



OUR PEOPLE

Harnessing our greatest asset

Helping our employees to realise their full potential will greatly benefit both the Company and the individual.

Achievements in FY 2016

- ▶ Increased investment in focused training programmes to develop our employees and ensure the future success of our operations.
- ▶ Materially stable labour relations in South Africa.
- ▶ Restructuring of our Group and BEE holding structures in South Africa to allow for the IPDET to hold a consistent 12% interest in each operation, effective 1 July 2016.
- ▶ Management development programmes embedded in our education and development pipeline.

Challenges

- ▶ Skills shortages in certain specialist areas.
- ▶ Labour relations, particularly during the planning and initial roll-out phases of the restructuring of Petra's Kimberley operations further to the Kimberley Mines acquisition.
- ▶ The employment of women in the mining industry continues to pose inherent challenges.
- ▶ The challenges facing education in South Africa mean that a small portion of our workforce is not literate.

At a glance

Training and development

We place great emphasis on personal development to help employees to achieve their full potential.

26,055

of legally required training incidences performed in FY 2016

Local employment

Encourages a more stable and cohesive workforce and contributes to the development of local communities.



100%

of new employees hired indicated the operation's host province as their permanent residence

Two Petra operators stand between scrubbers at the central treatment plant, Kimberley Ekapa Mining.



Leadership Development Programme (“LDP”)

Our LDP is a vital tool which enables us to identify candidates and develop employees into future leadership positions.



28%

of candidates on our LDP are female

Graduate work experience

We provide the opportunity for young graduates to gain work experience in the mining and minerals sector.

88%

of our young graduates are HDSAs



Our People

Our approach

Acquiring and making the best use of resources is critical for growing and sustaining any organisation. Petra is therefore cognisant that its people are its most valuable resource, since it is they who can unlock the value of all the Company's other assets and resources.

In line with our can-do culture and values, a high premium is placed on employees being empowered and accountable for their actions as it is our belief that this enables them to work to the best of their ability. Our approach is to foster a culture which encourages and rewards innovation and creativity in the workplace, and we are continuously investigating opportunities to enhance this.

The diversity of our workforce is regarded as one of our biggest strengths, which needs to be nurtured to gain a strategic advantage. In order to improve diversity and reap its advantages, treatment of all employees with respect and dignity is regarded as a given and non-negotiable.

Our approach to the fair treatment and sustainable development of our people is cemented by a suite of Group-wide HR policies which ensure an equitable and well regulated HR environment as well as compliance with all relevant local employment legislation.

Our workforce

As at 30 June 2016, we employed a total of 10,763 people (30 June 2015: 8,268), excluding the five Non-Executive Directors appointed to the Petra Board. See page 58 for the breakdown of the Petra employee and contractor numbers for FY 2016.

The number of permanent employees has increased to 5,005 (FY 2015: 4,425) mainly due to the acquisition of an interest in the Kimberley Mines from De Beers Consolidated Mines on 18 January 2016 and the ongoing development projects at the respective operations that are enabling increased production.

A further substantial increase in the number of contractors to 5,763 (FY 2015: 3,843) related to the progression of Petra's development projects and, in particular, the construction of the new plant at Cullinan.

Local hiring

Recruiting from our local communities makes sound business sense, as it encourages a more stable and cohesive workforce, contributes to the development of local communities and decreases dependence on Company-provided services such as transport and housing.

It is also a regulatory requirement in terms of the South African Mining Charter (the "Charter") and our prescribed Social and Labour Plans ("SLPs"), which include commitments to recruit from 'labour-sending areas', i.e. their host and local communities. Commitments to this effect are often also included within agreements with the organised labour unions present at our operations.

However, skills shortages in the local communities are often a reality when recruiting for skilled positions. For this reason, vacancies for positions in the skilled bands are also advertised regionally or nationally, whereas all unskilled and semi-skilled positions are advertised locally only. Preference will still be given to local applicants whenever possible.

Major contractors to the operations are expected to apply the same recruitment principle when employing workers for contracts at these operations.

