



# 2021 MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

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12 October 2021

**Petra Diamonds Limited**  
("Petra", "the Group" or "the Company")

## 2021 Modern Slavery and Human Trafficking Statement

Petra Diamonds Limited is committed to upholding high ethical standards throughout all aspects of its business, as well as respecting and safeguarding the human rights of all its stakeholders. This commitment is based on the belief that business should be conducted honestly, fairly and legally. We expect all directors, employees, suppliers, contractors and other stakeholders to share our commitment to high moral, ethical and legal standards.

This statement is published in compliance with section 54 of the UK Modern Slavery Act, 2015 and sets out the steps that have been taken by the businesses in the Petra Group to prevent occurrences of slavery or human trafficking in our businesses and supply chains in the year ended 30 June 2021 ("FY 2021" or the "Year").

### About Our Business

Petra is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in three underground producing mines in South Africa (Finsch, Cullinan and Koffiefontein) and one open pit mine in Tanzania (Williamson), which remained on care and maintenance during the Year due to the impact of the COVID-19 pandemic on rough diamond prices.

Petra owns majority stakes in the businesses which operate the mining operations, with local partners holding minority stakes. The various mining operations are owned and operated by locally incorporated entities as set out in the Group structure charts available on our website at: <https://www.petradiamonds.com/about-us/who-we-are/group-structure/>

The Group employed 4,895 people (made up of 3,517 permanent employees and 1,378 contractors) as at 30 June 2021, with the majority of our people based at our mining operations in South Africa and Tanzania. Petra also has diamond marketing operations in Kimberley, Johannesburg and Antwerp, as well as corporate offices in London and Johannesburg.

The core of Petra's business is the mining, processing, recovery, sorting and sale of rough diamonds. We only sell diamonds that have been produced at our operations which are based in countries that are signatories to the Kimberley Process, thereby ensuring that 100% of our production is fully traceable and certified 'conflict-free'. The Company produced 3.2 million carats of rough diamonds in FY 2021 and generated sales of US\$402.3 million.



## Our Commitment to Ethical Behaviour and Human Rights

Petra has established, communicates and requires compliance throughout the Group with policies that reflect our values (<https://www.petradiamonds.com/about-us/who-we-are/our-visionvalues/>).

Our commitment to ethical behaviour is clearly set out in the Group’s Code of Ethical Conduct, which is supported by the Group’s Human Rights Policy Statement and Anti-Bribery Policy, all of which are available at <https://www.petradiamonds.com/about-us/corporategovernance/business-ethics/>.

We expect all directors, employees, contractors, partners and suppliers in the different parts of our Group to conduct themselves in accordance with these policies.

The Code of Ethical Conduct explicitly includes ‘Principle 4: Not only do we respect human rights, but we actively advance them’. It also states that the Company places a high premium on human rights, and is committed to supporting and advancing the human rights principles set out in the United Nations (“UN”) Universal Declaration of Human Rights and supporting legislation in the jurisdictions in which we operate, including gender equality, respect for freedom of thought and association, the prohibition of slavery, child labour and discrimination of customs and cultures.

Petra sets out in the Code of Ethical Conduct that it expects all employees and business associates within the Group to be aware of, and to uphold, the human rights outlined in the UN Universal Declaration of Human Rights.

Employees are expected to report any violations to the relevant line manager, supervisor or Head of Security. Any violations of these principles can also be anonymously reported from all levels within the different parts of our business and from external third parties through feedback mechanisms which includes Tier 1 operational grievance mechanisms in place at each of our operations, and the Company’s whistleblowing service. In order to uphold its independence, this service is outsourced to an external service provider. The service is provided in all local languages in the countries in which Petra operates as well as a number of international languages, and the service is open to all Petra Group employees, contractors and suppliers, as well as any member of the public and is available at <https://www.petradiamonds.com/about-us/corporate-governance/business-ethics/>.

We have aligned our recruitment and employment principles with the International Labour Organization Declaration on Fundamental Principles and Rights at Work. This means that our businesses have zero tolerance for child labour, forced labour, slavery or discrimination and we respect the right of our workers freedom of association.

## Training

Petra's Code of Ethical Conduct is implemented through a training and communication plan, and all Petra Group employees and contractors are informed about the Code as part of their induction procedure.

Petra is in the process of developing a governance suite of training modules facilitated on an e-learning platform for implementation throughout the Group, having witnessed the success of this format for employee training around COVID-19. A greater awareness of the importance of Human Rights was created during FY 2021 through various initiatives. Management training was facilitated through our eLearning platform to increase awareness of Human Rights, and by the Year end 89% of employees in supervisory and management positions within the Group had completed this training. For general employees and contractors, Human Rights is included in their induction procedures.

Enhanced and more in-depth human rights training related to the UN's Voluntary Principles of Security and Human Rights ("VPSHR") is currently being rolled out to the Group companies' in-house and outsourced security teams in both South Africa and Tanzania in response to claims of human rights abuses at the Williamson mine. All security staff, whether employees of our Petra Group companies, third-party security providers, or State security, will receive on-site training about the VPSHR and our commitments under it. The training will include guidance regarding the appropriate use of force. Details on our approach to the VPSHR will be contained in our Voluntary Principles Group Policy to be approved in early FY 2022. This training on VPSHR will be refreshed annually.

