



PetraDiamonds

12 November 2020

LSE: PDL

Petra Diamonds Limited
("Petra" or the "Company")

Statement regarding allegations of human rights abuses from RAID

Petra Diamonds Limited acknowledges the report published today by the UK-based Non-Governmental Organisation ("NGO") RAID entitled '*The Deadly Cost of Ethical Diamonds*' (the "Report") which identifies a number of alleged human rights abuses relating to the security operations of the Williamson mine in Tanzania, which are managed by Williamson Diamonds Limited ("WDL", the operator of the mine, owned 75% by Petra and 25% by the Government of Tanzania), a third party security contractor and the local Tanzanian police force.

As noted in the Company's announcement on 9 September 2020, Petra takes these allegations extremely seriously and has been engaging and cooperating with RAID since being made aware of the allegations on 29 August 2020. Copies of the Company's recent correspondence with RAID (including Petra's letter of 11 November 2020, which was sent shortly before the Report was published so does not appear to have been reflected in the Report) can be accessed here: <https://www.petradiamonds.com/our-operations/our-mines/williamson/allegations-of-human-rights-abuses-at-the-williamson-mine/>.

The Company is working hard to address the allegations as a matter of urgency: a sub-committee of the Board, comprised entirely of independent Non-Executive Directors, has been formed to oversee the matter and an investigation has been initiated and is being carried out by a specialist external adviser in conjunction with the Company's lawyers. The investigation is scheduled to be completed by the end of the calendar year and the Committee will consider the outcome of the investigation and the recommendations to address any findings. This may include any required remedy or corrective action to be taken as a result of the investigation's conclusions.

Pending the outcome of investigations into the veracity of the claims, WDL has appointed an external consultancy to conduct an assessment of WDL's management of its security in line with the Voluntary Principles on Security and Human Rights.

Further, a number of enhancement measures have been implemented by WDL, which address certain of the areas identified in RAID's '*Recommendations to Petra Diamonds*' (covering pages 51 to 52 of the Report), as follows:

1. **Development and implementation of a comprehensive Stakeholder Engagement Plan ("SEP")**. WDL's SEP demonstrates its commitment to an open and transparent approach in dealing with its surrounding communities including sharing information regarding its operations and their impact. The SEP is focused on community members in the areas surrounding WDL, civil society and NGOs, Communities Development Committees, as well as Government, Police and Community Leaders. It focuses on all issues of relevance to WDL stakeholders, including security and human rights as well as social development.
2. **Roll-out of a dedicated Community Grievance Mechanism** to provide a standard structure through which all complaints and grievances, including serious cases and internal issues are addressed, processed and resolved, and feedback provided in a timely manner to the communities and aggrieved persons or complainants.

3. **Opening a new, accessible community office and launching a dedicated grievance desk** to accord community members, leaders and anyone with any issues to raise them in a free, unimpeded and open environment. The new offices are located outside the main gates of the mine and are clearly designated using signs and writings. The grievance desk is manned by an individual who is trained in community outreach and has prior experience working closely with mining communities. There are adjacent offices for private conversations. Once in full operation, in addition to interfacing, WDL has plans in place to provide hotline numbers for calls, messaging and WhatsApp.
4. **Development and launch of a new radio programme “Kwa Pamoja Tunajali”** (Together we care) which will be broadcast to all communities around the mine and other stakeholders. The interactive radio programmes will provide an important platform for both WDL and its communities to engage directly, address concerns collaboratively and as a tool for mass information sharing. The programming will feature question and answer sessions with the WDL General Manager, as well as subject matter experts on grievances and other issues of interest to listeners and communities.
5. **Tender process to appoint a new security contractor.** The incumbent security contractor’s contract expires at the end of December 2020 and WDL aims to have a new security service provider contract in place in January 2021.
6. **Suspension of Head of Security and Head of General Services at WDL, pending the outcome of the investigation.** An interim head of security has been appointed with over 15 years of security management experience including with NGO's and the UN.
7. **Deployment of a stakeholder engagement expert at WDL** to provide support to the General Manager and other mine leadership in their engagement with the communities and other stakeholders. The scope of the WDL community engagement expert’s role is to lead stakeholder engagement, including the provision of high quality and responsive information for stakeholders, and developing approaches to engagement, collaboration, and innovation that create improved value for both WDL and its stakeholders.
8. **Closure of the on-site facility used as a temporary police post on 29 September 2020.** This facility was never operated by WDL or the third party private security contractor. It was used by the local Tanzanian police force as a place to detain trespassers on the mine before their transfer, either to the Maganzo/Kishapo Police station or to Court.
9. **Upgrade of the Madwui medical facility to ensure the security of patients awaiting court appearance:** this has been achieved via the installation of a separate private ward to accommodate those in detention or in police custody. The private ward stands separate from the common ward and is self-contained with its own toilets and baths facilities. All security and medical personnel at WDL have been reminded of the procedures in providing care to patients who are detained or in police custody.

Petra has a policy of zero tolerance of any actions by employees, contractors or other stakeholders that are not in accordance with the Company’s Human Rights Policy and its Code of Ethical Conduct (both of which can be found on the Group’s website at: <https://www.petradiamonds.com/about-us/corporate-governance/business-ethics/>).

The Company will provide an update to the market when appropriate.

For further information, please contact:

Petra Diamonds, London
Cathy Malins

Telephone: +44 20 7494 8203
investorrelations@petradiamonds.com

About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a consistent supplier of gem quality rough diamonds to the international market. The Company has a diversified portfolio incorporating interests in three underground producing mines in South Africa (Finsch, Cullinan and Koffiefontein) and one open pit producing mine in Tanzania (Williamson).

Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high-quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base of ca. 250 million carats, which supports the potential for long-life operations.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. The Company's US\$650 million loan notes due in 2022 are listed on the Global Exchange market of the Irish Stock Exchange. For more information, visit www.petradiamonds.com.