



PetraDiamonds
Sustainability Report 2023



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Front cover image

Mbali Mathato, a participant in Petra Diamonds' education pipeline, began as a bursary holder in 2019 and pursued her studies in Civil Engineering. Her interest in water resource sustainability led her to specialise in water management. She joined Cullinan Mine in 2020, completing an internship in the environmental department, gaining valuable experience in various fields. In February 2023, she was appointed as an environmental officer at Finsch, where she continues to contribute to environmental management and community projects. Mbali's journey reflects progressive growth and a commitment to conservation.

An environmentally-conscious trailblazer, Mbali Mathato's journey at Petra Diamonds epitomises continuous growth and a passion for conserving our precious resources.



About this report

Consistent, transparent reporting

Petra Diamonds Limited (Petra) is pleased to present its FY 2023 Sustainability Report to our stakeholders. This report, which is produced annually, aims to provide a transparent overview of Petra's approach to sustainability. We report against those environmental, social and governance (ESG) metrics for which we have set targets to manage and monitor our performance for the Year. It also outlines some of our priorities for FY 2024.

The report is structured in accordance with Petra's Sustainability Framework, which seeks to instil an inspirational culture that will ensure the delivery of our business strategy. For more on this framework and our approach to sustainability, see Embedding sustainability on page 6.



Scope and boundary

While this is a report for the 12 months ended 30 June 2023, our 2023 financial year (FY 2023), contextual information is provided where this is appropriate. It should be read in conjunction with our Annual Report 2023, with further information and historical reporting available on our website at www.petradiamonds.com.

Our reporting scope and boundary covers Petra's operations – Cullinan Mine, Finsch and Koffiefontein in South Africa and Williamson in Tanzania. Data for Koffiefontein (on care and maintenance) is included.

Materiality

In FY 2023, we undertook a 'double materiality' assessment. In this assessment, we considered both those external sustainability issues, risks and opportunities that could have an impact on our business and operations, as well as the impact on the external environment resulting from the conduct of our business. Material issues are identified throughout the report with this icon.

Reporting standards, frameworks, guidelines and codes

Our reports comply with the London Stock Exchange (LSE) Listing Requirements and the UK Corporate Governance Code. We have adopted and aligned our reporting with best practice principles and guidelines.

We report in accordance with the Global Reporting Initiative (GRI) Standards: 2021, the Sustainability Accounting Standards Board (SASB) Metals & Mining Sustainability Accounting Standard (now part of the IFRS Foundation), and the Task Force on Climate-related Financial Disclosures (TCFD). As a member of the Natural Diamond Council, we adhere to its membership requirements and sustainability pledges. We support the principles of the Extractive Industries Transparency Initiative and report accordingly. We also support the United Nations Sustainable Development Goals (SDGs) and report on our contribution to these throughout this report.



Independent review and assurance

Agreed upon procedures

The voluntary staff turnover rate (page 47), women in the workforce (page 12), amounts invested in staff training and development (page 12) and social investment spend (page 14) KPIs for FY 2023 have been subject to specific agreed upon procedures performed by BDO LLP, the Company's external auditors, under the International Standard on Related Services 4400 as issued by the International Auditing and Assurance Standards Board. Such procedures by BDO LLP did not constitute an audit or review opinion under International Standards on Auditing ("ISAs") (UK) or the International Standard on Review Engagements ("ISREs"). The independent auditors report may be found on page 39 of the Annual Report.

Petra engaged an independent third party, Catalyst, to verify its carbon footprint. Assurance of the FY 2022 data was undertaken for the 2023 submission to CDP.

Independent ratings

Petra regularly ranks highly for our sustainability credentials.



Approval of this report

The contents of this report have been reviewed by Petra's Exco, the Sustainability Committee and the Health and Safety Committee, and was approved by the Board on 9 October 2023.

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.



Letter from the Non-Executive Chair

Sustainability a priority for our business

Sustainability is an intrinsic part of every aspect of Petra's business. It is evident in how the Company relates to and cares for its people – both employees and community members – and the safe and supportive environments that it creates at and around its operations. It plays out in how we mitigate our impacts on the environment and address issues when they occur. And it is showcased in how Petra supports the local economic development of our communities and how the Board oversees the governance of all these areas.

Sustainability – and the ESG KPIs that guide our objectives and measure our progress – is a priority for our business and for every one of our stakeholders. Being a respected and responsible operator makes good business sense. It means that we can appeal to long-term investors, attract and retain the best talent, enjoy collaborative and fruitful relations with our host governments and create benefits for current and future generations in the communities in which we operate.

We recognise that our ESG policies, practices and performance are being closely monitored by our stakeholders, including employees, customers, communities, host governments and shareholders. We welcome this. We are proud of our progress and are eager to demonstrate that the Company intends to progress further, aspiring to operate according to the highest standards as a responsible corporate citizen.

Board oversight

The Board maintains high-level oversight of all ESG-related matters, with every Board Committee having some involvement in sustainability-related matters, from risk and audit oversight to ensuring we have the right Board skills in place, to the linkages between compensation and ESG performance, and of course, the oversight of all matters relating to safety and health.

To sustain the growing integration of ESG matters within the business and in line with the Company's Sustainability Framework, the Board established:

- ▶ The Sustainability Committee to guide and oversee the Group's performance relating to sustainability matters, particularly social and environmental matters
- ▶ The Health and Safety Committee to oversee the Group's health and safety systems and policies, including tailings and waste management

These committees replace the previous Health, Safety and Environment Committee and the Social, Ethics and Diversity Committee.

Commitment to ethical and responsible conduct

The Board plays an important role in directing and upholding the Company's approach to ethical and responsible conduct and to relations with stakeholders. Petra only operates in countries that are members of the Kimberley Process and, as a founding member of the Natural Diamond Council (NDC), we are committed to the responsible and ethical production of natural diamonds and transparent business practices. The Company supports local communities to generate long-term sustainable development. We can say with absolute confidence that 100% of Petra's production is fully traceable and conflict free.



The Board maintains high-level oversight of all ESG-related matters, with every Board Committee having some involvement in sustainability-related matters.



Peter Hill CBE
Non-Executive Chair



Letter from the Non-Executive Chair (continued)

Addressing matters at Williamson

Two important sustainability-related matters that occupied the attention of the Board during the year under review were the tailings dam failure at Williamson and the implementation of the independent grievance mechanism to address historical allegations of human rights abuses.

These issues have cut to the core of Petra, and have forced us to evaluate many aspects of the business, which the Board has done with due gravity and urgency. Though the issues themselves have been troubling, the response from our teams has been testament to the values that Petra upholds. We have investigated each situation thoroughly, been honest and open in our communication and reporting, and have implemented meaningful and sustainable remedial interventions.

A new tailings facility has been constructed and the replacement houses are in the process of being constructed for the 47 project-affected parties. And we are pleased to see that the independent grievance mechanism is progressing well. Most importantly, the Board has learned valuable lessons that will help ensure that these issues do not occur again. For more details on progress, see page [5](#) and page [71](#).

Living our values

In other areas of our business, we are demonstrating concerted progress in alignment with the values that are guiding principles by which Petra aims to conduct each part of its business:

The Company's safety and health performance, a fundamental priority for every mining business, has been pleasing and reflects the enormous focus on zero harm towards employees, communities and the environment.

The culture journey and the development of the embedded Culture Code continue to transform how the Company operates. And, by moving into a partnership that will ensure a greater proportion of the Company's electricity needs come from renewable energy, we will be making gains towards decarbonisation and ensuring the security of energy supply.

Enhancing the diversity of the Company is also on a positive trajectory and, while we are not where we would like to be, we are proud of the progress we have made.

The Board is conscious of potential risks and opportunities in the countries in which we operate – South Africa and Tanzania – and of the perceptions that some stakeholders have of these geographies.

The Company's approach of transparent engagement, a commitment to 'do no harm', while at the same time 'making a difference' to the benefit of employees and communities is, I believe, valued and recognised, and helps ensure sound and collaborative relations with the governments and authorities in both countries.

Petra's approach to creating shared value can and will ensure that our operations provide economic benefit beyond the life of active diamond mining. The progressive closure of operations at historic Koffiefontein demonstrates this commitment, where a great deal of emphasis has been placed on developing skills and alternative and sustainable economic opportunity in this community.

We invite our stakeholders to view our progress against our ESG targets in this report and welcome your feedback as we continue to integrate our sustainability agenda across our business.

Peter Hill CBE

Non-Executive Chair

9 October 2023





Message from our CEO

Creating an enduring and sustainable legacy

Natural diamonds hold a very special place in people's lives and legacies – in their final form, they are so often associated with people's most memorable and cherished moments. But their legacy begins from the time they are relinquished from the Earth through responsible mining and processing, creating the potential for bountiful outcomes for our people, our communities, our investors, and all other stakeholders. This is our purpose: creating abundance from rarity – a purpose we aspire to and which drives every aspect of our strategy.

Our Sustainability Framework provides structure and guides the integration of sustainability into our business strategy, and is being fully embedded into our business. Its four pillars – valuing our people, respecting our planet, driving shared value partnerships and reliable production – guide our every decision and action.

The Framework, which forms the basis of the structure of this report, demonstrates our commitment to ethical and responsible business practices, good governance and constructive and transparent stakeholder engagement. More than that, it guides the goals and targets we have set for ourselves as a Company and is the basis for reviewing our performance. Our sustainability commitments and ESG KPIs are integrated into our Company performance scorecard, which determines share awards for its leadership.

These ESG KPIs are increasingly embedded in our employees' day-to-day work. Our Sustainability Framework underpins our performance management system. There isn't a manager who works at Petra who is not aware of the importance of these four pillars and how they relate to them as individuals and teams.

Williamson tailings failure

The tailings failure at Williamson in Tanzania was a defining moment in the Year and on behalf of all those at Williamson, we share our sympathies with all those who were affected by this event.

Our intention has been to remediate, to rebuild and to regain trust – with our employees and communities, with the authorities in Tanzania, and with our shareholders and other stakeholders. In the midst of this terrible time, we were grateful for the support of the Government of Tanzania and for the immediate and empathetic response of our Board, management team, and employees at and around the mine.

Our response to the crisis was rapid and comprehensive. Site management and local and regional government authorities mobilised immediately and worked tirelessly to ensure and confirm that there were no casualties and that all urgent issues were addressed as quickly as possible. Residents whose homes had been affected were temporarily housed on the mine site, and their most pressing needs were met.

The team also made information transparently available to all interested and affected parties about what we knew at the time, and continued to do so as new information became available. My thanks to everyone involved for their commitment, hard work and close collaboration.

Today, the rebuilding of all affected community infrastructure is complete, barring the last remaining houses, construction of which is underway. The technical remediation has also been completed, with the failed wall secured, additional buttresses built, and a new freshwater dam constructed. The new, fully permitted facility is up and running, and operations have resumed ahead of plan. All of these measures have been undertaken carefully and methodically, according to the highest standards, and – again – with the strong support of the Tanzanian Government.

We have adopted a new Group-wide Tailings Management Policy that aligns with the Global International Standard on Tailings Management which we are in the process of implementing across the Group. In line with this, we have conducted a gap analysis against the standard on all our tailings facilities. Some of the standard's most stringent requirements, especially the preparation involved in planning for an unmitigated impact, will take some time to implement as we continue to work towards compliance.



Richard Duffy
Chief Executive Officer



Message from our CEO (continued)

Engaging our stakeholders

As our sustainability journey continues, we are nurturing an integrated way of working. Where silos of sustainability-related knowledge have existed in the past, these structures are being dismantled. We want all of our stakeholders to be aware of our approach to sustainability, as well as our ambitions and interventions, so that they can both support us and hold us accountable.

We are engaging directly with our community members to help ensure they are aware of our policies and practices, and on how we can co-create better outcomes. This approach has guided the development of a new stakeholder engagement framework and map which will be fully implemented in FY 2024. An important milestone this year has been the establishment of multi-stakeholder engagement forums at Cullinan Mine and Finsch, while at Koffiefontein we have set up weekly community engagement forums as we and the community prepare for a post closure environment. At Williamson, we reactivated our engagement process this year as production has resumed, with many of the lessons learned in the establishment of the independent grievance mechanism (IGM) guiding this process.

Progress with the IGM

The implementation of the IGM to address the historical allegations of human rights abuses at Williamson has helped improve our standing in the community and assisted us in resolving the impacts of the tailings failure quickly and effectively. So, from this undoubtedly negative and conflict-ridden time has come a positive model for engagement.

As reported previously, the IGM is one of several remedial initiatives we have launched to address the allegations. It is a non-judicial process that will have the capacity to investigate and resolve complaints of severe human rights impacts in connection with security operations at Williamson and will be overseen by an independent panel of Tanzanian experts. Complainants will have access to free and independent advice from local lawyers. In November 2022, the IGM became operational with the commencement of the IGM's pilot phase, and the project is proceeding well.

Emerging issues

Throughout our journey, we have remained aware of the internal and external shifts in sustainability that affect our business and industry. We are aware, for example, that our stakeholders increasingly expect greater and more transparent disclosure on sustainability matters and demand better performance against our targets. We expect this trend to continue, and we are committed to meeting and exceeding these expectations through open and transparent disclosure.

As part of the diamond industry, we are also aware of an increasing emphasis on provenance. At every step in the value chain, our suppliers, partners and customers require verification that diamonds are mined ethically, which includes evidence of the impact on people, communities and the environment. The importance of this verification has been fuelled by the conflict in Ukraine and growing concerns about goods originating from Russia, including diamonds. Consumers are justifiably looking for diamonds with a clean human rights record, that demonstrate benefits to local communities, and that have a lower carbon footprint.

At Petra, we are happy to offer this verification. It aligns with the exceptional standards to which we hold ourselves accountable. Demonstrating that our diamonds are ethically mined is the right thing to do and critical to our business' sustainability. Moreover, we are currently investigating ways of ensuring the traceability of our diamonds and will intensify this work in the year ahead. We would expect our natural diamonds to fetch a premium over time by proving that they support positive sustainability outcomes.

Our focus areas

In FY 2023, we embarked on a new approach to materiality, seeking to combine financial and impact materiality into 'double materiality'. While we limited our engagements to internal parties, in this first year of the process, we intend to increase stakeholder voices as inputs in FY 2024. See pages [81](#) to [83](#) of this report.

This report provides coverage of all the identified material matters. In addition to the matters concerning tailings management, community relations and traceability dealt with above, I will also consider four particular matters: safety and health, climate change, water, and diversity and inclusion.

Safety continued to be our priority and is enshrined in our first, most important value: let's do no harm.

A second critical issue is understanding the impact of climate change on our business, our communities and our pathway to decarbonisation. We made good progress towards the development of our climate change strategy, with fundamental work being done during the Year so that we are fully informed of our impacts on climate change, and its impact on us.

The milestones we put in place regarding energy usage and mix, GHG emissions targets, and the attainment of net zero will be realistic and achievable. While we have set ourselves a target of net zero by 2050, we are hoping to achieve this by 2040, and have said that we would deliver a 35–40% reduction of our Scope 1 and 2 GHG emissions by 2030 (against a 2019 baseline). "During the Year, we started assessing opportunities to incorporate renewable energy as part of our energy mix, including considerations for installing storage solutions at our operations.

Water availability to our business and our communities is exacerbated by climate change. We recycle a significant amount of our water – well over 80% on average and almost 100% at Cullinan Mine. We are proud of these achievements. We remain conscious of the need for responsible water stewardship and the observance of the rights of communities to shared water resources.

Instilling an inspirational culture and embedding a continuous business improvement mindset are driving forces behind our Sustainability Framework. We endeavour to make Petra an employer of choice and to attract and retain the diverse talent critical to our success. This includes a firm focus on diversity and inclusion (see page [58](#)). We are particularly proud of our Board diversity and the increasing diversity of our Senior Management teams. We know, however, that we have a long way to go, and must be relentless in our efforts to create a safe, supportive and equitable environment for all.

In conclusion

We are starting to see the benefits of the integrated and strategic sustainability process we have adopted. It is achieving its goal of helping us to focus on outcomes and impact, as the following pages will show. This is a journey, and we look forward to sharing our progress with you along the way.

Richard Duffy

Chief Executive Officer
9 October 2023



About Petra

Creating abundance from rarity

Petra is the leading independent natural diamond miner

Petra is a leading independent diamond mining group and a consistent supplier of gem-quality rough diamonds to the international market – a multi-asset diamond producer with strong sustainability credentials in a transformative phase.

We believe that Earth's rare and precious legacy can, through responsible mining, create abundant outcomes for our people, communities, investors, customers, and all other stakeholders, giving expression to life's special moments.

Our value-led growth strategy, with a focus on stabilising and optimising our portfolio, is enabled by our operating model and capital allocation framework. It is firmly underpinned by our focus on safety and sustainability, and decisions are taken with the long-term success of the business in mind.

Petra's key strengths:

- ▶ Sales and marketing capabilities
- ▶ Diamond mining at scale
- ▶ Partnering credibility
- ▶ Agile, entrepreneurial mindset
- ▶ Bulk mining skills
- ▶ Experience operating in challenging environments
- ▶ Established in the African mining ecosystem
- ▶ Identifying and turning around assets

We focus on the highest margin section of the diamond pipeline – mining and the upstream processing, sorting and sale of rough diamonds. We are focused on Southern Africa with producing mines in South Africa and Tanzania. Petra's diamonds have a unique provenance in that they are sourced from some of the most culturally significant diamond mines in the world, which only adds to their allure.

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 5,033 (FY 2022: 5,265) people in three countries: South Africa, Tanzania and the United Kingdom.

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.

Our values

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



Let's do no harm

Health and safety is our collective responsibility. Caring for each other, our colleagues, contractors, clients, suppliers and our environment is something we can all contribute towards. Our starting point is always "let's do no harm". Together we can build a zero harm environment.



Let's make a difference

We want to leave a positive legacy. Our initiatives are aimed at stimulating local socio-economic development and upholding the highest standards of environmental stewardship. Whether it's our people, suppliers, community partners, clients, customers, governments or the environment, we aim to make a real and lasting contribution.



Let's do it right

We behave ethically across our business activities. We sell only fully traceable and conflict-free diamonds. We mine responsibly, and operate only in countries that are members of the Kimberley Process.



Let's take control

We empower our people. We ensure a culture of accountability for our employees. We encourage innovation and creativity across our business.



Let's do it better

Embedded in our operating model is a mindset that drives continuous improvement. We believe in incremental change and strive to generate efficiencies across our operations.



Our footprint

Leading independent diamond producer

Petra is a leading independent diamond producer with one of the world's largest diamond resources.

Petra has operations in two countries, South Africa and Tanzania. Both are signatories to the Kimberley Process.

In South Africa, we operate two mines, the Cullinan Mine and Finsch. Koffiefontein is currently on care and maintenance as we progress towards responsible closure. The mines are operated by Petra, which holds a 74% interest; Kago Diamonds holds 14% and the Itumeleng Petra Employee Trust holds 12%.

In Tanzania, Petra manages and holds a 75% interest in Williamson, with 25% held by the Government of Tanzania. As announced on 31 May 2023, upon completion of a Framework Agreement with the Government of Tanzania and receipt of regulatory approvals for a transaction entered into with Taifa Mining and Civils Ltd, ownership will become: Government of Tanzania (37%), Taifa (31.5%) and Petra (31.5%).

Gross Group resources

223.17 Mcts

FY 2022: 226.6 Mcts

Gross Group reserves

28.35 Mcts

FY 2022: 29.97 Mcts

Production

2.67 Mcts

FY 2022: 3.35 Mcts

Revenue



South Africa

Cullinan Mine

55%

FY 2022: 55%

Finsch

28%

FY 2022: 28%

Koffiefontein

1%

FY 2022: 4%



Tanzania

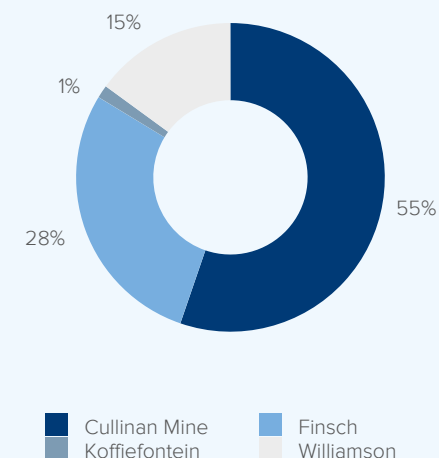
Williamson

15%

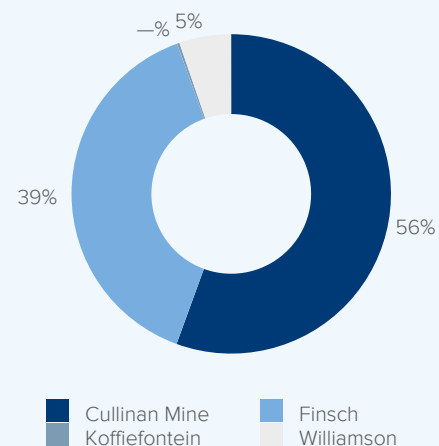
FY 2022: 13%



Revenue by mine (%)



Total rough diamond production by mine (%)





Our footprint (continued)



Cullinan Mine

Contribution to revenue

55%

FY 2022: 55%

Total employees
(incl. contractors)

1,827

FY 2022: 1,716

Started operation

1903

Acquired: 2008

Resource: 145.1 Mcts

Produced: 1.49 Mcts
(FY 2022: 1.81 Mcts)

LTIFR: 0.24 per 200,000 hours
worked
(FY 2022: 0.22)

Carbon emissions: 232,907.32
tCO₂e

(FY 2022: 219,378.37 tCO₂e)

Major environmental

incidents: Zero

(FY 2022: Zero)

Cullinan Mine produces large,
high-quality white and very rare
blue diamonds.



Finsch

Contribution to revenue

28%

FY 2022: 28%

Total employees
(incl. contractors)

1,880

FY 2022: 1,687

Started operation

1960

Acquired: 2011

Resource: 35.4 Mcts

Produced: 1.04 Mcts
(FY 2022: 1.28 Mcts)

LTIFR: 0.22 per 200,000 hours
worked
(FY 2022: 0.63)

Carbon emissions: 142,001.43
tCO₂e

(FY 2022: 153,505.71 tCO₂e)

Major environmental

incidents: Zero

(FY 2022: Zero)

Finsch regularly produces
highly commercial goods
of over five carats, and
occasionally produces over 50
carats and smaller gem-quality
diamonds.



Williamson

Contribution to revenue

15%

FY 2022: 13%

Total employees
(incl. contractors)

989

FY 2022: 999

Started operation

1940

Acquired: 2009

Resource: 37.5 Mcts

Production: 0.14 Mcts
(FY 2022: 0.23 Mcts)

LTIFR: 0.00 per 200,000 hours
worked
(FY 2022: 0.06)

Carbon emissions: 31,547.83
tCO₂e

(FY 2022: 43,049.48 tCO₂e)

Major environmental

incidents: One

(FY 2022: Zero)

Williamson is renowned for its
beautifully rounded white and
'bubble-gum' pink diamonds.



Koffiefontein

Contribution to revenue

1%

FY 2022: 4%

Total employees
(incl. contractors)

119

FY 2022: 661

Started operation

1870

Acquired: 2007

Resource: 5.2 Mcts

Produced: 0.01 Mcts
(FY 2022: 0.04 Mcts)

LTIFR: 0.25 per 200,000 hours
worked

(FY 2022: 0.14)

Carbon emissions: 33,511.20
tCO₂e

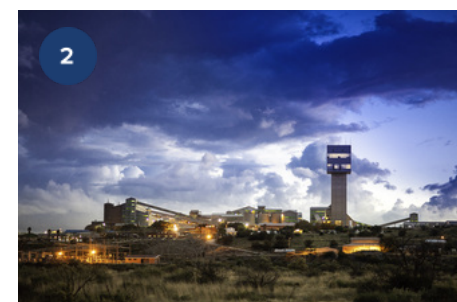
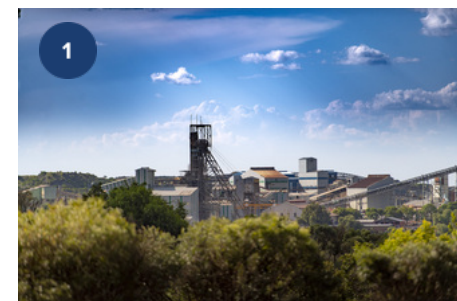
(FY 2022: 55,141.27 tCO₂e)

Major environmental

incidents: Zero

(FY 2022: Zero)

Koffiefontein has been loss
making for several years and
mining ceased at the end of CY
2022 when the mine was
placed on care and
maintenance ahead of a
responsible closure.





Our approach to sustainability

Embedding sustainability

We continue to integrate sustainability into our day-to-day operations at every level, ensuring Petra creates and sustains shared value for the Company and our stakeholders.

Sustainability is embedded in every aspect of what we do within the business and, increasingly, in our value chain, from ensuring a safe and healthy work environment, to supporting a diverse and talented workforce that has access to training and development; from supporting sustainable mine community development and alternative local economic development options that persist beyond closure, to robust, constructive and transparent

stakeholder engagement; and from resilient climate change adaptation and decarbonisation initiatives, to sustainable, responsible and traceable production and sales.

Petra's Sustainability Framework

While sustainability is inherent within our business operations, we have developed our Sustainability Framework to visibly support our business strategy, guide our actions, and hold ourselves accountable in our commitment to our stakeholders.

Our Sustainability Framework was finalised in FY 2022, and since then we have continued to integrate its pillars into all aspects of the business, from organisational design to performance management. It is supported by our inspirational culture, robust governance practices, ethical behaviour and constructive and transparent stakeholder engagement processes.

Putting the Framework into action

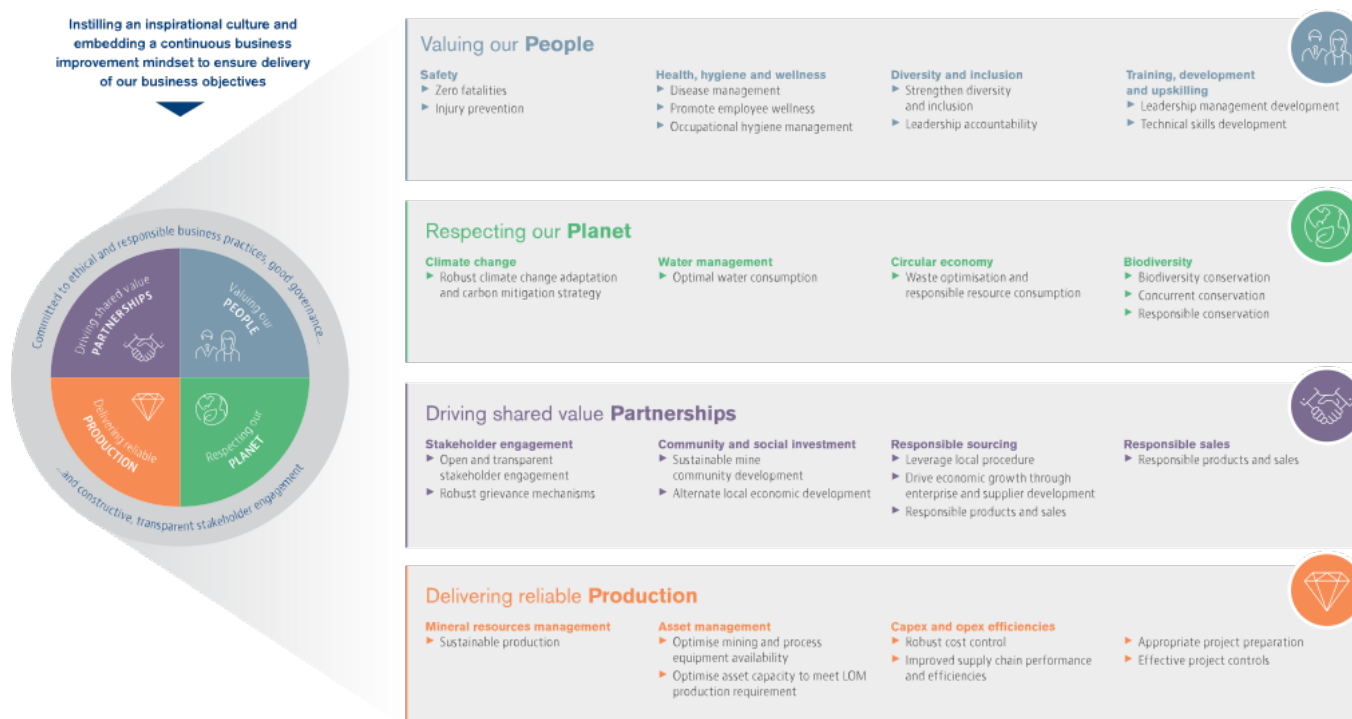
We are implementing this Framework in a structured approach as illustrated in the diagram below.

- ▶ There are four pillars:
 - ▶ Valuing our people
 - ▶ Respecting our planet
 - ▶ Driving shared value partnerships
 - ▶ Delivering reliable production
- ▶ While Petra supports all 17 UN SDGs, we have identified the five most relevant SDGs to which the Company can contribute the most:



- ▶ Each pillar has a number of aspects that we focus on to help ensure short, medium and long-term improvement, and each aspect has a number of focus areas, with commitments or areas for improvement
- ▶ Each focus area has a specific set of targets and relevant KPIs to monitor ongoing progress:
 - ▶ A dedicated Exco member drives the Framework's initiatives to help ensure the ongoing commitment and necessary support for each aspect at Group level
 - ▶ All pillars, targets, focus areas and initiatives are reviewed annually by Petra's Exco and the two Board committees: Health and Safety, and Sustainability. This ensures that the Board is kept apprised of annual progress and that any changes or concerns are identified timeously

Our Sustainability Framework





Key features: FY 2023

A year of continuing progress



Valuing our people

- ▶ 5,033 people - 3,040 permanent employees (60%) - and 1,993 (40%) contractors
- ▶ Zero fatalities
- ▶ Regression in safety performance in the first part of the year arrested:
 - ▶ 17 lost time injuries, LTIFR of 0.24 per 200,000 hours worked
 - ▶ 41 total injuries, TIFR of 0.59 per 200,000 hours
- ▶ Successful implementation of our Petra Culture Code:
 - ▶ 89% participation in Culture Code Survey
 - ▶ 1.04 Culture Code Index (excludes Williamson)
- ▶ Stable labour relations environment:
 - ▶ 3.7% voluntary turnover
 - ▶ Zero disputes related to industrial action
- ▶ Organisation design initiatives and the Performance Management Framework implemented
- ▶ US\$5.0 million spent on training and development
- ▶ Good representation of women at Board and leadership levels maintained:
 - ▶ 19% women in Senior Management
 - ▶ 30% women in management
 - ▶ 21% women in workforce



Driving shared value partnerships

- ▶ US\$124.7 million paid in salaries and benefits
- ▶ Significant direct and indirect economic impacts in regions in which we operate:
 - ▶ Multi-stakeholder engagement forum established
 - ▶ US\$45.9 million paid in taxes and royalties
 - ▶ Local supplier expenditure for FY 2023 – 49% for South Africa and 90% for Tanzania
 - ▶ US\$2.8 million social investment expenditure
 - ▶ New Enterprise and Supplier Development programme being implemented
- ▶ Continued progress on Independent Grievance Mechanism (IGM) and Restorative Justice Projects (RJP) at Williamson
- ▶ New Enterprise and Supplier Development (ESD) programme being implemented
- ▶ Continued support to Historically Disadvantaged South African (HDSA) diamond cutters



Respecting our planet

- ▶ Environmental incidents:
 - ▶ One major incident (tailings failure) at Williamson
 - ▶ Zero major incidents at our South African operations
- ▶ >88% water recycling on mine
- ▶ 86% of waste recycled at our South African operations
- ▶ Cullinan Mine and Finsch retained their ISO 140001 certification
- ▶ Climate change strategy being developed to achieve decarbonisation targets
- ▶ In line with best practice, closure plans in place at all mines from the start of operations



Delivering reliable production

- ▶ 2.67 Mcts produced
- ▶ 2.34 Mcts sold
- ▶ Extension projects underway at Cullinan Mine and Finsch
- ▶ Embedding Diamond Value Management Framework
- ▶ Digital twins (virtual model) being developed for Cullinan Mine and Finsch
- ▶ Sustainability reporting system digitalised



Key performance indicators

Tracking performance

The following non-financial KPIs are considered by management to be the most appropriate to track Petra's sustainability performance. These ESG measures make up 30% of the Group scorecard KPIs used to determine Exco and Senior Management performance for the award of bonuses.

Valuing our people

Safety (Group LTIFR)

Lost time injury frequency rate per 200,000 hours worked

0.24 +9%

FY23	0.24
FY22	0.22
FY21	0.44
FY20	0.29
FY19	0.21

Strategic relevance: The safety of our people is our foremost priority. It has an impact on our culture, our performance and our reputation.

Performance in FY 2023: LTIFR increased, largely as a result of the ramping up of the extension projects at Cullinan Mine and Finsch and a single, blasting-related, incident at Cullinan Mine in particular. Our focus has been on remedial actions and behaviour-based intervention programmes. This has led to an improvement in the second half of the Year and more specifically the last quarter.

Women in the workforce (%)

The percentage of women in the workplace

21 +5%

FY23	21
FY22	20
FY21	20
FY20	19
FY19	19

Strategic relevance: A diverse workforce will improve performance, allow us to attract and retain top talent, strengthen employee satisfaction, and help secure our social licence to operate.

Performance in FY 2023: We continue to place great emphasis on diversity and on advancing workplace equality. Women currently represent 30% of Senior Management.

Total training expenditure (US\$m)

Investment in training and development

5.0 -18%

FY23	5.0
FY22	6.1
FY21	5.8
FY20	5.8
FY19	6.6

Strategic relevance: We rely on our employees' talent, commitment and performance. Training is a critical driver of loyalty and enables employees to meet their and our objectives.