## Our supply chain

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

Following the Organisational Design Review completed during FY 2021, the Group Supply Chain structures have been further enhanced to ensure more centralised control of procurement and contracting with associated improvements in governance and oversight. We aim to fully embed these changes during FY 2022.

We proactively manage and develop a capable and commercially secure supply base, with the aim of delivering sustainable value to our Group businesses and to our suppliers through leveraging long-term relationships and effective contract management.

Our approach in this regard is guided by our Supply Chain Policy, which is continuously revised to ensure its compliance to industry best practises. The policy is underpinned by a web-based supplier management and sourcing system, known as the eProcure Portal

(<https://www.petradiamonds.com/sustainability/overview/our-supply-chain/>). This platform ensures that suppliers are made aware of new opportunities as they arise and also allows us to expand our list of contractors and make our procurement system more transparent and effective.

It also encourages potential suppliers to comply with various legislative and other requirements that are measured by a Business Maturity Index ("BMI") visible to every registered supplier on the platform. Petra aspires to improve the average BMI of suppliers contracted going forward. The eProcure platform has been rolled out across all the South African operations with the roll out to Williamson in Tanzania on hold pending the restart of operations and the outcome of the Board's strategic review of the mine.

We expect all suppliers and contractors to act with integrity and respect for human rights. Therefore, compliance with our Code of Ethical Conduct and our Human Rights Policy Statement is explicitly required by our Group companies as part of their general terms and conditions with suppliers and contractors. Our Group companies have

vetting processes in place to ensure that they deal with reputable businesses. These processes are continuously reviewed and strengthened as part of the ongoing formalisation of the Group's supply chain practices.

Petra's Supplier Compliance Committee aims to further improve governance with regards to suppliers by seeking to ensure that all suppliers comply with applicable legislation and Petra's standards and processes. If any investigations into suppliers are required, as a result of reports made to the whistleblowing hotline or other internal and external incident reports, these are undertaken by the Group's Security Department or, when appropriate, external forensic investigators. The Supplier Compliance Committee is responsible for deciding on any follow-up actions identified through the investigations.

### **Local procurement**

Our businesses source the majority of the goods and services for their South African and Tanzanian operations from the countries in which they are located; even those goods supplied by international companies are purchased, as far as possible, through locally registered companies in our host countries. We view targeted local procurement as a powerful lever for local economic development and community empowerment and preference is therefore given to suppliers in close proximity to our mines as and when possible.

Despite significant progress being made, challenges remain relating to the availability of broad-based black economic empowered ("BBBEE") suppliers in South Africa and the fact that suppliers of high-value capital goods are very seldom situated in the host communities of our mines. Petra therefore has a strategy in place to help its businesses to develop local suppliers based in and around our mining communities; the eProcure Portal has already assisted in making procurement opportunities more visible to potential local suppliers. Further improvements in this area are expected during FY 2022 following enhancements being made to both the Supply Chain and Sustainability departments during the Year.

### **Due Diligence and Risk Assessment**

We have zero tolerance for child labour, forced labour or discrimination and we respect the right of our workers to form unions. The risk of child labour or forced labour taking place at any of Petra's operations has been mitigated by the Group's rigorous recruitment and pre-employment vetting processes and strict adherence to the relevant local labour legislation.

We consider that risks of slavery or human trafficking with regards to our operations or supply chain have also been mitigated by our due diligence processes undertaken by our supply chain management. We expect all our suppliers and contractors to comply with local and international legislation through our contracting conditions.

Supplier and contractor qualification at our South African operations involves obtaining sufficient evidence to ensure a supplier meets or exceeds the minimum standards to supply goods and services to our businesses. This could include, without limitation, assessment of the following areas: health, safety and environmental standards; quality management and continuous improvement; financial strength; community development; human resource management; human rights practices; services and references; legal and regulatory compliance; and information security. The inclusion of Williamson in the scope of these assessments will be progressed during FY 2022.

Our 'General Terms and Conditions of Contract' stipulate that suppliers and contractors shall neither use forced, bonded or indentured labour nor child labour in order to execute any work for the Group. In addition, the suppliers and contractors must comply with all applicable in-country laws, including labour legislation.

### **Continued commitment**

The Company adopts a zero-tolerance approach and undertakes to continually review the adequacy of internal controls to ensure that slavery and human trafficking is not taking place within the Group, its subsidiaries, joint ventures and suppliers.

This statement is updated on an annual basis and forms an important part of our commitment to ethical behaviour.

This statement has been considered and recommended by the SED Committee and approved by the Board.

A handwritten signature in black ink, appearing to read 'Richard Duffy', written in a cursive style.

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**Richard Duffy**  
**Chief Executive Officer**  
**Petra Diamonds Limited**