

# People

People remain the cornerstone that will enable Petra to achieve its shared vision and strategy. It is for this reason that we invest heavily in employing the best people, rigorously developing them to reach their full potential and then retaining them to our mutual benefit. All of this is driven by our diversity emphasis as we unlock the benefits inherent in a diversity-driven approach to our people across the organisation.

**38** Employee Retention and Development

**45** Diversity

## People

“Notwithstanding the ongoing challenges surrounding COVID-19, we have continued to make good progress in our work to realign the Petra culture with our values, backed up by the ongoing evolution and development of our leadership, the Organisational Design Review and Project 2022, all of which aim to position the Company as a sustainable and resilient business. As part of this, we continued to invest in the training and development of our people and to promote diversity at all levels of the Group, whilst continuing to improve our engagement methods with our workforce, who are the drivers of our strategy.”

### Octavia Matloa

Chair of the SED Committee

**Material topics** (in order of importance to our stakeholders):

- Diversity
- Employee development

See a schematic of how Petra manages social matters here: <https://www.petradiamonds.com/sustainability/people/>

### KPIs

**4,895**

PEOPLE EMPLOYED AS AT 30 JUNE 2021  
(EMPLOYEES AND CONTRACTORS)

**US\$5.8 million**

INVESTED IN EMPLOYEE TRAINING  
AND DEVELOPMENT

**20%**

FEMALES IN THE WORKFORCE

**33%**

FEMALE LEADERSHIP DEVELOPMENT  
PROGRAMME CANDIDATES

**83%**

HDSA LEADERSHIP DEVELOPMENT  
PROGRAMME CANDIDATES

**131**

EMPLOYEES SUPPORTED BY STUDY  
ASSISTANCE SCHEME IN FY 2021

### Stakeholders concerned

Employees, contractors, trade unions; local communities; financial stakeholders; host Governments, regulators, NGOs

### Company policies and guidelines

- Petra policies on employee benefits, HR services and recruitment
- Social and Labour Plans
- Public Relations and Communication Management Policy Framework
- Code of Ethical Conduct and related policies
- Group Human Rights Policy Statement
- Group Employment Equity Policy
- Group Diversity and Inclusion Policy
- Group Training and Development Policy, with additional related policies

### Standards we follow

- The Constitution of the Republic of South Africa
- The South African Mining Charter
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work
- Collective/Recognition and other agreements with relevant trade unions
- EU Directive on Non-Financial Reporting

## People continued

### Key achievements and performance against FY 2021 objectives

- Aligned the overall Petra culture to the refreshed business strategy, business objectives, operating model and values of the organisation.
- Defined the operating model and organisational design principles, which includes Group, function, and operational mandates. Actions included the review of all job titles to align with the finalised organisational structure, job profiles with clear accountabilities, job evaluation, leading to a standardised operational remuneration policy, all supported by transition planning.
- Developed a supervisory and management development programme that more adequately supports the organisation to reach its operational objectives.
- Our COVID-19 mitigation plans, established during FY 2020, continued to work effectively owing to the solid engagement processes with our employees, contractors and organised labour.
- Continued support to develop females in management roles, with 12 candidates participating in the Women in Leadership (“WiL”) Programme and increased female representation on the leadership development and management development programmes.
- Leadership and management coaching increased to reach 23 middle and senior managers.
- Promotion of several candidates who successfully completed the Career Advancement Programme for A and B-band personnel, as well as the Engineering Aid Development Programme.
- 38 Learners completed engineering, mining and metallurgy learnerships, of which 34% were females.

### Key challenges

- Management of the COVID-19 pandemic which represents a significant threat to the health of our people and which could have caused much worse disruption to our workforce and operations.
- The Williamson mine remained on care and maintenance in FY 2021. Plans are currently being refined to allow operations to restart during H1 2022.
- Increased employee anxiety, particularly in light of the unprecedented challenges both in and out of the workplace owing to the COVID-19 pandemic.
- Skills shortages in local areas can impact on the Company’s strategy of local recruitment and a low level of academic performance in the communities around our operations, aggravated by the disruption of schools due to COVID-19, limits the pool from which to recruit scholars, bursary students and interns.
- Policy uncertainty regarding the new Mining Charter and how this will impact the Company achieving its transformation objectives.
- Reduced contractor employee numbers, in comparison to the height of our capital expansion programmes, which negatively impacts the socio-economic circumstances and stability in local communities.
- Increased training spend had to be allocated to COVID-19 related training, which unfortunately reduced funds that could be allocated to other types of training offered by the Company.
- Limited opportunities to sit for exams at the DMRE and other examination bodies due to COVID-19 restrictions reducing the number of trainees who completed training programmes or milestones. COVID-19 restrictions also reduced the number of portable skills training implemented or completed.

