

Petra Diamonds Limited **Modern Slavery Act Transparency Statement**

This statement is made by Petra Diamonds Limited (**Petra** or the **Group**) pursuant to section 54 of the UK Modern Slavery Act, 2015 (the **Act**) and has been approved by Petra's Board of Directors.

In accordance with guidance published by the UK Government, Petra publishes this statement on behalf of each of its subsidiaries which may be subject to the Act (hereinafter referred to as the **Group**). This statement sets out the steps that have been taken by Petra and the Group to prevent occurrences of slavery or human trafficking in its businesses in the financial year ended 30 June 2022 (**FY 2022** or the **Year**).

Petra's commitment

Petra is committed to ethical and responsible business practices with all our stakeholders. We monitor and manage each step in our diamond production process. Modern slavery, human trafficking and human rights abuses are not tolerated in our business. In FY 2023, Petra will implement a range of procedures to further mitigate the risk of such abuses occurring. For further information on the steps taken in FY 2022 in furtherance of this commitment, see the section on 'Developments in FY 2022 and next steps' set out below. Also see pages 94 to 96 in our Sustainability Report and page 110 of our Annual Report.

About Petra and its workforce

Petra is an independent diamond mining group, supplying gem quality rough diamonds to the international market. The Company's portfolio consists of interests in three underground producing mines in South Africa (the Finsch, Cullinan and Koffiefontein Mines) and one open pit mine in Tanzania (Williamson). Having been placed on care and maintenance in April 2020, Williamson resumed operations in Q1 FY 2022. Petra also has diamond marketing offices in Kimberley, Johannesburg and Antwerp and a corporate office in Johannesburg, with its group management office in London.

As at 30 June 2022, Petra and its subsidiaries employed 5,265 people (consisting of 3,474 permanent employees and 1,791 contractors), with the majority of our people based at mining operations in South Africa and Tanzania. None of our employees or contractors are engaged on a seasonal basis.

Our supply chain

Petra sources the majority of the goods and services for our operations from the countries in which they are located (i.e. South Africa and Tanzania). Where goods or technology are supplied by international companies, these will, as far as possible, be procured through a locally registered supplier in our host country. We view targeted local procurement as a powerful lever for local economic development and community empowerment and preference is given to suppliers in close proximity to our mines as and when possible.

We recognise that the risk of human rights violations, modern slavery and human trafficking are more acute in sectors where supply chains are labour intensive and in jurisdictions with a high level of adverse socio-economic conditions. In light of this, and given the complexity of our activities, it is important that Petra's governance and risk management processes and systems are fit-for-purpose in ensuring that the risk of modern slavery and human trafficking is adequately identified and mitigated within our business.

Governance, Policies and Standards

Petra has, or is putting in place, the following policies relating to safeguarding against human right violations, human trafficking and modern slavery risk:

- our Code of Ethical Conduct (the **Code**) affirms Petra's commitment to operating legally and ethically in a manner which is free from human rights violations and makes it clear that we do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. Our Code was updated late in FY 2022 and, as stated below, is due to be rolled out across the Group in the first half of FY 2023;

- the Code requires that appropriate risk-based due diligence is completed in relation to our suppliers, consistent with the terms set out in Petra's Ethics and Compliance Due Diligence Policy and Supplier Compliance Due Diligence Procedure. This policy and procedure are in the process of being approved and, as stated below, are expected to be fully implemented across the Group in the first half of FY 2023; and
- Petra's Human Rights Policy Statement sets out our commitment to upholding human rights standards. This includes, but is not limited to, being guided by the UN Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR) and the UN Guiding Principles on Business and Human Rights.

Due Diligence

We consider that material risks relating to slavery, human trafficking and human rights abuses in our business are mitigated by the due diligence processes undertaken by our Supply Chain function, supported by our Risk, Assurance and Compliance function. We expect all our suppliers and contractors to comply with local and international legislation, with an undertaking to this effect being included in new contracts that we enter into with suppliers and contractors.