Of new employees directly recruited by Petra's South African mining operations during FY 2016, 100% indicated the host province of the operation concerned as being their permanent residence.

South African head office personnel, many of whom are located at several satellite facilities at operations, are mostly recruited from the areas where they will be based. For FY 2016, 39% of South African head office recruits were from the Gauteng Province (in which the Bryanston head office and the Cullinan Group offices are located), 42% from the Northern Cape, where the Kimberley satellite office is based, and 19% from the Free State, since the Group Projects office is located in Koffiefontein.

At Williamson, around 30% of Williamson employees are from the local Shinyanga District, while local employment by contractors to the mine vary between 38% and 94%.

Staff retention

Although there is still competition in the labour market for semi-skilled and skilled employees, and a shortage of certain specialised skills, strained economic conditions in South Africa, in part due to the commodities downturn, has taken some pressure off recruiting for and retaining skills.

What is more, the remote location of most of our operations means that the host communities present a limited pool from which to draw skilled employees and it can be difficult to attract these skills from the larger urban centres.

Staff retention is therefore important and remains a key challenge for Petra. However, it is our belief that our comparatively low staff turnover rates, which are on par with those of the mining sector and industry in general, largely result from the creation of a challenging but pleasant work environment and remuneration policies that are designed to attract, incentivise and retain individuals of a high calibre.

In FY 2016, our total employee turnover improved from 17% to 7%, though figures for FY 2015 were impacted by retrenchments at the Helam fissure mine. The turnover level in FY 2016 is in line with the current average turnover rate for the South African mining industry at 7%, although this has varied considerably during the recent past due to volatile economic conditions. See page 58 for the breakdown of the Petra Group turnover rate for FY 2016.



Senior officials gearing up for going underground at Finsch for a safety inspection.

Training and development

The training and development of employees is a core enabler of a successful and sustainable operation. Apart from ensuring that employees possess the required skills to perform the duties expected of them, it also serves to broaden their horizons from merely performing a duty to building a career. This in turn acts as a motivator, improving commitment and dedication, and contributing to employee satisfaction and retention. For this reason, Petra regards the provision of both legally required and career-oriented training in technical and non-technical disciplines as a key priority.

Our investment in staff training and development in South Africa increased 3.5% in Rand terms for FY 2016 to ZAR84.2 million (circa US\$5.8 million) (FY 2015: ZAR81.3 million (circa US\$6.7 million)), while US\$53,443 was spent in Tanzania. See page 59 for a breakdown of Petra’s training and development expenditure for the Year.

For FY 2016 no Mining Charter target was applicable (FY 2015: 5%) but we planned to achieve an expenditure of at least 5.5% of operations’ payroll. This target was significantly surpassed with an average of 7.4% at Group level.

Main areas of expenditure continued to be in-house safety and technical training, technical training outsourced to specialist external training providers, engineering and rock-breaking learnerships, internships and centralised leadership and management development programmes.

A total of 26,055 instances of legally required training were presented across the operations during the Year (FY 2015: 5,775). These are mostly health and safety-related courses required by legislation and aimed at improving workplace safety. This is a

marked increase from previous years, and correlates with the increase in the number of contractors at the operations due to development projects.

The training programmes at Williamson continue to focus on ‘on-the-job training’, which includes training through regulatory bodies such as OSHAS and Association for Tanzanian Employers (“ATE”), as well as external learning events, such as formal original equipment manufacturer training courses or visits to other mining operations. Williamson does not currently have formal bursar and scholarship programmes in place, but it supports those engaged with self-development programmes to a limited degree.

Leadership Development Programme

Petra’s Leadership Development Programme (“LDP”) remains an important strategic tool to assist the organisation in the identification and development of employees who display the potential to fulfil leadership positions in the future. At the end of the two-year programme all participants receive a Higher Certificate in Generic Management (NQF Level 5).

The LDP consists of various elements, such as classroom learning, mentoring, coaching and formal technical training, in order to ensure that the graduates can effectively fulfil future leadership positions in the Company.