### Objectives for FY 2022

- Continue to rebuild the Petra culture to support the values of the organisation.
- Fully implement the outcome of the Organisational Design Review, including accountability focused job profiles, job grading and market competitive remuneration structures for all critical positions.
- Implementation of a talent management framework with formalised performance management, retention and succession policies, linked to pay (variable and fixed).
- Make further strides on overall transformation, including our female diversity by continuing development and support initiatives for graduates from the Women in Leadership programme, and by focused targeted recruitment.
- To deliver on our targets for learnerships, internships and development programmes as set out in our SLPs.
- Continued focus on improvement of relationships with organised labour in order to ensure stable and sustainable operations.
- Review of our training and development framework, both with regards to employee development and community training, to ensure that it better supports our operational outcomes.
- Implementation of employee engagement initiatives.

# Employee Retention and Development

## Our ambition

**We aim to empower our employees and encourage them to fulfil their true potential with the provision of training and attractive career development opportunities.**

**Employees who are provided with the opportunity to enhance their skill-sets not only contribute better to the Company's success but also have greater career satisfaction, thereby improving morale, productivity and employee retention.**

## **Our approach**

Petra recognises that the development and retention of our people is one of the key drivers of our future success and long-term sustainability as a company. It is only with the continued discretionary effort and contribution of our employees that the significant value of our resources can be unlocked.

Petra works hard to foster a 'can-do' culture, where big challenges can be taken on and tackled systematically, change is embraced, and full accountability is placed on all individuals to act with integrity and to the best of their abilities. In this way, each employee can feel that they are contributing to the ongoing success of the business.

We aim to provide education and training opportunities that will help our employees to fulfil their best potential, covering basic literacy and computer skills right through to portable skills that can be used beyond a career on the mine.

Via our succession planning and talent management procedures, we aim to continually develop the skills base for the Company, required both now and in the future. Our focus is not merely on Petra's current employees, but also the next wave of employees in our local communities. Therefore, it is imperative that we have programmes in place to prepare them and equip them with the skills they require. These initiatives include support to selected schools in our communities to improve performance in mathematics and science in order to feed the education pipeline, as well as bursaries, internships and practical work experience. Read more in 'Community relations and development' on pages 76 to 79.

We also look to cultivate the leadership and management skills required for the business, with a range of in-house and externally facilitated employee development programmes. Inclusion of significant numbers of HDSA and female candidates on these programmes is a key part of our strategy to improve racial and gender diversity at all levels of the Company and aims to empower our future leaders.

## **The Petra culture**

Petra has undergone significant change over the last number of years. The Company has completed a major capital investment cycle to develop new mining areas at its operations and upgrade the infrastructure required to support these projects. In addition, it has had a change of leadership, with a new Chief Executive appointed in April 2019 and a new Non-Executive Chairman appointed in March 2020, together with a number of other Board and Senior Management changes. In FY 2021, Petra completed the Restructuring that fundamentally improved the Company's balance sheet, providing a more sustainable level of debt going forward. The COVID-19 pandemic has added to the pressure on the Company and its people and required significant changes to the way we work and interact.

Against the backdrop of these changes, we have embarked on a number of initiatives that we consider to be the building blocks for developing a culture in Petra that is aligned to our values and repositions the business.

The human rights abuse allegations at Williamson have added impetus to the need to re-evaluate the Company's culture to ensure that every part of the business, including our supply chain, acts in accordance with our values – read more on pages 21 and 22.

The initiatives currently underway to drive the change in our organisational culture, are set out below:

### **1. Leadership alignment and development**

Leaders serve as important catalysts for change through creating a safe climate and encouraging change at all levels. Change is difficult and effective leadership is at the heart of any successful business transformation. We are cognisant that Petra's inherent potential cannot be realised without all members of the leadership team being fully aligned and committed. In this regard, the following initiatives have been undertaken:

i. Change leadership workshops with the Exco.

Exco has engaged in reflecting on Petra's change leadership capacity, being effective change leaders, articulating a powerful shared intention for Petra by drawing on a Team Purpose Statement, and identifying the enablers of the future Petra.

ii. Organisational conversations about culture were used in a series of engagement sessions to underscore the importance of change with the Senior Management team reporting to Exco.

In considering the next level of leadership, engagement sessions were shaped around three themes:

1. Taking stock of where we are today – our business, our organisation and ourselves as leaders.
2. Building our capacity as leaders – how do we best navigate the current realities and uncertainties.
3. Taking charge of our destiny – what is our ambition and what is being asked of us to lead Petra into a thriving future.

