – this reduces the Group's waste recycling % from 85% to 16%.

Environment continued

	Unit	Cullinan	Finsch	Koffiefontein	Williamson	**Total FY 2022**	Total FY 2021
Environmental data per operation – FY 2022 continued							
Carbon emissions							
Scope 1	tCO_2-e	5,918.81	5,776.01	1,306.92	13,383.39	**26,649.68**	14,575.11
Scope 2	tCO_2-e	213,078.52	147,197.97	53,897.60	23,332.21	**437,730.69**	394,546.24
Scope 3	tCO_2-e	381.04	531.73	164.76	9,755.35	**10,857.34**	3,239.58
Total carbon footprint	tCO_2-e	219,378.37	153,505.71	55,141.27	43,049.48	**475,237.71**	412,360.93
Scope 1 and 2 Intensity indicator 1	tCO_2-e/t	0.05	0.06	0.12	0.012	**0.040**	0.050
Scope 1 and 2 Intensity indicator 2	tCO_2-e/ct	0.12	0.12	1.56	0.19	**0.139**	0.126
Closure liability	$USm	18.9	19.1	7.3	9.7	**53.3**	62.4

	Unit	Cullinan	Finsch	Koffiefontein	Williamson	Johannesburg	London	**Total**
Dust monitoring					n/a	n/a	n/a	**n/a**
Max. limit allowable	$mg/m^2/d$	1,200	1,200	1,200				
Ave. level achieved	$mg/m^2/d$	365	289	79				
Max. level reached	$mg/m^2/d$	1,120	890	322				
Instances of non-compliance	No.	0	0	0				
Number of monitoring sites	No.	6	9	8				

Environmental 'severity' – classification of incidents

Minor
No impact or impact is negligible and will not last longer than a week; no sensitive receptors (contained).

Low
Impact lasts no longer than three months and is of a low order; likely to have little real effect; no sensitive receptors but not contained; reach not larger than the mining area; non-compliance with SOPs.

Medium
Impact lasts between one to five years; will affect an area outside of the mining area, but will not extent beyond the regional scale; receptor area includes some sensitivity (vulnerable species/habitat); non-compliance with permit or licence conditions.

High
Impact lasts for LOM but mitigated at closure; the impact is recorded on a regional scale; substantial impact due to sensitive receptors (protected species, conservation area and fresh water resources of regional importance),e.g. failure of a coarse residue deposit.

Major
Permanent impact; national scale; highly sensitive receptor environment (endangered species, protected habitat and fresh water resources of national importance), e.g. failure of a fine residue deposit.

Environment continued

Significant environmental incidents FY 2022

No significant environmental incidents were reported for FY 22.

Hazardous gas

Depending on the type of mining there are seven 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 is not practical as the concentration of NOx and SOx is constantly below detectable levels.

b) Methane from orebody: highly combustible methane (CH4), or 'firedamp' as it is called in many coalfields, is formed in the latter stages of coal formation and, because of the depths and pressures, it becomes embedded in the coal. This is insignificant to Petra as only Koffiefontein has detected low concentrations in testing holes (cover drilling) and never in the general atmosphere.

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 is 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 2022 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.

		FY 2022			FY 2021		
Operation	Unit	**Area disturbed**	**Area protected**	**Requiring rehab**	Area disturbed	Area protected	Requiring rehab
Land disturbed vs protected							
Cullinan	ha	**413**	**2,673**	**402**	1,642	2,673	1,631
Finsch	ha	**1,162**	**1,388**	**926**	1,764	1,388	1,423
Koffiefontein	ha	**1,642**	**2,014**	**1,636**	1,642	2,014	1,636
Williamson	ha	**972**	**906**	**293**	699	906	293
Total		**4,189**	**6,981**	**3,257**	5,748	6,981	4,984

Environment continued

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

Biological name	Common name	Conservation status
Protected and vulnerable fauna and flora at Petra's operational sites		
Fauna		
Anthropoides paradiseus	Blue crane; Stanley crane	Vulnerable
Mystromys albicaudatus	White-tailed rat	Endangered
Felis nigripes	Black-footed cat; Small-spotted cat	Vulnerable
Pyxicephalus adspersus	African bullfrog	Least concern
Flora		
Vachellia erioloba	Camel thorn	Least concern
Boscia albitrunca	Shepherd's tree	Protected in RSA
Anacampseros lanigera	None	Protected in RSA

Environment continued

GHG inventory verification

Petra Diamonds Limited appointed consultants to perform an independent third party verification of its Greenhouse Gas (GHG) assertion for the 2022 financial Year (1 July 2021 to 30 June 2022). 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. This was a limited assurance.