During FY 2016, 61 employees participated in the Leadership Development Programme (excluding five who withdrew from the course during the Year), and a total of 40 learners graduated from the programme this year. The LDP is considered to be an important opportunity to improve management diversity, both by race and by gender, with 28% of participants being female. This focus is evident in the LDP participant categorisation set out below:

	African male	African female	Coloured ¹ male	Coloured ¹ female	White male	White female
Year 1	9	2	3	1	4	2
Year 2	9	3	7	0	2	2
Year 4/5 combined	5	4	1	1	4	2

1. The term ‘coloured’ is the official and accepted term used for historically disadvantaged South Africans (“HDSAs”) of mixed descent.



Profile: Patricia Lubisi

Leadership Development Programme – opening avenues to excellence

Petra's Leadership Development Programme ("LDP") is one of the programmes that assists the Company in identifying leadership talent, can develop both the leadership and technical skills of employees and supports individuals after promotion to achieve their full potential. One of the star candidates on the programme is Patricia Lubisi, who is a Safety Officer at the Kimberley operations.

What stands out about Patricia is that she, whilst being a single parent, worked so hard that she managed to complete the LDP and almost a tertiary qualification in three years, making use of Petra's study assistance scheme for her UNISA studies. During her involvement with the LDP, she was promoted from a Miner position to that of a Safety Officer, which attests to her performance. Being a woman in mining who worked in the operational environment and then in the safety environment, but still underground, is also commendable, since a career in safety is often seen as a way out of working underground. Integrating the value of the LDP and the study assistance scheme empowered Patricia to develop both leadership and technical skills, both being critical to career progression.

Her attitude of making things work despite challenges is strongly aligned with our organisational culture. A few times, she could not be released to attend training schools but, despite that, she submitted her work and was found competent. To cope with a new job and new work environment as well as a new supervisor, also presented her with challenges, which she managed to cope with excellently.

That she joined the Company in 2012 and was selected for the LDP in 2013 is a good indication that her leadership skills must have been recognised straight away. To achieve what she did in four years is not easy.

We sat down with Patricia and asked her a few questions regarding herself and her involvement in the LDP:

Tell us about yourself.

I was born and raised in Koffiefontein in a household with five other siblings, and matriculated at Reikaeletse Secondary School in Koffiefontein in 1992. I am a mother of two beautiful children: a son, Lindokuhle, aged 16, and a daughter, Rhandzu, who is eight years old. Our little family is currently based in Kimberley, where I love fieldwork – visiting people who are in need or troubled, and assisting with what I can – during my free time as a means of putting my religious beliefs into practice. I also love reading and I enjoy cooking.



Tell us a bit about how you became involved in the mining industry and how you became part of the LDP.

I joined the Company in January 2012 as a Development Miner at the Koffiefontein operation. In June 2013, I joined the LDP programme with the hope of equipping myself educationally. When the programme changed, I continued with the streamlined version in June 2014. I also enrolled with UNISA in June 2013 to do my diploma in safety management, which I will complete by the end of 2016.

You moved from mining to safety – how did that happen?

Whilst being a miner my emphasis was totally on the safety of the people I worked with. I was then given an opportunity to act as a relief Safety Officer from June 2013 as the need arose.

I got a Safety Officer position in June 2014 and joined the Kimberley family. My passion for safety grew as I improved my skills, knowledge and experience.

Describe your LDP experience.

I have been ambitious for as long as I've known myself and thrive on being challenged. I joined the LDP to improve on my interpersonal, technical and management skills to make a meaningful contribution to the Company and be 'Proudly Petra'.

I have grown as a person through the LDP by sharpening my existing soft skills as well as identifying my shortcomings to make myself a quality leader in my scope of work and for future endeavours.

I enjoyed project management a great deal and don't see it as a monster anymore – instead I see it as something to involve myself in so as to gain experience and add value from a safety perspective. The highlight for me was the 'Leadership and influence' module of the LDP, as the wellbeing of people is dear to my heart. I have learned to be an active coach in my working environment by understanding the dynamics of teams and teamwork. General management gave me perspective of the Company I work for and how it came into being as well as what the foundation layers are.