Performance in FY 2023: Training spend was lower in FY 2023 due to a weaker Rand against the US Dollar, and the deferral of some training to FY 2024 so as to align with the new approach taken to talent management which is linked to performance management. We continue to align employee capability with the organisation's needs. A particular focus is the development of women, previously disadvantaged individuals and people within our communities.

KEY

 Positive

 Negative

 Unchanged



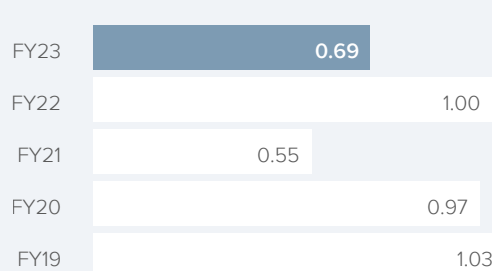
Key performance indicators (continued)

Respecting our planet

Water efficiency (m³/t) ✓

The total volume of fresh water used in production (ROM plus tailings) per tonne treated

0.69 -31%



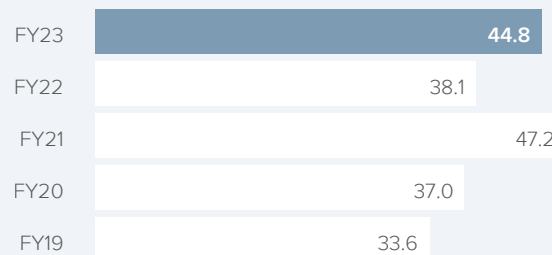
Strategic relevance: Water is a scarce, shared natural resource that is critical for our successful operation. Water scarcity will be exacerbated by climate change.

Performance in FY 2023: We continue to use our water responsibly and efficiently. In FY 2023, production was suspended at Williamson (from November 2022) and at Koffiefontein (from Q3 FY 2022) which affected water efficiency. In FY 2023, around 88% of our consumption was recycled water (FY 2022: 80%).

Energy efficiency (kWh/t) ✕

Total electricity consumption as a function of production

44.8 +17%



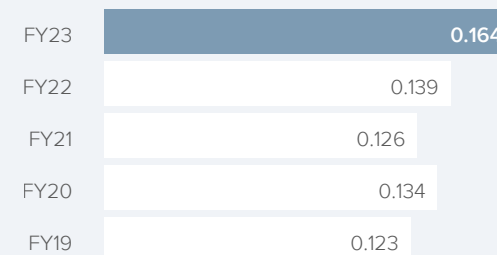
Strategic relevance: Energy security and costs are important factors in our success. Reducing our energy consumption also reduces our GHG emissions.

Performance in FY 2023: In FY 2023, our total energy consumption decreased by 5% to 1.85 million GJ (FY 2022: 1.93 million GJ). Most energy consumed currently is non-renewable energy. This includes the diesel used in operating trackless mobile machinery (TMM) and in generating electricity, which makes up 20% of our overall energy usage. The balance of 80% is electricity purchased from utilities. In South Africa, electricity consumed is currently sourced from the national utility with standby diesel generators used for emergencies. Williamson sources most of its energy from Tanzania's national grid. Reduced activity at Williamson and Koffiefontein had a negative impact on our energy efficiency.

Carbon emissions (tCO₂-e/ct) –

Carbon emission intensity for Scopes 1 and 2

0.164 +18%



Strategic relevance: We have committed to achieving net zero carbon emissions by 2050, although we aim to achieve this by 2040. This is in line with the global imperative under the Paris Agreement.

Performance in FY 2023: Scope 2 emissions dominated our emissions profile, particularly in South Africa. Our gross carbon footprint (scope 1 & 2) reduced by 8%. The lower diamond recovery had a negative effect on the carbon intensity outcome. To reduce our GHG emissions we are planning to increase our access to renewable energy (wind and solar).

KEY

✓ Positive

✕ Negative

– Unchanged



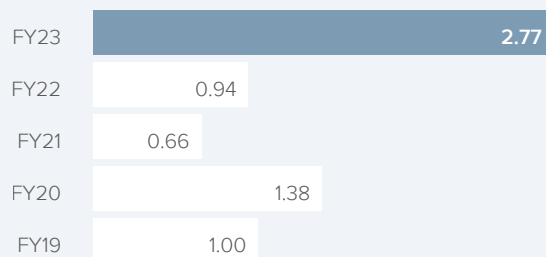
Key performance indicators (continued)

Driving shared value partnerships

Social expenditure (US\$m) ✓

Total social expenditure (compulsory and discretionary) on local communities

2.77 +194%



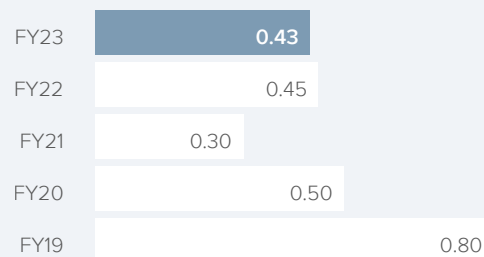
Strategic relevance: Social expenditure is directly related to compliance and our social licence to operate. We target social expenditure of 1% of net profit after tax (NPAT) at an asset level.

Performance in FY 2023: In South Africa, we continued to comply with the requirements of the Mining Charter and our Social and Labour Plan commitments, and executed a number of outstanding projects. The social expenditure increase largely due to projects at Cullinan Mine progressing to execution. In Tanzania, we complied with our social expenditure commitments, which include the progress we have made with the RJP.

Community training and development expenditure (US\$m) ✕

Total community training spend

0.43 -4%



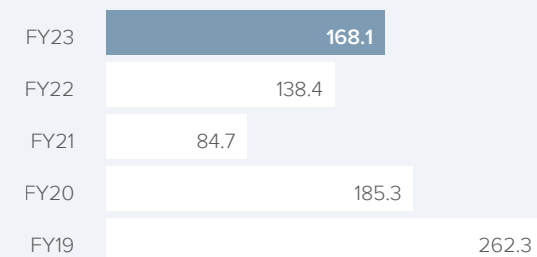
Strategic relevance: The skills we require are scarce in the communities surrounding our operations. Our community training and development programmes support our licence to operate through the social and economic upliftment of communities, and provide the Company with reliable and accessible skills needed in the business.

Performance in FY 2023: Community training and development continues to be as important to us as the training and development of our own employees. Training spend was lower due to weaker rand against the US Dollar and the deferral of some training to FY2024 to align with the new approach taken to talent management.

Discretionary procurement spend (US\$m) ✓

Total Group discretionary procurement spend

168.1 +21%



Strategic relevance: Our integrated supply chain approach supports the reliable and cost-effective supply of goods and services to our operations. At the same time we seek to enhance our licence to operate through a meaningful contribution to local economies.

Performance in FY 2023: In FY 2023, our local supplier procurement was 49% of total procurement in South Africa and 90% in Tanzania. We have implemented a new enterprise supplier development approach in South Africa, which will increase development and support to SMMEs. Increased procurement spend in FY 2023 was largely attributable to the life extension projects at Cullinan Mine and Finsch and for Williamson was largely attributable to the remediation work following the TSF failure and the new TSF construction activities.

KEY

✓ Positive

✕ Negative

— Unchanged



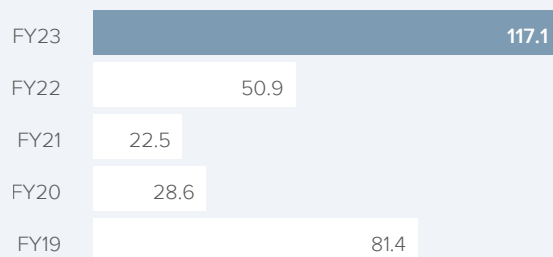
Key performance indicators (continued)

Delivering reliable production

Operational capex (US\$m) ✓

Capital expenditure incurred by the operations, comprising expansion and sustaining capex

117.1 +130%



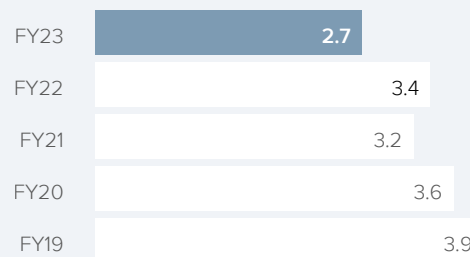
Strategic relevance: Our capital expenditure supports the maintenance of our operations and enables our growth.

Performance in FY 2023: Total capital expenditure amounted to US\$117.1 million following the ramping up of underground extension projects at both Cullinan Mine and Finsch. The increase in stay-in-business capital expenditure was largely due to the replacement of underground fleet at Finsch to mitigate the machine availability challenges encountered and an increase at Williamson due to the construction of the new tailings facility.

Rough diamond production (Mcts) ✕

The number of diamonds produced from Group operations

2.7 -20%



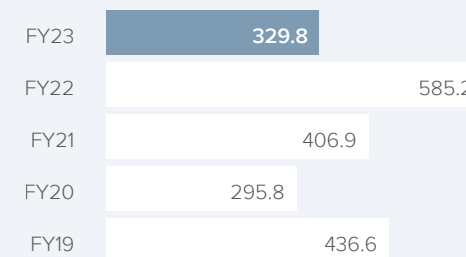
Strategic relevance: Production targets reflect our strategy and growth ambitions.

Performance in FY 2023: Production declined by 20% to 2.7Mcts due to the temporary halt to production at Williamson and the lower grades mined at Cullinan Mine and Finsch. Mitigating steps have been implemented at both operations and grades at the Cullinan Mine have now reverted to revised levels with some volatility at Finsch expected in the short term. Williamson restarted production ahead of schedule in early July 2023.

Revenue (US\$m) ✕

Income earned from rough diamond sales and partnership stones

329.8 -44%



Strategic relevance: Revenue is a reflection of our production targets, and our in-house sales and marketing capabilities.

Performance in FY 2023: The year-on-year reduction in revenues mainly relates to a 20% decrease in diamonds recovered, no Exceptional Stones (≥US\$15 million) sold (FY 2022: US\$40.2 million) and the deferral of a portion of Tender 5 and the majority of Tender 6 sales to FY 2024; while this decision had a negative impact on FY 2023 revenue, it demonstrates our ability to be flexible with our sales processes, supported by our improved financial position.

KEY

✓ Positive

✕ Negative

— Unchanged



Governance and implementation

In this section

Strong and effective corporate governance is essential to the long-term success of the Company and sits at the heart of Petra's business approach.

In this section:

- 17** Sustainability governance and enterprise risk management
- 18** Identifying and engaging with our stakeholders
- 21** Materiality assessment and material matters





Sustainability governance and enterprise risk management

Continuously improving governance

Strong and effective corporate governance is essential to the Company's long-term success and sits at the heart of Petra's business approach.

We aim to conduct our operations as responsibly and efficiently as possible, thereby generating long-term value for stakeholders. We are committed to continuously improving Petra's corporate governance to reflect the evolving regulatory environment and best practice.

Governance

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

Sustainability matters, including risk management, fall under the remit of two separate Board committees:

- ▶ The Health and Safety Committee oversees the Group's health and safety systems and policies, including tailings and waste management
- ▶ The Sustainability Committee oversees all aspects of the Group's sustainability performance, especially social and environmental matters

In addition, the Audit and Risk Committee takes a combined view of overseeing and monitoring principal risks highlighted by other Board committees, the Risk, Assurance and Compliance function, internal audit and, where relevant, independent external assurance providers.

Important Group governance developments during FY 2023 that are directly related to our sustainability performance may be found in the Governance section of our Annual Report 2023: Report of the Health and Safety Committee (page 15) and Report of the Sustainability Committee (page 128).

See the Corporate Governance section of the Annual Report 2023 for further insight (page 87).

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 help ensure their effectiveness.

Our management approach is guided by mine-level policies and strategies, covering all key sustainability areas, and by internationally recognised standards such as ISO 45001 (Health and Safety Management) and ISO 14001 (Environmental Management).

Petra's Exco is involved in all matters relating to sustainability. The Sustainability function is led by the Group HR and Public Affairs Executive, supported by a dedicated Head: Sustainability.

Links to remuneration

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

ESG measures, such as those for health and safety, environment, social impact and diversity and inclusion, are explicitly included in the annual bonus framework. In addition, the Company's Performance Share Plan FY 2023 award includes a performance measure (amounting to 15%) that is linked to Petra's GHG reductions targets, with performance measured over a three-year period to 30 June 2025.

Risk management

Petra's operational management approach is risk based and aligned with the ISO 31000 Risk Management Guideline, focusing on continual risk identification, risk assessment and the instilling of risk awareness in the workplace.

An important feature of FY 2023 was the continuation of Petra's risk simplification journey and implementation of improvements identified during the risk improvement project. This included building on a review of the Company's Enterprise Risk Management (ERM) and Combined Assurance (CA) Frameworks conducted in FY 2022.

Key improvements include the incorporation of leading risk management practices, resulting in simplified, more easily understood risk management processes that assist management in fulfilling its risk management obligations. To further embed a risk culture and raise the importance of risk management, we introduced a compulsory risk management KPI for all Exco members and Senior Management to measure performance against their risk and combined assurance objectives. Once fully implemented, the intention is to cascade the risk management KPI to lower levels in the Company during FY 2024.

We are also developing a Group Crisis Management Policy that will allow management to effectively respond to risks and deal with incidents and emergencies. This policy supplements the existing Mandatory Code of Practice: Emergency Preparedness already in place at each mine. The policy will be reviewed and approved by the Audit and Risk Committee in FY 2024.

The revised Combined Assurance Framework is now a fit-for-purpose framework that clearly articulates key assurance processes and management's responsibility, and is aligned and integrated with risk management processes.

The frameworks were socialised and implemented through a number of workshops across the Company to help management apply these frameworks, especially the re-evaluation of inherent and residual risks and criteria to assist management in determining the effectiveness of internal controls.

A Risk Appetite and Tolerance Framework is now being developed with the support of an external service provider and will be implemented in FY 2024.



Identifying and engaging with our stakeholders

Committed to transparent engagement

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. Constructive stakeholder engagement is a key driver of our approach to creating shared value partnerships, and is a key Board consideration. See the section on engaging with our stakeholders on page 81 of this report for further insight and page 68 of the Annual Report 2023 for our Section 172 Statement. Section 172 meets our obligations to report on how we are progressing towards fulfilling our purpose and achieving long-term success and, secondly, on how various stakeholders are impacted and the consequences of our strategic decision making.

Our approach

Our new Group Stakeholder Engagement and Management Policy was approved in FY 2022 and is being embedded Group-wide through ongoing employee training and induction. We appointed a Group Communications and Stakeholder Engagement Manager to ensure consistent messaging across the Group and to support more effective and accountable stakeholder relations with key stakeholders.

Stakeholders and stakeholder engagement opportunities are being identified, captured, profiled, scheduled and managed.

Petra continuously engages with government, especially the Department of Mineral Resources and Energy (DMRE) in South Africa and the Ministry of Mines in Tanzania, as well as with local government (municipalities), communities, business forums, NGOs, NPOs and organised labour, on matters of mutual benefit and interest.

The most tangible benefits of this proactive approach are:

- ▶ In Tanzania, the collaboration with the Government and local authorities, especially at the time of the tailings wall failure
- ▶ In South Africa, collaboration with stakeholders (including municipalities) on key issues such as the Integrated Development Plans (including their development and implementation), the roll-out and alignment of projects to address the needs of communities, 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, managing possible mistrust and unclear communication, which can contribute to social unrest. Issues discussed can include:
 - ▶ Local procurement and enterprise development
 - ▶ Environmental impacts of mining
 - ▶ Employment opportunities
 - ▶ Artisanal and illegal mining
 - ▶ Corporate social investment (CSI) opportunities
 - ▶ Local economic development (LED) projects and skills development (bursaries, internships and learnerships)
- ▶ Engagement with organised labour on a range of issues, including accommodation and living conditions, skills development, skills retention, health and safety, operational productivity, performance, business sustainability, labour productivity, discontent and unrest, and mine closure
- ▶ Management of issues relating to the environmental impact of mining, which are of concern to all stakeholders, but especially our local communities – balancing our obligations to protect the environment and the needs of local communities
- ▶ Regular and transparent engagement at all levels with authorities and regulators, especially concerning compliance with legal, production and social requirements and targets





Identifying and engaging with our stakeholders (continued)

Our approach (continued)

We have identified six key stakeholder groups with whom we engage on an ongoing basis.

Stakeholder	Why this stakeholder is important	How we delivered value in FY 2023	How we engage	Key stakeholder concerns
Employees, contractors and unions	Our people are the heart of our business and are integral to our success. A safe, healthy, skilled and productive workforce supports the delivery of our strategy and our ability to create shared value.	<ul style="list-style-type: none"> Employed 5,033 people (FY 2022: 5,265) Salaries and other benefits: US\$124.7 million (FY 2022: US\$146.0 million) Employee training and development: US\$4.6 million (FY 2022: US\$5.7 million) Opportunities for career progression afforded to HDSAs, including women 	<ul style="list-style-type: none"> Workplace meetings Internal committees Employee briefs Publications Notice boards Whistleblowing hotline Union forums and representation Employee engagement with the Board Social media SMS 	<ul style="list-style-type: none"> Job security Closure at Koffiefontein
Customers	Our customers are the source of our revenue. Long-standing relationships with customers are based on mutual trust and respect. Customers are predominantly international rough diamond traders and manufacturers, based in key diamond centres such as those in Antwerp, India, Israel, Hong Kong and the US. Occasionally, Petra sells directly to vertically integrated retailers, which have their own manufacturing capabilities.	<ul style="list-style-type: none"> Conflict-free production: 100% (FY 2022: 100%) Diamonds sold: 2.34 Mcts (FY 2022: 3.54 Mcts) Access to Exceptional Diamonds from Cullinan Mine and occasionally Williamson 	<ul style="list-style-type: none"> Meetings Electronic media Natural Diamond Council 	<ul style="list-style-type: none"> Accessibility to tenders Responsible sale of product Conflict-free diamonds
Financial stakeholders and industry bodies	Our shareholders, fixed income investors and bank lenders provide the financial resources for our business. Clear, transparent and timely communication are important to enable a good understanding of our strategy, business model and performance.	<ul style="list-style-type: none"> Significant improvement in net debt profile and strong cashflow generation Total revenue of US\$329.8 million (FY 2022: US\$585.2 million) Gross debt reduction to US\$247 million (FY 2022: US\$366 million) Capital investment of US\$117 million (FY 2022: US\$52 million) 	<ul style="list-style-type: none"> Briefings via public announcements Webcasts Presentations Social media Direct engagements Conferences and site visits Annual and sustainability reporting 	<ul style="list-style-type: none"> Delivery on plan



Identifying and engaging with our stakeholders (continued)

Our approach (continued)

Stakeholder	Why this stakeholder is important	How we delivered value in FY 2023	How we engage	Key stakeholder concerns
Local communities, small enterprises, civil society and the media	The support of our local communities and NGOs is an important component of our licence to operate. Making a positive contribution in our communities, and avoiding harm, will help promote a sustainable future for Petra and contribute to a favourable Company culture.	<ul style="list-style-type: none"> ▶ Social spend: US\$2.8 million (FY 2022: US\$0.9 million) ▶ Community training spend: US\$0.4 million (FY 2022: US\$0.4 million) ▶ External stakeholder engagements held: 359 (FY 2022: 451) ▶ SMMEs trained in business skills at our enterprise development resource development centres: 70 (FY 2022: 251) 	<ul style="list-style-type: none"> ▶ General and mandated participation processes and meetings ▶ Community newsletters ▶ Local media partnerships on socio-economic projects ▶ Ongoing face-to-face engagement with community structures ▶ Social media and radio ▶ Mine-specific hotlines ▶ SMS ▶ Operational grievance mechanisms ▶ Enterprise development resource centres ▶ Training ▶ Tender meetings 	<ul style="list-style-type: none"> ▶ Enterprise and supplier development opportunities ▶ Onboarding of suppliers on the Company's procurement portal ▶ Job creation and appointment of non-local community members ▶ Social and Labour Plan (SLP) implementation and LED projects ▶ Lack of community engagement
Governments and regulators	We need the support of governments and regulators to maintain our licence to operate. We comply with relevant legislation in South Africa and Tanzania, countries in which we operate.	<ul style="list-style-type: none"> ▶ Taxes and royalties: US\$45.9 million (FY 2022: US\$57.6 million) ▶ Estimated number of dependants on our direct employees: c 50,350 (FY 2022: 52,650) – using the accepted x10 multiplier effect for South Africa and Tanzania 	<ul style="list-style-type: none"> ▶ Proactive and mandatory consultation ▶ Scheduled meetings ▶ Minerals Council South Africa ▶ Site visits and audits ▶ Active involvement in government-initiated forums and consultative structures 	<ul style="list-style-type: none"> ▶ Delay in implementation of SLP local economic development commitments ▶ Proactive engagement with governments to establish trust and mutually beneficial relationship
Suppliers	Suppliers provide the goods and services necessary to keep our operations running. Suppliers need to align with our values.	<ul style="list-style-type: none"> ▶ South Africa procurement expenditure: US\$333.8 million (FY 2022: US\$238.7 million) ▶ Tanzania procurement expenditure: US\$65.5 million (FY 2022: US\$35.6 million) ▶ Onboarding of 1,646 suppliers onto new procurement portal ▶ SMME loans approved of US\$217,422 (FY 2022: US\$339,898) and created 191 job opportunities (FY 2022: 275) 	<ul style="list-style-type: none"> ▶ Supplier induction ▶ Supplier days and events ▶ Tender and procurement processes ▶ Local enterprise development centres ▶ Ongoing engagement on company policy and required standards of practice 	<ul style="list-style-type: none"> ▶ Identifying areas for local procurement opportunities ▶ Onboarding of SMMEs ▶ Enterprise and supplier development



Materiality assessment and material matters

Focus on what matters most

The materiality process – which allows Petra to develop a detailed understanding of the material topics and stakeholder concerns that affect our business, as well as the ways in which our business affects our stakeholders – is a critical one for the Group.

Inputs and feedback from Petra's key stakeholders help ensure that we monitor and report on the most material sustainability-related topics. This in turn allows us to address any risks or opportunities arising from them – whether for the Company or for our stakeholders.

In addition, a wide range of internal and external factors influence the weight we give our material topics – thus informing Petra's business model and shaping our business strategy.

Defining materiality

We define as material any sustainability-related 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 affected by Petra's operations.

When determining materiality, Petra considers its operating environment (internal) as well as external micro and macro factors.

FY 2023 materiality process

In FY 2023, we broadened our materiality assessment to adopt the concept of 'double materiality' formally. Our leadership team participated in this process overseen by an external consultant.

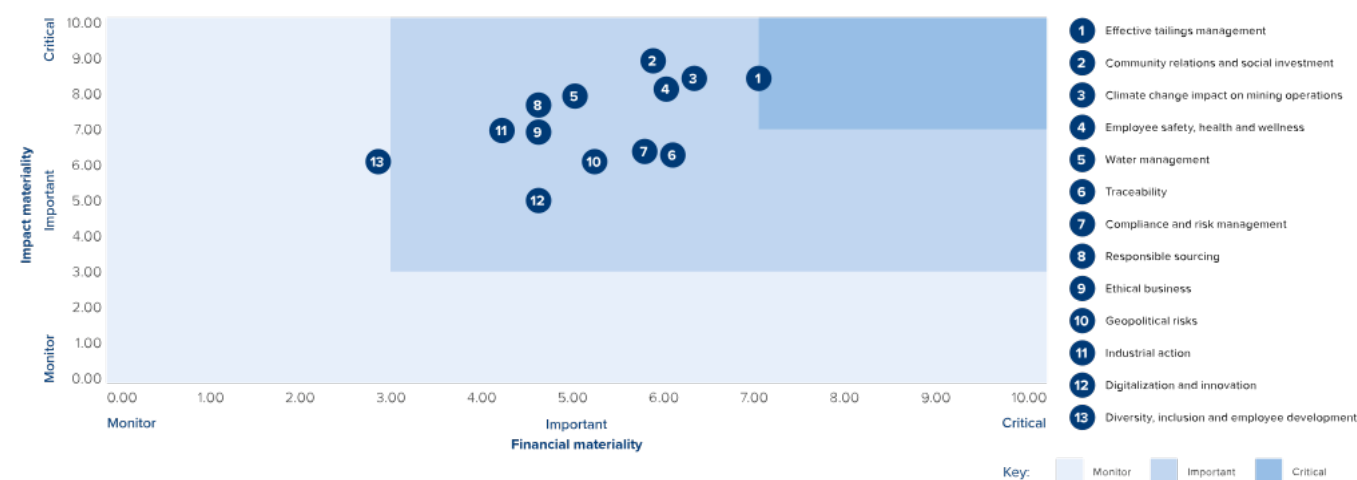
The outcomes of the materiality assessment are illustrated in the materiality matrix on the right.

Process followed for the FY 2023 double materiality assessment



Petra's material topics are discussed and referenced (through iconography) throughout this report.

Materiality matrix






Materiality assessment and material matters (continued)

Our 13 top material issues

Material Issue	Context	Sustainability pillars	Read more	Most relevant SDGs
1 Effective tailings management 	Ensuring the integrity of our tailings storage facilities (TSFs) so as not to harm any stakeholder as a result of their presence or failure. We seek to comply with regulatory standards, and adopt and conform with GISTM principles. To find out more about progress being made on our GISTM conformance, see page 72.	Valuing our people Respecting our planet	Page 70	
2 Community relations and social investment	Managing and maintaining community relationships remains a focal point for our strategy and during the operation of our mines through to closure.	Driving shared value partnerships	Page 86	 
3 Climate change impact on mining operations	We recognise that we have a role to play in mitigating climate change impacts by optimising and reducing our energy usage and adopting renewable energy sources. We will plan for and seek to mitigate the impacts of climate change (such as the potential impact of floods and droughts), not only on our operations but also on the communities in which we operate.	Respecting our planet	Page 63	 
4 Employee safety, health and wellness	The safety and health of our employees is our foremost priority as we pursue zero harm. This care extends beyond occupational impacts to employee wellbeing and mental resilience.	Valuing our people	Page 42	
5 Water management	Access to and security of water are critical to our operations. We recognise that water is a scarce and shared resource, and that we must limit our fresh water usage and prevent pollution.	Respecting our planet	Page 72	 
6 Traceability 	Customers and other stakeholders are concerned with the provenance of the diamonds we mine, wanting assurance that they have been ethically and responsibly mined.	Driving shared value partnerships	Page 80	  
7 Compliance and risk management 	We recognise that compliance with all regulatory requirements is essential to maintaining our licence to operate. Enterprise risk management is an important tool to identify, manage and mitigate risk in the face of both global and local uncertainty.	Driving shared value partnerships	Page 95	
8 Responsible sourcing 	We seek to manage and mitigate disruptions in our supply chain, while at the same time ensuring reliable and local sourcing of goods and services so that we benefit the countries in which we operate.	Driving shared value partnerships	Page 80	  
9 Ethical business	Ethical behaviour and transparency remain key to the foundation of our business and are key contributors to establishing and maintaining trust with stakeholders.	Driving shared value partnerships	Page 95	 
10 Geopolitical risks 	Global uncertainty and geopolitical risks not only affect the countries in which we operate, but also our market. It is important that we are able to navigate and demonstrate resilience to these risks.	Delivering reliable production	Page 95	
11 Industrial action 	Maintaining constructive labour relations is important for our business and our stakeholders.	Valuing our people	Page 51	
12 Digitalisation and innovation 	Artificial intelligence, data analysis and automation can assist in the intelligent use of data to make better decisions in all business processes. Technology is advancing at a rapid pace with the benefits of cost optimisation in the business value chain.	Delivering reliable production	Page 101	
13 Diversity, inclusion and employee development	A diversified and inclusive workforce is key to our operational success and our social licence to operate, and it helps to ensure that all employees are developed and retained.	Valuing our people	Page 58	 

 New material topics versus 2022



Responsible business

In this section

Responsible business practices are essential to the Company's long-term success 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.

In this section:

- [24](#) Ethical standards and behaviour
- [28](#) Responsible business practices and compliance
- [31](#) Human rights, security and indigenous peoples
- [34](#) Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania



Ethical standards and behaviour

Upholding ethical behaviour in all that we do

We are committed to upholding high ethical standards in the way we operate our business, and in all our dealings with stakeholders. Not doing so could cause immeasurable harm to Petra, our reputation, our product and the industry. We believe that sound stakeholder relationships built on trust, transparency and mutual respect will contribute to the sustainability of our business and enable us to make a positive contribution to society.

Key features FY 2023

- ▶ Revised Code of Ethical Conduct and Whistleblowing Policy, and new suite of anti-bribery and corruption policies were rolled out across the South African operations
- ▶ Revised Code of Ethical Conduct and new suite of anti-bribery and corruption and whistleblowing policies were approved in Tanzania, including translated Swahili versions; their launch and roll-out occurred in Q1 FY 2024
- ▶ Established inaugural annual training and certification for Code of Ethical Conduct which was then rolled out for South African management employees in Q1 FY 2024
- ▶ Online registers enabling employee declarations and approval by management of gifts, hospitality, interests and public officials' expenditure are functional
- ▶ Updated third party due diligence policy and related procedures were approved, including automated screening process of business partners against sanctions, watchlists, human rights violations and adverse media. Roll-out and implementation of the policy and procedures started in FY 2023 and will continue in FY 2024

SDGs



Stakeholders

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

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business

Ethics KPIs

35 reported tip-offs

TIP-OFF REPORTS

29 CLOSED, 1 REQUIRES FURTHER ACTION AND 5 INVESTIGATIONS IN PROGRESS

FY 2022: 43

FY 2022: 36 CLOSED AND 7 INVESTIGATIONS IN PROGRESS

74%

COMPLETION OF ANNUAL CERTIFICATION FOR CODE OF ETHICAL CONDUCT FOR MANAGEMENT



Ethical standards and behaviour (continued)

Our commitment

We are committed to fair, ethical and responsible practices in our business, and in our dealings with all stakeholders. This means conducting our work ethically and legally, being free from bribery, corruption and other financial crime, and ensuring that we do not infringe on human rights. We have zero tolerance towards fraud, bribery and corruption. We uphold and comply with applicable laws and regulations in the countries where we operate, including the UK's Corporate Governance Code that applies to Petra given our Premium Listing on the London Stock Exchange.

We take seriously our responsibility as a good corporate citizen by protecting, enhancing and investing in the wellbeing of the economies, societies and natural environments in which we operate. We support and comply with the requirements and guidance of the organisations and compacts to which we subscribe, such as the Kimberley Process, the Natural Diamond Council, the Extractive Industries Transparency Initiative (EITI) and the UN Global Compact (UNGC).

Our approach

Petra's commitment to ethical behaviour is set out in our Code of Ethical Conduct. It is mandatory for all Directors, employees and contractors to conduct themselves in accordance with this Code. We use our best efforts to encourage our suppliers to adopt equivalent standards.

Our approach to bribery, fraud and corruption is embedded in our Code of Ethical Conduct, which is further supported by a number of specific policies, including those on Gifts and Hospitality, Declaration of Interests, Public Officials Expenditure and Whistleblowing. We recognise that we are exposed to compliance risks by our suppliers and customers, including acts of bribery and corruption, human rights violations, sanction breaches and other instances of non-compliance with applicable laws. These are proactively assessed on an ongoing basis.

Petra's whistleblowing procedure provides all Petra employees, contractors and suppliers, as well as any member of the public, with the opportunity to independently and anonymously report conduct that contravenes our Code of Ethical Conduct or the suite of anti-bribery and corruption policies. This whistleblowing service is outsourced to an independent external service provider, Deloitte. Whistleblowers can speak up in their language of choice and, in cases involving sexual harassment, individuals may choose the gender of the agent they wish to speak to.

Petra abides by the industry's ethical standards.



Kimberley Process (KPCS)

The diamond industry's regulatory framework and international standards:

- ▶ Monitors diamond production process to the highest ethical standards
- ▶ Assures commitment to 100% conflict-free diamonds
- ▶ 82 governments have enshrined the KPCS into law



Natural Diamonds Council (NDC)

- ▶ Promotes the value and benefits of natural diamonds
- ▶ Reassures consumers on ethically sourced diamonds
- ▶ Petra is a founding member

Performance in FY 2023

The focus of our Ethics and Compliance Programme in FY 2023 was to implement the improvements identified by the ethics and compliance risk assessment conducted by an external service provider in FY 2022. As part of this, an Ethics and Compliance Specialist was appointed in August 2022.

Code of Ethical Conduct

Our Code of Ethical Conduct, which is reviewed annually by the Board, was extensively updated in FY 2022 to be more user-friendly and incorporate key aspects of Petra's anti-bribery and corruption policies. An updated Whistleblowing Policy and the suite of anti-bribery and corruption policies were also approved in FY 2022.

During FY 2023, the updated Code of Ethical Conduct, Whistleblowing Policy and suite of anti-bribery and corruption policies were launched at a series of town hall meetings with employees. They were then rolled out across the South African operations and Group functions through a total of 11 workshops.

A programme of annual training and certification for the Code of Ethical Conduct was also developed during FY 2023 and rolled out for South African management employees in Q1 FY 2024.

At Williamson during FY 2023, the Code of Ethical Conduct, Whistleblowing Policy and suite of anti-bribery and corruption policies were tailored to meet Tanzanian requirements and then approved by the WDL Board before being translated into Swahili. These were rolled out to all employees in a series of four workshops in the first quarter of FY 2024.

Our standard supplier terms and conditions are also being updated to include a formal reference to our updated Code of Ethical Conduct, as well as other improvements.



Ethical standards and behaviour (continued)

Performance in FY 2023 (continued)

Anti-bribery, fraud and corruption

All Petra employees, contractors and suppliers have been clearly informed that bribery, fraud and corruption are strictly prohibited. This was supported in FY 2023 by the launch and roll-out of the updated Code and new suite of anti-bribery and corruption policies, as described above.

Online registers allow employees to declare gifts and hospitality, interests and public officials' expenditure. All declarations require management approval which is processed through an online, automated workflow. Updates on these declarations are now provided to the Exco and Audit and Risk Committee (ARC).