The intention of these engagement sessions was to create a sense of connection within the leadership teams, as custodians and stewards of Petra as a business and its people, in the belief that there is a shared ambition that is purposeful and possible. Organisational conversations about culture are planned for each quarter going forward.

# Employee Retention and Development continued

## The Petra culture continued

### 1. Leadership alignment and development continued

iii. Creating a culture of management excellence.

This intervention seeks to standardise the Petra approach in training for management excellence. Managerial excellence will develop the competencies to ensure that we optimise employee potential. There are three key focus areas for developing this platform for managerial excellence:

1. Senior Management development to deliver operational excellence.
2. Supervisory and junior manager development to drive team excellence.
3. Empowering individuals for exceptional individual performance.

Formal training sessions for each of these groupings will occur in FY 2022.

### 2. HSE – embedding a safety culture within the organisation

The most effective way of ensuring the health and safety of our employees and the environment is by embedding a safety and compliance culture within Petra. Whilst the Company's "zero harm" value has gone some way to achieving this, Petra has embarked on a further holistic process to enable this cultural outcome. This consists of a comprehensive leadership process that starts with the CEO actively demonstrating commitment to this culture, cascading down through all levels of the organisation.

This takes place within a consultative and participative way of working where all stakeholders are involved and are thus able to give their input into HSE matters. This participative approach ensures ownership of outcomes to achieve a greater degree of successful execution and compliance. Our Mopani programme, which encourages people to be more observant and willing to speak out when they see unsafe behaviours, is also yielding behavioural changes by encouraging more awareness of the workplace safety environment. Read more about our strategy and tactics to fully embed a greater HSE culture within the organisation on pages 28 to 31.

### 3. Project 2022

Project 2022 is integral to our new operating model, with continuous improvement and accountability at its core. The clear structure, well defined and aligned roles that include KPIs and an understanding of the necessary cross-functional work, will enable Petra to become more effective, through integrated and effective teams comprising committed and focused individuals, to the benefit of the Group as a whole. Honest, open and transparent communication and interaction is central to achieving this.

Generating sustainable value through Project 2022 requires more than a few good initiatives or ideas; the culture, systems and processes are critical to ensure that the business operates in an environment of continuous improvement. Culture is the framework that enables us to execute our strategy while allowing the business to accelerate, sustain and deliver ongoing improvements.

Core aspects of the initiatives rolled out within Project 2022 in creating this new supportive culture include:

- alignment on what "good" looks like. Once all agree on this, the focus can turn to what needs to be done to deliver this;
- aligning individual roles, KPIs and incentives, as part of the organisational redesign process;
- the demand for improvement through structured one-on-one results-action-review ("RAR") sessions. These RARs cascade through Management structures, from the CEO through to the middle Management level. Core to these sessions is the tracking and reporting of results against targets and discussions on how to better support this, together with holding role holders to account;
- at an operational level, visual boards (where KPIs are tracked and gaps identified) to target problem solving, are used. These facilitate ownership and leadership of this continuous improvement process by line Management; and
- leaders drive the right behaviour through communication, active participation, reinforcement and role modelling of the desired culture. To ensure that the cultural change is sustained, RAR compliance and quality, as well as operational meeting compliance, attendance and effectiveness, is tracked, whilst continuing to ensure that good results are recognised.

### 4. Organisational Design Review

This project facilitates and supports the delivery of Project 2022, but is broader in its scope, and seeks to eliminate inefficiencies, duplication of effort, speed up decision making, clarify accountability and ensure the integration of work. This supports a culture of accountability and performance aligned to Petra's values. The project focused on a clean-sheet organisational design for the operations to deliver a fit-for-purpose structure that meets the business' needs, supported by clearly defined role profiles with clear responsibilities, accountabilities and KPIs. This resulted in a job evaluation and grading exercise to establish market related remuneration to attract and retain skills in Petra. With labour costs comprising some 45% of our operating expenses, the impact of getting this right is profound. Using the above outcomes as guiding principles we have:

- agreed on design principles;
- agreed an operating model; and
- agreed Group, Function and Operational mandates, inclusive of sub-functions and disciplines.

Role profiles have been completed and an implementation plan developed. This implementation plan includes a detailed change management plan to support the realisation of the desired culture within the organisation.

These initiatives are being implemented and their progress and success in shaping the culture of the organisation will be measured in Q4 FY 2022. Adaptations in this dynamic process will be made to ensure that we are on track to reach the intended outcome of a desired and embedded Petra culture.