I am enlightened on an emotional level and I have gained confidence in decision making, leading, planning as well as accepting accountability for the safety of those who I am responsible for and the broader family of Kimberley Underground.

I really believe that the LDP is a starting place for those who want to improve on their current life status. It is a valuable initiative from the Company in creating an environment of growth through learning by equipping employees with different skills to improve their lives both off and on mine. With hard work, determination and completion of this qualification, for those who did not have the opportunity to obtain one, the LDP is the way to go.

What do you predict for your own future?

My dream now and in the future is to be the best I can be in everything I am doing as a mother, sister, daughter, employee and citizen of Mzansi (South Africa) by using my God-given talent, skills, knowledge and experience to bring change to my surroundings and the lives of those who I come into contact with.

Training and development continued

Adult basic education and training

Due to the country's unique history and the comparatively poor standard of education, South Africa has to deal with relatively high levels of adult illiteracy.

For this reason, we make it possible for all employees who want to improve their literacy and numeracy skills to do so via our Adult Basic Education and Training ("ABET") programme. ABET is provided free of cost or obligation to all learners and the focus is on developing numeracy and literacy skills through the use of multi-media computer-based training or facilitated learning.

ABET training facilities that are equipped for such training are available at all of our South African operations. In total the facilities were used by 106 enrolled learners in FY 2016, including 13 community members.

Due to the comparatively high level of education at Williamson, no ABET programme/facility is currently available at the mine.

Portable skills training

One of the issues facing employees at South African operations is the portability of their skills, i.e. their skills do not allow them to enter self-employment at the end of their careers or at mine closure. Operations therefore plan and budget for portable skills training to equip employees with such skills.

Training is provided through courses such as mechanical repairs, electrical, welding and cutting technology, business skills, carpentry and a number of computer training modules. A new addition to the courses offered is the opportunity for employees to qualify for their driver's licences, without which their opportunities for career progression and self-employment are limited.

Although employee commitment to portable skills training has often proven to be low in the past, significant progress has been made in this regard. In FY 2016, 154 employees entered such training programmes, of whom 116 successfully completed their courses, while 36 were still active on programmes by the end of the Year.

The issue of portability of skills also extends to local residents who are not employed by the mine, but reside in the surrounding communities. For this reason, some of these programmes are also extended to community members. In FY 2016, a total of 33 community members were enrolled, of whom 14 had successfully completed their courses by Year end, while the remainder were still active.

Study Assistance Scheme

Petra provides a Study Assistance Scheme, which is available to support employees to obtain tertiary qualifications or other training relevant to their current positions or positions that they can reasonably be expected to hold in the future.

The objectives of this scheme are to not only promote employability at the end of a career in mining, or in the event of mine closure, but also to provide employees with the opportunity for career progression, thereby qualifying the employee to apply for alternative positions in the Company. Assistance is provided in the form of a service obligation, an interest-free loan or study leave.

Bursary scheme

Petra's bursary scheme focuses on supporting promising students studying towards higher qualifications in the core disciplines of the mining industry, and forms part of the South African mines' SLP commitments. The bursary covers the cost of the studies as well as accommodation and allowances and is only available to South African students.

For the 2015 academic year, the Company sponsored 21 full-time bursars and 1 part-time bursar. For the 2016 academic year, 20 full-time bursars and 1 part-time bursar are now being supported. The tuition fees of the part-time bursars, who are doing postgraduate studies, are sponsored by the Julian Baring Scholarship Fund, which was profiled in last year's Sustainability Report.

The group of full-time bursars is suitably diverse, consisting of 13 African males, four African females, one coloured male, one Indian male, three white males and one white female, meaning that it is comprised of 86% historically disadvantaged South Africans ("HDSAs"). As part of the scheme students are supported to do vacation work or practical modules at operations as required by their respective institutions.

A total of ZAR2.7 million (circa US\$181,131) was spent on the bursary scheme during FY 2016. Budgetary support for the bursary scheme (at the exchange rate for the year in question) and a further ZAR3.3 million (circa US\$225,908) has been budgeted for FY 2017.