Petra Diamonds Limited's GHG assertion accounts for direct and indirect GHG emissions from all its operational mines in South Africa and Tanzania and its offices in London and Johannesburg. The following operations remain excluded from Petra Diamonds Limited's GHG inventory:

- Game farms at the Cullinan, Finsch and Koffiefontein Mines. These game farms are managed by independent committees

Societal impacts

		Cullinan	Finsch	Koffiefontein	Williamson	**Total FY 2022**	Total FY 2021
Total social spend per operation – FY 2022							
Total social spend[1]	US$	0.25	0.42	0.14	0.13	**0.94**	0.66

1. Total spend includes both compulsory and discretionary spend.

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
B-BBEE	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
Conflict free	i.e. not 'conflict diamonds', which are defined by the Kimberley Process as 'rough diamonds used to finance wars against Governments'
COVID-19	COVID-19 is an infectious disease caused by a newly discovered coronavirus
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
EMS	Environmental Management System
ERM	enterprise and risk management
ESG	environmental, social and governance
Exceptional Stones	rough diamonds that sell for more than US$5 million each
Exco	Executive Committee
FIFR	fatal injury frequency rate: the number of fatal injuries per million hours worked
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
Greywater	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
ha	hectares

Glossary continued

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
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
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 standards-setting body composed of representatives from various national standards organisations
KDM	Koffiefontein Diamond Mine
Kimberley Process	a joint Government, industry and civil society initiative to remove conflict diamonds from the global supply chain
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)
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 12mm and 1mm) and fine residue deposits (particle size smaller than 1mm)
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

Glossary continued

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
NIHL	noise induced hearing loss
NOx	mono-nitrogen oxide
NPAT	net profit after tax
NPO	non-profit organisation
NUM	National Union of Mineworkers, South Africa
NUMET	National Union of Mine and Energy Workers of Tanzania
NUMSA	National Union of Metal Workers of South Africa
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
Period	1 July 2021 to 30 June 2022
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
Restructuring	the capital restructuring carried out by the Group and completed in FY 2021
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
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
SEM	Stakeholder engagement and management
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 follows: number of days off from work due to injury x 200 000 ÷ total man-hours worked

Glossary continued

SHE	safety, health and environment
SIA	Social Impact Assessment
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
SMME	small, medium and micro enterprises
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
Tunajali Committee	a sub-committee of the Board comprised of independent NEDs established for the purpose of carrying out the independent investigation into the allegations of human rights abuses at the Williamson Mine in Tanzania and which was disbanded in May 2021 upon the conclusion of the investigation
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
Year	1 July 2021 to 30 June 2022
ZAR	South African Rand

GRI Index

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 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	2022 SR p.4, 7,
	GRI 102–3	Location of headquarters	https://www.petradiamonds.com/utilities/contact/
	GRI 102–4	Location of operations	2022 SR p.7
	GRI 102–5	Ownership and legal form	2022 SR p.5, 7 and 2022 AR p.2
	GRI 102–6	Markets served	2022 SR p.7 and 2022 AR p.22
	GRI 102–7	Scale of the organisation	2022 SR p.7
	GRI 102–8	Information on employees and other workers	2022 SR p.42–62
	GRI 102–9	Supply chain	2022 SR p.93–96, 105
	GRI 102–10	Significant changes to the organisation and its supply chain	2022 SR p.93–96, 105
	GRI 102–11	Precautionary principle or approach	2022 SR p.63–81
	GRI 102–12	External initiatives	2022 SR p.81, 87, 91, 96, 100
	GRI 102–13	Membership associations	2022 SR p.3
Strategy			
GRI 102: General Disclosures	GRI 102–14	Statement from senior decision maker	2022 SR p.12–14 and 2022 AR p.4–5, 6–9
	GRI 102–15	Key impacts, risks and opportunities	2022 SR p.6, 8–11, 28 and 2022 AR p.65–70