In accordance with the policies and procedures set out above, supplier and contractor qualification at our South African operations involves suppliers providing sufficient evidence that they meet or exceed the minimum standards to supply goods and services to our businesses. This includes, amongst other things, an assessment of the supplier's:

- adherence to health, safety and environmental standards;
- financial strength; and
- record in relation to human rights practices.

Undertakings provided by suppliers and contractors

Petra's 'General Terms and Conditions of Contract' require suppliers and contractors to undertake not to use forced, bonded or indentured labour nor child labour to execute any work for the Group. Suppliers and contractors are also required to comply with all applicable in-country laws, including labour legislation.

Training

In response to historic allegations of human rights abuses at the Williamson mine (for more information, see

<https://www.petradiamonds.com/our-operations/our-mines/williamson/allegations-of-human-rights-abuses-at-the-williamson-mine/>),

enhanced training related to the VPSHR was conducted for all of Petra's security staff (whether employees or third-party security providers) across all our operations. This training is updated and refreshed on an annual basis.

Developments in FY2022 and next steps

Risk Assessments

In FY 2022, we commissioned an external consultant to perform an independent risk assessment of our ethics and compliance controls which comprised of a series of workshops with management teams at our four mining sites, as well as risk management meetings with relevant group heads of functions. The assessment focused on our risks related to human rights and labour conditions in our organisation and supply chain, as well as risks relating to bribery and corruption, tax evasion and financial crime. There was also an assessment of Petra's business ethics culture. This process highlighted several areas for improvement which included, amongst others:

- appointing a formal manager focal point to drive our Ethics and Compliance programme;
- updating the Code to take into account new areas of compliance;
- enhancing our supplier and third party due diligence programme; and

- reinvigorating our training programme on Ethics and Compliance.

Updated Code of Ethical Conduct and new anti-bribery policies

The updated Code was approved by the Board late in FY 2022. The Code is an essential guide and summary of Petra's policies, standards and procedures that are relevant to the way we work, and the ethical conduct that is required from all staff as well as other business partners who work with us, or act on our behalf. A copy of it can be found on Petra's website here:

<https://www.petradiamonds.com/about-us/corporate-governance/business-ethics/>.

The updated Code, together with various new anti-bribery policies, are due to be rolled out in the first half of FY 2023 through a series of workshops to all staff and will also be provided to all contractors and key suppliers who will be expected to act and conduct their businesses in a manner consistent with it. Raising awareness and training for the updated Code and these new policies will be facilitated through an e-learning platform and depending on their level of employment, staff will be required to complete an annual certification of their compliance with the Code and these new policies.

Adoption of new third party due diligence procedures and updated Group Supply Chain Policy

Following the ethics and compliance risk assessment undertaken in FY 2022, Petra began a process of updating its third party due diligence policy and procedures, and it is anticipated that these updated procedures, which have already been partially implemented, will be fully implemented in the first half of FY 2023.

The new procedures will require an initial online assessment to be undertaken of human rights, modern slavery and human trafficking risks (amongst others) for all third parties (including suppliers and customers). On a risk-based basis, a due diligence questionnaire will be issued to the third party in order to identify, assess and address any compliance red flags. This will be done through an automated compliance workflow management platform.

In addition, Petra will look to review and update the Group's Supply Chain Policy in FY 2023. As with the Code, this policy requires that due diligence be performed on all suppliers prior to any purchase orders or contracts being placed with them.

Organisational changes

In FY 2022, the Supply Chain function underwent significant organisational change with the appointment of a new Group Supply Chain Manager, who has a direct reporting line into the Chief Financial Officer, and through changes that have resulted in greater centralised control of procurement and contracting with associated improvements in governance and oversight. In addition to this, Petra enhanced its Risk, Assurance and Compliance function through the appointment of a new Group Risk, Assurance and Compliance Manager who has functional responsibility to lead our Ethics & Compliance programme and reports into the Group General Counsel & Company Secretary.



Richard Duffy
Chief Executive Officer
Petra Diamonds Limited
11 October 2022

This statement has been considered and approved by Petra's Board of Directors.