Young graduate work experience project

This project was launched in FY 2015 to provide an opportunity for young graduates to gain work experience in the mining and minerals sector, thereby improving their chances of employment, and was evaluated to be very successful.

It was therefore expanded in FY 2016, with the number of young graduates on the programme increasing from 11 in FY 2015 to 25 in FY 2016. Of the participants in this project, 88% are HDSA. Following completion of their studies, graduates are then employed by Petra for a period of time, during which they work with similarly qualified employees to gain experience. Due to the success of this project, this period of employment was increased from six to 12 months as from the start of FY 2017.

Learnerships

In South Africa, a learnership is a registered and accredited learning programme which combines practical work experience with academic learning.

The aim of Petra's learnership programmes is to address skills shortages and job vacancies both at our mines and within the mining industry as a whole, with the objective being to increase the pool of available labour.

Learners are recruited from inside and outside the Company. Currently we have learners on a number of programmes ranging from various engineering disciplines (e.g. electrical, fitter, instrumentation, etc.) through to rock breaking and metallurgy.

The number of learners participating in FY 2016 was 127, of which 67 were engineering related, while the remaining 60 were in disciplines such as rock breaking and metallurgy.

The total cost of learnerships for FY 2016 was ZAR14.8 million (circa US\$1.2 million) (FY 2015: ZAR16.6 million (circa US\$1.4 million)).



Our People



Licensed to drive! Residents from the Kgatelopele Local Municipality who recently successfully attained their Code 8 learner's and driver's licences with delegates from Finsch and Kgatelopele Local Municipality Mayor, Ms Gloria Kgoronyane.

Giving our communities the tools to empower themselves.

Most successful people ascribe their achievements in their personal or work life to hard work and making use of opportunities that came their way. In keeping with this, Petra believes that upskilling people in our communities is important, as it is one of the most effective ways of overcoming the legacy of unemployment in the region.

Finsch recently identified an opportunity to empower unemployed residents from the Kgatelopele municipal area, where the mine is located, with the skills to enhance their employability or self-employment.

A total of 20 learners were selected by Finsch from the various wards of the local municipality to obtain their Code 8 learner's and driver's licences which would allow them to drive light motor vehicles on public roads.

The learners were given the necessary guidance and skills by an external service provider over a period of a couple of months, depending on the skill level of each person, to ready themselves to do the tests.

They then proceeded to write their learner's licences. Students who failed at their first attempt were given a

second chance to write the exam. To achieve the skills for obtaining their driver's licences, the learners were given a maximum of 15 lessons after which they took their driver's test. Of the 17 applicants who started the training, 14 passed their learner's licences. From the 14 who passed their learner's licence, 12 passed their driver's licence.

At a special ceremony, the successful learners were presented with certificates for their hard work and commitment to the programme. Attending the ceremony with the learners were delegates from Finsch Diamond Mine as well as the Mayor of Kgatelopele Local Municipality, Ms Gloria Kgoronyane.

Speaking at the event, Mayor Kgoronyane thanked Finsch for the continued support that the Municipality receives from the mine to uplift the community of Kgatelopele. She went on to encourage the learners to make the most of the opportunities that they receive.

The Code 8 driver's licence project forms part of Phase 1 of the Community Skills Development Programme and will be followed by Phase 2 (Code 10 driver's licence for vehicles up to 3,500kg) later during the 2016 calendar year.

What some of the learners had to say...

Luctor Roode, General Manager of Finsch, and Mayor Gloria Kgoronyane congratulated the successful learners on their achievements.



"For the last 14 years it has been my dream to get my driver's licence, and now I have it. This has given me the courage to follow my next dream of becoming a Mechanic Helper, as helping to fix cars has always been a hobby and interest of mine since I was small."

Lucretia Slinger



"After just ten lessons I managed to pass my driver's licence. I am so excited as I know this will open doors for my career path."

Gibson Mfumba



"I can't describe how happy and grateful I am to Finsch. Now I can go on to work on my Code 14 driver's licence and become a truck driver."

