

Consumer Demand

A sustainable future for our industry

While diamonds occupy a unique cultural position in that they are used to celebrate our most special moments, their continued acceptance is reliant on ensuring they remain desirable to consumers.

The Diamond Producers Association

As a member of the DPA, we are committed to high standards of integrity and responsibility in all aspects of their business and all activities of the diamond value chain from mine to consumer. DPA member commitments are as follows:

- ▶ We conduct our business with integrity, ethics and high standards of corporate governance.
- ▶ We promote and encourage responsible business practices throughout the diamond supply chain.
- ▶ We comply fully with the Kimberley Process Certification Scheme and the World Diamond Council ("WDC") System of Warranties.

- ▶ We support transparency in the way we conduct our business and report payments made to Governments in accordance with applicable legal requirements.
- ▶ We respect fundamental human rights and observe the UN Guiding Principles on Business and Human Rights.
- ▶ We respect the cultures, customs and values of others with whom we engage, including our employees, contractors and the local communities around our operations.
- ▶ We seek to further the economic, social and institutional development of communities where we operate.

We seek to actively influence sustainable consumer demand via the DPA, an industry organisation formed in May 2015 by Petra and six of the other world-leading diamond companies to maintain and enhance consumer demand for, and confidence in, diamonds. By promoting the integrity and reputation of diamonds and the diamond industry, the DPA intends to play a central role in ensuring the long-term sustainability of the sector.

Petra's Chief Executive, Johan Dippenaar, represents the Company on the Board of the DPA and the Corporate Communications Manager, Cathy Malins, sits on the DPA's Communications and Marketing Committees.

An important part of the DPA's mandate is the generic marketing of diamonds, a key support for the industry that has been lacking for a number of years, and to ensure that diamonds remain relevant to the next generation of consumers – the so-called 'millennials'. Another key part of the DPA's remit is to educate consumers about the integrity of the modern diamond mining industry. Read more of the positive impacts of Petra on pages 52 to 63.

DPA activities in FY 2018

- ▶ The DPA's advertising budget grew to US\$70 million for 2018 to enable it to expand its efforts in the US, as well as to launch in both India and China.

- ▶ The majority of its budget is allocated to the major US market, which represents circa 50% of diamond sales worldwide. One of the key focuses in the US is female self-purchasing, with research showing that this is a major and growing market.
- ▶ Having launched in India in November 2017, it launched in China in the summer of 2018, applying the 'Real is Rare' concept but in a way specific to the Chinese consumer.

'DPA Light' has been developed for Europe, which involves a pared-down version focused on digital, PR and training. This launched in France in the spring and will launch in the UK this autumn.

Upholding the value of diamonds

We are committed to upholding the high value placed on natural diamonds, which are given to celebrate life's most special moments and are considered as prized possessions.

Furthermore, Petra's diamonds have a unique provenance in that they are sourced from some of the most culturally significant diamond mines in the world. The names Cullinan, Finsch, Kimberley, Koffiefontein and Williamson all have rich histories associated with them, as they have produced many of the world's most spectacular and celebrated diamonds.

It is therefore vital that our duty to ensure that every aspect of our business is managed and run in keeping with the high value placed upon our product and we expect a similar commitment from all those involved in the Petra business, including employees, contractors, partners and suppliers.

As such, we monitor and manage each step in the diamond production process to the highest ethical standards and in accordance with our values, from exploration and mining, through to processing, sorting and finally marketing and sale. Read more

about our commitment to ethical conduct in the Governance section on pages 14 to 22.

We will only operate in countries which are members of the Kimberley Process and each of our diamonds is fully traceable to its point of production, thereby providing assurance that 100% of our production is certified as 'conflict free'.



The DPA's 'Real is Rare' campaign was launched in India in November 2017

Sharing her thoughts on the launch, Richa Singh, Managing Director, India, Diamond Producers Association, said: "In India, the 'Real is Rare. Real is a Diamond.' campaign shares a deep-rooted thought of love built through rare instances in the minds of consumers."