With oversight responsibility for ethics matters now sitting with the ARC (having previously been with the Social, Ethics and Diversity Committee until the end of FY 2023), quarterly reports are submitted to the Exco and ARC providing overviews of cases reported on the Tip-Offs Hotline. These reports also provide overviews of investigations relating to potential bribery, fraud and corruption, including actions taken and declarations made through the online registers referred to above. See page 27.

Third party due diligence

Potential risks relating to fraud, corruption, bribery, modern slavery, tax evasion, money laundering and human rights violations continue to be assessed as part of our risk management processes at all our operations and Group functions.

During FY 2023, the ARC approved a new Ethics and Compliance Due Diligence Policy and Supplier Due Diligence Procedure which set out the risk-based approach Petra is required to follow in conducting ethics and compliance due diligence on its existing and prospective third parties — predominantly customers, suppliers and social investment beneficiaries.

The focus of this due diligence relates to bribery and corruption, financial crime (such as money laundering and tax evasion), human rights and labour conditions, violations and sanctions and trade restrictions.

Before entering into contracts with third parties, third parties are required to be risk-assessed and screened through a reputable online platform. Further due diligence is conducted on medium and higher risk third parties, using due diligence questionnaires, an automated compliance workflow management platform and, if necessary, enhanced third party due diligence reports. Supplier and customer screening is conducted on a continual basis.

Our membership of the Kimberley Process provides important reassurance to consumers with respect to the ethical sources of our diamonds. As a founder member of the NDC, Petra commits to responsible and transparent business practices.

Whistleblowing Policy and investigations framework

Employees are well briefed on whistleblowing, with details of the 24-hour, confidential Tip-Offs Hotline being accessible on Petra's website and intranet, as well as being regularly communicated to employees through other communication channels, including social media. Our Tip-Offs Hotline is administered by Deloitte, an independent external third party.

During FY 2023, the launch and roll-out of the updated Whistleblowing Policy and training/certification for the updated Code (as described above) helped raise awareness of Petra's whistleblowing procedures.

This updated policy is designed to encourage stakeholders to report unlawful and unethical conduct and make stakeholders aware that those reporting concerns are protected from reprisals, harassment or victimisation for having raised concerns in good faith. The identities of those raising concerns under the Whistleblowing Policy and the contents of the tip-offs received are kept confidential and protected according to applicable laws. Until the end of FY 2023, the SED Committee had oversight responsibility for tip-offs but from 1 July 2023 responsibility for this was moved to the ARC, which now has oversight responsibility for ethics matters.

In FY 2023, Petra received 35 tip-off reports (FY 2022: 43) alleging irregularities that required investigation. Of these reports, 29 were resolved and closed; one requires further action; five remain under investigation; and 13 cases were found to have substance and appropriate actions were then taken. The table below provides a breakdown of the different tip-off allegations reported and the actions taken by Petra.

Tip-off allegation	Classification	Number	Unfounded	Action taken	Further action	In progress
Appointment irregularities	Minor	3	3	0	0	0
Fraud	Minor	1	0	0	0	1
Job scam	Minor	12	2	9	1	0
Misconduct	Minor	4	3	0	0	1
Non-compliance with Company policies and procedures	Minor	5	4	0	0	1
Possible theft	Minor	2	0	2	0	0
Unauthorised activities	Minor	1	1	0	0	0
Verbal abuse	Minor	2	0	2	0	0
Procurement irregularities	Minor	4	2	0	0	2
Total		35	16	13	1	5



Ethical standards and behaviour (continued)

Performance in FY 2023 (continued)

Whistleblowing Policy and investigations framework (continued)

Also in FY 2023, a new Group Investigations Framework was approved that sets out, among other things, who within Petra is responsible for carrying out different types of internal investigations, when to appoint external investigators and the processes that internal and external investigators must comply with when conducting investigations. The internal investigation team is made up of suitably qualified personnel who report directly to the Group General Counsel. The team can also make use of external resources where required.



Protecting consumer interests

While diamonds occupy a unique cultural position in that they are used to celebrate our most memorable moments, their continued acceptance is reliant on ensuring that they remain desirable to consumers. This, in turn, requires that consumers trust and have confidence in the integrity of diamonds and the diamond industry.

As a founding member of the NDC (along with five other world-leading diamond mining companies), we commit to high standards of integrity and responsibility in all aspects of our business and all activities of the diamond value chain, from mine to consumer. The NDC funds generic marketing campaigns to promote responsible diamond sales to consumers and aims 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.

The members of the NDC have agreed on three sustainability pledges which are aligned with the SDGs and support strengthening communities, protecting the environment and promoting gender equality and inclusivity.

The NDC reinforces the natural diamond industry's positive impact and lasting legacy by generating long-term sustainable development for local communities and the environment. Diamond mining has a relatively low environmental footprint, and in Petra's case, three of our mines are underground and thus significantly less reliant on diesel than open pit mines. Unlike many other mined commodities, diamond mining does not use chemical reagents to process kimberlite ores.

Looking ahead

In FY 2024, the following is planned and is underway:

- ▶ All management-level employees in South Africa to receive annual online training on the Code of Ethical Conduct and to complete an online annual certification process that they have complied with the requirements of the Code of Ethical Conduct. Employees below this level will receive their training and provide their certifications when they attend their annual refresher training
- ▶ Further workshops and training to roll out the updated Code and policies at Williamson
- ▶ E-learning programmes are planned, as well as workshops on the Code and these policies for key suppliers
- ▶ Continued roll-out and implementation of the new third party due diligence policy and procedures that address our bribery and corruption, financial crime, human rights and sanctions and trade restrictions risks; we will continue to assess such risks
- ▶ Continue to progress our application for membership of the Responsible Jewellery Council



Responsible business practices and compliance

Maintaining our licence to operate

Responsible business practices are essential to the Company's long-term success and are managed at Petra through effective corporate governance, legal compliance and ethical behaviour.

Key features FY 2023

- ▶ Williamson Diamonds Limited issued with Environmental Protection Order (EPO) by Tanzania's National Environment Management Council (NEMC) in December 2022 following the tailings failure
- ▶ NEMC's EPO imposed a fine on Williamson of TZS 200 million (c. US\$85,000) in relation to the TSF failure
- ▶ Approval by regulatory authorities of the Williamson Rehabilitation Plan
- ▶ All community grievances addressed or being addressed
- ▶ In South Africa, SLPs submitted within prescribed timelines

SDGs



Stakeholders

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

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business

Our ambition

At Petra, we seek to comply with applicable laws and regulations in the jurisdictions in which we operate and do business.

Our approach

Maintaining regulatory compliance at all operations is a priority for Petra. Petra's licence to operate comprises various mining rights, authorisations and permits that need to be in place at our operations, particularly from environmental, health and safety as well as mineral regulation perspectives.

In South Africa, the primary legislation governing exploration and mining activities is the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA), in combination with the National Environmental Management Act, 107 of 1998 (NEMA), and the Mine Health and Safety Act, 1996. In support of regulatory compliance, we have:

- ▶ An Environmental Management Programme (EMPr) that outlines the environmental management processes to be followed during operations, as well as for rehabilitation and closure
- ▶ SLPs that set out our obligations for social, labour and community issues. Each operation's SLP forms the basis for activities and performance indicators over a five-year cycle. SLPs are prepared in consultation with stakeholders and approved by the Department of Mineral Resources and Energy (DMRE)

Responsible business practice KPI

Zero

FINES PAID FOR REGULATORY NON-COMPLIANCE
FY 2022: Zero



Responsible business practices and compliance (continued)

Our approach (continued)

- ▶ A Mine Works Programme that outlines how the resource will be developed and mined in terms of our mining rights

In Tanzania, the Mining Act is the principal legislation governing the mining sector. Operations must also comply with the Mining (Safety, Occupational Health and Environment Protection) Regulations, 2010, and the Environmental Management Act, 2004.

The risk of delays from governmental departments in processing applications for permissions and authorisations, as well as in the inconsistent issuing of the required authorisations, is one we mitigate through ongoing engagement with the relevant governmental agencies and by monitoring legal and regulatory developments.

Regulatory compliance is integrated into our risk management processes. Legislation and regulations relevant to our licence to operate have been identified and responsibility for compliance and its monitoring have been clearly allocated.

A new Regulatory Compliance Framework is in the process of being developed that will be integrated into our risk management processes and give management a clearer line of sight on key areas of regulatory compliance and their responsibilities, and procedures on how to respond in the event of any non-compliances.

Performance in FY 2023

Responsibility

At a Group level, regulatory compliance is the responsibility of the relevant Exco members and their direct reports, while at the operations, General Managers and legal appointees are responsible for regulatory compliance. The operations teams are supported by relevant specialist department teams, including health and safety, environmental, social and legal.

Regulatory compliance at all our operations is supported by our in-house Legal function which is overseen by our Group General Counsel and Company Secretary, who is a member of the Exco. Our Legal function comprises lawyers based in South Africa, Tanzania and the United Kingdom.

Social compliance

In South Africa, in addition to the performance indicators and commitments contained in our SLPs, operations are 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 condition of the applicable mining rights and requires a Mining Charter Report and two SLP Reports which outline the progress made towards relevant set targets.

Legislation also provides for an annual audit by the DMRE that includes representation by various external stakeholders.

We did not receive any notification of material non-compliance with social-related laws and regulations, nor did we receive any fines.

Health, safety and environmental compliance

Regulatory compliance underpins our approach to managing health, hygiene, safety and on-mine environmental aspects of our business.

Regulatory compliance in these areas is audited internally through our Compliance Audit Plan, facilitated by the Safety, Health and Environment functions and externally by third party independent legal specialists, where legislation requires such audits. Results of non-compliance identified through these audits are recorded and tracked by management to help ensure adequate resolution. Changes or updates to legislation are continually implemented and integrated into health, hygiene, safety and environmental processes. Results of internal and external audits are reported to the Operations Committee, Exco and the Health and Safety Committee with relevant, significant matters of regulatory compliance being communicated to the Board.

Our operations are subject to regular internal and external environmental audits, including, in South Africa:

- ▶ EMPr and authorisation audits are conducted by external specialists at a frequency stipulated by the agreements with the DMRE for each operation
- ▶ Annual internal compliance, assurance and performance audits
- ▶ External ISO 14001 audits performed by the certification body on certified operations at least once per year
- ▶ Annual revision and verification of mine closure liabilities as required by legislation

Our Tanzanian operations have annual independent environmental compliance assessments as required by Tanzanian legislation.

There were no material findings regarding non-compliance or potential health and safety-related liabilities that resulted from formal instructions, court subpoenas or administrative fines in FY 2023 (FY 2022: Zero).

Petra did not receive any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations in South Africa in FY 2023.

The TSF failure at Williamson resulted in Tanzania's NEMC issuing Williamson Diamonds Limited with an EPO in December 2022, requiring Williamson to take various remedial steps and imposing a fine of TZS 200 million (c US\$85,000). The EPO included allegations of negligence by WDL's management and the dispersal of elevated levels of metals into the environment. These allegations have been refuted by WDL. Environmental remediation at Williamson is now largely complete – for further details see page [71](#).

Looking ahead

We will:

- ▶ Develop and implement a Regulatory Compliance Framework that is integrated with Petra's risk management processes and gives management a clearer line of sight on key areas of regulatory compliance and outlining their responsibilities and how to respond in the event of any non-compliances
- ▶ Comply with all legislation, regulations and permits at our operations
- ▶ Continue to closely monitor the periods of permit and licence validity and continually interact with the authorities in this regard
- ▶ Continue to closely monitor legal and regulatory developments, and the risks these may pose for our operations



Responsible business practices and compliance (continued)



Case study

Maintaining our licence to operate – building a sustainable post exit future at Koffiefontein

Petra is committed to leaving Koffiefontein with opportunities to sustain the community long after our operation closes. The community has been a host to Petra Diamonds since 2007, with Koffiefontein employing more than 400 people.

Our responsible exit plan for Koffiefontein, which is under care and maintenance, includes decommissioning, rehabilitation and closure programme. As part of this process we have embarked on a social transition programme that will create multiple projects to generate as many new jobs as possible after the mine closes.

We have partnered with several stakeholders to help ensure that the community is not excluded from the process and that Petra clearly understands what they require. These stakeholders include representatives of retrenched employees, community structures and organised labour, who all comprise the programme's Social Transition Committee.

In March 2023, 394 Koffiefontein employees were retrenched – 81 employees were re-engaged on limited duration contracts on the care and maintenance team, and another 42 were transferred to either Group, Cullinan Mine or Finsch.

In addition, Petra has earmarked funding towards social transition projects, which may include rehabilitation activities where partnerships will be sought with community structures. Over R40 million will be spent on these projects by FY 2025, including on local economic development, alternative economic development and CSI projects. A new ESD programme will be implemented to drive training.

Petra is assessing other non-mining-related sustainable businesses such as in agriculture. The mine has also ring-fenced R10 million for a water infrastructure project in Letsemeng Local Municipality, where Koffiefontein is located.

The details of the project are yet to be defined but Petra will also appoint an engineer, possibly from among the retrenched employees, to work with the municipality on the project. The engineer's salary will be paid by Petra.

Petra is partnering with the healthcare non-profit Right to Care, the Department of Health and the local government to provide sustainable healthcare services to Koffiefontein. We are currently conducting a baseline assessment of how these healthcare services will be provided. Options include building a new clinic, augmenting an existing facility or bringing in a mobile facility. The assessment will be completed in the first quarter of FY 2024.

In addition to these projects, Petra will ensure that qualifying former Koffiefontein employees can keep the houses they have called home for the past few years. This will be done through a subsidy which will see Petra paying up to 60% of the current market value for approximately 160 houses, with the balance being paid off by the former employees. See page 54 for more information.





Human rights, security and indigenous peoples

Upholding human rights

Petra recognises its responsibility to respect the human rights of all individuals within any area in which we have an impact or influence. We understand how our operations and activities can negatively affect human rights and we work to identify and address adverse human rights impacts connected to our business.

Key features FY 2023

- ▶ Continued observance of the Voluntary Principles of Security and Human Rights
- ▶ Roll-out of Petra's Respecting Human Rights Defenders Procedure
- ▶ In Tanzania, the IGM became operational with the commencement of the pilot phase (which itself ended in May) and further progress was made on the RJP

SDGs




Stakeholders


Employees, contractors, and unions
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business

Progress against FY 2023 objectives

Continue to implement actions to address the findings of the external investigation into the allegations of human rights abuses at Williamson through, among other things, the IGM becoming operational, making further progress on the RJP and continuing to use learnings to enhance security systems and procedures at both the Group and the operations 

Continued assessment of Petra's exposure to the risks of existing and prospective contractual third parties, including human rights risks, through the roll-out and implementation of the new due diligence policy and procedures 

KEY



Achieved/good progress



In progress



Limited progress

Human rights KPIs

97%

OF SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

FY 2022: 100%

59%

OF EMPLOYEES IN SUPERVISORY AND MANAGEMENT POSITIONS COMPLETED HUMAN RIGHTS TRAINING



Human rights, security and indigenous peoples (continued)

Our ambition

Petra is committed to upholding the human rights of all our stakeholders in line with our Human Rights Policy Statement and our Respecting Human Rights Defenders Procedure. The latter reiterates our commitment to respecting the rights of human rights defenders or anyone raising concerns about our activities.

We will continue to undertake regular risk assessments across the Group, particularly in respect of our security systems, and our interactions with and impacts on communities. We will continue to provide training to employees and contractors to help them recognise potential human rights impacts and to require them to act in accordance with our policies.

We are committed to acting in line with internationally recognised human rights standards and guidelines and all legislation pertaining to human rights in the countries where we operate.

Our approach

Ethical behaviour is fundamental to how we operate and underpins our relationships with all our stakeholders. This commitment is at the heart of our approach to human rights, where we must effectively balance the need to ensure that operational requirements are met and that our people are safe and our assets secure, while making every effort not to infringe on the rights of the people we employ or our other stakeholders.

Petra has committed to adhering to the UN Guiding Principles on Business and Human Rights (UNGPs) and has:

- ▶ Developed our Human Rights Policy Statement and Respecting Human Rights Defenders Procedure as a commitment to meet our responsibility to respect human rights
- ▶ Implemented human rights systems to identify, prevent, mitigate and account for how we address our impact on human rights
- ▶ Developed processes to enable the remediation of any adverse human rights impacts we cause or to which we contribute

We observe other internationally recognised statements and guidance, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Global Principles and the UN Declaration on Human Rights Defenders.

Petra applies the principles of the Voluntary Principles on Security and Human Rights (VPSHR) across all our operations. The VPSHR is a collaborative effort by governments, major multinational extractive companies and NGOs to guide companies on tangible steps that they can take to minimise the risk of human rights abuses in communities located near extraction sites.

Through continuous training, Petra promotes respect for human rights within the Company, and among our contractors and suppliers. All prospective security suppliers must endorse and be trained in line with the VPSHR.

None of our operations are located in or near areas of conflict, or in or near indigenous land (as defined by ILO Convention 169).

Performance in FY 2023

To ensure respect for human rights, we have undertaken to:

- ▶ Provide ongoing human rights training to our employees and contractors
- ▶ Respect human rights when security forces are deployed, where we are able to do so
- ▶ Respect the rights of human rights defenders and anyone opposing or raising concerns about our activities and behaviours
- ▶ Welcome diversity, treat all people equally and without unfair discrimination – see page [58](#) for further details on diversity, equity and inclusion
- ▶ Respect the rights of employees to collective bargaining – see page [51](#) for further details on our approach to constructive labour relations
- ▶ Deal respectfully with issues of land access – see the section on stakeholder engagement on page [83](#)
- ▶ Mitigate environmental impacts, including access to clean water – see the environmental section on page [61](#)

- ▶ Mitigate against child or forced labour. We do this through our rigorous recruitment and pre-employment vetting processes, strict adherence to the relevant local labour legislation, and the due diligence processes undertaken by our supply chain management. Our annual Modern Slavery Act Transparency Statement provides further detail and may be found on our website at <https://www.petradiamonds.com/about-us/corporate-governance/modern-slavery-act-statement/>
- ▶ Respect local and indigenous communities' resources, values, traditions and cultures. This respect is embodied in our approach to stakeholder engagement – pages [81](#) - [83](#). We reported no violations of the rights of indigenous people during the period under review
- ▶ Seek appropriate mitigation and redress where human rights have been impacted. See the section on the IGM and Restorative Justice Projects on page [34](#).

Human rights training

We have implemented extensive human rights awareness training at all levels within the Company, including the Board, management and employees, contractors and security personnel. In addition to specific training, which includes training on the VPSHR, induction training for all employees and contractors includes the impact of human rights in the workplace and the rights of human rights defenders.

Our security personnel (97%) are trained in human rights policies and procedures. All security personnel receive human rights training as part of their general induction and specific training on the VPSHR. A small number of individuals (3%) were prevented from receiving their training in FY 2023 due to annual and medical leave.

Petra seeks to ensure that all current and new managers receive human rights training. By the end of FY 2023, 59% of managers had completed training on human rights, and we are targeting 100% of all current managers in FY 2024. All new managers joining Petra will receive training as part of their onboarding and induction process.



Human rights, security and indigenous peoples (continued)

Performance in FY 2023 (continued)

Security and human rights

It is the role of our security personnel – both employees and contractors – to provide a safe and secure operating environment, while at the same time respecting human rights. For more information on our approach to securing our people and assets, see the section on security and cyber-security on page [101](#).

In South Africa, our security personnel operate only within the confines of Petra's properties. All South African security personnel are suitably qualified and are registered with the Private Security Industry Regulatory Authority. Their skills are continually refreshed through training that covers human rights (including VPSHR) training. Although a close working relationship is maintained with public security forces in South Africa, Petra does not provide them with any assistance or materials.

While illegal artisanal mining does occur in the diamond sector in South Africa, Petra has not experienced challenges with illegal miners accessing sites as our operations here are underground mines (compared to Williamson, which is an open pit). In addition, our mines are highly secured with trained personnel, cameras, double fences and perimeter guarding teams, making it difficult for illegal miners to gain access.

At Williamson in Tanzania, illegal artisanal small-scale mining is an ongoing risk, given the nature and scale of the operation and the challenges associated with securing such a large perimeter. We manage this risk through community and government consultation, policing patrols, physical infrastructure and the deployment of security technologies to detect intrusion and to proactively deter potential threats. This includes, for example, the installation of cameras on vehicles and cameras for day and night observation of the mine lease area. We have also erected 7km of double fencing, mainly around the open pit.

At Williamson (92%) of our security personnel have been trained on the VPSHR, with annual refresher training provided. Security at Williamson is carried out by mine security personnel and a private security contractor – GardaWorld – which has signed a contract requiring it to comply with the VPSHR. There is ongoing joint training on the voluntary principles. We have also signed a memorandum of understanding (MOU) with the Tanzanian police who monitor and guard the mine lease area at Williamson.

Human rights defenders

Petra's new Respecting Human Rights Defenders Procedure seeks to align with the UN's Declaration on Human Rights Defenders by committing Petra to:

- ▶ Recognising the value and important contribution of human rights defenders to peace, sustainable development and human rights
- ▶ Respecting human rights defenders on a non-discriminatory basis, protecting them against any arbitrary action as a consequence of the legitimate exercise of the rights referred to in the Declaration, and ensuring access to effective remedies in the case of violations and prompt and impartial investigations of alleged violations
- ▶ Reinforcing their work by creating an enabling environment within Petra, promoting public understanding of human rights, creating independent national institutions for the promotion and protection of human rights and promoting the teaching of human rights

These commitments are included in our induction and human rights training for all employees and in the VPSHR training that is conducted annually across all security teams.

Looking ahead

In FY 2024, we will:

- ▶ Continue to implement our Human Rights Policy Statement, both within the Company and our supply chain, through ongoing training and due diligence processes
- ▶ Continue to increase our responsiveness using and enhancing the infrastructure and technology deployed at our operations as security threats change and evolve. We will introduce acoustic sensor technology and drones at Williamson before rolling the technology out to other operations





Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania

Good progress with IGM and RJP in Tanzania

Petra has implemented various remedial initiatives to address the historical allegations of human rights abuses at Williamson. More information on these historical allegations can be found on Petra's website at: <https://www.petradiamonds.com/our-operations/our-mines/williamson/allegations-of-humanrights-abuses-at-the-williamson-mine/>.

Significant progress has been made in establishing a non-judicial IGM to investigate and resolve complaints alleging severe human rights impacts in connection with security operations at Williamson. This is overseen by an Independent Panel of Experts (IPE) taking an approach informed by Tanzanian law, with complainants accessing free and independent advice from local lawyers. The overall aim of the IGM is to promote reconciliation between Williamson, directly affected parties and the broader community by providing remedy to those individuals who have suffered severe human rights impacts.

Specialist external support is provided by Synergy Global Consulting (Synergy), a specialist consultancy with over 20 years' experience working with companies, governments and community-based organisations.

IGM becomes operational

The IGM became operational on 28 November 2022 with the commencement of the IGM's pilot phase. This followed extensive engagement on the IGM with national, regional and local government, as well as communities surrounding Williamson.

PwC Tanzania was appointed to perform the IGM Secretariat function – and in turn appointed members of the IPE, the Fact Finding Team, Grievance Officer and Legal Officers who form the other organs of the IGM. Intensive work was undertaken in onboarding and training all IGM personnel.

Two Independent Monitors were appointed in June 2022 to monitor and report on the functioning of the IGM: Femi Omere, a UK/Nigerian human rights lawyer with experience working on human rights issues across a range of jurisdictions, and Harold Sungusia, who has recently been appointed as the President of the Tanganyika Law Society.

The IGM's pilot phase, which was completed in May 2023, has enabled the IGM's processes and systems to be tested against the UNGP's effectiveness criteria and for the design of the IGM to be further developed and adjusted to take into account learnings. During the pilot phase, around 350 grievances were processed.

While the IGM was still being established, an interim mechanism was set up to allow community members to confidentially and securely register alleged historical human rights grievances.

A significant number of grievances (5,577) have been registered so far and the IGM's IPE has begun determining outcomes and, where the evidential threshold is met, awarding remedies.

The Independent Monitors have carried out their first review of the functioning of the IGM and a summary of their report will be published on Petra's website. The Independent Monitors will carry out further reviews of the IGM every six months, with summaries of their reports also being published on Petra's website.

Substantial progress on RJP

Considerable progress has been made in implementing the RJP aimed at providing long-term sustainable support to communities close to Williamson.

Petra has placed all the funds needed to meet its financial obligations regarding these projects in an escrow fund (amounting to £1 million). Synergy is responsible for overseeing the delivery of these projects and to that end works with key NGOs and independent experts and, where needed, with Petra and Williamson.

These projects include:

- ▶ Medical services project
- ▶ Income generating projects in the form of an Agribusiness Development Initiative (ADI), following the outcome of the feasibility studies on the ADI and ASM projects (see below)

Petra has also committed to provide the following community projects which do not form part of the settlement:

- ▶ Sexual and gender-based violence (SGBV) project
- ▶ Radio outreach project

Further details on each of the projects listed above are set out below.

Petra has also implemented other projects to benefit local communities. These include giving local communities access to the mine lease area to collect firewood, delineating the mine lease area and appointing women security guards and safety marshals from the local communities.



Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania (continued)



Medical services project

The need for the project:

During town hall/community engagements with the surrounding 12 villages, a need for physiotherapy and rehabilitation services was identified. These services are extremely limited in Kishapu District, with the nearest referral centres 170km away in Mwanza.

About the project:

The project, which started in January 2022, provides physiotherapy and rehabilitation services for the communities in the vicinity of the mine. The project also includes delivering psychological support services, an outreach and engagement programme, and the provision of surgeries, medication, prescriptions and orthopaedic medical devices.

Project impact:

Since inception the project has seen high patient numbers, thanks to extensive awareness campaigns in the communities. As of the end of March 2023, there had been 3,053 physiotherapy consultations and eight surgeries completed, with a further list of potential surgery patients identified. In addition, 50 SGBV survivors and 35 physiotherapy patients have received psychotherapy support services and 26 orthopaedic devices have been given to patients. The high demand for these services resulted in Petra providing additional funding for the project.

Next steps:

The funds available, including the additional funds committed by Petra, will allow the project to continue until the 2024 calendar year.

SGBV project

The need for the project:

During town hall community engagements with members of the 12 surrounding villages, issues of rape, gang rape and teenage pregnancies within the community were raised. Shinyanga has the country's highest rate of child marriages, and the average rate of pregnancies below the age of 19 is high. The dropout rate for boys and girls from secondary school was twice the national average, and the incidence of spousal violence is one of the highest rates in the country.

About the project:

The project was aimed at reducing SGBV in the communities by:

- ▶ Assessing the extent of SGBV in surrounding communities
- ▶ Identifying the underlying causes fuelling such violence
- ▶ Increasing community capacity (including government) to help ensure an effective response

The project was implemented in partnership with a local SGBV NGO, called HerDignity.

Project impact:

During the course of the project:

- ▶ Extensive engagement with government and community stakeholders – representing more than 2,500 community members and 130 district officials – was undertaken
- ▶ 37 male champions/allies were trained to help identify potential instances of SGBV and create safe spaces for survivors
- ▶ 46 survivors were supported and trained to help identify instances of SGBV
- ▶ 12 support groups were established, involving 306 women
- ▶ 226 government first responders were trained to understand SGBV, their role and how to respond, report and build a database on SGBV
- ▶ 22 individuals were trained as community advocates
- ▶ A registered CBO was capacitated with the skills to support and understand the root causes of community issues and find a community-based solution

Overall, the project reached over 3,000 individuals, resulting in impactful qualitative changes such as women being more able to seek support, increased official reporting and action, and girls being supported to return to school after SGBV incidences. The number of SGBV victims who reported SGBV and have been assisted has steadily increased.

Next steps:

The SGBV project came to an end in April 2023 after 15 months (including a three-month extension). Consideration is being given to its extension.



Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania (continued)



Radio outreach project

The need for the project:

The importance of raising awareness and ensuring understanding of the IGM and RJP.

About the project:

The project entails finding effective ways to reach communities to communicate, raise awareness and help ensure understanding of the RJP and IGM. It produced and aired eight radio shows of 15 minutes each on various topics, including the environment, firewood access and boundaries, the SGBV project, the medical services project and the workings of the IGM. Each show allowed for questions. Listening Club sessions facilitated across the 12 surrounding communities aimed to deepen understanding of and engagement with the radio show.

Project impact:

A pre and post survey was conducted with 168 Listening Club members and 24 community members to measure the impact of the radio project. Overall, the results indicated a high level of awareness of the IGM and RJP after the programmes were aired.

Next steps:

The project ended at the end of July 2023. An extension of the project is under consideration.

Income generation projects

Two projects were given consideration to stimulate income generating opportunities for the communities around the mine. An income generation project is a central part of Petra's commitment to building a healthy, lasting and resilient relationship with Williamson's neighbours. Two focus areas were agreed upon namely agribusiness and artisanal small-scale mining (ASM). Studies were completed in both focus areas to evaluate the feasibility, sustainability and impact of prospective interventions. To ensure a fair and objective assessment, external independent experts reviewed the reports and gave direct feedback to the consultants implementing the studies.

In addition, Synergy developed an assessment framework that focused on relevance, feasibility, impact and sustainability. The framework was used to assess the agribusiness and ASM feasibility reports. After detailed consideration, it was decided that the agribusiness project would be pursued. The ASM project was not pursued any further at this stage for a number of reasons, including the very high starting costs and the risk of inconsistent availability of material of sufficient quality.





Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania (continued)

ASM feasibility

For detailed information on the ASM feasibility study, see our website: Income Generating Projects Progress Report (July 2023) (petradiamonds.com).

The need for the project:

The feasibility study aimed to understand what sustainable, responsible and legitimate artisanal diamond mining project could be developed in the local area, to increase economic and wider community benefits, improve the relationship between Williamson and surrounding communities, and reduce incentives for illegal diamond mining.

About the project:

Two specialist entities, TDi Sustainability and Solidaridad, were selected as feasibility study partners. The project's two-phased approach involved:

- ▶ Initial field and desk research followed by a socio-economic mapping of activity in the 12 villages around Mwadui. Models for potential ASM projects were developed following the engagements
- ▶ A second round of stakeholder engagements and research in Shinyanga took place in January 2023, allowing for in depth stakeholder participation and engagement between Williamson and community leaders, community groups, NGOs, the Regional Mining Officer, and District and Regional Commissioners

Project impact:

During the process of feasibility review, both models were discounted for the following reasons:

- ▶ They would breach the restrictions contained in the terms of the mining licence
- ▶ The high initial costs involved
- ▶ Uncertainty around the economic benefit that could be delivered to the surrounding communities due to the low productive capacity of the areas under consideration
- ▶ Concerns about the health, safety and environmental risks associated with them

Next steps:

Williamson will continue to keep potential ASM projects under review as part of its ongoing engagement with local communities. Synergy will continue to engage with the communities, and it started providing feedback on the outcome of the ASM feasibility study in June 2023.





Update on Independent Grievance Mechanism and Restorative Justice Projects in Tanzania (continued)

Agri-business development initiative feasibility

For detailed information on the agri-business feasibility study, see the website: Income Generating Projects Progress Report (July 2023) (petradiamonds.com).

The need for the project:

The purpose of the feasibility study was to understand what sustainable, responsible and legitimate agricultural project(s) could be developed in the local area to increase economic and wider community benefits, improve the relationship between Williamson and surrounding communities and diversify economic opportunities.

About the project:

A scoping study completed by Space & Development Company Limited (SpaDe) in February 2022 indicated that there was a supportive institutional environment and markets for produce locally. This was followed by a comprehensive feasibility study entailing a detailed empirical study, analysis of the district's agriculture extension reports, spatial analysis of natural resources and coverage of production activities and tracing of the production value chain through product path analysis (from inputs through production to markets and customers within the communities).

Project impact:

The participatory project design process resulted in the identification of two key focus areas:

- ▶ The development of Charco-dams is expected to improve the plight of the 35% of households in surrounding communities who must walk more than 1km to access water. Besides providing a fundamental resource, the dams will support additional activities such as market gardens, fish farming, the rearing of livestock, bee keeping and reforestation
- ▶ Mixed breed chicken rearing aimed at increasing the number of households involved in commercialised small and medium scale poultry businesses

Next steps:

In order to manage project risks, a scalable model has been adopted, starting with a pilot focused on a smaller number of chicken rearing beneficiaries and one Charco-dam development. This helps to ensure that the wider roll-out can be managed effectively to provide the maximum economic benefit to local communities.

Other projects

A range of other projects have also been implemented. These included more precise mine lease area delineation, the provision of access to the mine lease area for both firewood collection and grazing by the communities' animals, the appointment of women security guards and/ or safety marshals from the local area and an awareness campaign in local communities to explain and promote understanding of the mine lease area delineation and the processes in place for accessing it for firewood and grazing.

As a result, the mine has:

- ▶ Improved the delineation of the mine lease area by using large painted white stones to clearly mark the mine lease area
- ▶ Granted access to local communities to collect firewood on the lease area in a controlled manner
- ▶ Raised awareness of the mine lease area delineation and firewood projects among the community through the radio programme
- ▶ Appointed nine women safety and security marshals from surrounding communities

However, restrictions on livestock grazing in the mine lease area remain because of the environmental impact caused by cattle, as well as the need for strict control of where cattle roam.





Valuing our people

In this section

Our purpose and strategy can only be realised through our people. It is our foremost priority to ensure their safety, health and wellbeing, to create a clear and compelling culture that supports diversity, employs and retains the right people for each role and develops them to reach their full potential.

In this section:

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- 47 Attracting and retaining talent
- 51 Constructive labour relations
- 54 Training and development
- 58 Diversity and inclusion





Clear and compelling culture

Embedding a clear and compelling culture

Petra has undergone substantial changes over the past few years that have resulted in a far more agile and nimble organisation. With the success of the Company's financial turnaround, we are now on a journey to create a clear and compelling culture for the organisation.