## Employee Retention and Development continued

### Our workforce

As at 30 June 2021, the total number of people employed by the Group decreased 2% to 4,895 (30 June 2020: 5,019). The number of permanent employees decreased 5% to 3,517 (FY 2020: 3,696). The number of contractors increased 4% to 1,378 (FY 2020: 1,323), mainly due to the services of contractors that have been re-engaged on projects that support production.

### Local hiring

In order to foster a stable and cohesive workforce and to contribute to the development of our local communities, Petra prioritises recruitment from the local area. This makes sense from a business perspective and decreases the requirement for Company-provided services such as transport and housing.

It is also a regulatory requirement in terms of our prescribed SLPs, which include commitments to recruit from 'labour-sending areas', i.e. our host and local communities.

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 only advertised locally. 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.

### Staff retention

Staff retention is particularly important due to the previously mentioned limited local employment pool and the difficulty in attracting skilled employees from larger urban centres, and therefore remains a focus for Petra.

Although there is still competition in the labour market for skilled employees (42% of Petra's workforce in FY 2021), and a shortage of certain specialised skills, strained economic conditions in South Africa, in part due to the economic downturn further exacerbated by the COVID-19 pandemic, have taken some pressure off recruiting for and retaining skills.

In FY 2021, our staff turnover rate increased from 8.1% to 9.6%, with a higher incidence of retirements and non-renewal of fixed-term contracts being the contributing factors. We consider this a comparatively low staff turnover rate, on par with that of the mining sector and industry in general, resulting from the creation of a challenging but attractive work environment and remuneration policies that are designed to incentivise and retain individuals of a high calibre.

### Remuneration Policy and Guidelines

In line with our objectives for FY 2021, the Operational Remuneration Policy and Guidelines were reviewed and aligned with, other developments in the business, including Project 2022, the drive towards diversity and equity, and the retention of critical skills as discussed above. Attainment of these ensure Operational Remuneration Policy and Guidelines that are value-adding, defensible and enable investment in employees as an imperative to the achievement of Petra's strategic objectives.

During the review of the Operational Remuneration Policy and Guidelines, the objective was to ensure that compensation is managed strategically and that it conforms to and supports a number of criteria, including:

- defensibility;
- fairness;
- transparency;
- equitability;
- objectivity; and
- sustainability.

In designing an approach that would answer to these criteria, a number of factors had to be taken into account, including economic considerations, Petra's position in the market, the intrinsic measurement of the jobs concerned, the measurement of the incumbents in the roles, and – last but not least – affordability. This review also aimed at eliminating the discrepancies in remuneration between similar jobs in respective business units, which resulted from people historically entering Petra at different times and with different conditions of employment.

We are confident that this review of the Operational Remuneration Policy and Guidelines has resulted in a remuneration approach and strategy that fulfil the set objectives and will make a valuable contribution to the attainment of Petra's strategic objectives.

### Training and development

Our investment in employee training and development decreased 6% in Rand terms but remained flat in Dollar terms at US\$5.8 million (FY 2020: US\$5.8 million), as a result of the stronger Rand during the Year. The decrease in training spend at the South African operations was due to a smaller workforce and the continued disruption caused by COVID-19 to our training programmes. Although training spend at Williamson increased slightly, it remained low due to the mine being on care and maintenance since April 2020. Petra targets a training spend of 5% of annual payroll in ZAR terms and this target was met for the South African operations, though Williamson's performance was impeded by the care and maintenance period.

In line with our strategic employee development aims, the training expenditure key focus areas were safety and technical training, Management and leadership development, engineering and rock-breaking learnerships, internships, and leadership coaching.

Training programmes at Williamson continued to focus on 'on-the-job' training. During FY 2021, functional training was conducted on business improvement as well as the VPSHR for members of the Company's internal managers and security staff, as well as its external security contractors and the TPF. Williamson does not currently have formal bursary and scholarship programmes in place, but it supports those engaged with self-development programmes as far as possible.

## Employee Retention and Development continued

### Training and development continued

A total of 28,425 instances of legally required training sessions were presented across the operations in FY 2021 (FY 2020: 27,532). These are mostly health and safety related courses required by legislation and aimed at improving workplace safety.

Employee training and development spans a wide scope of safety training and technical training and a variety of development programmes, both technical and managerial in nature. Our Career Advancement Programme for A and B Band employees ("CAP-AB") as well as the Engineering Aide Development Programme gained traction. 23 employees were involved in the CAP-AB programme, with several making progress to the final stages of their programmes and ten employees completing the Engineering Aide Development programme, positioning themselves for promotion.