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI General Disclosure continued			
Ethics			
GRI 102: General Disclosures	GRI 102–16	Values, principles, standards and norms of behaviour	2022 SR p.31–37
	GRI 102–17	Mechanisms for advice and concerns about ethics	2022 SR p.31–34 and 2022 AR p.73, 93, 117
Corporate governance			
GRI 102: General Disclosures	GRI 102–18	Governance structure	2022 AR p.75
	GRI 102–19	Delegating authority	2022 AR p.66
	GRI 102–20	Executive-level responsibility for economic, environmental and social topics	2022 AR p.78
	GRI 102–21	Consulting stakeholders on economic, environmental and social topics	2022 SR p.15–22 and AR 2022 p.30–34
	GRI 102–22	Composition of the highest governance body and its committees	2022 AR p.75–77
	GRI 102–23	Chair of the highest governing body	2022 AR p.4, 72
	GRI 102–24	Nominating and selecting the highest governance body	2022 AR p.75
	GRI 102–25	Conflicts of interest	2022 AR p.83
	GRI 102–26	Role of highest governance body in setting purpose, values and strategy	2022 AR p.80
	GRI 102–27	Collective knowledge of highest governance body	2022 AR p.76–77
	GRI 102–28	Evaluating the highest governance body's performance	2022 AR p.84
	GRI 102–29	Identifying and managing economic, environmental and social impacts	2022 SR p.7–11
	GRI 102–30	Effectiveness of risk management processes	2022 SR p.28–29 and 2022 AR p.65–70
	GRI 102–31	Review of economic, environmental and social topics	2022 SR p.7–11, 42–106
	GRI 102–32	Highest governance body's role in sustainability reporting	2022 SR p.4, 28 and 2022 AR p.116–119
	GRI 102–33	Communicating critical concerns	2022 SR p.15–22 and 2022 AR p.30–32
	GRI 102–34	Nature and total number of critical concerns	2022 SR p.15–22 and 2022 AR p.30–32
	GRI 102–35	Remuneration policies	2022 SR p.8, 29 and 2022 AR p.122–124
	GRI 102–36	Process for determining remuneration	2022 AR p.122–136
	GRI 102–37	Stakeholders' involvement in remuneration	2022 AR p.124

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI General Disclosure continued			
Stakeholder engagement			
GRI 102: General Disclosures	GRI 102–40	List of stakeholder groups	2022 SR p.4, 15
	GRI 102–41	Collective bargaining agreements	2022 SR p.54
	GRI 102–42	Identifying and selecting stakeholders	2022 SR p.15
	GRI 102–43	Approach to stakeholder engagement	2022 SR p.15–16 and 2022 AR p.31
	GRI 102–44	Key topics and concerns raised	2022 SR p.17–22 and 2022 AR p.30–32
Identified material topics			
GRI 102: General Disclosures	GRI 102–45	Entities included in the consolidated financial statements	Financial Statements
	GRI 102–46	Defining report content and topic boundaries	2022 SR p.2, 7
	GRI 102–47	List of material topics	2022 SR p.24
	GRI 102–48	Restatement of information	2022 SR p.4, 71
	GRI 102–49	Changes in reporting	2022 SR p.2
Report profile			
GRI 102: General Disclosures	GRI 102–50	Reporting period	Year ended 30 June 2022
	GRI 102–51	Date of most recent report	12 October 2021
	GRI 102–52	Reporting cycle	Annual reporting cycle
	GRI 102–53	Contact point for questions regarding the report	2022 SR p.4
	GRI 102–54	Claims of reporting in accordance with GRI standards	2022 SR p.3
	GRI 102–55	GRI content index	2022 SR p.121
	GRI 102–56	External assurance	2022 SR p.4