Our culture is the framework that enables us to execute our strategy while allowing the business to deliver, sustain and accelerate ongoing improvements. By developing the Petra Culture Code, our aim is to successfully deliver on both our value-led growth strategy and our Sustainability Framework while ensuring a sustainable future for the organisation.

Key features FY 2023

- ▶ Successful Petra Culture Code implementation through intensive employee participation and engagement
- ▶ Results of two Culture Code surveys conducted during the Year
- ▶ Positive Culture Code Index trends in South Africa
- ▶ Staff sentiment at Williamson affected by tailings failure and care and maintenance, but on the road to recovery

SDGs



Stakeholders

Employees, contractors and unions

Material matters

- ▶ Employee safety, health and wellness
- ▶ Diversity, inclusion and employee development

Progress against FY 2023 objectives

Continue to embed the Culture Code in the business	✓
Undertake biannual Culture Code surveys	✓
Improve Culture Code Index as a measure of staff engagement and survey participation rates	✓

KEY



Achieved/good progress



In progress



Limited progress

Our ambition

Our ambition is to lead the development of a culture that encourages all our employees to feel a sense of belonging, one that they can actively influence and contribute to. Having co-created our Culture Code, we continue to support positive culture development through communication, measurement and responsiveness. Importantly, culture-related KPIs are also linked to performance improvement and remuneration.

Our approach

In FY 2022, Petra embarked on a comprehensive process of building and embedding a renewed culture. This process was a highly inclusive, bottom-up approach that allowed all employees and contractors to add their voice to the development of our culture, helping us to understand what they would like to see more of and what they would like to see less of, all in the context of creating a highly productive and sustainable organisation. We call this outcome our Petra Culture Code.

Culture KPIs

89%

CULTURE CODE SURVEY PARTICIPATION RATE

1.04*

CULTURE INDEX

FY 2022: 0.95

* Excludes Williamson

Clear and compelling culture (continued)

Our approach (continued)

This Culture Code reflects the culmination of employee feedback on current enabling and disabling factors at Petra. Having received more than 10,000 points of feedback, this was distilled into 31 themes and employees were again asked to vote on the top themes. This, together with leadership consideration, resulted in the identification of ten enablers and ten disablers. Through a comprehensive engagement process, employees and contractors developed and designed the iconography behind these enablers and disablers, as well as the communication processes to socialise and embed the Culture Code.

Petra Culture Code surveys, which are anonymous, are now undertaken biannually, either online or through a paper-based process. These result in a detailed analysis of enablers and disablers at the Group and operational, discipline and department levels, as well as a Petra Culture Code Index and a Micro Formula.

The Petra Culture Code Index is calculated as follows: the sum of the enablers of success – things we must do more of (rated on a scale of 1 to 3, where 3 is often and seldom is 0) – is divided by the disablers of success – things we must do less of (rated on a scale of 1 to 3, where 3 is often and 0 is seldom). An index of greater than 1.00 means that the top line enablers are more active than the bottom line enablers. A growth in the index is desirable over time. The micro formula involves the identification of the top two enablers and disablers that should be the focus for action in the coming six months.

For more detail on the development and roll-out of the Culture Code, see pages 12 to 15 of our Annual Report 2023.

Performance in FY 2023

Having developed the Petra Culture Code in FY 2022, the emphasis for FY 2023 has been in socialising and embedding the Code and undertaking the first biannual surveys. Socialising the Code was again a highly participative process that included industrial theatre, videos, competitions, toolbox talks, and various printed media.

The first Petra Culture Code Survey was undertaken in November/December 2022, with a participation rate of 85% and a Culture Index of 0.95 achieved. The micro formula identified two key enablers: Empowering our people and Recognition and appreciation, and two key disablers: Favouritism and discrimination and All talk, no action. In addition to understanding the ranking of

key enablers and disablers, the survey also indicated whether participants felt that feedback was given and whether actions were taken.

Each operation is tasked with a clear process of engagement and action planning, with an emphasis on co-created actions.

The second Petra Culture Code Survey was undertaken in May 2023, with a participation rate of 89% and a Culture Index of 1.04 (Williamson excluded). The Micro Formula identified two key enablers: Empowering our people and Health and safety first, and two key disablers: Favouritism and discrimination and All talk, no action. The outcomes of this survey fed into our performance management system, as culture is a KPI for all line managers.

In the second survey, the Culture Index showed a slight increase on the first survey, with differing outcomes at different operations. The positive shift in the Petra Culture Code index from 0.95 to 1.04



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is indicative of an improved culture, with a reduction in disabling behaviour and increased enabling behaviour. Not unexpectedly, the outcomes at Williamson were affected by the care and maintenance plan that was in place for a period after the tailings failure.

Pleasingly, we have seen an increase in the participation rate between the two surveys, indicating an increase in trust in the process and a belief that action will be taken.

Looking ahead

In FY 2024 we will:

- ▶ Continue to embed our Culture Code
- ▶ Undertake biannual Culture Code surveys, focusing on maintaining participation
- ▶ Seek to show a positive trend in the Culture Code Index thereby demonstrating an improvement in staff engagement



Safety, health and wellbeing

Ensuring the safety, health and wellbeing of our employees and communities

We recognise that mining is a potentially hazardous occupation, both from a safety and occupational health perspective. Keeping our employees safe and healthy is our first priority, and we continuously seek and implement innovative ways to progress towards our goal of zero harm. Moreover, we encourage and support the health and wellbeing of our employees through access to healthcare and the adoption of healthy lifestyles. Our responsibility to provide access to healthcare and prevent the spread of diseases extends beyond our workforce and into host communities, where we seek to partner with host governments and invest in healthcare initiatives.

Key features FY 2023

- ▶ Continued focus on safety, health and wellbeing
- ▶ Increase in TIFR and marginal increase in LTIFR as expansion projects at Cullinan Mine and Finsch ramp up
- ▶ Consistent compliance with chronic disease monitoring – 90% in South Africa and 39% in Tanzania
- ▶ 100% compliance with the South African Department of Health's tuberculosis (TB) milestones
- ▶ Mental health baseline assessment in progress

SDGs



Stakeholders

Employees, contractors and trade unions
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Employee safety, health and wellness
- ▶ Compliance and risk management

Progress against FY 2023 objectives

Safety

0 fatalities	✓
20% reduction in LTIs	✗
20% reduction in total injuries (LTIs and NLTIs)	✗
90% achievement of safety KPIs	✗

Health, hygiene and wellness

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

KEY



Achieved/good progress



In progress



Limited progress

Safety KPIs

0

FATALITIES

FY 2022: 0

17

LOST TIME INJURIES (LTI)

FY 2022: 15

41

TOTAL INJURIES (TI)

FY 2022: 34

0.59 PER 200,000

HOURS WORKED

TOTAL INJURY FREQUENCY RATE (TIFR)

FY 2022: 0.50

0.24 PER 200,000

HOURS WORKED

LOST TIME INJURY

FREQUENCY RATE (LTIFR)

FY 2022: 0.22

Health, hygiene and wellness KPIs

9,064

MEDICAL EXAMINATIONS

FY 2022: 8,643

11

CASES OF NOISE-INDUCED* HEARING LOSS

FY 2022: One

93%

OF HIV/AIDS CASES DIAGNOSED ON TREATMENT

100%

OF TB CASES DIAGNOSED ON TREATMENT

(FY 2022: 93% HIV/AIDS; 100% TB)

* Associated with the decision to place Koffiefontein on care and maintenance



Safety, health and wellbeing (continued)

Our ambition

Our commitment to safety means ensuring the safe return home of our employees and contractors, every day. This also means protecting communities from potential hazards originating from our operations.

Our goals are to:

- ▶ Transform operational risk towards proactive, real time risk management
- ▶ Implement and monitor critical controls, critical safe behaviours and the performance effectiveness of critical controls
- ▶ Foster a safety-first culture in the journey towards zero harm regarding health and wellness; our ambition is to have holistic initiatives and programmes that address health risks in the workplace and in host communities

Our approach

Risk-based management approach

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 can be summarised as followed:

- ▶ Risks are assessed and controls implemented as required by our codes of practice, policies, procedures and management instructions
- ▶ Critical controls are identified for all significant hazards and are then assessed to ensure they are effective
- ▶ The outcome from continuous risk assessments, management walkabouts, visible felt leadership interventions, internal audits and regulatory inspections are analysed, prioritised and formally actioned through remedial action plans
- ▶ Detailed investigations are carried out on all dangerous occurrences and accidents using the root cause analysis model. Once the cause is established, we conduct an analysis and develop action plans to prevent re-occurrences
- ▶ Where occupational exposure limits may be exceeded, all employees and contractors are provided with suitable personal protective equipment (PPE) and trained on how to use PPE

Our health and safety standards and targets seek to ensure regulatory compliance as a minimum and are aligned with international performance requirements and industry body guidelines. All our South African operations are ISO 45001:2018 (health and safety standard) certified.

Employee participation and training

Our approach encourages active employee participation to promote a safety culture. Petra's Health and Safety Committee monitors safety KPIs at each of the operations and reports back to the Board. Each mine's Health and Safety Committee is made up of supervisors and trade union and management members who address concerns raised in consultation sessions with unions.

Petra trains all employees and contractors in health and safety, as well as in eliminating, controlling and minimising workplace hazards and risks. We ensure that employees understand that they have a right to withdraw from unsafe working areas.

Health and wellness

Petra's health and wellness initiatives focus on stress awareness, mental health and non-communicable diseases such as diabetes and hypertension, as well as encouraging healthy lifestyles for our employees.

In South Africa, the Company contributes monthly to employees' medical aid fund premiums. We also provide employees with a comprehensive wellness programme, through the Careways Group. The programme offers employees and their families lifestyle, psychological, financial, legal, and substance dependence counselling and assistance.

At Williamson, Petra subsidises primary healthcare for employees, their dependants, and surrounding communities. The subsidy is in addition to the Social Health Insurance Benefit Scheme provided by the Government. Williamson also has a community health programme that includes malaria control and education, and provides training to healthcare professionals.

Our performance in FY 2023

Safety

Petra continues to target a zero harm working environment. Our 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 lost time injuries (LTIs) annually.

Petra did not experience any loss of life at our operations in FY 2023 (FY 2022: 0) and reported:

- ▶ A 21% deterioration in total injuries
- ▶ A 13% deterioration in LTIs
- ▶ A 65% improvement in the lost time injury frequency rate at Finsch

The primary causes of LTIs related to unsafe behaviour (73%) and unsafe conditions (27%). Significant hazards resulting in LTIs were mainly material handling (40%) and walking – slip, trip and fall – (26%). Contractors were affected in 65% of LTIs, and employees in 35%. The greater contractor contribution can be attributed to the ramping up of the expansion projects at Cullinan Mine and Finsch, and the old plant demolition at Cullinan Mine.

The improvements at the Finsch mine supported the reversal in the safety performance trend which was seen in the last quarter of FY 2023.



Safety, health and wellbeing (continued)



Case study

Health and safety first

Behavioural-related accidents have inspired Petra, in line with the Petra Culture Code, to place considerable focus on initiatives that will enhance our performance and promote a positive mindset, ensuring a healthy and safe working environment. This includes workplace engagement events focused on:

- ▶ Embedding the Petra Culture Code throughout the organisation
- ▶ Focused leadership and workforce health and safety engagements and conversation
- ▶ Visible felt leadership – focus by Manco and line management
- ▶ Enabling empowerment and accountability through engaged leadership
- ▶ Building partnerships, thereby enabling positive behaviour and building trust and confidence amongst the workforce

Our performance in FY 2023 (continued)

Safety performance: Group

	FY 2021	FY 2022	FY 2023
LTI	25	15	17
LTIFR per 200,000 hours worked	0.44	0.22	0.24
TI	42	34	41
TIFR per 200,000 hours worked	0.75	0.50	0.59
Fatalities	0	0	0

LTIFR per 200,000 hours worked (per mine)

	FY 2021	FY 2022	FY 2023
Cullinan Mine	0.43	0.12	0.47
Finsch	0.66	0.63	0.22
Koffiefontein	0.73	0.14	0.25
Williamson	0.00	0.06	0.00
Group	0.44	0.22	0.24

Health

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.

Our health strategy addresses the following three focus areas:

- ▶ Managing occupational health risks to prevent harm to our workforce
- ▶ Building partnerships with external health service providers to strengthen health systems
- ▶ Implementing employee health and wellbeing programmes

Occupational health programme

Our occupational health programme's primary focus is to manage and decrease exposure in the workplace to acceptable levels and prevent associated occupational diseases. This involves 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.

Employees are given appropriate PPE, such as respiratory protection and personalised hearing protection devices in workplaces where an occupational exposure limit might be exceeded. Regular compliance monitoring is undertaken.



Safety, health and wellbeing (continued)

Our performance in FY 2023 (continued)

Health (continued)

Medical examinations and performance

In FY 2023, a total of 7,649 (FY 2022: 7,000) medical examinations were conducted across all our South African occupational health clinics and 1,415 medical examinations were carried out at Williamson by the occupational safety and health administration (OSHA) (FY 2022: 1,643).

We monitor compliance on an ongoing basis and report that in FY 2023:

- ▶ We achieved 100% compliance with medical certificates of fitness (FY 2022: 100%). This means that all active employees at Petra's operations conducted their mandatory annual medical examinations within FY 2023. In addition, other required medical examinations such as pre-employment, special and exit medicals were also conducted
- ▶ Good compliance with chronic disease monitoring – 90% compliance in South Africa and 39% compliance in Tanzania (FY 2022: 91% and 68%). The reduction in compliance with chronic disease monitoring in Tanzania was due to the suspension of operations at Williamson for a major portion of the Year after the TSF failure

Medical examinations

	FY 2021	FY 2022	FY 2023
Medical examinations	8,132	8,643	9,064

All recorded TB cases were non-occupational and acquired in the community.

Measures to reduce noise levels have resulted in the near elimination of instances where employees are exposed to personal noise levels above the threshold limit of 105 dB(A). All our noise-induced hearing loss (NIHL) cases above 10% were submitted to Rand Mutual Assurance for assessment to determine their eligibility for compensation. The significant increase in NIHL at Koffiefontein was as a result of employees undergoing exit medical examinations, a result of Koffiefontein's being placed under care and maintenance.



Case study

Focus on chronic disease monitoring

Chronic disease monitoring is an integral part of our approach to safety, health and wellbeing. Our South African operations focus on chronic diseases such as hypertension, one of the most significant causes of premature deaths in the country. We also monitor for diabetes, epilepsy, TB and HIV. Our priority is to ensure employees and contractors with hypertension are managing their condition.

We have a high level (90%) of hypertension monitoring among employees and contractors in South Africa. Approximately 8% of our workforce in South Africa have been identified as suffering from hypertension and over the past two years. The results of our efforts include:

- ▶ The use of access control systems to direct employees on the programme to medical staff for scheduled appointments
- ▶ Medication that is directly administered and dispensed (where applicable)
- ▶ Promotion of wellness initiatives through awareness programmes, monthly focus topics and campaigns

Hypertension monitoring in South Africa (% of those identified as suffering from condition)





Safety, health and wellbeing (continued)

Our performance in FY 2023 (continued)

Health (continued)

Healthcare for all employees and their families

We seek to provide access to quality healthcare to all our employees and their families.

In South Africa, all full-time, permanent employees are required to belong to an approved Medical Aid Fund to help ensure that employees' primary healthcare, chronic needs and trauma incidents are provided for. Contract employees are referred to state medical facilities for treatment.

In Tanzania, employees benefit from the Social Health Insurance Benefit Scheme (SHIB), which 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 has a fixed agreement with the NSSF regarding social securities and health benefits.

Subsidised primary healthcare is also provided to employees, their dependants and external communities by the Mwaui Hospital, which is owned and operated by Williamson. 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.

The Mwaui Hospital undertakes various health programmes with the Tanzanian Government. These programmes include mother and child health, malaria prevention, voluntary counselling and testing, and anti-retroviral treatment for HIV/AIDS. Services are offered free of charge to employees, their families and community members, with the financial support of the Tanzanian Government, with infrastructural and services support from Williamson.

We have partnered with South Africa's Tshwane University of Technology on a mental health baseline assessment conducted at all our South African operations following an increase in employee assistance programme referrals due to stress-related alcohol abuse in FY 2022. The results of the survey, which will be available in FY 2024, will be used to support employees' mental wellbeing.

In addition to primary healthcare and occupational health services, Petra has an extensive wellness programme in place to prevent, identify, monitor and support employee illnesses and conditions. Petra has partnered with Life EHS Careways to guide and counsel employees and contractors on mental health and other wellbeing issues.

All Petra employees and contractors are offered voluntary testing for HIV/AIDS every year. In FY 2023, 1,621 employees (32% of our workforce) participated in voluntary testing during the Year (FY 2022: 1,373 and 26% respectively). In total, 105 employees (across all our operations) are enrolled in our HIV wellness programme (FY 2022: 117) with 93% of these participating in the ART programme.

Williamson manages an active community health programme in Tanzania that includes the support of health infrastructure, monitoring of health indicators, training for healthcare professionals and a malaria control programme. Its educational initiatives focus on TB control, alcohol and drugs, diabetes and hypertension, and sexual and reproductive health.

In FY 2023, 546 people (FY 2022: 176 people) were diagnosed with malaria at Williamson, all of whom received treatment.

Looking ahead

At Petra we will continue our pursuit of zero harm, and the provision of and access to healthcare support to employees, their families and community members.

In FY 2024, we aim to:

- ▶ Identify critical controls and develop performance standards in our continuous efforts to prevent injuries and fatalities
- ▶ Implement a new investigation methodology – Incident Cause Analysis Method
- ▶ Implement new software which digitises safety reporting by drawing relevant information from departments into one user-friendly interface. Managers and employees can then analyse the data to mitigate risk on a continuous basis
- ▶ Study the mental health baseline survey report and use its recommendations to conduct focused mental wellness programmes





Attracting and retaining talent

Focus on attracting and retaining scarce talent

In an industry where skills shortages are a challenge, Petra remains focused on attracting, developing and retaining high-calibre, capable people. The scarcity of specialised skills in local, often rural mining communities, and difficulty in attracting skills from larger urban areas make it crucial for the Company to think creatively about attracting, developing and retaining identified critical and scarce skills through targeted interventions.

Key features FY 2023

- Organisational design, remuneration approach and performance management frameworks finalised and implemented

SDGs



Key stakeholders

Employees, contractors, and unions

Local communities and NGOs

Material matters

- Diversity, inclusion and employee development

Progress against FY 2023 objectives

Finalise 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 remuneration guidelines	✓
Finalise and implement the Petra Culture Code	✓
Finalise the operational remuneration guidelines, including variable components (production bonus and short-term incentive schemes)	✓

KEY



Achieved/good progress



In progress



Limited progress

Human resource and talent KPIs

5,033

PEOPLE EMPLOYED

3,040

permanent employees

1,993

contractors

FY 2022:
5,265 people employed
3,474 employees
1,791 contractors

3.7%

VOLUNTARY EMPLOYEE TURNOVER

FY 2022: 3.5%

US\$124.7m*

PAID TO EMPLOYEES

FY 2022: US\$146.0m

* Decrease related local currencies bring significantly weaker against the US Dollar in FY 2023 and reduced employment at Williamson



Attracting and retaining talent (continued)

Our ambition

Petra's continued success hinges on our ability to attract and retain exceptional skills that will help ensure that the Company remains a competitive and sustainable business.

To achieve this desired state, our revised people journey commenced in FY 2020 with the organisation redesign to allow for better integration and standardisation across Petra's South African operations to drive improved efficiencies. A clearly articulated operating model was developed and implemented which enables Group functions to better support the operations in delivering operational excellence with clearly defined accountabilities and responsibilities. In FY 2021 and FY 2022, the deep dive into organisation design and job evaluation enabled development of a set of operational remuneration guidelines based on fairness and transparency. In early FY 2023, this process culminated in the implementation of salary adjustments to align with South African mining sector salary scales and address retention. We are currently formalising our talent management approach to support strategic human capital decisions focused on succession planning, employee development and engagement optimisation.

Our talent management approach is integral to Petra's overall strategy. Its main objective is to build capacity to support the business and operational strategies by developing the right organisational structure, supported by the right mindsets and behaviours.

In FY 2023, our new performance management system was implemented. This system is aligned with the Valuing our People pillar of our Sustainability Framework, which guides the goals and targets we have set for ourselves as a Company, cascading them down to individual goals and targets. The approach adopted is three-fold: hold managers and employees accountable for ongoing conversations (both formal and informal); conduct forward-looking reviews (performance and skills required in the future); and foster a culture of open and honest feedback.

Performance management is applicable to all our Managers, Senior Managers, General Managers and Executives to ensure strategic alignment with the Company's purpose, Sustainability Framework and business objectives. Agreed goals and KPIs guide performance assessments and ratings, which in turn inform annual increases and incentives.

In addition, performance management is a culture shaping process, incorporating strategic planning, engagement and partnering, and development.

Interaction management modules guide and support managers to help ensure consistent application of the managing people principles and processes which are aimed at embedding a culture of openness, trust and empowerment, balanced by a sense of personal responsibility and accountability. These modules capacitate our managers and supervisors to lead discussions on crucial business topics such as goal setting, addressing poor performance, ensuring ongoing engagement and sustaining trust.

In South Africa, Petra prioritises the hiring of employees from local communities, in line with commitments made in our SLPs. There is a similar commitment in Tanzania. However, in many respects, the local employment pool is limited and there are also difficulties in attracting employees with specific specialised skills from larger urban centres.

Finsch provides ongoing support through its human resource development initiatives. This support includes providing transportation assistance for learners, subsidising five learners and administering an annual aptitude test for their Grade 10 subject choices for Grade 9 learners (FY 2023: 126 learners).

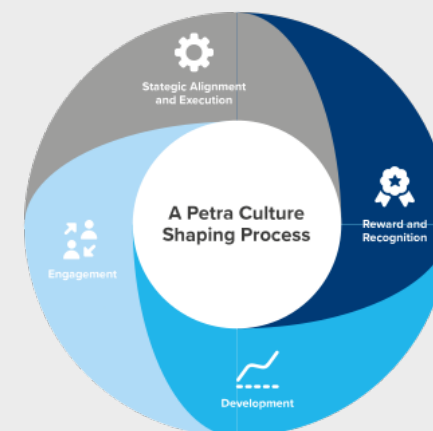
Our performance management system

Strategic alignment and execution, as business management processes, focus on strategic planning; the alignment of goals and strategic delivery; cascading of goals; monitoring delivery against goals and performance contracting targets recorded in the performance management system.

Engagement and partnering are characterised by regular, focused conversation around shared purpose and practices. This is an inclusive and two-way process aimed at ensuring honest, direct conversations to achieve our strategic objectives, cascade goals from Exco to all managers and retain talent.

The **reward and recognition** process supports shared purpose and goals and positively reinforces excellence in behaviour and performance. It builds employee engagement, helping to increase job satisfaction and promoting the retention of talent. This process also supports a culture of performance excellence and enables achievement of our goals.

The **development** process identifies those learning and development needs required to close performance gaps and to achieve career goals/aspirations.





Attracting and retaining talent (continued)



Case study

Investing in communities to develop a skills pipeline

In a move that provides sustainable benefits to the Company and to communities close to Finsch, in the Northern Cape, Petra invested R6.9 million in the construction of additional facilities at the Danielskuil Technical High School in the Tlhakalatlou community, 10 km from the mine.

The project underlines Petra's commitment to creating lasting value for all stakeholders and to making a positive impact in our communities. It will enhance employment prospects in the community, improve skills and ensure a talent pipeline for the mine by equipping learners with much-needed technical skills and empowering them to address community challenges and contribute to sustainable solutions.

Challenges facing the communities near the mine include high unemployment, alcohol abuse, lack of health facilities, lack of waste management options, low education and skill-sets, and the need to use communal taps and toilets because of the lack of such facilities within homes.

Social impact assessment studies conducted in 2016 and 2022 revealed that communities around the mine lack sufficient skills to capitalise on available job opportunities at the mine. Technical training will increase the likelihood of talent retention for the mine as learners will be more inclined to seek employment in their home town if there are viable employment opportunities.

Founded in 1907, the school caters to a diverse group of learners, with most learners coming from previously disadvantaged segments of the population. The school accommodates 805 learners, supported by a staff of 42 educators and a 12-member school governing body. The school offers various programmes, including metal and welding, mechanics, electrical engineering and engineering graphic design.

Phase 1 of the project cost R6.2 million and entailed the construction of two technical classrooms and ablution facilities. In phase 2, the focus was on equipping the workshops, in which Petra invested R700,000. During its construction, the project created 50 temporary jobs and benefited three local SMEs.





Attracting and retaining talent (continued)

Performance in FY 2023

At the end of June 2023, Petra employed 5,033 people, made up of 3,042 permanent employees and 1,993 contractor employees (FY 2022: 5,265 people: 3,474 permanent employees and 1,791 contractor employees). Contractors therefore make up 40% of our employees.

The high turnover and decrease in headcount can be attributed to Koffiefontein being placed on care and maintenance. In March 2023, 394 Koffiefontein employees were retrenched – 81 employees were re-engaged on limited duration contracts on the care and maintenance team, and another 42 were transferred to either Group, Cullinan Mine or Finsch. Our voluntary employee turnover rate was 3.7% (FY 2022: 3.5%).

Employees and contractors

	FY 2021	FY 2022	FY 2023
Permanent full time and part time employees	3,523	3,474	3,040
Contractor employees	1,791	1,791	1,993
Total number of employees	4,901	5,265	5,033

Employees and contractors by operation

	Cullinan Mine	Finsch	Koffiefontein	Williamson	Corporate office	London
Permanent full time and part time employees	1,315	923	99	485	213	5
Contractor employees	512	957	20	504	0	0
Total number of employees	1,827	1,880	119	989	213	5

Voluntary employee turnover (%)

	FY 2021	FY 2022	FY 2023
Voluntary employee turnover	3.8%	3.5%	3.7%

Petra encourages women in mining at all levels within the Company and specific initiatives are in place to recruit and develop women. See section on page 58.

Recruitment by gender (%)

	FY 2021	FY 2022	FY 2023
Men	71	65	70
Women	29	35	30

Organisation design

Our new organisational design was fully implemented in FY 2023, bringing role clarity to both the Group and operations structures and roles. A talent management framework is now being developed to formalise performance management, succession planning and career development. Furthermore, clear guidelines on the training and minimum requirements for each position have been developed to guide us as we identify future skills gaps.

Career development plans are in place for Senior Management successors and high-potential employees. These individual plans support development and retention, and follow the 70:20:10 method, where 70% of the plan focuses on leveraging experience within the organisation, 20% on development from others and 10% on training. We intend to cascade this down to management and supervisory levels by the end of FY 2024.

Remuneration and reward

Remuneration packages for permanent employees are made up of basic salaries and a range of benefits that include: medical benefits, retirement benefits and risk benefits (death and disability insurance cover), among others. Employees are further incentivised by quarterly and annual performance bonus schemes as a component of variable pay. These variable pay practices not only reward employees for past performance but incentivise for future contribution.

At Petra, our management remuneration philosophy is an effective tool to reinforce and encourage the desired behaviours that are at one with our values and our Culture Code, and to enable the achievement of our business objectives. At management level, remuneration is integrated into overall talent management, and includes performance management, succession planning and retention strategies. Managing compensation strategically to ensure remuneration is defensible, fair, transparent, equitable, objective and sustainable has been at the core of our organisation

development work over the past two years. For employees within the unionised bargaining units, wages and conditions of service are negotiated on a regular basis – see the section on constructive labour relations on page 51.

In FY 2023, Petra's wages and benefits amounted to US\$124.7 million, a decrease of 15% from US\$146.0 million in FY 2022.

Employee wages and benefits (US\$ million)

	FY 2021	FY 2022	FY 2023
Employee wages and benefits	108.1	146.0	124.7

Supporting families

Personal wellness is prioritised through Petra's Employee Assistance Programme. Employees and their families have access to qualified counsellors to assist with trauma, medical wellbeing and stress. Wellness awareness is driven by visible communication campaigns throughout the Year at all operations. Family and community members are invited to the annual Wellness Days hosted the operations. Wellness Days offer free services to employees, family members and the general community. This includes tests for eye sight, blood pressure, diabetes and HIV, tuberculosis screening and dental services. Where high-risk cases are identified, the Occupational Medical Practitioners on-site or local community health clinics recommend treatment and treatment plans.

Looking ahead

In FY 2024, we will:

- ▶ Cascade our succession planning process and career development plans throughout the organisation
- ▶ Develop standard training programmes for identified critical and scarce technical skills using a competency framework
- ▶ Enable cross-functional work and align our employees on our purpose and ways of working
- ▶ Enhance our execution capacity and speed by ensuring we have the right structure within the operating model, our people goals are aligned to business objectives and we have a regular cadence on managing performance
- ▶ Prioritise Exco and senior leadership team transformation (designing, catalysing and coaching) and continue developing our people management skills



Constructive labour relations

Achieving stable and constructive labour relations

Stable and constructive labour relations, based on mutual respect and trust, are critical to the success of our business, and to the wellbeing and fulfilment of our workforce. We believe that effective and transparent engagement is central to building a sound employee relations climate. We value clear and authentic communication with our employees, trade unions and local community representatives, enabling the Company to operate efficiently, successfully and sustainably.

Key features FY 2023

- ▶ Stable labour relations environment
- ▶ Wage agreements in place:
 - ▶ Three-year agreement in South Africa concludes at the end of FY 2024, with planning for renewed negotiations in FY 2024 underway
 - ▶ In Tanzania, the one-year wage agreement concluded with the majority union (TAMICO) in FY 2022 and ended on 30 June 2023; planning for renewed negotiations in FY 2024 underway
- ▶ Several successful initiatives underway to improve participation in negotiating forums and to train line management

SDGs



Key stakeholders

Employees, contractors and unions
Host communities and NGOs
Host governments and regulators

Material matters

- ▶ Employee safety, health and wellness
- ▶ Ethical business
- ▶ Industrial action
- ▶ Diversity, inclusion and employee development

Progress against FY 2023 objectives

Review and consolidate recognition agreements for all mines



KEY



Achieved/good progress



In progress



Limited progress

Our ambition

To deliver on our strategy and achieve our shared vision, we require a skilled and engaged workforce in an environment characterised by stable labour relations, built on fair remuneration and sound internal communication.

Our approach

Transparent engagement with our employees and their representative unions is the cornerstone of sound labour relationships. In striving to achieve a constructive employer-employee relationship, we aim to create a culture where employees are motivated, satisfied, loyal and engaged, and to minimise and rapidly address any industrial disputes.

We recognise and uphold the right of employees to freedom of association and collective bargaining. Our approach to employee relations complies with relevant labour legislation in South Africa and Tanzania and is in line with union recognition agreements.

Labour relations KPIs

Zero

SIGNIFICANT DISPUTES AND DAYS LOST DUE TO INDUSTRIAL ACTION

FY 2022: Zero

75%

UNIONISATION

FY 2022: 79%



Constructive labour relations (continued)

Performance in FY 2023

Labour relations were stable and constructive during the Year across the Company. No significant disputes were experienced during the year and, pleasingly, no days were lost due to industrial action or community protest action.

A large focus area during the Year was labour relations management around the Koffiefontein restructure. This was effectively led by our Employee Relations team and the process and outcomes were meticulously managed. A key outcome of the process was our assisted home ownership and vacant stands sale decision – see case study on page [53](#).

Petra decided to sell houses and vacant stands at a favourable rate to employees. Not only was the price of the houses discounted to market rates minus 50%, but Petra also covered the costs of conveyancing, transfer and registration, certificates of compliance, repairs where required, general admin and other consulting and regulatory costs. This made owning a house much more accessible to employees who would otherwise not have been able to.

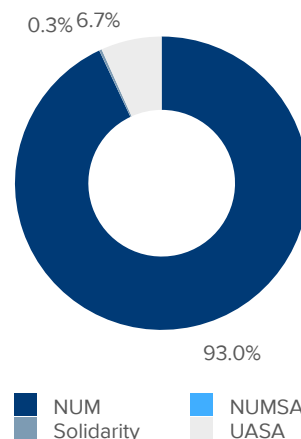
Overall, around 75% of employees within the Company are represented by a recognised union (FY 2022: 79%):

- ▶ In South Africa, four unions – the National Union of Mineworkers (NUM), National Union of Metalworkers of South Africa (NUMSA), UASA and Solidarity – represent around 76% of employees (FY 2022: 80%). Non-unionised employees make up 24% of the workforce
- ▶ In Tanzania, two unions – the Tanzania Mines Energy Construction and Allied Workers Union (TAMICO) and the National Union of Mine and Energy Workers of Tanzania (NUMET) – represent around 68% of employees (FY 2022: 66%), with non-unionised employees at 32%

South African union representation

	FY 2022	FY 2023
No union	20%	24%
Union	80%	76%

Union membership (%)



Agreements with representative unions regulate wages, annual increases and other benefits (including housing allowance, sick leave, maternity/paternity leave, and medical and retirement contributions).

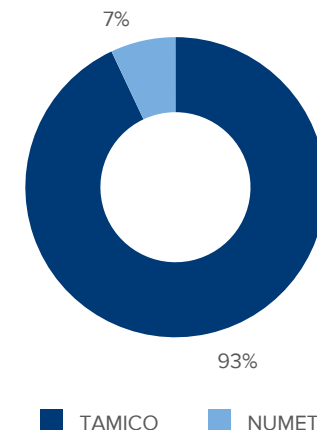
The current wage agreement with representative unions in South Africa is in its third and final year, and preparations are underway for the commencement of the next round of wage negotiations effective as at the end of June 2024. We intend to enter into another multi-year agreement.

The current wage agreement at Williamson lapsed on 30 June 2023 and planning for a renewed negotiation process in FY 2024 is underway. The idea of a long-term (three-year) wage agreement has been canvassed with the majority union (TAMICO) and has been accepted in principle, so negotiations will start in FY 2024.