Internships are offered to graduates to prepare them for the professional responsibilities in roles such as engineers, geologists, geotechnical officers and other professional roles. In FY 2021, 33 interns were enrolled in these programmes, 39% of which were female.

### Developing the next generation of leaders

Petra's Leadership Development Programme ("LDP") remains an important strategic tool to assist 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 also assists as a strategic method of improving Management diversity, by both gender and ethnicity.

During FY 2021, 12 employees participated in the LDP, with 33% of participants being female and 83% of participants being HDSAs. From the inception of this programme in 2008, a total of 141 employees have graduated. Of the graduates, a total of 94 were promoted, including 35 women and 78 HDSAs.

Petra's Women in Leadership programme continued in FY 2021 and was attended by 12 female leaders. This customised programme is intended to enable women in key leadership positions to master important personal skills and gain insight into leadership at both a micro- and macro-organisational level.

In FY 2021, seven middle managers, of whom six were female and five were HDSA, enrolled for the Management Development Programme ("MDP"), and two senior managers, including one female HDSA, enrolled for the Senior Management Development programme, both at the University of Stellenbosch Business School.

# 55%

FEMALE REPRESENTATION ON THE  
MANAGEMENT DEVELOPMENT PROGRAMMES

### Case study: The Petra Diamonds Education Pipeline in action

Sibusiso Mathabela is a professional driven employee with a vision, who used Petra Diamonds' educational pipeline to the benefit of advancing his career and growing as a person.

Sibusiso started at Cullinan Diamond Mine ("CDM") as a Multi-Operator (B3) in 2004 with grade 12 as his highest qualification. He decided to enrol part-time at the University of South Africa ("UNISA") in 2006 to obtain his National Diploma: Mining Engineering, which he completed in 2012.

Sibusiso was then selected for the Leadership Development programme (Senior Pool) in 2010 where he achieved the Higher Certificate in Management Development. As part of his technical training, conducted under the umbrella of the LDP, he got an opportunity to start the Learner Miner programme in 2013 and completed this in 2014 whereafter he was appointed as a Development Miner.

In 2015, Petra offered a full-time bursary, which Sibusiso successfully applied for. He completed his Btech: Mining Engineering degree at the University of Johannesburg after which he entered the Company's internship programme for Trainee Mining Engineers.

Whilst attending this programme he also achieved his Mine Overseers Certificate of Competence and was subsequently appointed as a Shiftboss (Development Section) until 2018, when he became Acting Mine Overseer until April 2020.

In May 2021, Sibusiso was appointed as Mining Engineer (Technical Services). Using the various components of the Petra Diamonds Education pipeline (LDP, learnership, bursary, internship) he successfully progressed from a semi-skilled position to a professionally qualified middle manager.

Sibusiso says that hard work and commitment was the only way he could have done it. *"The biggest challenge was having to juggle between personal life, studies and work. Being a hard worker, discipline, commitment and patience helped me in developing and cultivating habits such as reading, taking timely action, networking and remaining positive under adverse conditions"*.

**Value: Let's take control**

## Employee Retention and Development continued

### Training and development continued

#### Career development through learnerships

In South Africa, a learnership is a registered and accredited learning programme that combines practical work experience with academic learning. This mechanism is considered a very important career development opportunity seeing that most qualified learners, both current employees and non-employees, go on to be appointed as artisans or miners within our operational structures.

Learners are recruited from both internal and external applicants. We have learners on a number of programmes ranging from various engineering disciplines through to rock breaking and metallurgy. Of the 85 learners in FY 2021, 37% were female. 36 trainees successfully completed their learnerships with the remaining participants still on the programme.

#### Improving further and higher education

Petra provides various opportunities to further employees' education and qualifications. One such scheme is the 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, thus contributing to career progression. Assistance is provided in the form of a service obligation, an interest-free loan or study leave.

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### EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEME IN FY 2021

During FY 2021, we continued to support one employee at Cullinan to attend full-time tertiary studies in the field of occupational nursing, which she successfully completed in October 2020.

#### Addressing transferability of abilities: portable skills training for employees

One of the issues facing employees at our South African operations is the lack of transferability of their skills, meaning that their skills may not allow them to enter self-employment or employment elsewhere once our operations no longer require them or at mine closure. We therefore plan and budget for training to equip employees with transferable skills for requirements in the communities around our operations such as agricultural production, mechanical repairs, electrical, welding and cutting technology, business skills, carpentry, the ability to qualify to operate various types of vehicles and a number of computer training modules. 57 employees participated in portable skills training during FY 2021 (FY 2020: 83), with the number being lower due to the COVID-19 pandemic.