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
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	2022 SR p7, 24
	GRI 103–2	The management approach and its components	2022 SR p.88
	GRI 103–3	Evaluation of the management approach	2022 SR p.88–92
GRI 201: Economic Performance	GRI 201–1	Direct economic value generated and distributed	2022 AR p.20
	GRI 201–4	Financial assistance received from Government	2022 SR p.92
	MM	Report countries of operation that are 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	2022 SR p.24, 94
	GRI 103–2	The management approach and its components	2022 SR p.94
	GRI 103–3	Evaluation of the management approach	2022 SR p.94–96
GRI 204: Procurement Practices	GRI 204–1	Proportion of spending on local suppliers	2022 SR p.93
Anti-corruption (ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 31
	GRI 103–2	The management approach and its components	2022 SR p.31
	GRI 103–3	Evaluation of the management approach	2022 SR p.31–32
GRI 205: Anti-corruption	GRI 205–3	Confirmed incidents of corruption and actions taken	2022 SR p.32
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 and its boundary	2022 SR p.24, 68
	GRI 103–2	The management approach and its components	2022 SR p.68
	GRI 103–3	Evaluation of the management approach	2022 SR p.68–71
GRI 302: Energy	GRI 302–1	Energy consumption within the organisation	2022 SR p.70, 111–113
	GRI 302–3	Energy intensity	2022 SR p.111

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Environment (material topic: environmental management) continued			
Water (material topic: water management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 73
	GRI 103–2	The management approach and its components	2022 SR p.73
	GRI 103–3	Evaluation of the management approach	2022 SR p.73–74
GRI 303: Water and Effluents	GRI 303–3	Water withdrawal by source	2022 SR p.111
Biodiversity (environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 79
	GRI 103–2	The management approach and its components	2022 SR p.79
	GRI 103–3	Evaluation of the management approach	2022 SR p.79–81
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	2022 SR p.79
	GRI 304–2	Significant impacts of activities, products, and services on biodiversity	2022 SR p.79
	GRI 304–3	Habitats protected or restored	2022 SR p.114–115
	GRI 304–4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	2022 SR p.115
	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)	2022 SR p.115
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	2022 SR p.114
	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	2022 SR p.114
	MM10	Number and percentage of operations with closure plans	2022 SR p.81

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Environment (material topic: environmental management) continued			
Emissions (material topic: climate change and energy usage)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 68
	GRI 103–2	The management approach and its components	2022 SR p.68
	GRI 103–3	Evaluation of the management approach	2022 SR p.68–71
GRI 305: Emissions	GRI 305–1	Direct (Scope 1) GHG emissions	2022 SR p.70, 111, 113
	GRI 305–2	Energy indirect (Scope 2) GHG emissions	2022 SR p.70, 111, 113
	GRI 305–3	Other indirect (Scope 3) GHG emissions	2022 SR p.113
	GRI 305–4	GHG emissions intensity	2022 SR p.67, 71
	GRI 305–5	Reduction of GHG emissions	2022 SR p.112
	GRI 305–6	Emissions of ozone-depleting substances (ODS)	2022 SR p.114
	GRI 305–7	Nitrogen oxides (NO_X), sulphur oxides (SO_X) and other significant air emissions	2022 SR p.114
	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	2022 SR p.113–114
Waste (environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 76
	GRI 103–2	The management approach and its components	2022 SR p.76
	GRI 103–3	Evaluation of the management approach	2022 SR p.76–77
GRI 306: Waste	GRI 306–3	Waste generated	2022 SR p.112
	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	2022 SR p.112
	MM	Includes spillage of tailings, slimes, or other significant process materials	2022 SR p.112