Tanzanian union representation

	FY 2022	FY 2023
No union	15%	32%
Union	66%	68%

Union membership (%)



Equipping managers to effectively deal with disciplinary and grievance procedures is an important component of effective labour relations. In FY 2023, around 70% of managers at our South African operations had received such training (exceeding our target of 30%).

In South Africa, to improve engagement in the mine negotiating forums, which look at matters affecting employees at specific mines, the Company has introduced a Relationship by Objectives (RBOs) initiative. This structured process intends to build stronger relationships between unions and management. RBOs encourage a better understanding of the roles and responsibilities of the different stakeholders so that there is enhanced collaboration in seeking solutions for both stakeholders.

Portable skills training is provided to employees and the community. See section on training and development on page [54](#).



Constructive labour relations (continued)

Looking ahead

Key priorities for FY 2024 include:

- ▶ Successfully concluding multi-year wage agreements in South Africa and Tanzania
- ▶ Encouraging greater participation in mine negotiating forums, through the RBO process
- ▶ Capacitating all supervisors and line managers to manage discipline (initiating and chairing of disciplinary enquiries)
- ▶ Developing a training programme for shop stewards on collective agreements, changes in labour legislation, stakeholder management, negotiations and engagement processes
- ▶ Encouraging employees and members of the community to participate in portable skills programmes
- ▶ Promoting home ownership by selling Company-owned houses to employees currently renting those houses at reduced prices



Case study

Koffiefontein Home Ownership Programme demonstrates our commitment to valuing our people through responsible mine closure

Our commitment to responsible mine closure finds expression through the Koffiefontein Home Ownership Programme (HOP) which is driving a significant positive impact within the Koffiefontein community. By prioritising and enabling affordable home ownership, we have not only protected the rights and dignity of those affected by the mine closure but are providing former employees with the opportunity to own property at a significantly discounted rate.

The transparent and consultative process, developed in collaboration with our employees, and overseen by a dedicated Social Transition Committee, places vulnerable individuals at the forefront while recognising long service and fostering inclusivity – within a fair and open home ownership programme developed following extensive engagement and negotiation. This strategic focus on quality housing and improved living conditions demonstrates our dedication to enhancing the lives of our employees, their families and the broader community.

Despite its rich history spanning more than 150 years, the mine is located in a province with a serious housing backlog. The HOP is making a significant contribution to addressing this challenge. It is part of our wider responsible social transition work, which is focused on creating alternative economic development opportunities for the Koffiefontein community to sustain livelihoods.

When developing the programme, we compiled a comprehensive asset register, verified against the Letsemeng Local Municipality's Valuation Roll and an extensive property ownership deeds search. This process informed Petra's implementation of the R37.2 million first phase of the HOP, which offers buyers sale prices of at most 60% of the property value.

Employees impacted by the retrenchment process and members of the broader community have enrolled in the programme. Additional support has been provided to those with limited means to participate in the programme through financial assistance.

Petra consulted a tax specialist to ensure that the rights of employees and shareholders will be protected from additional fringe benefit and/or donations tax, once they purchase their properties. Petra will also carry all the legal and additional costs associated with selling and transferring the properties.

A key aspect of this project has been driving an extensive awareness and communication campaign to help ensure that all the relevant stakeholders are aware of the opportunity available to them and have access to further information as and when needed. The campaign included distributing Sesotho-language pamphlets and conducting on-site engagement sessions. These sessions covered:

- ▶ The HOP asset transformation process
- ▶ Home ownership training
- ▶ Understanding personal finance
- ▶ Operating a personal bank account
- ▶ Preparing a personal budget

We also facilitated open viewing days for those interested, enabling them to visit properties and make an informed decision on what and where to buy.

Petra received and processed 159 applications during phase 1 of the project. We interviewed each applicant, conducted individual financial assessments and drafted home ownership plans. In August 2023, we handed over 63 completed applications to a conveyancing attorney to conduct the transfer of ownership process.

The results thus far are a testament to the programme's success, with applications for ownership now moving to the conveyancing stage. This milestone underscores our commitment to fostering stable and safe communities in Koffiefontein that can prosper beyond the mine's closure. This strategic focus on quality housing and improved living conditions demonstrates our dedication to enhancing the lives of our employees, their families and the broader community.



Training and development

Training and developing our people

Ensuring that our employees are skilled, trained and able to fulfil their best potential is a key driver of our future success and long-term sustainability. However, the mining industry globally is beset by a shortage of skills, which is exacerbated at operations in regions that are remote from urban areas. While we seek to employ people from local communities, it is often the case that the skills we need are not available locally. It is within this context that our skills development programmes are so important.

Key features FY 2023

Focus on training for women and historically disadvantaged South Africans (HDSAs):

- ▶ Of those who completed their management development programmes, 45% were women and 82% were HDSAs
- ▶ Of our learners, 34% were women and 95% were HDSAs
- ▶ Of bursary recipients, 71% were women and 93% were HDSAs

SDGs



Key stakeholders

Employees, contractors and unions

Local communities and NGOs

Material matter

- ▶ Diversity, inclusion and employee development

Progress against FY 2023 objectives

Finalise leadership and management development programmes for high potential employees	✓
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	🔄

KEY



Achieved/good progress



In progress



Limited progress

Our ambition

Petra recognises that employee training, development and upskilling are key drivers of our future success and long-term sustainability. By equipping our people with the right core competencies for their role, we help them perform better now and in the future. This also supports our ambition to develop and maintain the best pool of technical mining experts in the industry, to ensure business continuity and growth.

To meet our ambitions, we aim to provide education and training opportunities that enable our employees to fulfil their potential, covering opportunities from basic literacy and technical training, through to portable skills that can be used beyond a career on the mine. Where possible, we extend these programmes into local communities.

Training and development KPIs

US\$5.0m

INVESTMENT IN TRAINING AND DEVELOPMENT

FY 2022: US\$6.1m

230

EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEMES

FY 2022: 221



Training and development (continued)

Our approach

In an increasingly competitive market for scarce skills, it is critical that Petra systematically assesses its employees' skills needs, while developing talent capabilities in line with organisational priorities.

Building on the substantial work done and progress made in the past two years in relation to Petra's new operating model, role profiles and job grading system, clear career paths were developed for all positions at Petra. Training directories are now in place for all positions, enabling us to tailor training for specific positions, ensure better succession planning and establish a comprehensive talent management framework. We are now more deliberate in our efforts and focus on the key areas requiring progress to sustain our momentum as an organisation.

In FY 2023, we identified the required leadership competencies for Executives and Managers. Further work is underway to establish required technical and behavioural competencies for all production-related positions to enable the improved assessment of competencies for positions and properly determine employees' training requirements.

We support the development of leadership and management skills through a range of in-house and externally facilitated employee development programmes. The inclusion of significant numbers of HDSAs and women on these programmes is a key part of our strategy to improve racial and gender diversity.

In support of our efforts to employ people in our local communities, we focus on programmes to equip local community members with much-needed skills by extending financial support to selected local schools, improving mathematics and science performance, and enhancing the education pipeline. Petra also provides bursaries, internships/graduate programmes, learnerships and practical work experience to community members.

Performance in FY 2023

In FY 2023, Petra invested US\$5.0 million in training and development (FY 2022: US\$6.1 million). We target training expenditure of around 5% of our annual payroll in ZAR terms.

Training and development

Employee training and development span a broad range of safety and technical training and various development programmes, both technical and managerial in nature. The focus on training in FY 2023 included the roll-out of anti-workplace harassment and bullying training for all employees. We also rolled out interaction management training to all managers and supervisors to equip them with the tools to enable them to have constructive conversations with their team members as we roll out the new Performance Management Framework.

In FY 2023, Petra supported 14 students through bursaries. Of these, 71% are women and 93% are HDSAs. One woman bursary holder graduated with a Geology Honours degree.

Graduate programmes

Graduate programmes are offered to graduates to prepare them for professional responsibilities in roles such as engineering, geology, geotechnical and other professional functions. In FY 2023, 20 graduates (FY 2022: 28) were enrolled in these programmes, 50% of whom were women. Nine graduates completed their programmes, seven were appointed to permanent roles and two were placed in project roles.

Managerial excellence

As part of our planning to support managerial excellence and our new performance management system, we continued to roll out the Interaction Management Training Programme – Empowering People for Performance – to 125 line managers. To date, 76% of line managers have completed this programme. 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.

Training expenditure (US\$ million)

	Cullinan	Finsch	Koffiefontein	Corporate office	South Africa total	Williamson, Tanzania	Group total
FY 2021	2.6	1.9	0.8	0.3	5.6	0.2	5.8
FY 2022	2.9	1.9	1.1	0.8	6.8	0.2	6.1
FY 2023	2.3	1.7	0.8	0.1	4.9	0.1	5.0

Women in leadership

Petra's customised and industry-leading Women in Leadership (WiL) programme enables women in key leadership positions to master critical personal skills and gain insight into leadership at both a micro- and macro-organisational level. In FY 2023, 22 women leaders (FY 2022: 18) participated in this programme, giving participants a more empowered voice in the organisation.

Management development

We continued to support the Senior Management Development Programme at the University of Stellenbosch Business School in South Africa. In FY 2023, eight middle and three Senior Managers completed this programme. Of the eight, 82% were HDSAs and 45% were women. In FY 2023, a new suite of Leadership and Development Programmes were finalised for implementation in FY 2024. A review of these programmes ensured alignment with the Company's new operating model and strategic objectives and our newly finalised purpose.

Learnerships and learner miners

Our South African accredited engineering learnership programmes combine practical work experience with academic learning, enabling qualified learners to be appointed as artisans. Petra offers both engineering and metallurgy learnerships.

Of our 124 learners in FY 2023 (FY 2022: 88), 34% were women (FY 2022: 36%). In total, 30 learners completed their programmes in FY 2023 (FY 2022: 29). Learnerships are made available to employees and non-employees.

Learner miners are developed through the Learner Miner Development programme, which is aligned with DMRE requirements. In FY 2023, 32 (FY 2022: 27) employees and non-employees were enrolled in the programme, 100% of whom were HDSA (FY 2022: 96%) and 41% women (FY 2022: 36%). Six trainees successfully completed this programme during FY 2023.



Training and development (continued)



Case study

Petra bursary recipients now critical members of our team – and continuing to forge ahead

A few years ago, Nonhlanhla Joy Baloyi and Rorah Madire were recruited to the Petra Bursary Programme. Today, they are proud recipients of the Mine Managers Certificate of Competence – which means they are licensed to work as Mine Managers at any South African mine.

Nonhlanhla and Rorah are two of many bursary recipients that Petra goes to great lengths to recruit. We focus on host community learners and students, but we often expand our recruitment efforts beyond host communities to others within the provinces where our mines are located.

Our Petra Bursary Programme is part of our commitment to creating a pipeline of highly skilled young people, who can contribute to the growth of the mining industry.

Nonhlanhla

Nonhlanhla joined the programme when she was a grade 12 learner, and we continued to support her in her studies at the University of the Witwatersrand when she started her studies there in 2011.

The bursary covered Nonhlanhla's tuition and accommodation, provided her with a subsistence allowance and ensured she had regular interaction with Petra's representatives through our life skills training and vacation work initiatives.

In 2016, she joined Petra as a graduate, earning her National Certificate in Rockbreaking for Underground Hardrock Mines the following year. Along with other interns, Nonhlanhla had the opportunity to develop practical skills, working as a production miner and then as a shift boss.

Over the years, she gained her Blasting Certificate for Scheduled Mines, was part of the University of Stellenbosch Business School's Management Development Programme and obtained her Mine Managers Certificate in May 2023.

Earning the Mine Managers Certificate puts Nonhlanhla on track to achieve her goal of being a section engineer in the next two years.

Nonhlanhla hopes to inspire other women in mining to be confident and stop setting limits for themselves.

Rorah

Rorah became one of Petra's bursary recipients in 2014, when he was in his second year at the University of the Witwatersrand – from where he graduated with an Honours degree in Mining Engineering in 2016.

Just like Nonhlanhla, his bursary covered his tuition, accommodation and allowance. Rorah earned his National Certificate in Rockbreaking for Underground Hardrock Mines and his Blasting Certificate for Scheduled Mines as an intern at Petra.

He completed the Mine Overseer Certificate of Competence during his internship and gained his Mine Managers Certificate of Competence in June 2023.

Rorah has also had an opportunity to step in and successfully take control of production in his mentor's absence. A highlight of Rorah's internship was a stint in the Technical Service Department, where he implemented new measures to improve draw control for Cullinan Mine's C-Cut block, with resounding success.

In 2022, Rorah was appointed as a drill and blast specialist. He is also enrolled in the University of Pretoria's Programme in Blasting Engineering.

We are proud of our role in the development and growth of these two mining professionals, among the many others with similar stories to share.





Training and development (continued)

Performance in FY 2023 (continued)

Employee education and beyond

Petra provides various other opportunities to further employee education, including a Study Assistance Scheme, which supports employees in obtaining tertiary qualifications or additional training relevant to their current or future positions. In FY 2023, 230 employees participated in this programme and received 123 instances of financial support (FY 2022: 91).

Other achievements during the Year include:

- ▶ Implementation of a new Learner Management System to improve efficiencies in the delivery of training and reporting
- ▶ Finalisation of the Leadership and Development Framework for the development of leadership competencies in our current and future leaders
- ▶ Start of development of training material for the Company's Caving School to develop the skills and competencies necessary for sub-level caving
- ▶ Retention of Training Accreditation status for both the Finsch and Cullinan Mine training centres
- ▶ Roll-out of anti-harassment and bullying training to make employees aware of their roles and responsibilities to promote a workplace free of harassment and bullying

Host communities

Petra's training and development initiatives extend to host communities:

- ▶ Through our school support programme, we invest in maths and science interventions that enable the success of capable scholars, who can either participate in our bursary programme and advance into our graduate programme, or in our learnership initiative
- ▶ A major portable skills training programme for the Cullinan community was initiated in FY 2023, with 37 people participating. The programme will continue in FY 2024

Looking ahead

As we intensify our efforts to identify and attract young talent, Petra plans to:

- ▶ Increase the number of graduates in the mining technical disciplines in FY 2024
- ▶ Launch a new suite of leadership and management development programmes targeting high potential employees
- ▶ Focus on succession planning and career development
- ▶ Conduct a skills audit on critical technical positions based on our newly developed competency framework





Diversity and inclusion

Increasing diversity and inclusion

We strive to attract and retain a diverse workforce that reflects the societies in which we operate. This will allow us to attract and retain top talent, to strengthen employee satisfaction and belonging, and ultimately result in a more innovative, efficient and competitive company. Diversity and inclusion, and the achievement of relevant country-specific employment and skills development goals, supports our licence to operate.

Key features FY 2023

- ▶ Good representation of women at Board and leadership levels maintained
- ▶ Compliance with South Africa's Broad-Based Black Economic Empowerment Act and Mining Charter
- ▶ Active Women in Mining committees at every operation

SDGs



Stakeholders

Employees, contractors and unions
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Ethical business
- ▶ Diversity, inclusion and employee development

Progress against FY 2023 objectives

Ongoing focus on improving diversity and inclusion



KEY



Achieved/good progress



In progress



Limited progress

Our ambition

Our business strives to attract and retain a diverse cohort of employees. We seek diversity in the broadest sense, from race, gender, ethnicity, physical ability and sexual orientation to education, age, experience, religion and socio-economic background. We want to achieve equity by:

- ▶ Ensuring that diversity and inclusion are embedded as clear policies and practices
- ▶ Fostering a diverse and inclusive culture
- ▶ Making diversity visible through engagement with stakeholders
- ▶ Continually assessing and developing workforce skills and nurturing the talent pipeline. This includes providing training and development to under-represented groups
- ▶ Providing education and training on diversity to leadership
- ▶ Recruiting with diversity in mind

Diversity and inclusion KPIs

21%

WOMEN IN WORKFORCE

FY 2022: 20%

40%

WOMEN ON BOARD

FY 2022: 40%

19%

WOMEN IN SENIOR MANAGEMENT

FY 2022: 19%

30%

WOMEN IN MANAGEMENT

FY 2022: 27%

50%

WOMEN GRADUATES

FY 2022: 46%



Diversity and inclusion (continued)

Our approach

Our approach is guided by our Diversity and Inclusion Policy, which encourages leadership across the Group to ensure that our appointments, retention and succession planning practices are designed to support equal opportunities. This means not only providing equal opportunities for and treatment of all people within the Company, but also ensuring that there is no unfair discrimination in hiring, career advancement, allocation of responsibilities, professional training, performance management and remuneration of employees.

In South Africa, we embrace and comply with the Broad-Based Black Economic Empowerment Act, which aims to redress the legacies of apartheid and includes employment equity requirements. We also support and comply with the MPRDA's Mining Charter, which is intended to facilitate the meaningful participation of HDSAs in the mining and minerals industry.

All our South African operations have specific employment equity targets for HDSAs and women in mining. Our employment equity committees meet regularly to monitor employment equity implementation. Our mines also submit annual employment equity reports to the South African Department of Employment and Labour as prescribed by law.

While Williamson is not subject to the same regulation as our South African operations, we apply our policy to promote equal opportunity and eliminate discrimination, and we have in place procedures that enable employees to report cases of discrimination. Williamson also has a programme in place to support women in mining.

Performance in FY 2023

Grievance mechanisms to address discrimination and/or unfair treatment

Our grievance procedure and disciplinary policy and its procedure are in place to investigate and address allegations of discrimination. We require contractors to align their diversity and inclusion practices with ours. In FY 2023, there were four cases reported in respect of unfair treatment and/or discrimination (FY 2022: 9).

Encouraging women in mining

Petra encourages women in mining at all levels within the Company and has specific initiatives in place to recruit and develop women to fill more senior positions. We recognise the need to instil the right tone at the top, from CEO messaging to the importance of implementing the systems, policies and procedures necessary to keep women safe at work.

At an operational level, we have established Women in Mining (WiM) committees to help support a safe and respectful workplace culture for all women at Petra. They also review Company policies and procedures and provide input and recommendations to management on issues relating to women in mining.

Group gender diversity

	Women		Men		Total	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
Board	40%	40%	60%	60%	10	10
Senior Management	19%	19%	81%	81%	36	36
Management	27%	30%	73%	70%	194	185
Employees	20%	21%	80%	79%	3,242	2,819
Total	20%	21%	80%	79%	3,482	3,050
New employees	35%	30%	65%	70%	288	316

We continue to make good progress in appointing and developing women across the business, especially in leadership roles. In FY 2023, women made up 50% of our intern intake (FY 2022: 46%), 36% of our engineering learnerships (FY 2022: 30%), and 41% of our mining learnerships (FY 2022: 44%). In FY 2023, 71% of our bursary students (FY 2022: 67%) were women, and so were 45% of employees attending the management development programme (FY 2022: 50%).

Looking ahead

Petra's diversity and inclusion targets for FY 2024 are to:

- ▶ Strengthen diversity pipelines at all levels
- ▶ Hold leaders to account by including diversity and inclusion in all managers' KPIs
- ▶ Complete diversity and inclusion training for all managers
- ▶ Ensure leadership demonstrates commitment to diversity and leads the prevention of all forms of harassment
- ▶ Ensure appropriate employee facilities as a precursor to dignity and safety at work for all employees



Respecting our planet

In this section

Managing our environmental impact is a priority for Petra and helps to ensure our interests are aligned with those of our 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.

In this section:

- [61](#) Environmental management
- [63](#) Climate change and energy
- [69](#) Mineral waste management
- [72](#) Water stewardship
- [75](#) Waste management
- [77](#) Biodiversity and closure





Environmental management

Effective environmental management

Managing the environmental impacts of our business throughout the mining life cycle is central to our commitment to respecting our planet. By reducing our footprint and the impact our operations have on the environment and optimising the natural resources we use by effectively preventing wastage, we are not only meeting regulatory and stakeholder expectations but building a stronger, more resilient company.

Key features FY 2023

- ▶ Cullinan Mine and Finsch retain ISO 14001 certification

SDGs



Stakeholders

Local communities and NGOs

Host governments and regulators

Employees

Material matters

- ▶ Tailings management
- ▶ Water management
- ▶ Compliance and risk management
- ▶ Responsible sourcing

Progress against FY 2023 objectives

Zero major environmental incidents	✗
Retain ISO 14001: 2015 certification	✓

KEY



Achieved/good progress



In progress



Limited progress

Environment KPIs

One

MAJOR ENVIRONMENTAL INCIDENT

FY 2022: Zero

One

ENVIRONMENTAL DIRECTIVE AT WILLIAMSON IN TANZANIA

FY 2022: Zero



Environmental management (continued)

Our ambition

We embed environmental management across our operations by continually improving our environmental management systems, monitoring and measuring our environmental impact, and promoting environmental awareness among all stakeholders. We are also committed to responsible mine closure strategies and footprint rehabilitation with beneficial secondary economic development.

Our approach

Our approach to environmental management and rehabilitation is aligned with international best practices and based on rigorous management systems and processes that have been developed with long-term sustainability in mind.

We are committed to legal compliance in the countries where we operate. In South Africa, the National Environmental Management Act (NEMA) is the umbrella legislation governing environmental management and authorisations; however, a particular activity may trigger the provisions of associated legislation covering water use, waste management and biodiversity. In Tanzania, environmental legislation is grouped into five main categories covering environmental management, land use, natural resources, conservation and pollution.

A disciplined approach to mine rehabilitation is part of our integrated mine closure planning and execution. Our rehabilitation and mine closure framework is aligned with relevant national legislation and informed by the ICMM's good practice guidelines that consider the environmental, social and economic aspects of eventual decommissioning and closure at the start of the mine life cycle.

Performance in FY 2023

Environmental management

We intend to avoid and minimise environmental incidents at all our operations. Where incidents occur, we seek to manage these as effectively and efficiently as possible. Incidents are classified according to severity, and an incident is considered closed only once all allocated remedial actions have been addressed.

During FY 2023, we recorded one major environmental incident which was the failure of a TSF wall (FY 2022: zero) at Williamson. This major incident occurred in November 2022, when the eastern wall of the Williamson TSF failed with tailings material spilling into a valley away from the pit. Although most of the tailings were contained within the mine property, flooding extended into certain areas beyond the lease area (see page 73 for further information). As a result of the Williamson TSF failure, Petra was fined US\$85,000 by the Tanzanian authorities. For further information on the restoration plan at Williamson, see page [71](#).

There were zero major environmental incidents in South Africa. In FY 2023, zero medium environmental incidents were recorded (FY 2022: zero).

Certification

Both the Cullinan Mine and Finsch underground mines are ISO 14001 certified. Koffiefontein voluntarily relinquished its ISO 14001 certification as the mine is in care and maintenance. Williamson's environmental management system (EMS) is aligned with ISO 14001.

ISO 14001 is an international environmental standard that provides guidelines establishing and improving EMSs, the tool we use to enable our environmental aspirations to be translated into effective action. By implementing our EMS, we help to ensure that we minimise the potential negative impacts our operations may have on the environment and maximise the opportunities presented by a changing future.

Our Environmental Management Policy sets out protocols for fulfilling the requirements of the ISO 14001 standards and a context for setting environmental objectives to effectively manage strategic environmental risks and opportunities. This policy has been updated to incorporate all aspects of environmental responsibility and will be rolled out in FY 2024.

Looking ahead

In FY 2024, we will aim to:

- ▶ Retain our ISO 14001 certification at Cullinan Mine and Finsch
- ▶ Improve the EMSs implemented at Williamson and Koffiefontein
- ▶ Progress towards conformance with the GISTM





Climate change and energy

Responding to climate change and managing our energy usage

We recognise and are mindful of the impacts of climate change on our business and on the communities and countries in which we operate. While our GHG emissions impact is small, we can make a positive contribution to our impact on climate change – by reducing and optimising our energy usage and by adapting our energy mix to include renewable energy sources.

Key features FY 2023

- ▶ New governance structures in place in line with TCFD recommendations
- ▶ Climate change response reviewed in FY 2023, supported by updated climate change scenario analysis
- ▶ Commitments to achieve net zero Scope 1 and 2 GHG emissions by 2050 remain in place, with a shorter-term target to reduce Scope 1 and 2 emissions by 35% to 40% by 2030 (based on our 2019 baseline)
- ▶ MOU signed with private energy provider – negotiations underway on incorporating renewable energy into energy mix at our South African operations

SDGs



Stakeholders

Financial stakeholders
Employees, contractors and unions
Suppliers
Host governments and regulators
Local communities and NGOs

Material matters

- ▶ Tailings management
- ▶ Community relations and social investment
- ▶ Climate change impact on mining operations
- ▶ Water management
- ▶ Responsible sourcing

Progress against FY 2023 objectives

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

KEY



Achieved/good progress



In progress



Limited progress

Climate change and energy KPIs

44.8 kWh/t

ELECTRICITY EFFICIENCY

FY 2022: 38.1 kWh/t

435,378 tCO₂-e

SCOPE 1 AND 2 EMISSIONS

FY 2022: 464,380 tCO₂-e

0.042 tCO₂-e/t

CARBON INTENSITY

FY 2022: 0.040 tCO₂-e/t



Climate change and energy (continued)

Our ambition

Our ambition is to:

- ▶ Optimise our energy usage and increase the use of renewables in our energy mix. In doing so, we will not only ensure access to more sustainable energy sources, but will also be able to reduce our GHG emissions. We have committed to achieve net zero Scope 1 and 2 GHG emissions by 2050, though we aspire to reach this goal by 2040 or earlier. We have also committed to a shorter-term target of reducing our Scope 1 and 2 emissions by 35% to 40% by 2030, compared to our 2019 baseline
- ▶ Understand and map our Scope 3 emissions, and work with our major suppliers to reduce these
- ▶ Undertake and learn from various climate change scenario analyses to understand and plan for adaptation, not only within the business but also within the communities in which we operate
- ▶ Disclose climate-related information consistently and transparently, in line with global benchmarks and standards including the recommendations of the TCFD. In addition to this reporting in our Sustainability Report, we also disclose climate-related information in our Annual Report 2023 – see page 66 in that report for our TCFD disclosure table

Our approach

Governance

Our Executive Committee (Exco) and Senior Management evaluate climate-related operational requirements and integrate risks and opportunities into our broader business strategy and decision making. Risk management is the overall responsibility of the Board, supported by the Board committees and Exco. In addition, our Sustainability Framework ensures that Senior Management also plays an important role in identifying, managing and mitigating risks.

See page [17](#) for more on governance.

Energy management

Our primary areas of energy use are electricity and diesel consumption. Petra has for several years increased awareness of energy efficiency by allocating operational KPIs related to specific consumption levels. Wastage of both electricity and diesel has been addressed and the more frequent servicing of vehicles and machinery has led to more efficient fuel consumption.

Our Energy Management Plan was introduced in FY 2021 to minimise our overall use of energy and focus on ways to use energy more efficiently. Based on the principles of ISO 50001, this plan represents our overarching approach, with each of our mines implementing their own operation-specific energy management policies and plans focused on efficient energy use. The plan sets realistic energy usage targets compared to historical usage and budget. We conduct real-time monitoring and measurement of energy usage, producing real-time dashboards and weekly reports on measured performance. Energy audits to identify potential energy saving initiatives are done on a continuous basis.

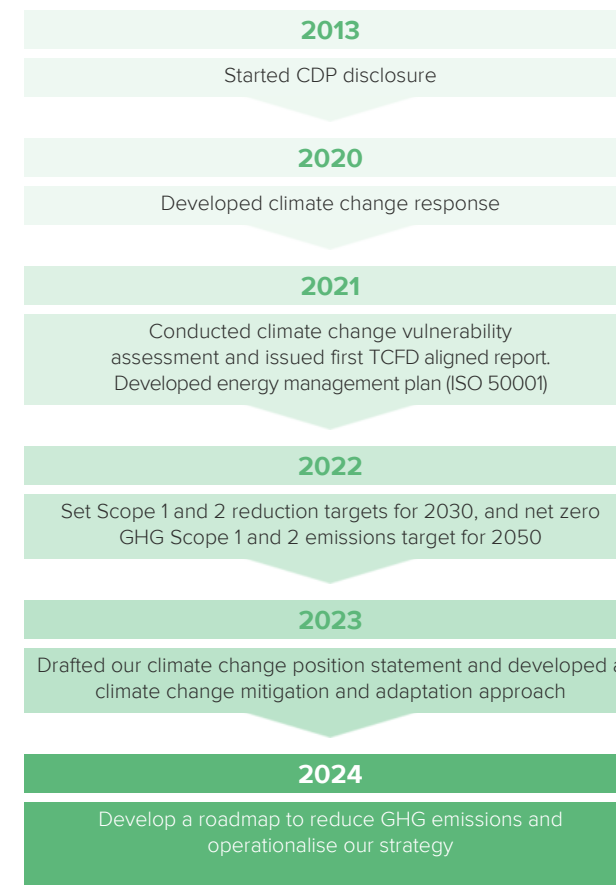
Climate

We continue to integrate climate-related risks and opportunities into our business model and operating structures.

We have been guided by our climate change response, which was developed in FY 2021 and based on the initial findings of Petra's 2020 scenario analysis and vulnerability assessment.

The response was re-evaluated in FY 2023 to align more closely with our Sustainability Framework and required TCFD disclosures. Our new climate change response, which will be officially adopted in FY 2024, reflects our evolving sustainability reporting and the greater focus on climate-related financial disclosure. It sets out our roadmap to achieve our shorter-term Scope 1 and 2 reduction targets, expands the mapping of Scope 3 emissions produced by our top ten suppliers, and seeks to ensure that we capitalise on the opportunities of including renewable energy in our energy mix.

Climate change milestones





Climate change and energy (continued)

Our GHG reduction roadmap

The table and diagram alongside provide some insight into our GHG reduction roadmap.

Decarbonisation

Scope 1: We are investigating the transition to battery electric vehicles (BEVs) for our underground diesel fleet.

Scope 2: A key initiative in reducing Scope 2 emissions involves:

- ▶ Renewable energy wheeling (the delivery of energy from a generator to an end-user located in another area through the use of an existing distribution or transmission networks). This has the potential to significantly reduce Scope 2 emissions for our South African operations by an estimated 35-65% between 2026 and 2030, using our 2019 baseline as reference. This renewable energy project represents our most impactful lever, propelling us towards our 2030 GHG emissions reduction target
- ▶ Additional initiatives being considered include embedded generation at Finsch and Cullinan Mine; employing ventilation on demand at both sites, and the installation of variable-frequency drives at Cullinan Mine

The closure of Koffiefontein will contribute to our interim emissions reduction targets.

Resilience

Our resilience actions that are being undertaken and considered include:

- ▶ Integration of physical climate risk analysis in site level operational risk management practices
- ▶ Ensuring sufficient capex/investment is available to build resilience (against drought for example)

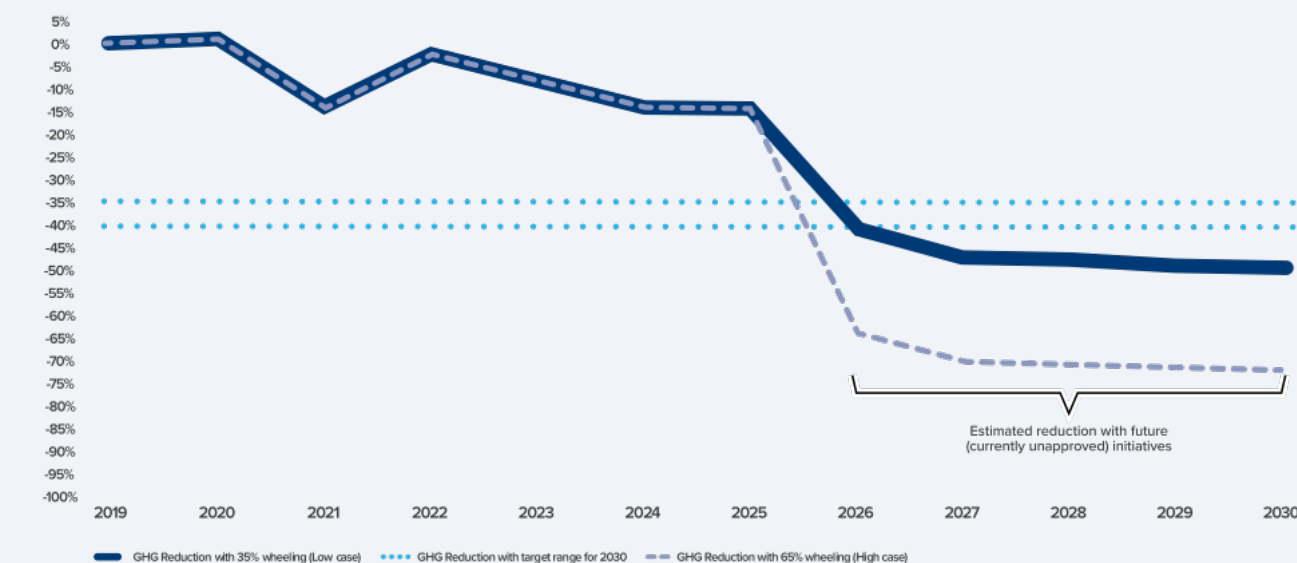
We have set a range of activity-level objectives and milestones to manage our physical and transition risks and accelerate opportunities which will require co-ordination across our business. These include:

- ▶ The integration of climate related risks into our ERM Framework in FY 2024
- ▶ Ongoing risk management and the development of resilience in water management, tailings dam and waste management to protect communities and stakeholders that may be impacted by our operations

Approved initiatives/business decisions

Initiative	Milestone	Planned due date	Estimated reduction	%
Koffiefontein	Progress towards closure	FY 2024+	27,189 tCO ₂ -e	6%
Phase 1 Renewable energy	Wheeling for South African operations	FY 2026	126,720 tCO ₂ -e	35-65%
			235,337 tCO ₂ -e	

Petra's GHG reduction roadmap





Climate change and energy (continued)

Our GHG reduction roadmap (continued)

Resilience (continued)

While we have been measuring our carbon emissions since FY 2012, continuously improving the collection and reporting of the data is necessary to determine our carbon footprint.