#### Adult education and training ("AET")

Due to South Africa's unique history and the associated poor standard of education, exacerbated in rural communities around our operations, adult illiteracy remains an issue in the country.

For this reason, we make it possible for all employees who want to improve their literacy and numeracy skills to do so via our AET Programme. AET is provided free of cost or obligation to all learners and is implemented through the use of multimedia computer-based training or facilitated learning via facilities available at all of our South African operations.

AET facilities were used by 73 enrolled learners in FY 2021, including three contractors. For the first time, an employee completed the full AET Level 4 qualification, which is equivalent to Grade 10. One female employee completed the Amended Senior Certificate. This is a qualification for adults, equivalent to a National Senior Certificate for school leavers, and can provide access to further career and development opportunities. This employee intends to continue her tertiary studies through the Study Assistance Scheme. Read more about the education and training opportunities we provide to our local communities on pages 78 and 79.

#### Labour relations

Stable labour relations are essential to our productivity and the delivery of our strategy. We therefore place great importance on this area of the business, which is impacted by Company culture, leadership, our employee share trust, fair remuneration and effective internal communications.

We believe that effective and transparent dialogue is the key to our labour relations management and we are therefore focused on continuing to communicate openly with our employees, trade unions and local community representatives in order to resolve concerns as and when they arise.

Organised labour is engaged at two levels: operational and Group levels. At the operational level, we engage labour via the Mine Negotiating Forum ("MNF") and at Future Forums, where people issues, safety and mine performance and efficiency-related projects are discussed. At Group level, engagement is carried out via the Central Negotiating Forum ("CNF"), where salaries, conditions of employment and other substantive matters are discussed.

In addition to mandatory engagements directed by statutory laws, we hold annual relationship-building sessions with all recognised trade unions at our operations in South Africa in order to improve relationships. The sessions focus on reviewing and rebuilding relationships between parties, as well as setting objectives and agreeing on action plans to restore or strengthen them. Independent facilitators oversee the process to ensure fairness.

Petra did not experience any instances of industrial action in FY 2021. In October 2020, the Company announced that it had reached agreement on a new one-year wage agreement for employees in the Paterson A and B Bands at the South African operations with the National Union of Mineworkers ("NUM") covering FY 2021. Post Year end, the Company announced that it had reached agreement with NUM on a new three-year wage agreement for employees in the Paterson A and B Bands at the South African operations. The Company also concluded a three-year wage agreement for employees on the Paterson C-Lower Band with both the NUM and United Association of South Africa ("UASA").

## Employee Retention and Development continued

### Training and development continued

#### Trade union representations

We respect our workforce's right to exercise freedom of association and collective bargaining, regulated by our Collective/Recognition Agreements, across all our operations. Any trade union that has achieved sufficient representation in the workplace may request recognition. Trade union membership across our operations represents 76% of the total workforce in South Africa and 70% in Tanzania.

<b>South African union representation</b>	
<b>No union</b>	<b>24%</b>
<b>Union</b>	<b>76%</b>
NUM	86%
NUMSA	1%
Solidarity	7%
UASA	6%
<b>Grand total</b>	<b>100%</b>

<b>Tanzanian union representation</b>	
<b>No union</b>	<b>31%</b>
Management	20%
Expatriates	1%
<b>Union</b>	<b>70%</b>
TAMICO	95%
NUMET	5%
<b>Grand total</b>	<b>100%</b>

Petra has aligned its principles with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, as well as 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.

The Company has employee grievance processes which are regulated by our Collective/Recognition Agreements and relevant labour legislation. These processes and procedures are accessible to all 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.

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 the urgency of the business situation and the nature of the change and its impact on the workforce/Company.

#### Legal working hours

In South Africa, labour legislation sets out the maximum allowed number of hours of work per cycle. Standard shift working arrangements are designed to prevent excessive hours being worked. Procedures are in place to monitor and manage maximum hours of work, based on the clock records and timesheets of employees. It includes the management of standby and overtime, as well as the scheduling of lay-off periods.

Petra's South African operations ensure compliance with the Basic Conditions of Employment Act, 75 of 1997 ("BCEA") as well as with the provisions and spirit of other applicable legislation intended to create and foster the maintenance of sound health and safety practices in the workplace.

Employees may only work within the determined working hours envisaged in the BCEA. An employee may only be required or permitted to work overtime hours in excess of those stipulated in the BCEA in the circumstances where an overtime variation is obtained from the Department of Labour, or where such work is required to be done without delay, owing to circumstances for which the operation could not reasonably have been expected to make provision, and which cannot be performed by employees during their ordinary hours of work as envisaged in Section 6(2) of the BCEA.