Moheletsi Mogatle

Diversity

Petra is of the view that diversity is an important business benefit as it allows for a broad range of views, experiences and backgrounds to be drawn upon for the benefit of the Company.

As such, Petra has a policy of no tolerance to discrimination on factors such as gender, race, ethnic origin, colour, nationality, marital status, disability, religion or sexual orientation. Given our commitment to fair employment practices, these criteria are not used to discriminate against individuals, and this is reflected in equitable remuneration scales and benefits.

Equality and equity

In South Africa, the Broad-Based Black Economic Empowerment ("BBBEE") legislation, which includes Employment Equity, is regarded as one of the strategic Government imperatives in dealing with the legacy of Apartheid. Compliance with this legislation, as well as with the measures to this effect prescribed in other official documents such as the Mining Charter, is therefore mandatory.

We regard Employment Equity, which is aimed at representative diversity in the workplace, not only as a mandatory measure that needs to be complied with, but as a moral and business imperative, due to the benefits that well managed diversity brings. This, as a principle, is reflected in our Code of Ethical Conduct as well as our Disciplinary Code, and Petra's employment policies prohibit any kind of unfair discrimination.

Employment Equity Committees continue to meet regularly in order to monitor the implementation of Employment Equity Plans, which detail the identified barriers to equitable employment and specify affirmative measures to be implemented by each operation. The mines also submit their Employment Equity Reports annually to the Department of Labour as prescribed by law.

Diversity management workshops were further rolled out to all the South African operations during FY 2016 as planned and we intend to continue to roll out more extensive diversity workshops during FY 2017. The aim is to raise awareness about issues pertaining to diversity and to empower management with skills to effectively deal with diversity matters.

In addition to the above, and cognisant that there are still certain shortcomings in our support and implementation of diversity, we have recently partnered with the University of the Witwatersrand ("Wits") Centre for Diversity Studies ("WiCDS") in raising awareness among those at management level.

The programme consists of the diagnostic phase which was conducted during May/June 2016 at Petra's various South African sites, including the administrative office in Johannesburg. It was followed up by a readiness phase, whereby top management engaged in constructive conversations around diversity. The next programme will be a 'Leading Transformation' initiative,

with management teams simultaneously taking part in a series of diversity workshops with employees at all the operations.

Whilst not subject to the same regulation and legislation as the South African operations, Williamson in Tanzania has a policy to promote equal opportunity and to eliminate discrimination in the workplace. Williamson also applies affirmative action measures consistent with the promotion of women in mining, particularly during the recruitment process.

The Company has procedures in place to ensure that cases related to discrimination can be reported appropriately. During FY 2016, three cases relating to discrimination were raised by the trade union. Upon further investigation, the allegations were found to be related to misconceptions and Petra therefore was able to address the matters fully with the trade union concerned.

Women in mining

Petra is committed to encouraging women in mining at all levels of the business. The Company therefore actively encourages the appointment of women at all levels of the business, as well as their development towards filling more senior positions. The Company's overall objective is to achieve true equity by affording women the appropriate training, development and attention to progress within the organisation across all job levels.

Petra has a number of initiatives which look to develop women into managerial positions, such as the LDP, which has since its inception focused on the advancement of women (currently 28% of learners are female). Furthermore, 43% of the Company's interns and 41% of experiential trainees are women. In addition, 43% of candidates on Managerial and Executive Development Programmes ("MDP" and "EDP") are female, while 58% of the Company's scholarship positions are filled by girls from local schools.

In FY 2016, the number of women as a percentage of our workforce continued its improving trend to 18% (FY 2015: 17%) and the percentage of female senior managers increased to 6% (FY 2015: 3%), with the percentage of females at management level remaining stable at 19% (FY 2015: 19%). Of new recruits during FY 2016, 14% were women.

Women in Mining Committee

Petra's Women in Mining ("WIM") Committee was formed with the aim of creating a platform for women at Petra's South African operations to share experiences, identify challenges in the workplace and promote development opportunities.

The WIM Committee is tasked with reviewing Company policies and procedures, with the goal of attracting and retaining female representation in the Group, as well as providing input and recommendations to management on issues relating to women. The WIM Committee meets every quarter and provides input and feedback to the Petra Group HSEQ Steering Committee.