Petra has participated in voluntary CDP Climate Change reporting since 2013. We have continued to outperform the global average and activity group. Our 2022 submission scored B, which places Petra in the management band. Management points are awarded for answers that provide evidence of actions associated with good environmental management, as determined by CDP and its partner organisations. Climate change is a uniquely global environmental challenge, and requires mitigation actions that are relevant and equally applicable to all companies in the form of reduced GHG emissions. Management scoring for climate change thus incentivises this as a management action.

Performance in FY 2023

Energy

In FY 2023, our total energy consumption decreased by 5% to 1.85 million GJ (FY 2022: 1.93 million GJ). Most energy consumed currently is non-renewable energy. This includes the diesel used in operating trackless mobile machinery (TMM) and in generating electricity, which makes up 20% of our overall energy usage. The balance of 80% is electricity purchased from utilities. Diesel consumption rose by 12% to 0.37 million GJ (FY 2022: 0.33 million GJ), while electricity consumption decreased by 8% to 1.47 million GJ (FY 2022: 1.60 million GJ).

In South Africa, all our electricity is sourced from our national utility, with standby diesel generators used for emergencies. Williamson sources most of its energy from Tanzania's national grid.

We have identified several opportunities to optimise our energy usage. One such area identified as having significant energy savings potential is the efficient design and control of underground ventilation. Petra has standardised a new gully-box design that will enable ventilation on demand and the effective monitoring of unauthorised fan usage. We estimate that underground ventilation energy usage will be reduced by at least 30% when ventilation on demand is implemented at our operations.

Carbon emissions

We track our Scope 1 and 2 emissions, as well as our Scope 3 emissions (limited) at all our mines and at our offices which are situated in Johannesburg. Our reporting is based on the GHG Protocol and IPCC Guidelines for National Greenhouse Gas Inventories of 2001.

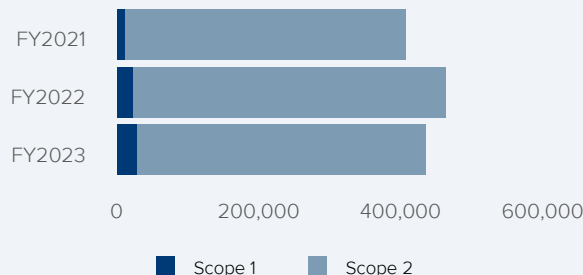
Our total carbon footprint (Scope 1, 2 and 3 emissions) decreased by 8% to 438,243 tCO₂-e in FY 2023 (FY 2022: 475,238 tCO₂-e), in line with a decrease in electricity consumption. The bulk of our emissions are Scope 2 (92.54%), with Scopes 1 and 3 making up the balance.

The breakdown of our Scope 1 and 2 emissions for FY 2023 is as follows:

- ▶ Direct carbon emissions (Scope 1) of 29,846 tCO₂-e, an increase of 12% on the 26,650 tCO₂-e reported for FY 2022
- ▶ Indirect emissions (Scope 2) of 405,532 tCO₂-e, a decrease of 7% on the 437,731 tCO₂-e reported for FY 2022

We also reported Scope 3 emissions of 2,865 tCO₂-e for FY 2023 versus 10,857 tCO₂-e in FY 2022, a decrease of 74%

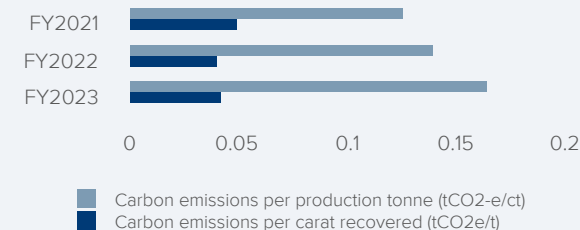
Scope 1 and 2 emissions (tCO₂-e)



Our intensity measures (Scope 1 and 2) are directly linked to production and diamond recovery, reflecting:

- ▶ An increase of 18% to 0.164 tCO₂-e/Ct (based on carats recovered) (FY 2022: 0.139 tCO₂-e/Ct)
- ▶ An increase of 5% to 0.042 tCO₂-e/t (based on tonne of production) (FY 2022: 0.040 tCO₂-e/t)

Scope 1 and 2 emissions intensity





Climate change and energy (continued)

Performance in FY 2023 (continued)

Climate change scenario analysis

Climate change has been identified and classified as a principal risk for Petra. We have followed a multi-pronged approach to identify and assess climate-related risks and opportunities:

- ▶ Through our quarterly Enterprise Risk Management review process, where significant risks and the effectiveness of their controls are evaluated
- ▶ Through our EMS risk assessment process (based on ISO 31000 and ISO 14001) at each operation, which assesses risks and opportunities arising from internal and external issues, environmental and emergency conditions, environmental legislation, and significant aspects related to the activities, products, and services of our mining operations
- ▶ By updating our climate-related scenario analyses

Our climate-related scenario analysis incorporated 11 climate indicators listed under four climate-related categories, namely temperature and heat, drought, water stress, and precipitation. The evolution of these indicators in considered scenarios was used to identify potential physical and transitional climate-related risks and opportunities for our operations.

The analysis primarily used the following parameters and assumptions:

- ▶ Geographical location, age and mine plan, energy consumption, GHG emissions, asset value, electricity costs per kWh and information about surrounding communities
- ▶ Output based on 2030 and 2040 time horizons for each operation's mine plan, decommissioning and post closure activities

See the table on page 68 for further details.

Carbon sequestration

We continue to focus on carbon sequestration by maximising the area of our land covered by indigenous vegetation. Each hectare of natural vegetation sequesters an internally estimated 300 kg of carbon annually. Based on the approximately 6,981 ha of protected area under Petra's control, we estimate annual sequestration of 2,094 tCO₂-e.

Looking ahead

We are currently evaluating several initiatives to reduce our energy consumption, energy mix and emissions. To reduce Scope 1 emissions, we will evaluate the practicality of phasing out diesel-driven machines while exploring renewable energy wheeling agreements, to reduce our Scope 2 emissions. Such agreements could reduce our Scope 2 emissions by 30% from FY 2026 onwards. Scope 2 emissions currently comprise 93% of our carbon footprint and remain our largest focus as we seek to reduce our reliance on coal-based electricity.

In addition to finalising renewable energy sourcing for our South African operations in FY 2024, we plan to broaden our investigations to include substitutes for diesel with a view to replacing or eliminating this fuel source based on a sound business case.

Ongoing engagement with suppliers has allowed us to understand our Scope 3 emissions better and foster mutual plans to reduce indirect emissions.

We continue to refine the metrics and targets used to guide our climate change journey and to address the physical and transitional risks to which we are exposed. This may include the setting of additional time-specific targets across our business. We will continue to report on additional metrics and targets as they are adopted and seek to ensure that processes around data collection, control and quality are in place to support this reporting.

Our internal Sustainability Framework also guides us on the refinement of our net zero transition plans and improved climate change mitigation with respect to metrics and targets.

Scope 1 (7%)

- ▶ Fuel consumed for electricity generation
- ▶ Fuel consumed by trackless mobile machine
- ▶ Liquid petroleum gas
- ▶ Business travel (company jet)
- ▶ Fugitive emissions (R22 gas is reported separately)
- ▶ Process emissions: water treatment (domestic effluent)

Scope 2 (93%)

- ▶ Electricity purchased from Eskom (South Africa)
- ▶ Electricity purchased from Tanesco (Tanzania)

Scope 3 (1%)

- ▶ Waste disposal
- ▶ Water pumping (potable)
- ▶ Paper consumption
- ▶ Business travel, including commercial airlines, chartered flights, car rental and employee commute
- ▶ Scrap metal for recycling



Climate change and energy (continued)

Looking ahead (continued)

Climate change scenario analysis

The following summary reflects the outcomes of the physical and transitional risks identified in the climate-related scenario analysis:

Type of risk	Description	Mitigation
Physical risks		
Acute	<p>Increased precipitation is considered a medium risk across Petra's mines. Increased rainfall can result in pit flooding and mud rushes in underground workings, as well as impacting TSFs.</p> <p>In South Africa, the Cullinan Mine's pump station has been washed away previously due to heavy rainfall which had knock-on effects, not only for the mine's water supply but for those local communities reliant on Magaliesberg Water to which Petra contributes water.</p> <p>In Tanzania, Williamson is projected to have increased exposure of between 24% to 35% of cumulative precipitation (mm/year) in the RCP 2.6 and 8.5 scenarios which increased the likelihood of surface run-off, pit flooding and damage to the mine's infrastructure. Increased volume and intensity of precipitation also has the potential to impact our TSF.</p>	<p>We use the GISTM to reduce risk and build resilience of TSFs to increasingly severe precipitation events. We actively manage our TSFs, with the engineer of records conducting six-monthly reviews.</p> <p>We are working to redirect natural water pathways at Cullinan Mine to reduce impacts on tunnelling operations</p>
Chronic	<p>Temperature has been identified as a medium to high risk for our operations. Heat stress, also identified as medium and high risk across the mines, can significantly impact operations through decreased employee productivity. Temperature and heat stress-associated risks also have the potential to impact our water resources, as increased evaporation rates lead to water loss. In the base case RCP 2.6 scenario across the 2030-time horizon, Cullinan Mine is predicted to reach maximum temperature values of 40.2°C, Williamson 39.72 °C, Finsch 40.17°C and Koffiefontein 42.38°C. This is an average increase of about 6.6% across the mines from their historical maximum temperature values.</p> <p>Droughts are becoming more frequent and severe as temperatures continue to increase. Finsch and Cullinan Mine are located in drought-prone regions and increasing drought conditions have been identified as medium to high risk across our mines. These drought conditions could be exacerbated as we enter a cyclical drought period created by the El Nino effect which will in turn put further pressure on existing water resources and intensify existing dry conditions. Extended periods of drought have the potential to negatively affect our water resources which could impact our ability to operate our mines. There is also a risk that Petra could be perceived as competing for water resources with host communities, which could have a detrimental impact on our social licence to operate.</p>	<p>Petra has stringent health and safety standards and protocols in place to address heat stress concerns within the workforce, in line with relevant health and safety standards and practices.</p> <p>All our mines have water management plans and processes in place. We manage most of our water requirements independently from municipal infrastructure and have developed water recycling capacity and infrastructure.</p>
Transition risks		
Access to capital because of investor exclusion	These are exclusions implemented by investors with more stringent mandates, with the aim to mitigate climate risks, promote sustainable practices, and align investments with sustainability and climate goals.	We have announced our net zero targets and commitments to decarbonisation.
Market because of changing customer behaviour	Consumers are increasingly aware of climate change and the potential impacts associated with the mining sector, and want reassurance that their purchases are ethically sourced and sustainably mined.	
Policy, legal & taxes	Policy and legal (Carbon taxes): The South African Carbon Tax Act has financial implications associated with our GHG emissions. In Phase I of this Act, the risk for Petra is low, based on the structure of the carbon tax and Petra's low Scope 1 emissions. There is a potential risk in Phase II of the Carbon Tax Act which is planned post 2025. While the base rate to be used for calculation of the carbon tax has been published until 31 December 2030, the structure of allowances for the second phase (2026-2030) has not been disclosed. This lack of information creates uncertainty about the financial impact of the Carbon Tax Act on Petra's South African operations beyond 2025. This could see higher operating costs both in the form of higher liability (as carbon tax allowances are phased out) and the risk of higher electricity prices if the tax is passed on (implemented) through the South African power utility. Currently, there is revenue neutrality in terms of the electricity price and the Carbon Tax Act as the carbon tax is not passed on through the electricity price. However, the decision on whether to extend this revenue neutrality for the second phase is yet to be made by the National Treasury. Therefore, there remains a low risk that Petra's South African operations could incur a carbon tax on electricity passed through by the South African power utility. Furthermore, as South Africa commits to more ambitious decarbonisation efforts in the future, there is a growing trend of increased penalties and tax implications.	Our plans to deliver on both our 2030 GHG reduction targets together with our net zero target will assist us in reducing our GHG emissions and associated carbon tax liabilities.



Mineral waste management

Responsible management of mineral waste

Responsible mineral waste management is a key component of our environmental stewardship. We recognise the extreme consequences of tailings storage facility (TSF) failure on the environment and those who live in areas immediately adjacent to these facilities. We also see effective management of our mineral waste as an opportunity for value creation for the Company and other stakeholders. We have adopted the Global Industry Standard on Tailings Management (GISTM) in relation to the management and control of TSFs at all our operations.

Key features FY 2023

- ▶ TSF failure at Williamson in November 2022; good progress with restoration plan
- ▶ Continued progress toward conformance with GISTM

SDGs



Stakeholders

Employees, contractors and trade unions

Local communities and NGOs

Host governments and regulators

Financial stakeholders

Material matters

- ▶ Tailings management
- ▶ Community relations and social investment
- ▶ Climate change impact on mining operations
- ▶ Employee safety, health and wellness
- ▶ Water management
- ▶ Compliance and risk management
- ▶ Responsible sourcing

Progress against FY 2023 objectives

Develop a Tailings Management Policy	✓
Draft Petra Standard on Tailings Management	✓
Undertake an external audit of all tailings facilities	✓

KEY



Achieved/good progress



In progress



Limited progress

Tailings KPIs

One

TSF INCIDENT

FY 2022: Zero



Mineral waste management (continued)

Our ambition

We aim to safely and effectively manage all our mineral waste deposits, including our TSFs. Our mining waste facilities are planned, operated and maintained according to our host country's regulatory requirements.

In FY 2023, our Board adopted our Tailings Management Policy, which includes the adoption of the GISTM. The policy commits Petra to implementing a Tailings Management System (TMS) for all our TSFs, based on international standards and in alignment with the GISTM, relevant technical guidelines and applicable legislation.

Through this policy, Petra committed to implementing the GISTM requirements, which require very high and extreme consequence facilities to comply by August 2023. Petra has identified the gaps that need to be closed to enable alignment with GISTM and has plans to achieve this by June 2025. A similar process will be followed for facilities with a lower consequence classification with completion scheduled for August 2025.

Our approach

At Petra, we generally operate two types of mineral waste facilities:

- ▶ **Coarse residue deposits (CRD):** These contain processed tailings with limited moisture content which are mechanically deposited in continuously growing angled structures. CRDs are relatively stable structures and, since they do not impound water, they do not pose a risk of wall failure and flooding. At some operations, older CRDs are being re-treated to extract residual diamonds lost in the diamond winning process in earlier years when diamond winning technology was less efficient
- ▶ **Fine residue deposits, also known as TSFs:** These are fine processed tailings which, 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

All TSF facilities are constructed using upstream deposition methods. The outer walls are constructed with the coarser fraction of the fines residue, while the finer fraction will settle in the dam basin, keeping the pool away from the embankment walls. The Williamson facility is designed to use the downstream construction method.

Performance in FY 2023

Petra currently actively uses four TSFs to dispose of its fine residue (two at Finsch and one each at Williamson and Cullinan Mine), with a further five either dormant, inactive or used to receive underground water (at Koffiefontein which is under care and maintenance) as well as the failed facility. Tests are being conducted to determine the root cause of the failure. The facility at Cullinan Mine is classified as an 'extreme' consequence facility, with the No. 1 dam at Finsch being classified as a 'very high' consequence facility. In conformance with GISTM requirements, a public disclosure document for these two facilities has been published.

	FY 2021	FY 2022	FY 2023
Number of significant TSF-related incidents	0	0	1

We comply with the mandatory Codes of Practice (COP) for mine residue deposits, which provide directives through the life cycle of facilities from design to closure. These South African-specific guidelines are supplemented by additional internal compliance, assurance and performance audits, as well as third party assurance in the form of external audits conducted annually in line with the ISO 45001:2017 and ISO 14001:2015 management standards.

Following the release of the GISTM and our subsequent gap analysis, detailed implementation plans are in place at all our operations. We have found the applicable South African national standards are well aligned with the technical requirements of the GISTM, and believe the adoption of the international standard supports and enhances our tailings management process.

As part of our GISTM implementation journey, we recently appointed an accountable executive, responsible TSF engineers and Engineers of Record. We have also constituted a centralised steering committee and appointed an Independent Review Board.

Important TSF parameters that are recorded, documented and managed include: the overall condition of side slopes, benches and basins; drain flow records; deposition rates and corresponding rates of rise; freeboard; the phreatic surface level (water table), structural integrity of the penstocks; pool size and location; and the impact on the surrounding environment and potential zone of influence.

Summary of our TSFs

	TSF status and location	Classification
Finsch	2 active 1 dormant	No. 1 dam classified as a 'very high' consequence facility
Koffiefontein	2 inactive 1 dormant	
Cullinan Mine	1 active	Extreme consequence facility
Williamson	1 active	

Appropriate technology for monitoring the condition of the tailings facilities forms part of our tailings management process. Technologies currently in use at our facilities include satellite monitoring of ground movement, standpipe piezometers to monitor phreatic (saturation) levels and the periodic survey of walls/slopes and heights.

As part of GISTM requirements, a site-specific emergency and response plan is being drafted for Williamson in consultation with local authorities and with input from local communities. Site-specific forums were established to improve stakeholder preparedness and co-operation to minimise the consequence of an unlikely failure event. Similar action plans will be developed for our other operations.

Looking ahead

All operations are in the process of implementing the GISTM requirements with an internal/external assessment of conformance being conducted for facilities classified as having a very high or extreme consequence. An initial Independent Review Board report on GISTM conformance indicated that overall good progress had been made. The report also identified areas for improvement. Action plans are being developed to address these areas.

Risk mitigation measures and remediation efforts continue at Williamson – see the case study on page [71](#).



Mineral waste management (continued)



Case study

Williamson tailings wall failure – restoration plan update

In November 2022, a TSF failure occurred at Williamson in Tanzania. The eastern wall of facility number 3 failed, with tailings material spilling into a valley away from the pit. Although most of the tailings were contained by the New Alamasi water dam, which is within the mine property, the spill extended into areas outside the property.

Production was immediately halted, and emergency protocols initiated. There were no serious injuries or fatalities. The failure was due to over-topping caused by the subsidence of a section of the eastern wall. The reason for the subsidence has not yet been established and will form part of a forensic geotechnical investigation that is currently underway and which is expected to conclude by the end of FY 2024.

A total area of approximately 5 km² was covered in tailings because of the failure. Of this, 3.75km² (or 70%) of the impacted area was on mine property.

In responding to the failure, Petra built a 6m high containment wall in the area of the failure. Containment walls were also erected downstream of the failure to prevent any further migration of the spill. Buttressing was added to the impoundment wall of the downstream dam in which a large portion of the spill was contained. Diversion trenches were also established to prevent the build-up of water and to divert rainwater away from the spill area into the surrounding rivers and streams. A new water containment dam was constructed to provide clean water to the community.

A detailed soil and water sampling campaign was initiated to determine the impact of the spill on the environment. This confirmed that the water and tailings material which flowed out of the facility was inert.

Petra immediately initiated humanitarian support for community members at the time of the failure.

Relief and remediation

Co-operation and assistance provided by the Tanzanian Government, local authorities and community leadership allowed mine management to identify and secure the health and safety of community members affected.

A socio-economic survey had been initiated to determine the direct and social impacts of the TSF failure. The outcome of the asset inventory and the socio-economic data baseline census identified 304 impacted households. This data was used to inform restoration planning and its implementation. Restoration planning included the following: an eligibility and entitlement framework defining compensation measures for all affected parties and losses; replacement housing and public infrastructure designs; and a livelihood restoration plan.

Williamson has undertaken individual household-level human rights monitoring since the event and will continue with the appropriate level of human rights monitoring until the restoration is determined as being complete. Potential human rights risks are identified and mitigated through the ongoing monitoring process. Psychosocial support is also being provided.

As part of our remediation efforts, planting trials have been undertaken to establish the best use of land post remediation of the affected areas. These trials suggested that the area within the mine property could be returned to natural vegetation, either as forest or wetland, through amelioration of the soil and revegetation. Areas outside of the mine property could, with minor improvements, be enriched to enable cash crops to be farmed on a viable basis.





Water stewardship

Improving water use practices and reducing dependence on freshwater resources

Access to water is a significant environmental risk to our operations, and this – along with its effective stewardship through improved conservation and recycling – is a significant imperative for both Petra and our host communities. Most of our operations are located in water-scarce regions and use large volumes of water.

Key features FY 2023

- ▶ Continued focus on water recycling
- ▶ Controlled discharge at Cullinan Mine owing to continued high rainfall
- ▶ Maintained CDP Water disclosure score of B

SDGs



Stakeholders

Employees, contractors and trade unions
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Climate change impact on mining operations
- ▶ Water management
- ▶ Compliance and risk management

Progress against FY 2023 objectives

Improve water use practices and reduce dependence on freshwater resources	✓
Reduce the intake or improve the efficiency of fresh water used	✓
Improve percentage of water recycled	✓
Review and update Petra's water management strategy	🔄

KEY



Achieved/good progress



In progress



Limited progress

Water KPIs

0.69m³/t

TOTAL WATER INTAKE FOR PRODUCTION

FY 2022: 1.0 m³/t

88%

RECYCLED WATER USED ON MINE

FY 2022: 80%



Water stewardship (continued)

Our ambition

Petra is committed to using water responsibly and efficiently to help ensure the availability of water for our operations, as well as for local communities and downstream ecosystems. We aim to maximise the use of internal water sources through recycling, thus reducing the volumes of water extracted from freshwater sources.

We are committed to continuing the implementation of our water management strategy. This strategy is aligned with the UN Global Compact CEO Water Mandate and the water policies of the regions where we operate.

Our approach

Water availability is greatly affected by regional water resource management and infrastructure, as well as global weather systems. Water and climate change are inextricably linked. Changes in temperatures and significant weather events (such as floods and droughts) are affecting our water access and the availability of fresh water to host communities. Two of our operations are in water-scarce regions with Finsch and Koffiefontein receiving less than 600mm of rainfall annually.

Our water management strategy focuses on initiatives to improve water management to meet current and future operational needs by:

- ▶ Securing access to water
- ▶ Optimising water storage, usage and recycling
- ▶ Preventing pollution from discharge
- ▶ Supporting access to water by host communities through the provision of potable water and co-operative agreements

All our operations have water management plans in place, and continuously monitor and manage their water consumption and its quality. Audits and inspections help ensure that we are alerted to potential system deficiencies while continually identifying opportunities for efficiency improvements.

Performance in FY 2023

Water management

All of our operations have water management plans in place and operated in line with their requisite permits and water use licences during the Year. We received no fines or sanctions for water use or discharge.

We again participated in the CDP Water Security survey, achieving a B disclosure score (FY 2022: –B). Our survey response can be found on the CDP website at <https://www.cdp.net>.

Water consumption

Our operations continued to improve their water consumption and efficiency, maximise the percentage of water recycled, and manage water discharges.

Our external water is sourced from freshwater resources such as dams and rivers or potable water from municipalities, while internal water sources include groundwater extracted from the underground workings as part of underground dewatering, rainwater and recycling of treated domestic effluent. We take care to eliminate external sources as far as practically possible.

Total freshwater consumption by all operations (raw water and potable water consumed for mining-related activities) decreased by 51% to 4,516,968 m³ in FY 2023 (FY 2022: 9,238,310 m³).

Water consumption by source (m³)

	FY 2021	FY 2022	FY 2023
External sources of water*	4,481,294	11,655,198	6,340,125
Recycled water	20,634,646	45,549,356	45,899,682

* Municipal, ground and surface water sources

Water consumption by source (m³) FY 2023

	Cullinan Mine	Finsch	Koffiefontein	Williamson	Total Group
External sources of water*	179,854	2,419,140	336,733	3,404,327	6,340,125
Recycled water	28,730,583	1,367,700	1,280,963	14,520,436	45,899,682

* Municipal, ground and surface water sources



Water stewardship (continued)

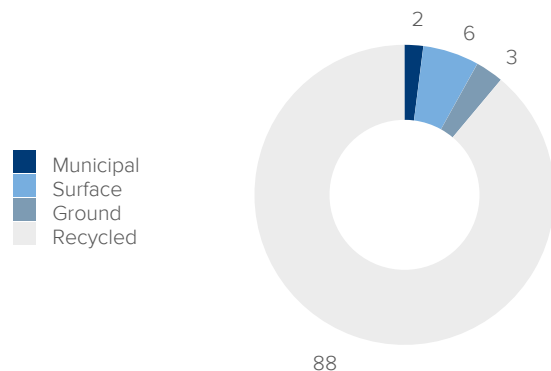
Performance in FY 2023 (continued)

Water consumption (continued)

Reducing water intensity by enhancing production efficiencies is central to our water management strategy. Our freshwater usage and the need to replenish water from outside sources is reduced by maximising efficiencies of return water reticulation processes and systems, running treatment processes at optimal capacity and using appropriate water quality to minimise the use of high-quality water. Initiatives such as leak prevention and infrastructure maintenance and stormwater management assist in directing water to the most beneficial storage areas.

In FY 2023, our water efficiency improved by 31% to 0.69 m³/t, from 1.00 m³/t. This decrease was mainly due to reduced production from two of our mines, Williamson and Koffiefontein.

Water consumption by source (%)



The bulk of the water we use is recycled. Recycled water used by our operations accounted for 88% of total water usage in FY 2023 (FY 2022: 80%). The total volume of recycled water used during FY 2023 was 45,899,682m³, an increase of 1% from 45,549,356m³ in FY 2022.

Where possible we recycle water from various sources in preference to using either potable or raw water. In addition to our water recycling, most operations source treated effluent from municipal wastewater treatment facilities.

Over the past two years, higher-than-average rainfall at our Cullinan Mine caused dam levels to rise to a point where controlled discharge was required. Flow meters have been installed in pipelines to measure discharge volumes. These flow meters are monitored continuously via control rooms and discharges are managed to prevent daily release volume limit from being breached.

We recognise that, in addition to our operations, the people and communities adjacent to our operations are also affected by water scarcity, changes in weather patterns and extreme weather events resulting from climate change. Therefore, our water management strategies extend beyond our operations to the surrounding communities.

By reducing our water consumption, being more efficient in using this scarce resource, and improving the amount of water we recycle we can help make more freshwater available for use by surrounding communities.

In Williamson in Tanzania, we have the only water treatment plant in the district, making it a source of potable water for local villages. Water also plays a central role in the relief and restoration programme being rolled out after the TSF failure in November 2022, with the restoration of land and livelihoods in agriculture and livestock farming being water dependent.

Placing high value on the strength of our relationships, we engage with communities and local municipalities to improve the management of shared issues such as potable water and resource consumption. We have working arrangements with local authorities for all our operations.

Looking ahead

Looking ahead, we intend to continue to:

- ▶ Reduce the intake or improve the efficiency of freshwater use
- ▶ Improve the percentage of water recycled
- ▶ Minimise and responsibly manage any discharge





Waste management

Waste management and integration into the circular economy

The generation and disposal of waste can have a detrimental impact on the environment. By responsibly managing our waste streams, we can minimise the disposal of waste to landfill and reduce our environmental footprint, creating value for smaller and community-based businesses, in support of a circular economy. Our approach to mineral waste management is detailed on page [69](#).

Key features FY 2023

- ▶ Initiated a review of our waste management approach
- ▶ Ongoing studies to identify waste streams that may be of benefit to other industries or communities

SDGs



Stakeholders

Employees, contractors and trade unions
Local communities and NGOs
Host governments and regulators
Suppliers

Material matters

- ▶ Community relations and social investment
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business

Progress against FY 2023 objectives

Reduce the volumes of hazardous waste generated at operations	✓
Increase the percentage of waste recycled by the Group	✓
Create shared value partnerships to benefit from waste management by 2030	🔄

KEY



Achieved/good progress



In progress



Limited progress

Waste KPIs

86%

OF WASTE RECYCLED AT SOUTH AFRICAN OPERATIONS
FY 2022: 85%

125 tonnes

OF HAZARDOUS WASTE DISPOSED AT LICENSED SITES IN SOUTH AFRICA
FY 2022: 139 tonnes

110 tonnes

OF HAZARDOUS WASTE INCINERATED IN TANZANIA
FY 2022: 0 tonnes



Waste management (continued)

Our ambition

We aim for a zero-waste future by reducing waste sent to landfills and increasing our recycling and repurposing of waste. We are pursuing this by reducing the waste generated on site, working with suppliers to manage and reduce their waste, and increasing the involvement of communities to transform waste into value.

Our approach

Petra's waste management approach is underpinned by a fundamental shift in how we view waste, and specifically by focusing on turning waste into a resource.

Our first priority is to avoid and reduce waste before substances, materials and products are discarded. Where the generation of waste is unavoidable, we apply best practices including the application of the hierarchy of waste management practices. This involves managing waste in a sequential order with the interventions that have the highest priority applied first. The interventions are broadly categorised as:

- ▶ Avoiding waste production at source
- ▶ Reducing the volume of waste generated
- ▶ Reusing waste materials if possible
- ▶ Recycling by reprocessing waste materials
- ▶ Responsible disposal of waste

Performance in FY 2023

One of our main drivers of change focuses on repurposing waste and improving recycling initiatives to reduce the overall volume of waste sent to landfill and maximise the percentage of business waste entering the circular economy. Our waste optimisation approach currently focuses on legal compliance and the separation of waste streams. An updated waste management strategy, which builds on circularity and identifies local

partnerships to advance recycling initiatives, will be completed and is expected to be approved by the Board for implementation in FY 2024. This strategy will identify the supply chain as a fulcrum for waste reduction.

Our two non-mineral waste streams are business waste (90%) and hazardous waste (10%). In FY 2023, the combined waste (business and hazardous) sent to landfill was 3,652 tonnes (FY 2022: 21,258 tonnes), comprising:

- ▶ Business waste (non-hazardous domestic) of 3,281 tonnes, a decrease of 84% from 21,120 tonnes in FY 2022
- ▶ Hazardous waste of 371 tonnes, an increase of 167% from 139 tonnes in FY 2022

The ongoing decrease in business waste results from a continuous drive to identify and remove reusable and recyclable items from the waste stream – which resulted in 86% (FY 2022: 85%) of all waste being recycled.

Waste (South Africa*)

	FY 2021	FY 2022	FY 2023
Waste to landfill (tonnes)	728	701	727
Waste to landfill (%)	21	15	14
Waste recycled (tonnes)	2,906	3,969	4,422
Waste recycled (%)	86	85	86
Total waste	3,392	4,675	5,153

* Waste data is provided for South Africa only as Williamson was not operation for much of this period

We contract reputable waste management companies that are ISO 14001-certified to handle, transport, recycle or dispose of waste.

All hazardous waste generated in South Africa is disposed of at licensed sites and records are kept of each load.

At Williamson, waste management options are limited due to the mine's remote geographic location and a lack of local waste

recycling capacity. Around 99% of waste is sent to landfill (FY 2022: 98%) and only 0.6% is recycled (FY 2022: 2%).

The mine has also assumed responsibility for the waste management of the entire Mwadui village, though this is not included in our reporting figures. Hazardous waste is incinerated by a licensed waste incinerator since no hazardous waste sites are available in our operational area.

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

Our operations are progressively identifying more waste streams that may benefit other industries or communities. By reconsidering how our waste can become a raw material for use in the development of new products, we assist in creating alternative secondary economies.

We also support local communities in their management of waste. During FY 2023, Finsch contributed more than ZAR5 million towards the construction of a landfill site in the town of Danielskuil in South Africa's Northern Cape province. While assisting the ZF Mgcawu District Municipality with its infrastructure development, the project also enables the creation of local opportunities for the community.

Looking ahead

As part of their updated local economic development plans, both Finsch and Cullinan Mine will pursue waste management projects with local businesses to contribute towards the creation of a circular economy in both the municipalities of Kgatelopele and the City of Tshwane.



Biodiversity and closure

Protecting and managing our biodiversity and ensuring responsible closure

We recognise that our activities can alter an area's biodiversity and topography. We guard against the potentially negative impacts of our operation – which could include habitat destruction, vegetation clearance, the introduction of invasive species and permanently changing the original ecological processes – and work to influence the positives. These would include conserving large areas of habitat that would otherwise be over-exploited and supporting conservation research.

Fostering ecologically sustainable practices throughout the life cycle of our operations, including effective rehabilitation and closure criteria, helps to ensure that ecosystem services remain intact, that plant and animal diversity found in the regions where we operate is preserved and reinstated (where practicable to do so), that environments are more resilient to climate change and that agricultural opportunities in areas affected by mining are enhanced.

Key features FY 2023

- ▶ Calculated mine closure liability of US\$49 million (FY 2022: US\$53 million), which is fully funded
- ▶ None of our operations are in or adjacent to formally protected areas
- ▶ Seven vulnerable and protected species under our care

SDGs



Stakeholders

Employees, contractors and unions
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Water management
- ▶ Climate change impact on mining operations
- ▶ Compliance and risk management
- ▶ Ethical business

Progress against FY 2023 objectives

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	✓

KEY



Achieved/good progress



In progress



Limited progress

Biodiversity and closure KPIs

6,981 ha

OF PROTECTED WILDLIFE AREAS UNDER OUR CARE

100%

OF OPERATIONS HAVE BIODIVERSITY MANAGEMENT PLANS AND CLOSURE PLANS IN PLACE



Biodiversity and closure (continued)

Our ambition

Our ambition is to foster productive and ecologically sustainable solutions during mining operations, at and after mine closure. We will achieve this by protecting, conserving and reinstating the unique biodiversity assets at and around our operations, and supporting sustainable land use.

Our approach

Petra manages areas rich in plant and animal diversity that provide natural resources and essential ecological services to our operations and local communities. We protect and manage the biodiversity at and around our operations and seek to regenerate ecological services through concurrent rehabilitation and responsible post mining closure practices.

By implementing an integrated rehabilitation and mine closure approach, we seek to increase the socio-economic production potential of mine-impacted land. We have also singled out biodiversity and ecological management as an opportunity for local communities and businesses to economically participate in the preservation of the environment.

Managing biodiversity

Our environmental management system, which sets out our commitment to biodiversity protection and management, considers the requirements of South Africa's National Environmental Management: Biodiversity Act, and the IFC's Performance Standard 6 (PS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources.