In Tanzania, the Employment and Labour Relations Act, 2004 regulates standards of work operations, which any employer is expected to comply with, which includes amongst other things hours of work, night work, compressed working week and average hours of work, and the Company ensures compliance to this legislation.

#### Engaging with our employees and employee satisfaction

Petra places a high premium on continuously improving all types of communication and engagement with its employees and frequently reviews its Communication Management Policy and Procedure Framework. While the emphasis is on communication effectiveness, i.e. an outcomes-based approach rather than simply measuring the quantity of communication disseminated, the Company has various communication systems and channels in place to facilitate the execution of its internal communications strategy, including written and electronic media, social media and a programme of face-to-face meetings at different levels of the Company.

During FY 2021, a new approach to internal communication was adopted to ensure that the planning and execution of internal (employee) communication, which aims at engaging with this critical stakeholder, conforms with generally applied principles of stakeholder engagement planning. In so doing, the emphasis is placed on messaging and creating common understanding of strategic goals, rather than on the media and channels being used to achieve these objectives, while the effective use of language is also being reviewed as part of this approach.

## Employee Retention and Development continued

### Training and development continued

#### Engaging with our employees and employee satisfaction continued

With regards to such media and channels, electronic forms of communication such as bulk mobile messaging, and especially the Company's employee-only Facebook group, have continued to grow significantly in importance, especially during the extended COVID-19 lockdown period, with a large percentage of employees being offsite at this time. For cost and accessibility reasons, the digitisation of communication products such as newsletters is being pursued actively.

Various feedback mechanisms are in place, with the emphasis remaining on face-to-face engagement, such as briefing sessions. Sensitive feedback, such as in cases of suspected wrongdoing, is channelled via the mechanisms provided for by employee relations and ethics procedures.

At each of the operations, monthly management engagement with employees is regarded as the primary vehicle for regular, official communication to update employees on progress in the respective area of their operation, including, but not limited to, health, safety and environment, production, finance, human resources, and policy and procedure updates. General Managers also use the processes set up for this purpose as a vehicle to both provide guidance on what is required to ensure success at the operation and to update employees on developments in the Group and in the macro-environment that could impact on operations.

Dissemination of briefs and other mandatory communication takes place via a cascading system of face-to-face meetings, where the brief is read and explained to employees and they are given the opportunity to discuss the content and ask relevant questions.

Whilst employment policies are not translated into other languages, they are explained in the vernacular as and when required to ensure full understanding.

#### Board and workforce engagement

Petra aims to introduce clear and formal systems to strengthen Board/workforce engagement, but it is important to note that, on an individual level, the Directors already set aside significant time to visit operations, meet employees and listen to their views and opinions. Site visits for the Non-Executive Directors were not possible in FY 2021 due to COVID-19 restrictions. A Board site visit is next planned for May 2022, subject to COVID-19 travel restrictions.

The Board appointed Ms Octavia Matloa, Chair of the SED Committee, as the designated independent NED to engage with the workforce during FY 2021. The aim of the role is to help ensure the views and concerns of the workforce are brought to the Board and taken into account in the Board's deliberations and decisions, helping the Board to understand if employees are aligned to, and able to respond to, its business priorities. A formal document outlining the key principles and parameters of the role has been approved by the Board.

#### Case Study: Virtual Roadshow to improve employee engagement

One important method used to ensure direct communication between our workforce and the Board is facilitated via frequent road shows by the CEO and other Exco and Board members to all of Petra's operations, with one such roadshow taking place during December 2020.

Due to the impact of COVID-19 and an increase in the infection rate during Q4 FY 2021, a decision was taken to replace the subsequent roadshow that was planned for May 2021 with a virtual roadshow. The inaugural virtual roadshow by the CEO took place during June 2021 and consisted of a number of live online video presentations to different groups at each of the operations, including senior employees, organised labour, as well as a cross-cut of other employees at varying levels within the operation. The virtual roadshow also included a session specifically aimed at Group employees, which was attended by the full Exco team.

Ms Matloa, being the Board member responsible for employee engagement, attended the CEO roadshow meetings with the workforce and reported back to the Board her observations from those engagements which were generally positive, with any areas of concern duly considered.

The virtual roadshow sessions briefed employees on recent Company developments and on the current state of the business following the strategic initiatives taken by Petra (including the Restructuring, Project 2022, Organisational Design Review, and others), and outlined the vision and planning for the future. Employees were also afforded the opportunity to pose questions, which mostly dealt with the topics addressed during these sessions, which were both responded to and recorded for future reference.