Breakdown of diversity across the Group in FY 2016

FY 2016	Men		Women		Total
	Number		Number		
Board	7	87%	1	13%	8
Senior Management	32	94%	2	6%	34
Management	200	82%	45	18%	245
Employees	3,873	82%	845	18%	4,718
Total	4,112	82%	893	18%	5,005



Highlights for the Petra Group WIM Committee in FY 2016

- ▶ Implementation of a Women in Mining Policy.
- ▶ The South African Chief Inspector of Mines issued guidelines for the Mandatory Code of Practice ("MCOP") in relation to the provision of PPE for women in the mining industry. The MCOP has been drafted and implemented and it is currently being enforced.
- ▶ Further to the above, testing to ensure PPE appropriate to WIM has been conducted and new standards agreed upon across all the South African operations.
- ▶ Implementation of a training module specific to WIM, which includes the following:
 - ▶ historical background of WIM in the South African mining industry;
 - ▶ appropriate PPE specific to WIM;
 - ▶ health and wellness;
 - ▶ sexual harassment in the workplace;
 - ▶ pregnancy and breast feeding; and
 - ▶ general dress code.

Women in Mining

An annual Women in Mining Conference is held every year in Johannesburg, thereby providing a platform for South African women to network, share experiences, identify challenges in the workplace and encourage and promote development opportunities for women in South African mining.

Petra was well represented by woman from different technical positions at the 7th Annual Women in Mining Conference held in Johannesburg during February 2016.

Kagiso Mothoa, Operational Foreman OSP from Cullinan, was an excellent ambassador for Petra Diamonds and gave an outstanding presentation during the conference about accommodating pregnant women in mining by catering to their special needs through policies.

WIM slogan: "Wa tinta umfazi wa tinta imbokodo." It's a Zulu saying which basically means: "When you strike a woman you strike a rock."

Labour relations

Petra has aligned its principles with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and they are also aligned with the relevant legislation in the countries in which we operate, covering areas such as minimum conditions of employment, maximum allowable hours of work, collective bargaining and dispute resolution. This includes compliance with South Africa's Labour Relations Act (Act 66 of 1995), which regulates collective bargaining and outlaws any form of child forced labour, and the Employment Equity Act (Act 55 of 1998), which prohibits any kind of unfair discrimination.

We respect our workforce's right to exercise freedom of association and collective bargaining across all our operations. Any union that has achieved sufficient representation in the workplace may request recognition. Union membership across our operations represents 70% of the total workforce.

Our employees in South Africa belong to three unions: National Union of Mineworkers ("NUM") (56%), which represents the majority of our workforce; Solidarity (5%); and the United Association of South Africa ("UASA") (9%). 30% of our South African workforce is not affiliated with any union.

In Tanzania, approximately 60% of our employees are affiliated with the National Union of Mines and Energy Workers of Tanzania ("NUMET"), while the Tanzania Mines, Energy, Construction and Allied Workers Union ("TAMICO") represents the balance of the unionised employees.

At an operational level, there are grievance procedures in place for employees, with final recourse to the Commission for Conciliation, Mediation and Arbitration ("CCMA") in South Africa or with the Commission for Mediation and Arbitration ("CMA") in Tanzania.

We believe that dialogue is the key to management of labour operations and we are therefore focused on continuing to communicate openly with our employees, trade unions and local community representatives. To enhance employee relations, Petra has a number of internal communications initiatives in place, and provides economics training for union representatives in order to empower them with business knowledge.

FY 2016 marked the second year of the Company's three-year wage agreement with NUM in South Africa. Labour relations are currently stable, but the Company remains vigilant and continues to monitor the situation across its South African mines.

We are also committed to continuous engagement with the recognised trade unions at our operations in order to resolve concerns as and when they arise. An important part of this approach was the holding of team-building sessions at all the mines in South Africa between mines management and the leadership committees of the recognised trade unions in order to discuss and resolve ongoing issues that affect their relationship.