We have adopted the guidelines set out in the ICMM's Good Practice Guidance for Mining and Biodiversity. Developed in partnership with the International Union for the Conservation of Nature (IUCN), these guidelines require that we:

- ▶ Identify and evaluate biodiversity
- ▶ Understand the connections between our activities and biodiversity
- ▶ Mitigate potential impacts on biodiversity
- ▶ Develop rehabilitation strategies for affected areas
- ▶ Contribute to biodiversity conservation

Environmental impact assessments are conducted before any greenfield area is included in our mining activities. This process

includes public participation to identify areas where endangered species or ecosystems exist. These 'no-go areas' are not included in the mine plan but flagged as protected or preserved sections of our properties.

Each operation has a unique biodiversity management plan with heritage management plans in place for sites of cultural or historic importance.

Our ecological management approach incorporates the international mitigation hierarchy (avoidance, minimisation, restoration, offset and compensation), with distinct objectives in place to achieve the ecological services associated with a specific area. These include avoiding ecological service degradation; mitigating impacts on ecological service systems; restoring ecosystem services; promoting environmental awareness; promoting tourism (and employment); and promoting carbon sequestration through vegetative proliferation.

Rehabilitation and closure

Our approach to rehabilitation and mine closure supports an economically productive and ecologically sustainable post mining state for all project-affected areas. This approach aims to:

- ▶ Enhance the 'productive potential' of mining-affected areas
- ▶ Achieve clear rehabilitation and closure objectives
- ▶ Entrench concurrent rehabilitation as the norm for rehabilitation activities
- ▶ Meet our compliance and other obligations for rehabilitation and mine closure

Every project is planned with the end of mine plan in mind, although concurrent rehabilitation activities are budgeted for and undertaken on an ongoing basis. Special measures are put in place to address residual and latent impacts.

An example of latent impact is the rise of the water table in an area when dewatering ceases after mining is halted. Before mine closure, all underground pollution sources must be removed and the latent potential pollution plume must be modelled to gauge any potential harm to the environment. In cases where risk exists, this needs to be addressed by engineering practices such as underground tunnel sealing, the insertion of membranes or active dewatering of polluted water before it reaches the community.

Open pits are potential additional water reservoirs – the water may be brackish but not toxic. Rehabilitation would entail equipping these pits with safety features to prevent animals and people from drowning and with pumping equipment left in place for a water treatment works for the town's future use.

Performance in FY 2023

Biodiversity and land management

Our South African mines have Environmental Management Programmes (EMPr), approved by the DMRE. These programmes include details on how the environment may be impacted by mining activities or closure, and details on the management and mitigation measures in place to prevent environmental degradation.

Williamson, which has had an EMP in place since Petra started mining in Tanzania, submitted its updated EMP in January 2023, after the TSF failure in November 2022.

All our South African mines have conducted a thorough geo-hydrological census to model the potential impact to groundwater sources. Cullinan Mine conducted a comprehensive biomonitoring survey of the receiving environment downstream of the No. 7 TSF.

None of our operations are in or adjacent to formally protected areas. Of the total area of 6,981 ha owned and managed by Petra, 56% is protected. Petra's responsibilities relating to the protected area include management of stocking rates, the prevention of erosion and improved grazing, all of which are aimed at promoting biodiversity. See page 69 for details on carbon sequestration estimates.

As part of our commitment to conserve biodiversity, 'game park' conservation areas are established and maintained where employees and community members can experience natural biomes. Although independent committees manage these conservation areas, our operations assist with ecological management plans that regulate the grazing and stocking rates of these farms.



Biodiversity and closure (continued)

Performance in FY 2023 (continued)

Biodiversity and land management (continued)

As far as possible we undertake rehabilitation concurrently with mining, so that ecological functions that may have been interrupted by mining activities are immediately replaced. The success of our revegetation and rehabilitation initiatives is measured annually using a Land Function Analysis and by monitoring various criteria (social, water and other parameters are measured by set closure commitments).

In addition, all operations have active programmes in place for the eradication of alien vegetation.

Several protected species (four fauna and three flora) have been identified in the areas under our care. Further details may be found in the supplementary information. Where appropriate, protected plants are relocated, or 'no-go' areas are established around species that cannot be relocated. In addition to providing species sanctuary, Petra funds independent research to increase understanding and knowledge. This research has included a study of the genome of the 'Petra ant', and biomonitoring at all our South African mines.

We have introduced training for all employees on the importance of biodiversity and encourage employees to participate in biodiversity management projects (for example: snake catching and beekeeping).

Rehabilitation and closure

All our operations have rehabilitation and closure plans that span the mine plan through to ten years post closure, and include associated closure financial provisions. At the end of FY 2023, Petra's mine closure liability was independently assessed at US\$49 million (FY 2022: US\$53 million). The required funds have been set aside as per legislation.

Our approach to rehabilitation has been revised, with a view to adopting it as a strategy in FY 2024. This strategy will assess the potential implementation of concurrent rehabilitation, so all our mines will implement environmental and social transformation initiatives while still in the operational phase. Each project is designed with the end in mind and while the environmental impacts of our mining activities are not expected to last long after mine closure, we strive to ensure that socio-economic value can be derived by stakeholders long after our operations have ceased.

Our environmental team works closely with the social performance team to repurpose land and stimulate secondary economies to reduce community reliance on mining.

Focusing on basic human needs, we prioritise food security when considering ways to contribute to economic development. While we look at how we can improve the agricultural potential of our area, most of the regions in which we operate are water stressed, which makes agriculture challenging. This has led to initiatives on newer farming methods such as urban agriculture. Urban agriculture makes it possible to produce fresh food with low carbon and water footprints – while conserving land – to provide healthy, affordable and accessible food to a city's poorest residents.

Petra's operations are currently housed on a total of 12,399 ha of land, 37% of which is used for production and 8% of which has been rehabilitated.

Looking ahead

Anticipating the end of the transitional period for the implementation of the Financial Provisioning Regulations, 2015, under the National Environmental Management Act, 1998 (Act no. 107 of 1998) Petra introduced parallel management of mining operations and ecological remediation. Updates to our rehabilitation and closure plans are currently underway and scheduled for completion in the coming year. These will include our ecological and economic development plans, covering biodiversity and land use once mining has ceased.

Land disturbed and protected (ha)

	Cullinan Mine	Finsch	Koffiefontein	Williamson	Total
Land under management	11	120	0	0	131
Land protected	2,673	1,388	2,014	906	6,981
Land	4,315	2,550	3,656	1,878	12,399



Case study

Finsch rehabilitation on the right track

An independent review by environmental rehabilitation consultants, Agreenco, has resulted in a favourable report on the overall rehabilitation at Finsch's open paddocks. This rehabilitated area, covering some 160 ha, is the site of an old fine residue (tailings deposit) that was decommissioned in the 1980s.

Started in 2018, this project at Finsch is one of the largest and most successful rehabilitation projects undertaken. The paddocks were reshaped, and stockpiled topsoil was applied and revegetated with native grass species in order to gain long-term soil stability.

The project, which took two years to complete, has reduced overall closure costs by more than R67 million (US\$3.8 million). It is a good example of Petra's Group strategy on rehabilitation and mine closure, which looks for an economically productive and ecologically sustainable solution for areas affected by mining after mine closure. These paddocks will be used as grazing land post mine closure.

In the assessment report, Agreenco says the gravelly soil substrate used in rehabilitation, as well as adequate land-forming and surface water controls, render an inherently stable landscape, with minimal potential for erosion. The report further noted that the use of pasture grasses for the initial rehabilitation of the paddocks had resulted in very high biomass cover (dense grass growth). High cover protects the soil from erosion, and provides more grazing material for cattle.

Agreenco has recommended annual monitoring of the area to track the development or regression of rehabilitation performance. The monitoring period must cover periods of successive below-average rainfall years to make firm conclusions about the resilience and actual functioning of rehabilitation. Agreenco's assessment was preceded by three seasons of above average rainfall. Lower or below average rainfall – and drought – could lead to less grass, lower biomass and reduced biodiversity. Monitoring will continue until the affected area has recovered.

After closure, the paddocks will be suitable for grazing – and while closure is underway the land could be used to support the local community by feeding a cattle herd in case of drought or fire.



Driving shared value partnerships

In this section

Petra values sustainable partnerships, not only for business success but to create shared value outcomes for all stakeholders. We commit to upholding high ethical business standards and safeguarding human rights. This is important within the business (employees and contractors), and for our suppliers, customers, communities and other stakeholders. We recognise that meaningful stakeholder engagement enables us to build trust and, ultimately, supports the continued success and sustainability of the business.

In this section:

- 81 Constructive stakeholder engagement
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Constructive stakeholder engagement

Developing and maintaining trust

Every aspect of our business interacts with stakeholders – from employees and unions to shareholders; and from local authorities and national governments to communities, customers and society at large. Our stakeholder relationships have both a direct and indirect impact on our business and our reputation. Effective stakeholder engagement develops and maintains trust in our business and helps us to identify and mitigate risks of protest and disruption.

Key features FY 2023

- ▶ Establishment of a multi-stakeholder engagement forum
- ▶ Implementation of an opportunity-led stakeholder engagement framework
- ▶ New stakeholder engagement map being implemented
- ▶ Continued progress on IGM and RJs at Williamson

SDGs




Stakeholders


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

Material matters

- ▶ Community relations and social investment
- ▶ Water management
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business

Progress against FY 2023 objectives

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 

KEY



Achieved/good progress



In progress



Limited progress

Stakeholder engagement, community and social investment KPIs

359

EXTERNAL SOCIAL ENGAGEMENTS

FY 2022: 451

- ▶ 148 in South Africa (FY 2022: 329)
- ▶ 211 in Tanzania (FY 2022: 122)

26

GRIEVANCES LODGED IN SOUTH AFRICA

FY 2022: 34



Constructive stakeholder engagement (continued)

Our ambition

We aim to build and sustain strong and trusting relationships with all our stakeholders, through effective and timely engagements, focusing on those issues that matter most to the business and our stakeholders. Petra is committed to ensuring that these engagements and our actions are inclusive, transparent and responsive, and that stakeholders can participate in decisions that affect them, and even co-create outcomes. We will seek to ensure that grievance mechanisms are available, accessible and trusted.

Our approach

Our approach to stakeholder engagement is guided by our Stakeholder Engagement Policy, which commits Petra to meaningful engagement with stakeholders. We are guided by the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector's definition that meaningful engagement is "ongoing engagement with our stakeholders that is two way, conducted in good faith and responsive".

Our stakeholder identification and prioritisation process draws on AccountAbility's AA1000 Stakeholder Engagement Standard and the International Finance Corporation (IFC) Stakeholder Engagement Handbook.

Each mine has a specific stakeholder engagement process that is guided and informed by Petra's standardised stakeholder engagement process and platform, as well as site-specific social impact assessments (SIAs).

Our stakeholder engagement process is aligned with the AA1000 Standard and can be grouped into three inter-related and circular phases: planning and preparation, implementation, and review and improvement:

- ▶ In planning and preparing for our engagements with stakeholders, we seek to align the purpose of the engagements with our business strategy and aims, as well as with specific stakeholder interests. We also seek to ensure that engagements have a clear and agreed mandate, as well as appropriately trained owners
- ▶ We profile and map our stakeholders annually by reviewing and revising previous engagements and matters identified. This process is guided by our internal engagement plans which set out stakeholder details, frequency of engagement,

engagement methodology, and resource requirements. We also identify engagement risks and develop management and mitigation measures

- ▶ In the implementation phase, we seek to ensure that stakeholders are prepared and capacitated for engagement. This includes the provision of documents in different languages. We prepare action plans following engagement and communicate these to stakeholders and track progress
- ▶ In the final step, we review the process and outcomes of our engagement, and identify possible improvements. We do this by monitoring and evaluating our engagements and their quality, based on participation, feedback and outcomes

Performance in FY 2023

During FY 2023, we focused on improving and standardising our engagement processes and stakeholder management approach, while improving our grievance procedures.

We have established multi-stakeholder engagement forums at Cullinan Mine and Finsch (and a variant of the model at Koffiefontein), which provide each operation with a single platform to engage with communities, local businesses, all levels of government and regulators. The forums allow us to be aware of stakeholder concerns and to proactively engage. Operations hold frequent meetings through the forums, which have well defined terms of reference and clear roles and responsibilities. The benefits are already being felt, with fewer grievances lodged as stakeholders feel they have a place to raise their concerns.

In late FY 2023, we started developing a new stakeholder engagement map, looking at all stakeholders across Petra. Following the finalisation of this process, we are prioritising engagement with key stakeholders and will likely update our Stakeholder Engagement Management Policy.

We updated our grievance management procedure during FY 2023 – this will be published in the first quarter of FY 2024.

Grievances during FY 2023 tended to focus mainly on business opportunities. In response, ESD programmes were established at Cullinan Mine and Finsch (where most of the grievances were registered) with the same planned for Koffiefontein in FY 2024. The combination of the multi-stakeholder engagement forums, in particular, and ESD programmes should help us better respond to the needs of our stakeholders.

Other grievances related to environmental issues that impact some community members have been resolved with task teams set up to address the grievances. This is supported by the updated grievance management procedure.

Significant progress has been made in addressing grievances, with successful resolution of issues being seen at our South African operations. Williamson continues to deal with grievances through the pilot Community Grievance Mechanism (CGM), which continues to operate since implementation in 2021.

There were no delays in operation or projects relating to community (that is, non-technical) issues.

South Africa

We continue to proactively engage with stakeholders, including communities, government, NGOs, NPOs and SMMEs. In FY 2023, our local operations conducted 148 external engagements (FY 2022: 329).

Access to business opportunities was the main grievance for many host communities at our operations in South Africa, particularly at Cullinan Mine, which is close to a major metropolitan area, but also at Finsch. In response, we have established a new enterprise supplier development (ESD) programme. We piloted the programme between December 2022 and May 2023 and began its full implementation thereafter. This new programme has adopted a more sustainable model than past interventions and it allows Petra to ring-fence meaningful business opportunities for locals.

As an 'add on' for local suppliers, we have also ring-fenced 100% of supply opportunities of between R40 million and R50 million (US\$2.25 million to US\$2.81 million) per year for our local economic development programmes. Further, the execution of our SLP contracts is carried out primarily by local contractors. Our programme is set up to allow for an incubation period for small businesses, where we provide support (such as documentation, taxation, accounting, legal, and technical support). Once these businesses are more well established, they can become a mainstream supplier. Our target is to bring on board 100 new SMMEs by the end of the 2024 calendar year.

For more on investing for community and social upliftment, see page [86](#).



Constructive stakeholder engagement (continued)

Performance in FY 2023 (continued)

South Africa (continued)

At Koffiefontein, engagements were dominated by the Section 189 process¹ the Company embarked on as part of the mine going into care and maintenance. The retrenchment of 379 people has negatively impacted the Koffiefontein community's perception of Petra and our interactions with them. Nonetheless, the retrenchment process, which ended on 15 March 2023, was undertaken without recourse to legal action and without protest. See the case study on page 53. Subsequently, 81 Koffiefontein employees were re-engaged on full-time contracts in the Koffiefontein Care and Maintenance team, while 42 employees from Koffiefontein were transferred to other roles at Cullinan Mine and Finsch.

Tanzania

The Company's relationship with stakeholders at Williamson has improved significantly since 2020. This has been a result of more active leadership and communication, enhanced stakeholder engagement, the IGM and RJP, and improved service delivery and social security, among others.

This improved relationship was beneficial in managing the impacts of the TSF failure. Petra acted swiftly in response to the failure, and provided the community with the support it required, including accommodation, humanitarian aid and environmental restoration. Our prompt response has since strengthened our relationship with our host community, whose residents have responded favourably to the interventions we put in place. Almost all the people who suffered losses (over 99%) have been compensated and our relationship with the community is stable. See the case study, and more detail on the TSF failure and how we addressed it on page 71.

A critical learning from the human rights allegations was that we need to be more proactive in our engagements with all our stakeholders. We subsequently stepped up our engagements with the residents of the 12 villages surrounding Williamson. We are using the information gathered through intensive engagement sessions, including door-to-door meetings, to strengthen our engagements and overall relationship with community members. We also appointed local service providers to support some of these engagements and launched a radio programme that has enabled us to extend the reach of our communication. The radio programme is part of several channels the Company uses to communicate with stakeholders, including print, broadcast and social media, as well as face-to-face meetings. In total, there were at least 211 stakeholder engagements at Williamson.

In addition to restructuring our communication process, Petra established an SGBV programme at Williamson, which gives residents, primarily women, a safe platform to share information and get help. See page 34 for more on the IGM and RJP at Williamson.

Looking ahead

In FY 2024, we will continue to extend and intensify our engagements with stakeholders. Specific objectives include:

- ▶ Actively prioritising and engaging with our key stakeholders in line with our new Stakeholder Engagement Map
- ▶ Reviewing and updating our Stakeholder Engagement Management Policy
- ▶ Supporting our operations in updating and developing site-based stakeholder engagement procedures
- ▶ Updating the grievance management procedure

¹ Section 189 of South Africa's Labour Relations Act permits employers to dismiss employees for operational requirements.





Shared value through socio-economic impact

Creating shared value

Petra is a primary source of economic activity in the areas around Finsch, Cullinan Mine and Koffiefontein, and is a major contributor in the Shinyanga area where Williamson is located in Tanzania. As a result, many residents of host communities look to Petra for employment and procurement opportunities. Our goal is to ensure that we create shared value through our activities and through our direct and indirect socio-economic impact in the countries and communities in which we operate.

Key features FY 2023

- ▶ Economic impact through job creation on 50,350 people (40,460 in South Africa and 9,890 in Tanzania)
- ▶ Continued support for Extractive Industries Transparency Initiative (EITI) and Publish What You Pay
- ▶ Agreement reached for sale of 50% of Petra's stake in Williamson

SDGs



Stakeholders

Employees, contractors and unions
Financial stakeholders
Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Responsible sourcing
- ▶ Ethical business

Our ambition

By creating sustainable and fairly remunerated employment opportunities for employees and contractors, and through training and development, we can support our local communities today, and for the future. We invest in ethical supply chains and seek to develop small and local businesses by creating opportunities in our supply chain. We aim to support our local economies, and by paying taxes and royalties, we contribute to our countries of operation. We work to set up our host communities with sustainable development projects that will continue long after the lives of our mines. See page [86](#).

Our approach

By providing local employment, paying taxes and royalties, and supporting local suppliers (procurement) and corporate social investment (CSI), we can make a positive and sustainable contribution to our stakeholders.

Socio-economic impact KPIs

US\$124.7m

PAID IN SALARIES AND BENEFITS

FY 2022: US\$146.0m

- ▶ US\$105.3m in South Africa (FY 2022: US\$116.4m)
- ▶ US\$19.4m in Tanzania (FY 2022: US\$29.6m)

US\$233.6m

TOTAL DISCRETIONARY PROCUREMENT EXPENDITURE

FY 2022: US\$174.0m

- ▶ US\$168.1m in South Africa (FY 2022: US\$138.4m)
- ▶ US\$65.5m in Tanzania (FY 2022: US\$35.6m)

US\$45.9m

TAXES AND ROYALTIES PAID

FY 2022: US\$57.6m

- ▶ US\$30.7m in South Africa (FY 2022: US\$43.5m)
- ▶ US\$15.1m in Tanzania (FY 2022: US\$14.6m)

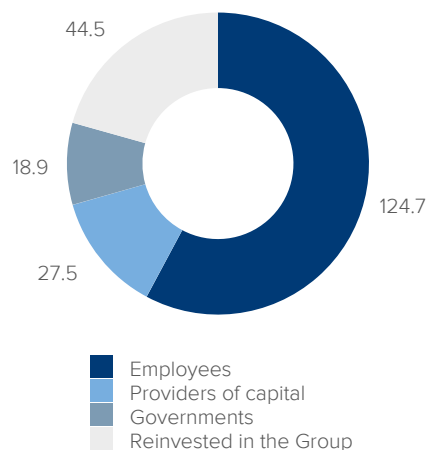


Shared value through socio-economic impact (continued)

Performance in FY 2023

In FY 2023, Petra created wealth of around US\$215.6 million (FY 2022: US\$432.6 million). The distribution to different stakeholders, including reinvestment in the Group, is illustrated below:

Wealth distribution



Payments to employees

In FY 2023, Petra employed 5,033 people – 3,042 direct employees and 1,993 contractors (FY 2022: 5,265 people – 3,474 employees and 1,791 contractors).

Given the generally accepted 'multiplier effect' in southern Africa, that for every direct job created, the benefits reach up to ten additional employee dependants, we estimate that we have an economic impact through job creation on 50,350 people (40,460 in South Africa and 9,890 in Tanzania) (FY 2022: 52,650 people).

The Group spent US\$124.7 million on wages and benefits in FY 2023 (FY 2022: US\$146.0 million), US\$105.3 million in South Africa and US\$19.4 million in Tanzania. This reflects an overall decrease of 15% year on year.

Payments to government (and political parties)

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 (EITI) and Publish What You Pay.

In FY 2023, the Group paid a total of US\$45.9 million (FY 2022: US\$57.6 million) in taxes and royalties – US\$30.7 million in South Africa and US\$15.1 million in Tanzania.

It should be noted that Petra's operations are currently subject to varying levels of tax shields, due to the significant level of investment made by the Company at each operation.

We did not receive financial assistance from governments during the Year and did not make any political donations.

Looking forward

The Government of Tanzania owns 25% of Williamson, with Petra holding the balance. In FY 2023, Petra agreed to sell 50% of its shareholding in Williamson. Once the transaction and accompanying Framework Agreement for the transaction are finalised, Petra and Pink Diamonds Investments Limited (a company nominated by and affiliated with Taifa Mining and Civils Limited) will each hold a 31.5% indirect stake in WDL, with 37% to be held by the Government.

Taxes and royalties (US\$ million)

	FY 2021	FY 2022	FY 2023
South Africa	22.0	43.5	30.7
Tanzania	1.3	14.6	15.1
United Kingdom	-4.7	-0.5	0.0
Total	18.6	57.6	45.8





Community and social upliftment

Investing in our communities

Low levels of socio-economic development and high rates of unemployment are a reality in Petra's host communities. Our investment in the development of these communities complies with government regulations and is critical for our operations to retain their social licence to operate. But we believe it is our responsibility to go beyond these obligations, and to share the benefits of our business with communities and other stakeholders in a sustainable manner. As a result, investing in sustainable local economic development is one of Petra's top priorities.

Key features FY 2023

- ▶ Compliance with Mining Charter in South Africa
- ▶ New five-year Social and Labour Plans developed
- ▶ New CSI Policy under development
- ▶ New ESD programme being implemented
- ▶ 14 full-time bursary students supported in South Africa

SDGs



Stakeholders

Local communities and NGOs
Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Responsible sourcing

Progress against FY 2023 objectives

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



KEY



Achieved/good progress



In progress



Limited progress



Social investment KPIs

US\$2.77m

SOCIAL INVESTMENT EXPENDITURE

FY 2022: US\$0.94m

- ▶ US\$2.25m in South Africa (FY 2022: US\$0.81m)
- ▶ US\$0.52m in Tanzania (FY 2022: US\$0.13m)

US\$1.82m

SPENT ON LED PROJECTS IN SOUTH AFRICA

FY 2022: US\$0.30m



Community and social upliftment (continued)

Our ambition

Our community development process focuses on contributing to resolving the most important issues our mine communities face. This includes supporting social upliftment through job creation, skills transfer (education and training), enterprise and supplier development and sustainable infrastructure projects. Our intention is to equip host communities with sustainable projects and skills that will continue to bear fruit long after mining.

Our approach

We seek to establish partnerships with our employees, communities, governments, local business forums, NGOs and educational institutions to optimise the impact of our initiatives. Our development programmes and social investment expenditure encompasses regulatory obligations (that is, compulsory expenditure). This includes our LED and ESD programmes mandated under the Mining Charter and incorporated into our SLPs in South Africa, discretionary expenditure through corporate social investment initiatives, donations and sponsorships in South Africa, and CSR in Tanzania.

Performance in FY 2023

The Group's total social investment spend, comprising regulated and discretionary expenditure, increased by 194% to US\$2.77 million in FY 2023 (FY 2022: US\$0.94 million).

Social investment expenditure by country (US\$ million)

	FY 2021	FY 2022	FY 2023
South Africa	0.63	0.81	2.24
Tanzania	0.03	0.13	0.52
Group	0.66	0.94	2.77

South Africa

Our SLPs provide for both LED and ESD expenditure.

LED initiatives

In FY 2023, we improved our LED initiatives that seek to contribute to creating self-sustaining businesses in the host communities surrounding Cullinan Mine, Finsch and Koffiefontein. Partnerships with government, communities and businesses in and around our host communities are critical to the success of our approach.

LED projects are identified using feedback, primarily from community structures and SIAs, and are developed in alignment with local municipalities' Integrated Development Plans (IDPs), in consultation with local government leadership. The final selection of projects must be approved by the DMRE as part of the five-yearly SLP cycle.

In FY 2023, Petra spent US\$1.8 million on LED projects – 85% at Cullinan Mine, 14% at Finsch and 1% at Koffiefontein.

At the end of the SLP3 cycle, our three South African operations submitted catch-up plans. These catch-up plans included finalising lists of candidates for community ICT training programmes at Cullinan Mine; engagement with the DMRE, relevant local government structures and the impacted community to find an alternative project for the halted K14 Road project in Cullinan; finalising the tender processes for the appointment of SMMEs to conduct water and sanitation work in Danielskuil in the Kgatelopele Local Municipality; securing final designs for the upgrading of a road in Danielskuil; and engaging with local government structures on proposed infrastructure projects to be undertaken by Koffiefontein.

The following were some of our most significant LED project investments over the past 12 months.





Community and social upliftment (continued)

Performance in FY 2023 (continued)

South Africa (continued)

Project name: Onverwacht Primary School Phase 2

Location	Cullinan
Type of project	Infrastructure
Who will benefit?	Onverwacht Primary School learners, educators and community members
Description of project	Construction of an administration block, library and guard house at a local school. The newly built facilities are an addition to the previously completed 2017 project, which consisted of four classrooms and a nutrition centre
Future plans	Installation of cabinets for staff room and furniture

Project name: Danielskuil Technical High School

Location	Danielskuil, Tlhakatlou Community, 10km from Finsch
Type of project	Infrastructure
Who will benefit?	Danielskuil learners, educators and community members
Description of project	Phase 1: Construction of two technical classrooms and ablution facilities completed in March 2021 Phase 2: Resourcing of the workshops completed in May 2023
Future plans	Ongoing support provided through human resource development initiatives. Also includes transportation assistance for learners

Project name: Brickmaking and crusher plant project

Location	Koffiefontein
Type of project	Infrastructure
Who will benefit?	Identified beneficiaries from community
Description of project	Establishment of a small-scale aggregate crushing and brickmaking plant using the mine's waste rock dump as input material for the bricks
Future plans	Focus is the creation of sustainable job and poverty alleviation initiative. The project will be handed over to the beneficiaries

Project name: Construction of a community hall in Leyden Village

Location	Limpopo Province (Mogalakwena Municipality) – Leyden Village
Type of project	Infrastructure
Who will benefit?	Community of Leyden
Description of project	The project is a partnership project between Cullinan Mine and Red Graniti. The two companies partnered to build a community hall, with a boardroom, kitchenette and ablution facilities. Cullinan Mine contributed R4.7 million towards to the R5 million project
Future plans	Official handover of the project to Leyden Tribal Council planned for August 2023

ESD

Our ESD programme aims to support and develop SMMEs in local mining communities. In FY 2023, Petra approved and provided loans to SMMEs totalling R4.1 million in value

In response to stakeholder grievances, we have completely redesigned our ESD programme – see pages [91](#) to [94](#) – and the impact is already being felt, with far fewer procurement-related grievances being reported.

Community training, education and development

Community training, education and development are important aspects of creating sustainable economic opportunities for community members. Training and development interventions at secondary or tertiary level can help equip community members to become eligible for employment by Petra in the future. This is particularly important given the scarcity of skills in our local communities.

Our programmes range from support for learners at primary and secondary school levels and take the form of maths and science school support programmes (five schools were supported – three linked to Finsch and two to Cullinan Mine in FY 2023) and scholarships and tertiary education support. The latter includes our bursary scheme, graduate development programme and provision of practical experience through our experiential training programme. In FY 2023, 39 scholarships were awarded to top performing learners from our local schools.

In FY 2023, a total of 14 students from local communities received full-time bursaries (FY 2022: 11). Of the 14 students, 10 are women (FY 2022: 11). Our community bursary programme covers the cost of studies as well as accommodation and allowances to South African students, as part of our SLP commitments. Degrees and courses being studied include B Ed; BA Industrial Psychology and English; Metallurgical Engineering; BSc Computer Science; BSc Chemical Engineering; BSc Geology (Hons); Industrial Engineering (Hons); and Mechanical Engineering. One BSc Geology bursary student graduated in December 2022.



Community and social upliftment (continued)

Performance in FY 2023 (continued)

South Africa (continued)

Community training, education and development (continued)

In FY 2023, our community training and development expenditure was almost US\$0.43 million (FY 2022: US\$0.45 million), which included a contribution of US\$0.05 million to the Minerals Education Trust Fund (METF) (FY 2022: US\$0.07 million). The METF is a vehicle through which South Africa's minerals industry pools resources to address and resolve challenges facing tertiary education.

Another aspect of our SLPs is the provision of portable skills training to community members. This includes computer literacy, technical, plumbing, basic building techniques and carpentry, sewing, driver's licence and agricultural training, as well as other opportunities related to local economic activity.

In FY 2023, 180 community members (FY 2022: 92) enrolled for portable skills training.

Corporate social investment

CSI is guided by our Group Corporate Social Investment Policy. This expenditure is discretionary and includes donations and sponsorships, as well as any contributions to the Petra Foundation.

CSI support is granted on a case-by-case basis, usually at an operational level, in response to a request from the local community or NGOs. The amount that can be spent on qualifying projects is agreed upon by each operation's CSI Committee, which was established to review, approve and oversee the roll-out of the projects. Committees are made up of employees from different departments, organised labour and community members.

In FY 2023, Petra invested around US\$0.27 million in CSI (FY 2022: US\$0.20 million). Our CSI investment is guided by Petra's Group Corporate and Social Investment Policy and focuses on support for education and training, community development and support, tourism, healthcare services, environment and conservation initiatives, sports, arts and culture and school support.

A new CSI Policy is currently under development and it will help ensure that:

- ▶ Due process is followed in awarding funding for CSI projects, donations and sponsorships
- ▶ Priorities are aligned with SDG 3: Good health and wellbeing and SDG 4: Education
- ▶ Only registered entities can be supported, that is schools and NGOs, as well as NPOs and CBOs, from marginalised and disadvantaged communities
- ▶ Donations in kind take precedence over cash donations

The Petra Foundation is a vehicle through which large suppliers, contractors and multi-nationals can contribute to meaningful community projects in areas adjacent to our operations.

Petra also encourages and supports employees' volunteering efforts where employees give time to initiatives like school nutrition programmes every second month.

Tanzania

In Tanzania, Williamson contributes directly to community development and commercial, industrial, educational, medical and administrative infrastructure for local communities. The structure of these development programmes is guided by engagements with the stakeholders at Williamson.

In FY 2023, our US\$0.52 million (FY 2022: US\$0.13 million) CSI expenditure was allocated to community and infrastructure development projects across 12 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 RJP. See page [34](#).

Williamson owns Mwadui Primary School, which provides subsidised English-language education for learners. This is the only primary school in the district that provides formalised computer training. In FY 2023, 562 pupils enrolled (281 girls and 281 boys) at Mwadui Primary, which has 18 teachers.

Other projects funded by Williamson in FY 2023 included renovations at the Kishapu Girls Secondary School – a kitchen area with four modern, large industrial stoves; the construction of a perimeter fence, a basketball pitch, and a washing bay area; the donation of ten laboratory tables; the provision of building material and heavy-duty machinery assistance, technical advice and the preparation of the school's playground.

Looking forward

In FY 2024, we will:

- ▶ Continue to comply with the Mining Charter, bringing into effect our new SLP commitments
- ▶ Confirm and implement our new CSI Policy





Responsible sourcing and supply chain resilience

Ensuring ethical sourcing and procurement

An integrated, efficient and reliable supply chain is central to our business success. Through our responsible supply chain, we seek to ensure the ethical sourcing and procurement of goods and services at an optimal cost to the business.

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).

Key features FY 2023

- ▶ All our suppliers vetted against legislative and regulatory requirements
- ▶ New supplier due diligence procedures approved and being rolled out
- ▶ 42 loans provided to 5 SMMEs in South Africa

SDGs



Stakeholders

Suppliers

Local communities and NGOs

Host governments and regulators

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business
- ▶ Geopolitical risks

Progress against FY 2023 objectives

Review and update our tender specifications and general terms and conditions and ensure awareness training on contract conditions	🔄
Identify and increase ring-fenced procurement opportunities for SMMEs	✓
Increase mine community supplier spend	✓

KEY



Achieved/good progress



In progress



Limited progress

Responsible sourcing KPIs

49%

LOCAL SUPPLIER PROCUREMENT AS A PROPORTION OF TOTAL DISCRETIONARY PROCUREMENT IN SOUTH AFRICA
FY 2022: 59%

90%

LOCAL SUPPLIER PROCUREMENT AS A PROPORTION OF TOTAL DISCRETIONARY PROCUREMENT IN TANZANIA
FY 2022: 89%

100%

OF SUPPLIERS ARE VETTED AGAINST LEGISLATIVE AND REGULATORY REQUIREMENTS
FY 2022: 100%

42

LOANS ISSUED TO LOCAL SMMEs – A TOTAL OF 446 LOANS ISSUED SINCE 2015
FY 2022: 69

US\$217,422

VALUE OF SMME LOANS
FY 2022: US\$339,898



Responsible sourcing and supply chain resilience (continued)

Our ambition

Petra aims to develop and manage an integrated supply chain, focused on the responsible sourcing of goods and ensuring an efficient supply chain with minimal disruptions to our operations and minimal environmental impact. Through our supply chain, we manage commercial relationships, contracts and commitments, execute inventory management, and seek to ensure the responsible sourcing and procurement of goods and services at optimal cost.