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Environment (material topic: environmental management) continued			
Environmental compliance (environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 65
	GRI 103–2	The management approach and its components	2022 SR p.65
	GRI 103–3	Evaluation of the management approach	2022 SR p.65–66
GRI 307: Environmental Compliance	GRI 307–1	Non-compliance with environmental laws and regulations	2022 SR p.64, 114
Supplier environmental assessment (environmental management)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 94
	GRI 103–2	The management approach and its components	2022 SR p.94
	GRI 103–3	Evaluation of the management approach	2022 SR p.94–96
GRI 308: Supplier Environmental Assessment	GRI 308–1	New suppliers that were screened using environmental criteria	2022 SR p.94
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	2022 SR p.24, 43
	GRI 103–2	The management approach and its components	2022 SR p.43
	GRI 103–3	Evaluation of the management approach	2022 SR p.43–46
GRI 403: Occupational Health and Safety	GRI 403–1	Occupational health and safety management system	2022 SR p.43–44
	GRI 403–3	Occupational health services	2022 SR p.48
	GRI 403–4	Worker participation, consultation and communication on occupational health and safety	2022 SR p.49
	GRI 403–5	Worker training on occupational health and safety	2022 SR p.45
	GRI 403–6	Promotion of worker health	2022 SR p.49
	GRI 403–9	Work-related injuries	2022 SR p.45, 107–108
	GRI 403–10	Work-related ill health	2022 SR p.49
	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 on FY 2022

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Training and education (material topic: employee development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 56
	GRI 103–2	The management approach and its components	2022 SR p.56
	GRI 103–3	Evaluation of the management approach	2022 SR p.56–58
GRI 404: Training and Education	GRI 404–2	Programmes for upgrading employee skills and transition assistance programmes	2022 SR p.57–58
Diversity and equal opportunity (material topic: diversity)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 60
	GRI 103–2	The management approach and its components	2022 SR p.60
	GRI 103–3	Evaluation of the management approach	2022 SR p.60–62
GRI 405: Diversity and Equal Opportunity	GRI 405–1	Diversity in governance bodies and employees	2022 SR p.61
Non-discrimination (material topic: diversity)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 60
	GRI 103–2	The management approach and its components	2022 SR p.60
	GRI 103–3	Evaluation of the management approach	2022 SR p.60–62
GRI 406: Non-discrimination	GRI 406–1	Incidents of discrimination and corrective actions taken	2022 SR p.60
Child labour (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 31–32
	GRI 103–2	The management approach and its components	2022 SR p.31–32
	GRI 103–3	Evaluation of the management approach	2022 SR p.31–35
GRI 408: Child Labour	GRI 408–1	Operations and suppliers at significant risk for incidents of child labour	2022 SR p.32–33

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GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Forced or compulsory labour (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, ,31
	GRI 103–2	The management approach and its components	2022 SR p.31–33
	GRI 103–3	Evaluation of the management approach	2022 SR p.31–35
GRI 409: Forced or Compulsory Labour	GRI 409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2022 SR p.31
Rights of indigenous people (material topic: ethical behaviour)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24
	GRI 103–2	The management approach and its components	2022 SR p.31–33
	GRI 103–3	Evaluation of the management approach	2022 SR p.31–35
GRI 411: Rights of Indigenous People	GRI 411–1	Incidents of violations involving rights of indigenous peoples	There were no such incidents in FY 2022
Society			
Local communities (material topic: community relations and development)			
GRI 103: Management Approach	GRI 103–1	Explanation of the material topic and its boundary	2022 SR p.24, 88
	GRI 103–2	The management approach and its components	2022 SR p.88–89
	GRI 103–3	Evaluation of the management approach	2022 SR p.88–92
GRI 413: Local Communities	GRI 413–1	Operations with local community engagement, impact assessments and development programmes	2022 SR p.21, 90, 91, 92
	MM	Lengthy guidance on reporting re. local communities	2022 SR p.88–92
	MM	Local communities report whether there are programmes in place for assessing the impacts of operations on local communities prior to entering the community, while operating in the community and while making decisions to exit the community	2022 SR p.33–34

GRI Index continued

GRI standard	Disclosure number	Disclosure	Page/notes Petra's 2022 Annual Report (2022 AR) and 2022 Sustainability Report (2022 SR) can both be accessed at: www.petradiamonds.com/investors/results-reports
GRI Material Topics continued			
Society continued			
Local communities (material topic: community relations and development) continued			
	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	2022 SR p.33–34
	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	2022 SR p.34

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