In South Africa, the period of notification relating to operational changes varies depending on the nature of the change in question and the parties involved in the consultation process. However, the minimum notification provided by legislation ranges from one week to one month and is governed by the Labour Relations Act. Certain changes, for example the implementation of Continuous Operations, are covered in collective bargaining agreements (three months' notice in this specific case).

In Tanzania, the period of notification changes due to urgency of the business situation and on the nature of change and its impact on the workforce/company.

In Botswana, the minimum notification period can be between one week and one month and is not specified in agreements.

Labour relations continued

Employee communications

Effective workplace communication is regarded as the most important determinant of establishing the desired culture and work environment that will facilitate success. Petra therefore recognises that effective workplace communication and consultation is key to the success of our operations, and the Group endeavours to ensure the appropriate level of employee involvement and communication.

A two-pronged approach is followed to improve workplace communication. Firstly, suitable channels and media for internal communication, such as the installation of digital display screen systems, are created throughout the operations which serve to provide employees with relevant and up-to-date communication on operational performance and issues of general concern, as well as corporate matters, such as Petra's strategic statements and values and the Petra Code of Ethical Conduct. Regular publications, both at Group and operational level, serve to regularly keep employees informed with regards to Company-related matters.

Secondly, Petra aims to empower employees, notably those in supervisory positions, with the necessary communication skills. This consists of workshops with small groups of line supervisors, during which they are trained in the different elements of effective workplace communication and practical communication skills. Such training commenced during FY 2015 and continued throughout FY 2016, but remains a challenge due to the availability of time and resources.

In addition to the Group's website (www.petradiamonds.com), which is regularly updated with current news about the Group, Petra maintains an employee-only intranet (on the SharePoint platform), which gives access to all Group policies and procedures, information on key personnel and who to contact should an employee have a specific query or concern. This is being extended to the kiosks system which was initially introduced at some operations during FY 2015 and is now being rolled out to all after a period of testing and some refinements. These information kiosks are particularly important for those employees who do not normally have access to a computer.

Petra's official social media channels, both Twitter and LinkedIn, also provide a means of communicating real-time Company-related news and information to its stakeholders, including employees.

All mines issue monthly management briefings, which are used to update employees on progress and inform them about achievements, changes and policies. This is supplemented with special briefings whenever issues of such urgency or importance emerge that they require immediate communication to the workforce.

In addition, there are Group and operation-specific employee newsletters, which serve to highlight key operational developments, as well as providing insight into areas such as integrity, accountability, personal finance, safety and wellbeing.

Accommodation and living conditions

In accordance with the South African Mining Charter, Petra has developed an accommodation strategy which is organised at an operational level. Each mine has its own policy regarding the accommodation it provides.

During FY 2016, 575 employees (11% of our workforce) were accommodated in hostels (FY 2015: 15%), as set out in the table below. The increase at Finsch (from 314 people in FY 2015 to 481 in FY 2016) is attributable to the development project underway there and the numbers are therefore expected to reduce in the near future.

	Single quarters	Percentage of the workforce
Finsch	481	44%
Cullinan	63	5%
Koffiefontein	17	3%
Helam	14	19%
Total	575	11%

Petra introduced the Petra Diamonds Assisted Home Ownership Scheme ("PD-AHOS") in FY 2015 in order to tackle the lack of available housing in South Africa. Unfortunately, the PD-AHOS did not achieve much initial success due to the poor credit records from the commercial banks by those who attempted to utilise it.

The Company's Accommodation and Housing Task Team, which comprises representatives from management and all recognised trade unions, therefore continued regular engagement in order to assess ways to improve the scheme and further investigations are continuing to see if the Company cannot introduce a better programme to assist in debt management.

Petra has further sourced the services of an architect to design the modular house which our employees can build under the PD-AHOS. The aim for FY 2017 is to build two show houses in empty stands belonging to the Company at Koffiefontein, thereby enabling employees to view and see the houses they can build for themselves.

In Tanzania, Williamson continues to provide accommodation for most of the permanent employees and some contractors, and in Botswana, tented field camps accommodate employees on field operations.