Our supplier selection and due diligence processes help us understand how suppliers manage their resources, from the cradle to the grave, minimise their environmental impact, respect human rights and make a positive contribution to stakeholders and their ethical conduct. Through our LED and ESD programmes, we contribute positively to socio-economic development and growth in the communities in which we operate.

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 encourages our suppliers to become our partners in caring for the environment and our communities.

To improve accessibility to local host communities' supplier base, we established 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 increased local procurement opportunities.

A Group-wide contract management system is being integrated to facilitate effective management of all our supplier contracts.

During the period under review, no supplier contract was terminated due to poor environmental practices and no significant impacts were due to supplier action.

Supply chain management

We take a proactive approach to supply chain management through our Group-wide contract management system, which includes:

- ▶ Vetting of all suppliers against legislative and regulatory requirements
- ▶ New supplier due diligence procedures introduced to identify bribery and corruption, financial crime, human rights and labour conditions, sanctions and trade restrictions risks
- ▶ Mandatory supplier induction to help ensure that suppliers are aware of their various obligations before their contracts commence. This induction incorporates modules on general Company information, governance, security issues and important HSE requirements
- ▶ Pre-qualification questionnaires and site inspections (under special circumstances) to scrutinise suppliers before contracts are finalised. Where tenders require environmental considerations, the scope specifies requirements, including compliance with relevant environmental legislation and certification of suppliers' EMSs
- ▶ Incorporation of supply chain activities into each site's EMS and risk identification criteria as per ISO 14001. Special attention is given to suppliers of hazardous chemicals and those that deliver high-risk environmental services, such as waste management and disposal. Incidents that may lead to environmental impacts are reported through our on-site incident reporting process

Local procurement

Petra strives to responsibly source most goods and services from the countries where the operations 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 MPRDA requirements for the procurement of goods and services with maximum local content.

Despite considerable progress, operations continue to face challenges relating to the purchase of high-value capital goods from local B-BBEE suppliers and/or suppliers situated in host communities. Petra's Enterprise Development Policy, which is in line with the Group's Supply Chain Policy, promotes the meaningful participation, growth and sustainability of local participants in the Company's supply chain.

Our intention is to give preference to suppliers located as close to our mines as possible, recognising that our local communities often depend on our operations for procurement opportunities. Given the lack of suitable enterprises in many host communities, we completely overhauled our ESD programme during FY 2023, so that we can play a more meaningful and sustainable role in finding, developing and growing suitable SMMEs. We intend to capacitate these SMMEs, not only to support our business needs but to enable them to sustain themselves beyond our mining operations.

Local SMMEs have needed extra support in the effective use of the e-Procure portal. During the Year, training was provided to local suppliers to improve their participation in supply chain opportunities with Petra. The portal currently has 1,646 potential suppliers on its database, which has grown significantly since inception in 2019. The operations' enterprise development teams have been trained to assist suppliers with registration onto the portal. One of the challenges faced is maintaining supplier information. In FY 2023, we intend to improve our due diligence mechanisms across our supplier base to identify risks, including corporate compliance.

Regulatory compliance

In South Africa, our procurement approach considers and meets MPRDA and Mining Charter requirements. Our Enterprise Development Policy and Group Supply Chain Policy aim to promote meaningful participation, growth and the sustainability of local participants in Petra's supply chain.

In Tanzania, the Mining Local Content Regulations 2018 govern Williamson's initiatives for promoting the meaningful participation, growth and sustainability of local participants.



Responsible sourcing and supply chain resilience (continued)

Performance in FY 2023

The supply chain serving our mining operations is extensive, with more than 1,646 South African and 208 Tanzanian suppliers (FY 2022: 1,324 South African and 276 Tanzanian suppliers).

Petra's discretionary procurement expenditure increased in FY 2023, to US\$168.10 million in South Africa, and US\$65.45 million in Tanzania (FY 2022: US\$138.4 million in South Africa and US\$35.6 million in Tanzania). Goods and services procured from local suppliers rose to 49% of total discretionary procurement spend in South Africa (FY 2022: 59%) and 90% in Tanzania (FY 2022: 89%).

Procurement summary

Country	Discretionary procurement spend ² (US\$m)	% spend with local ³ suppliers
South Africa ¹	FY 2023: 168.1 (FY 2022: 138.4)	FY 2023: 49% (FY 2022: 59%)
Tanzania ¹	FY 2023: 65.5 (FY 2022: 35.6)	FY 2023: 90% (FY 2022: 89%)

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 spend on services for which Petra can choose the 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.

Supply chain management and due diligence

During FY 2023, an independent service provider analysed our end-to-end supply chain to assess its health against a set of defined parameters. The resultant findings informed the launch of our supply chain design transformation initiative. To enhance our centralisation process, certain functions have been automated and integrated Group-wide. This will help to increase efficiencies in the timeous payment of suppliers. All (100%) suppliers are vetted annually against legislative and regulatory requirements.

As part of our Ethics and Compliance Programme, Petra approved and is rolling out a new Supplier Compliance Due Diligence Procedure and Due Diligence Evaluation Guidelines. The new procedures require a due diligence process to be conducted before contracts are entering into with suppliers. The due diligence process aims to identify bribery and corruption, financial

crime, human rights and labour conditions, sanctions and trade restrictions risks. All suppliers must be screened through a reputable online platform against sanctions and adverse media. Further due diligence is conducted on medium and higher risk suppliers using due diligence questionnaires, an automated compliance workflow management platform and, if necessary, enhanced due diligence reports.

Local procurement and Petra's ESD Community Fund

A critical aim of our procurement programme is to promote, facilitate and support procurement from qualifying local community enterprises. We recognise that targeted procurement and local small business development are key to providing a sustainable solution for economic development. Local businesses face significant financial and physical barriers, including access to finance and markets and skills shortages. To this end, we have ring-fenced specific supply opportunities for local SMMEs, including SLP project expenditure of around R50 million (US\$2.81 million).

Our ESD programme assists local businesses in accessing financing and markets. We support this through our network of one-stop enterprise development resource centres that provide an important link between local businesses and the mine's supply chain. These centres offer a range of services including business advisory; business, financial and technical readiness assessments; generic business and technical training; access to markets; meeting facilities; formal business mentoring; computer and printing facilities; access to funding through low-interest funding for qualifying SMMEs; and financial training and invoice generation.

Petra's ESD Community Fund continued to support local SMMEs by providing funding to small companies to execute local procurement contracts. We provided loan funding amounting to US\$217,422 in FY 2023 (FY 2022: US\$339,898) to 42 applicants (FY 2022: 69 applicants). The loans disbursed created 191 job opportunities (sustained for the duration of project/contract) (FY 2022: 275). Of the 42 loans approved in FY 2023, 4 were for first time suppliers to Petra. Among the entities supported there are 26 women entrepreneurs and 18 youth entrepreneurs.

Since its inception in 2015, our ESD Community Fund has provided 446 loans with a total value of US\$2.65 million, creating 2,551 jobs (during the project/contract). In all, 197 small businesses have received support to date.

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, address and mitigate any key risks and irregularities that have occurred.

COVID-19 severely impacted our operations, and resulted in Williamson being placed on care and maintenance. Petra made significant efforts to help ensure that our employees and suppliers were supported during this difficult period. However, with the job losses and retrenchments that occurred in our supplier base, there are some suppliers which are no longer going concerns. This has posed a sourcing risk as alternate suppliers are not always available. Other challenges faced are the rising unemployment rate in South Africa and the ongoing reliance on our operations to provide procurement and employment opportunities.

Petra's ESD Community Fund support since inception in 2015

Contribution period	2015–2023
SMME loans approved	446
Value of loans approved	US\$2.65 million
Number of jobs created and sustained for duration of project/contract	2,551
Number of local small businesses supported	197



Responsible sourcing and supply chain resilience (continued)



Case study

Cullinan Mine's preferential procurement strategy benefits all stakeholders

Two critical joint venture enterprise supplier development projects have created more than 30 employment opportunities for Cullinan residents, with more to come as Cullinan Mine's preferential procurement strategy gains momentum.

At Petra, we are committed to ensuring that our supply chain mirrors South Africa's diversity. To realise that ambition, we have embarked on a process aimed at developing SMMEs to enable them to meet the necessary criteria for business partnerships that will contribute to their sustainable growth. We believe that this strategy supports SMME development, enabling them to reap the benefits of running successful businesses, while adding value to their community.

Dhlongolo Investments

In FY 2023, local SMME Dhlongolo Investments became the exclusive supplier of single point lubricators (tactics) to Cullinan Mine. The tactics are used in mining machinery and the SMME won the contract following a stringent selection process.

Dhlongolo Investments was registered in 2020. Its owner and Managing Director, Vusi Dhlongolo, has 13 years' experience in business and oil station construction. Dhlongolo Investments has been providing mining equipment, construction services and pump and tank installations since it was established. Today, Dhlongolo Investments has an annual turnover of more than R2 million, employing eight fixed-term contract workers from the Cullinan community – with more to be hired as the business grows.

The tactics supply project is a joint venture was launched in June 2023 as part of our enterprise supplier development collaboration with energy petrochemical group Shell.

Since the project's launch, Shell has been sharing its knowledge and expertise with Dhlongolo Investments and will continue to do so until June 2024. Dhlongolo is also supported by finance providers IDF Capital and Phakamani Group.

The goal is for Dhlongolo Investments to continue running independently once the assistance period ends.

Preferential procurement and enterprise supplier development are cornerstones of Petra and Shell's efforts to promote black businesses and encourage entrepreneurs to become part of an extensive value chain.

Oagile Trading Enterprise

A second joint venture initiative at Cullinan Mine is for operations and maintenance services at the mine's batching plant. The two-year R22.6 million project commenced in FY 2022 with the appointment of Oagile Trading Enterprise as our contractor.

For the past year, Oagile has been providing services to the batching plant, together with our existing service provider, TGP Mining. In that time, TGP Mining has been transferring skills related to the running of daily operations of the plant and its maintenance to Oagile's 32 employees.

The R22.6 million is divided between Oagile (R12.5 million) and TGP Mining (R10.1 million).

Once the two-year period ends, TGP Mining will hand over the project to Oagile. The two companies are working together to help ensure that the right skills are transferred to the SMME's workers and management. Although Oagile had the required financial acumen, skills development was a necessity for the project to go ahead.

Both the Dhlongolo and Oagile enterprise supplier development programmes demonstrate our commitment to ensuring lasting benefits for all our stakeholders.



Responsible sourcing and supply chain resilience (continued)

Looking ahead

Our new ESD model, which was developed in FY 2023 and will be fully implemented in FY 2024, is moving towards a more sustainable approach for enterprise development that will involve:

- ▶ Establishing a procurement task team to promote, facilitate and support procurement from qualifying local community enterprises. This will guide procurement opportunities. Procurement and quality specifications for each opportunity will be ring-fenced for procurement from local enterprises. To enhance our centralisation process, certain functions will be automated and integrated Group-wide, to improve supplier payment efficiencies
- ▶ A concerted incubation process for SMMEs, providing support in developing their documentation, accounting, taxation and technical requirements
- ▶ An active selection and onboarding process for SMMEs. We aim to onboard around 20 new SMMEs by the end of calendar year 2024
- ▶ Renewing 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 our SMME training and development to gain experience and on the job training





Responsible sales

Ensuring responsible and ethical sales

Natural diamonds have been associated with life's most important and memorable moments for generations. Petra recognises that consumers want, and should have, the confidence of knowing where and how their diamonds were sourced. We ensure that we mine and sell our diamonds in an ethical manner, and that their origin is known and traceable.

Key features FY 2023

- ▶ Process to become a member of Responsible Jewellery Council (RJC) underway
- ▶ Continued support for HDSA diamond cutters – contributed 122.02 cts valued at around R3 million to three HDSA buyers

SDGs



Stakeholders

Customers

Financial stakeholders

Local communities and NGOs

Host governments and regulators

Suppliers

Material matters

- ▶ Community relations and social investment
- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business
- ▶ Geopolitical risks

Progress against FY 2023 objectives

Pursue membership of the RJC	
Relocate and consolidate the Sales and Marketing departments	
Investigate systems to improve traceability of diamonds after sales	

KEY



Achieved/good progress



In progress



Limited progress

Responsible sales KPIs

2.3 Mcts

DIAMOND SALES

FY 2022: 3.5 Mcts

US\$329.77m

GROUP REVENUE

FY 2022: US\$585.21m



Responsible sales (continued)

Our ambition

Petra aims to embed ethical standards and the safeguarding of human rights in every aspect of our operations, from when the diamonds are mined, until they are sold. We strive to ensure that we comply fully with applicable legislation in South Africa and Tanzania. Through our approach to ethical and responsible mining, sales and marketing, we aim to realise a fair value for our diamonds, and to maximise and share benefits with all our stakeholders.

Our approach

Our approach is underpinned by:

- ▶ Ethical and responsible actions
- ▶ Transparent and equitable sales processes

Ethical and responsible actions

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 suite of anti-bribery and corruption policies and our Human Rights Policy, is implemented and monitored Group-wide. See the section on page [24](#).

Petra has also approved and is rolling out new due diligence procedures to identify bribery and corruption, financial crime, human rights and labour conditions, sanctions and trade restrictions risks with our clients. All clients are required to be screened through a reputable online platform against sanctions and adverse media. All clients are also required to respond to due diligence questionnaires through an automated compliance workflow management platform and, if necessary, enhanced due diligence is performed. In this regard, we are committed to selling our products only to clients who comply with Petra's Know Your Client (KYC) and our due diligence processes.

Transparent and ethical sales process

Petra adheres to the Kimberley Process, which governs the global sale of diamonds.

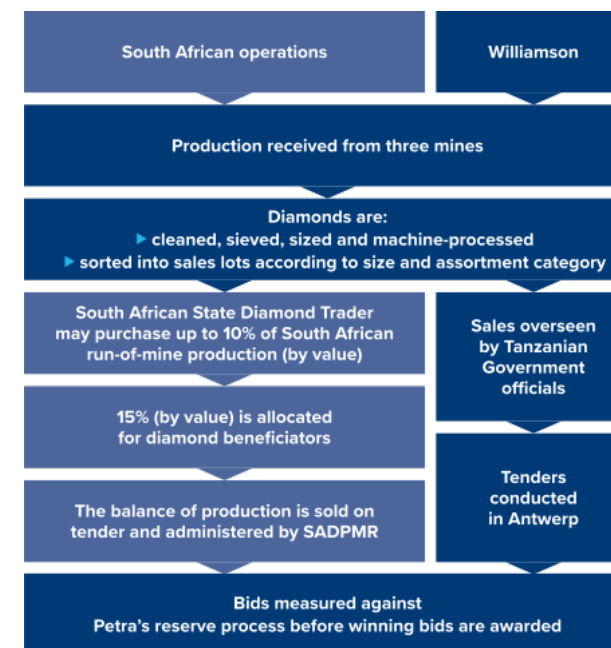
In South Africa, diamond sales are governed by the South African Diamond Act. In compliance with this legislation, Petra allocates 10% of selected diamond assortments per mine to South Africa's State Diamond Trader. Our local mines also allocate 15% of their production to diamond beneficiation companies as required by the Diamond Export Levy Act. The remaining 75% of our production is sold on tender.

Tender process

The South African Diamond and Precious Metals Regulator (SADPMR) is the regulatory body established to administer the Diamonds Act 1968 (amended) and the Precious Metals Act 2005 (Act 37 of 2005). We are committed to a transparent and equitable sales process, promoting South Africa as an international diamond hub and, where possible, promoting local economic development. All our sales are facilitated by the Diamond Exchange and Export Centre (DEEC) at the SADPMR. The Government Diamond Valuator verifies the diamonds before the tender process takes place at the DEEC. The DEEC, a secure and controlled environment where goods are offered to other licensees, plays a vital role in ensuring that unpolished diamond tenders are facilitated fairly to the local market.

In Tanzania, the Group, which holds primary mining licences and gemstone mining licences, complies with the Mining Act 2019 (chapter 123).

Our sales and marketing process flow is illustrated below.



Traceability

All our diamonds are traceable from source to sale and are certified as conflict free.

Through our Petra Diamond Management (PDM) System we aim to ensure that all relevant details of the mine (production) to market (sales) process are accurately and timeously captured, documented and reported. This system also aims to ensure full compliance with all local and international diamond sales legislation.

We only operate in countries that adhere to the Kimberley Process, which is an international forum dedicated to eliminating conflict diamonds from global trade. By definition, conflict diamonds are rough diamonds used by rebel groups to finance wars against legitimate governments.



Responsible sales (continued)

Our approach (continued)

Traceability (continued)

Established in 2000 and endorsed by the UN General Assembly and Security Council, the Kimberley Process brings together governments, industry and civil society, with government participants holding decision-making authority while industry and civil society are observers.

The Kimberley Process Certification Scheme (KPCS) is the mechanism used to prevent the trade of conflict diamonds. Launched in 2003, it is enforced individually by participant countries to ensure that rough diamonds in the legitimate supply chain are compliant.

Petra is a founding member of the Natural Diamond Council (NDC), whose mission is to advance the integrity of the modern diamond jewellery industry and inspire, educate and protect the consumer. The NDC's seven members represent around 75% of global rough diamond production. With 35 operations in eight countries across four continents, NDC members positively impact the lives and environments of millions of people.

NDC members are fully committed to supporting the sustainable development of communities, diamond-producing countries and the diamond sector from mine to market. They aim to provide safe, high-quality jobs, and to source the goods and services needed for their operations locally. Member companies publish their commitments to these objectives. <https://www.petradiamonds.com/sustainability/overview/dpa-member-commitment>

To support this, the NDC's members have made three pledges aligned with nine UN SDGs. These pledges are to strengthen communities, protect the environment and promote gender equality and inclusivity.

In addition to their own ethical rules and codes of practice, NDC members adhere to a number of international standards and industry best practices, developed and monitored by independent organisations such as the RJC and the UNGC. Petra is an active supporter of and participant in the activities of the NDC, and our CEO, Richard Duffy, represents the Company on the NDC Board.

Performance in FY 2023

Petra normally holds seven tenders a year, three in the first half of the financial year and four in the second half. In FY 2023 we held 6 tenders (FY 2022: 6) that realised US\$329.77 million for 2.3 Mcts in sales (FY 2022: US\$585.21 million for 3.5 Mcts). We communicate tender dates to all clients and prospective clients in advance so we are assured of participation in the tender process. For exceptional stones, Petra publishes and shares tender-related press releases on social media platforms and issues these to local and international clients.

As part of the Tarorite Enterprise Development Fund programme, Petra Diamonds contributed small affordable diamond parcels totalling 122.02 cts valued at around R3 million to three HDSA buyers. Tarorite, a Petra subsidiary, holds our beneficiation and diamond dealers' licences. The programme develops learners in the diamond industry by providing internships and other diamond-related courses. It also provides funding and mentorship to local beneficiation businesses.

In FY 2023, Petra started donating polishing benches to entrepreneurs who require assistance in starting their own diamond polishing factories – so far, three benches have been donated.

We also relocated and centralised our diamond sales and marketing offices from Kimberley and central Johannesburg to SkyPark in Johannesburg. The new office is adjacent to the Gauteng Industrial Development Zone, where the SADPMR and State Diamond Trader are located.

Looking ahead

Our primary focus is on developing and training newcomers to the industry, and in improving the traceability of our diamonds.





Delivering reliable production

In this section

Petra monitors and manages each step in the diamond production process to the highest ethical standards. We aim to ensure optimum economic extraction from our available orebodies, while maximising the life of our mining operations. We will achieve our reliable production pillar through accurate and precise mineral resource planning, efficient ore extraction and processing, responsible project and asset management, transformative digitalisation and the responsible and effective allocation of capital.

In this section:

- 99** Optimising resource and asset management
- 101** Digitalisation and innovation
- 102** Effective capital allocation



Optimising resource and asset management

Reliable, economic and responsible resource management

Our production, which includes the management and optimisation of our mineral resources and assets, creates a positive impact for all stakeholders. Without successful production, our ability to create value for the countries where we operate, our financial stakeholders and the communities that surround our operations would be limited.

Key features FY 2023

- ▶ Embedding of a Group-wide Diamond Value Management Framework
- ▶ Good progress with the mine plan extension at Cullinan Mine

SDGs



Stakeholders

Employees, contractors and unions
Customers
Financial stakeholders

Material matters

- ▶ Compliance and risk management
- ▶ Digitalisation and innovation

Progress against FY 2023 objectives

Continue to improve on our Diamond Value Management (DVM) Framework throughout the organisation to further improve process efficiencies and product security	
Implement feasibility studies to extend the mine plan at Cullinan Mine beyond 2030	
Enhance integration and implementation of our asset maintenance management system	
Implement a Group-wide tailings management standard aligned with the GISTM	

KEY



Achieved/good progress



In progress



Limited progress

Mineral resource and asset management KPIs

2.67 Mcts

TOTAL CARATS PRODUCED

FY 2022: 3.35 Mcts

9.1 Mt

TOTAL ORE PROCESSED

FY 2022: 11.7 Mt

2.34 Mcts

DIAMOND SALES

FY 2022: 3.54 Mcts

US\$238.8m

ADJUSTED MINING AND PROCESSING COSTS

FY 2022: US\$307.1m



Optimising resource and asset management (continued)

Our ambition

We aim to create abundance for our investors and customers through the reliable economic extraction of available orebodies and effective management of mine assets to reduce costs, improve efficiencies and help ensure asset longevity. By continuously monitoring and optimising each step in the diamond extraction and sales process – from exploration and mining, through to processing, sorting, marketing and sales – we seek to ensure a sustainable operation, with minimal environmental impact and positive value add for the communities where we operate.

Our approach

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 of diamond quality and size ranges of a specific kimberlite type remain constant over time, resulting in accuracy for diamond price forecasting.

We are intent on sustainable production, which can only be achieved through the effective mining and treatment of our mineral resources through efficient mine planning, asset management and diamond value management systems, supported by feasibility studies and subsequent mine plan extension projects.

We recognise the importance of compliance and are aware that in an industry facing regulatory uncertainty, changes in mining regulations and non-compliance with those regulations could impact our operating licences.

Our business model is designed for agility and continual progress. Our mineral resources are managed and optimised by:

- ▶ Regularly updating our resource models
- ▶ Optimising and continuously improving mine plans
- ▶ Ongoing feasibility studies on extensions to mine plan
- ▶ Converting our mine plans to three-year cycle budget plans
- ▶ Mine to plan monitoring to enable optimal extraction

Our assets are maintained and extended by:

- ▶ Optimising mining and process equipment availability
- ▶ Reducing operational and maintenance costs by minimising operational risk
- ▶ Streamlining maintenance and asset management
- ▶ Driving new innovations and the digitalisation of systems
- ▶ Conducting ongoing training and performance management

Performance in FY 2023

Pursuing sustainable production

In FY 2023, the Diamond Value Management (DVM) Framework was rolled out and embedded across Petra, along with further improved process efficiencies and product security. The DVM Framework provides guidance on sustainable diamond recoveries from a quantitative, qualitative and product security perspective. Although the contribution from each of these elements is difficult to determine, the DVM principles support the overall value-led strategy of the organisation.

Petra continues to undertake further resource delineation, bulk sampling and feasibility studies to add to the current reserves and mine plan for each operation. We aim to ensure sufficient mineral inventory at the correct resource and reserve confidence levels for a minimum target of 15 years' production or until the end of the economic life of each operation.

Life extension projects to extend our mine plan at Cullinan Mine also progressed. The reopening of Tunnel 36 on the current C-Cut block cave was completed in FY 2023, and production has commenced. Tunnel 41 is expected to be completed during FY 2024. The CC1E project progressed according to plan and is on schedule for production to begin also in FY 2024. The Board approved the C-Cut extension feasibility during FY 2023. Development has begun with production scheduled for FY 2024. These projects will add a combined total of approximately 8.3 Mcts and 17.9 Mt to production.

The Lower Block 5 3-level SLC project at Finsch commenced in FY 2023 and will add approximately 9.7 Mcts and 14.6 Mt from the end of FY 2024.

Asset optimisation

We seek to optimise the availability and reliability of mining and processing equipment, reducing down time and improving asset efficiency. Proper asset care reduces operating and maintenance costs and prolongs and optimises the life and efficiency of assets to meet mine plan requirements for production. It also reduces risks associated with safety, health and hygiene, the environment and our communities.

Implementation of our asset maintenance management system continued to deliver positive results. During the Year, we enhanced the system integration through ongoing digitisation and improved interaction between the Maintenance and Procurement departments.

Looking ahead

Managing mineral resources with the future in mind implies ethical and responsible management of the assets in our care so they benefit current and future generations. With the ongoing global contraction in the number of producing diamond mines, we continue to evaluate opportunities for growth.



Digitalisation and innovation

Transformation through digitalisation

Digital transformation is a key driver for generating additional value. By embracing digital technologies and capabilities, Petra aims to unlock new operational opportunities, improve operational efficiency, enhance employee experience and drive innovation. Digital transformation enables the Group to harness data-driven insights, optimise processes and adapt to changing market dynamics. It is seen as a strategic imperative to stay competitive, deliver higher value to stakeholders and seize the potential for growth and differentiation in the digital era. Petra is committed to leveraging digital transformation to generate additional value across its operations and for all stakeholders.

Key features FY 2023

- ▶ A project to develop a comprehensive digitalisation strategy and a digital transformation roadmap has been initiated
- ▶ Digital twins (virtual models) for underground workings at Cullinan Mine and Finsch are under development
- ▶ Digitalised sustainability reporting system developed and implemented

SDGs



Stakeholders

Financial stakeholders
Employees, contractors and unions
Customers
Suppliers

Material matters

- ▶ Traceability
- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Digitalisation and innovation
- ▶ Diversity, inclusion and employee development

Our ambition

Digitalisation and innovation is one of three continuous business improvement enablers that support our sustainability strategy. Digitalisation enables the efficient collection, analysis and use of data, which in turn allows insightful data analytics and transparency through reporting. This enhances the Company's strategic sustainability efforts by providing better insights into environmental impacts, social factors, governance practices and operational and capital efficiencies.

Our approach

In the short to medium term, Petra is focused on using digitalisation to monitor operations, identify bottlenecks and make informed decisions to optimise efficiencies using digitalised data. In the longer term, the Company plans to use artificial intelligence, machine learning and other technologies to automate processes and improve efficiencies.

Performance in FY 2023

Petra has initiated a project to develop a comprehensive digitalisation strategy and a digital transformation roadmap. The starting point for this project is a review of our current digital landscape – the selection and appointment of an appropriate digital transformation partner is being finalised.

Simultaneously, digitalisation projects in progress are aimed at harvesting 'quick wins' while our fit-for-purpose digitalisation strategy is being developed. These include:

- ▶ Initiating the process of creating digital twins – a virtual model designed to accurately reflect a physical object – for underground workings at Cullinan Mine and Finsch. With this, digital frontline planning and execution tools such as short interval control and operations management systems will be rolled out at the two operations in a phased approach during FY 2024 and FY 2025
- ▶ A sustainability reporting system that provides a cloud-based connected and reporting compliance platform that enables the use of connected data and automated reporting across the Human Resources, Human Resource Development, Health, Safety and Environment, Finance and Risk functions. The system facilitates compliance with applicable statutory reporting requirements, best practice guidelines and codes. This entails establishing suitably structured data architecture for internal and external ESG reporting requirements

- ▶ A digitised system to integrate leading and lagging safety indicators has been identified. This system will look to digitise information from safety inspections, and incident and accident investigations. The end goal will be to integrate this information with the active management of critical controls

Looking ahead

Petra's digitisation and innovation focus areas for FY 2024 are:

- ▶ Defining Petra's fit-for-purpose digital strategy and a digital transformation roadmap
- ▶ The safety-led Critical Controls Digitisation Project, which aims to use advanced analytics to promote safety and reduce environmental impacts. The project scope includes developing front-end data capturing apps for Safety Officers and supervisors for use with mobile devices (tablets and smart phones) to record and report on safety conditions in near-real-time. This will improve operational management's response to unsafe conditions. This data will then be cleaned, formatted and stored in a central depository where visualisation will be made possible. The end goal is the integration of data from incidents and inspections to track and manage the effectiveness of critical controls
- ▶ As part of the Data Enablement Project, we are developing a data governance framework and designing a data infrastructure warehouse with data-marts and Power BI reporting and visualisation dashboards for Enterprise Resource Planning (ERP) reporting
- ▶ Initiating a human resource management and shared services improvement project that will consider employee life cycle processes, from workforce planning to termination that incorporates:
 - ▶ Integrated systems and processes for human resources, payroll and security and the digitalisation of administration (forms and templates)
 - ▶ Enhancement of systems to enable automated processes



Effective capital allocation

Ensuring responsible and effective capital allocation

As part of Petra's ongoing transformation, which is underpinned by sustainable growth and a commitment to creating value for all stakeholders, we apply a well-structured capital allocation framework that aims to deliver on our value-led growth strategy while meeting our aspiration to create abundance from rarity.

Key features FY 2023

Projects approved:

- ▶ Extension of operations at Cullinan Mine to 2031
- ▶ Extension of Finsch to 2030

SDGs



Stakeholders

Financial stakeholders

Customers

Suppliers

Material matters

- ▶ Compliance and risk management
- ▶ Responsible sourcing
- ▶ Ethical business
- ▶ Digitalisation and innovation

Progress against FY 2023 objectives

Robust cost control:



- ▶ Enhance management accounting through improved reporting, and 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 optimum framework and capabilities are in place to deliver safe, predictable and competitive projects

KEY



Achieved/good progress



In progress



Limited progress

Capex and operational efficiencies KPIs

US\$119.0m

OPERATIONAL CAPITAL EXPENDITURE

FY 2022: US\$52.2m



Effective capital allocation (continued)

Our ambition

We aim to maximise stakeholder value through a disciplined capital allocation approach that balances the profitability and growth of the Company with broad stakeholder returns. Our project management allows the Company to make informed investment decisions, minimise risk and deliver predictable and competitive projects in terms of cost and schedule, thereby retaining the trust of the market.

Our approach

Petra's value-led growth strategy is enabled by our operating model and capital allocation framework. This is summarised in the three distinct areas of:

- ▶ Current operations
- ▶ Brownfield organic expansion projects
- ▶ Inorganic and corporate opportunities

Operationally, our immediate focus is on maintaining and expanding our unique long-life asset base by maximising value from existing operations through capital projects such as those currently underway at Cullinan Mine and Finsch, and our continued efforts to optimise the cost base of current operations.

Capital is also allocated to organic expansion projects to provide an extended production pipeline through further development or by extending the life of existing assets beyond current mine plans. Operating effectively now and in the future requires pursuing inorganic and corporate opportunities, including consideration of accretive acquisitions. Our balance sheet provides significant optionality for the future.

Capital allocation is about operating productively, as well as using capital optimally. Our approach encompasses the following:

- ▶ **Efficient and robust cost control.** This has been improved by implementing parts of our data enablement project to enable more efficient and robust cost controls. We aim 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.** Our Group-level Supply Chain function provides 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, including inventory and material management as well as warehouse services. The centralisation of the procurement process (in FY 2022) resulted in the delivery of benefits such as economies of scale, procurement optimisation and expenditure transparency, as well as a standardised supplier engagement and contracting approach. New digital technologies are being incorporated to enable efficiencies

- ▶ **Professional project direction and support through a centralised project management office.** This office provides guidance, oversight and assurance for projects based on known and/or foreseen risks and the mine plan for operations, taking into account projects that exceed a capex budget of US\$1 million and which have added complexity and are of strategic importance
- ▶ **Effective project controls** through improved budget processes, project set-up, project tracking, operational performance and reporting against approved plans

Maximising stakeholder value includes dividend payments. In FY 2023, we introduced a dividend policy targeting an ordinary dividend of between 15% and 35% of adjusted free cashflows after interest and tax, having adjusted for any windfall earnings.

The Investment Committee's mandate is to monitor Petra's capital allocation decisions, given the interests of our business and all stakeholders.

Performance in FY 2023

In FY 2023, we focused on maximising value from current operations. This means ensuring safe and reliable production at our existing mines, while pursuing continuous improvements to enhance margins.

We have approved projects at Cullinan Mine and Finsch to extend current operations to 2032 and 2031, respectively. We have committed to invest c US\$205 million (including the C-Cut Ext) at Cullinan Mine and c US\$216 million at Finsch.

Petra continued to develop mine plan extensions beyond 2030. Our orebodies are well understood, and we continued to explore ways to extract future value from these anchor assets. At the same time, we looked outside our current portfolio for value-accretive assets or corporate-level opportunities.

We achieved our target of maintaining annual cost increases to less than CPI by limiting the costs we can control – monitoring spares, tyres and diesel usage – and managing costs (such as increased explosive costs due to the Russian invasion of Ukraine). The tightening of cost management included ensuring all spend incurred was valid and authorised.

During the Year, we progressed our plans to formulate a transparent, robust and predictable supply chain process as part of our procurement strategy enablement. We also explored ways to optimise procurement and materials management by incorporating new digital technologies.

Monthly Project Dashboard reports and monthly Steering Committee meetings helped ensure complete transparency of performance in terms of cost, schedule and risk. This enabled timely intervention by and support from Senior Management when required.

Given the unsuccessful sale of Koffiefontein, Petra decided to stop investing development capital in the operation in FY 2022. Responsible mining continued into FY 2023, with other options being considered until November 2022 when the mine was placed on care and maintenance.

Looking ahead

In FY 2024, we will:

- ▶ Continue to focus on extension projects at Cullinan Mine and Finsch, and to explore ways to continue mining at both mines beyond their current mine plans
- ▶ Progress the development of our governance framework for projects and refine the policies implemented during FY 2023



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