

Report of the Health, Safety and Environmental Committee



Members of the HSE Committee

Bernard Pryor, Chairman, iNED¹

Dr Pat Bartlett, iNED

Richard Duffy, CEO²

Luctor Roode, COO

1. Joined and was appointed Chairman in May 2019.

2. Joined in May 2019.



The safety of Petra's people remains our top priority and the Company is taking measures to continuously improve our performance in this area, working towards our primary goal of zero harm.

Bernard Pryor

Chairman of the HSE Committee


HSE Committee Terms of Reference
petradiamonds.com/about-us/corporate-governance/board-committees

HSE Committee role and purpose

I am pleased to present Petra's HSE Report for FY 2019, which is my first as Chairman of the Committee, succeeding Johan Dippenaar. I joined the Committee in January 2019 and was appointed Chairman in May 2019. Our membership was further strengthened during the Year by the appointment of CEO Richard Duffy.

The role and purpose of the HSE Committee is to assist the Board in discharging its oversight responsibilities relating to HSE matters and to ensure the Company upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner.

The Committee was amended in FY 2019 from the previously named HSSE Committee, which also had oversight of social matters, in order to divide roles and purposes between two Committees, each with a specific focus. A separate Social, Ethics and Diversity ("SED") Committee Report is included on pages 80 and 81.

Activities and achievements

In addition to the Committee's principal functions and corresponding activities, the following achievements are noted:

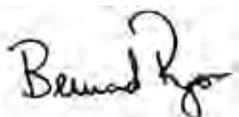
- ▶ continued focus on safety, as well as a specific safety drive, which was held at Petra's operations, led to an improvement in the Company's LTIFR from 0.23 in FY 2018 to 0.21 in FY 2019, and no fatalities recorded;
- ▶ Petra continues to show a continuous improvement in its carbon reporting, with a higher score being achieved with the Carbon Disclosure Project ("CDP") in FY 2019 for the sixth consecutive year;
- ▶ during FY 2019 the Board signed a safety pledge, demonstrating its commitment to achieving a 'zero harm' working environment; and
- ▶ Petra recycled 72% of all water used on mine in FY 2019.

Further information on HSE matters is included in Petra's FY 2019 Sustainability Report.

HSE Committee role and activities

The principal functions of the HSE Committee are listed below, along with the corresponding activity and performance in FY 2019.

ROLE	ACTIVITIES IN FY 2019	OUTCOMES
To evaluate the effectiveness of the Group's policies, standards and systems for identifying and managing health, safety and environmental risks within the Group's operations.	<p>Review of material risk management process to align with the ISO 45001:2018 requirements. Evaluation of effectiveness and roll-out of the revised health and safety-related operational risk management processes, and effective controls for all significant hazards and risks. Environmental risk management processes were aligned to the operational risk management process.</p> <p>Development of Group standards on HSEQ processes.</p>	<p>ISO 45001:2018 aligned operational risk management process implementation with all associated significant controls linked to legal and other requirements, as well as a system effectiveness review at all South African operations. Williamson is not yet certified but operates with the same principles.</p> <p>Total HSE integration within the risk management framework.</p>
To assess compliance obligations with applicable legal and regulatory requirements with respect to health, safety and environmental aspects.	<p>Levels of compliance were monitored across the Group. Third party legal specialists were sourced to conduct legal compliance audits at all operations as part of the Committee's annual assurance verification process.</p> <p>The continual review, updating and management of a HSEQ legal register, consisting of relevant legislation, laws and standards applicable to mining, in a timely manner.</p>	<p>The Board is updated regularly with regards to Petra's levels of compliance.</p> <p>Four internal audits (performed by the Group HSEQ Leads) and six third party audits (BSI) were conducted. Audit reports were issued and concluded.</p> <p>Continual performance evaluation and improvement.</p>
To assess the performance of the Group with regards to the impact of health, safety and environmental decisions and actions upon employees, communities and other stakeholders.	<p>Monitoring of HSE performance throughout the Year and review of annual Group occupational health, safety and environmental objectives and key performance indicators.</p> <p>Consideration of the main causes of accidents, risks and incidents across the HSE spectrum both internally and within the industry more broadly.</p>	<p>The Board was kept informed of the Group's HSE performance.</p> <p>Performance KPIs and objectives aligned with the Mine Health and Safety Council industry milestones and international environmental best practice.</p> <p>Continual real time HSEQ performance trending and intervention from Group HSEQ leads to drive zero harm, a safe workplace and a sustainable environment.</p>
To review management's investigation of any fatalities and/or serious HSE-related accidents or incidents within the Group and the efficacy of the resultant remedial actions implemented.	<p>The Company recorded no fatal accidents during FY 2019 and achieved a rolling improvement in significant injuries (measured by LTIFR) of 69% over the past eight consecutive years.</p>	<p>Petra has proactive measures to mitigate the potential of any fatalities and/or serious HSE-related accidents or incidents, including continual stop and fix interventions, the analysis of and adoption of learnings of any such accidents and incidents both at Petra's operations and within the industry, and the subsequent review of internal risk control effectiveness at all mines.</p>
To evaluate the quality and integrity of reporting to external stakeholders concerning HSE aspects.	<p>Continued annual reporting to GRI, CDP, MSCI and FTSE4Good. Updated data collection processes for full GHG reporting and accurate carbon footprint calculations as identified through external data verification assessments.</p> <p>Ongoing review of international guidelines and best practice in respect of Petra's sustainability reporting.</p> <p>The Committee provided oversight of the preparation of the FY 2019 Sustainability Report, with certain aspects of the report being independently verified or assured.</p>	<p>Petra's FY 2019 Sustainability Report is prepared in accordance with GRI Standards.</p> <p>Continued improvement in reporting to the CDP with a score of 'B' being achieved.</p> <p>Repeated inclusion in the FTSE4Good index.</p>



Bernard Pryor
HSE Committee Chairman
14 October 2019