The success of this initial virtual roadshow has indicated the potential of using such a platform, which has distinct advantages, as a medium for effective employee engagement. The concept will therefore be refined and included into employee engagement plans in the future, albeit it will not replace physical visits to operations, given that in-person engagement remains important.

Operationally, Petra has a system of meetings and forums to cover important employee and social issues and initiatives. Any matters of importance arising from these meetings are monitored by the SED Committee who keep the Board informed and likewise provide a feedback avenue for the Board to communicate with employees.

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## Diversity

### Our ambition

**We aim to eliminate discrimination and encourage diversity throughout our workforce. Factors such as gender, race, ethnicity, disability, religion, sexual orientation or age may not be used to unfairly discriminate against individuals. Petra's overall objective is to achieve equity by affording underrepresented groups the appropriate training, development and progression opportunities within the organisation across all job levels.**

### **Our approach to achieving diversity**

The business case for diversity and inclusion is clearer than ever, and Petra believes that by including a broad mix of expertise, skills and diversity we can improve performance. As such, Petra has introduced a Diversity and Inclusion Policy that clearly outlines our approach to diversity, with the aim of realising our strategic objectives and future success. To achieve this, it is critical that our human capital across all levels of the organisation reflects all aspects of diversity to add value to the business.

Petra strives to attract and retain a diverse range of human capital varying in, but not limited to, race, gender, ethnicity, physical ability, skills, education, age, experience and socio-economic background. The positive outcomes from this will be the attraction and retention of top talent, strengthening of employee satisfaction and motivation and the avoidance of 'groupthink' - thereby improving decision-making, better understanding customer needs in diverse markets, and the Company better reflecting the societies in which we operate.

The purpose of this policy is to encourage leadership at all levels across the organisation to think broadly about diversity in its different forms and to ensure that our appointments and succession planning practices, including retention, are designed to support diversity. At the same time, we believe that effective management of diversity through this Policy will result in a diverse succession pipeline within the Company.

The core principles around which this Policy is built are:

- equality of opportunities and treatment for all;
- non-discrimination in the course of hiring, career advancement, allocation of responsibilities, professional training, performance management and remuneration of employees;
- respect for personal rights and equality, transparent organisational procedures and other equitability at the workplace and in the Management structure;
- contribution to the development, motivation and application of various ideas, skills and talents of employees, which are representative of all the factors of diversity mentioned above, to improve competitiveness, performance and the efficiency of our employees;
- leveraging the strengths of different race, gender, age and other groups in order to achieve the greatest impact while pursuing Petra's strategic development plans; and
- establishment of a working environment in which employees are able to voice their opinions and speak up if they feel they, or their colleagues, are not being treated fairly or are being excluded in any way due to their inherent differences.

The Diversity and Inclusion Policy sets out a number of steps towards the achievement of its objectives:

- setting of policy and goals – given the above, ensuring that diversity and inclusion are established as clear policies of Petra;
- fostering of a diverse and inclusive culture;
- making diversity visible through engagement with stakeholders;
- continually assessing and developing workforce skills and nurturing the talent pipeline;
- providing education and training on diversity to leadership, with clear accountabilities and responsibilities assigned to the Board, the Exco and the Operational Management Committees; and
- recruiting with diversity in mind.

In order to address any form of discrimination experienced by any employee, the Company has a grievance procedure as well as a disciplinary policy and procedure to investigate and address discrimination allegations. Contractors are also advised to align their practice to ours in order to avoid any inconsistencies in the application of the rule. The option of dismissal is available in the event of non-compliance.

During FY 2021, seven cases related to unfair treatment/discrimination were reported at our operations; three of them have now been resolved and four of them are in the process to be closed out. The majority of these cases related to alleged unfair internal promotion practices and one case related to alleged harassment by a line manager. Each of these cases followed the Company's grievance procedure.

### **Encouraging women in mining**

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

Petra has a number of initiatives aimed at developing women into managerial positions, such as the LDP, which has, since its inception, focused on the advancement of women, and the Women in Leadership programme. We are focused on affording women an equal role as part of the next generation of Petra employees and as a result 39% of our interns, 36% of our engineering learnerships, 44% of our mining learnerships, 75% of our bursary students, 55% of employees attending the MDP and 33% attending the LDP in FY 2021 were female.

## Diversity continued

### Our approach to achieving diversity continued

#### Diversity in FY 2021

The overall gender diversity of the Group increased to 20% in FY 2021 (FY 2020: 19%), which remains above that of the industry average in South Africa, which ranges from 12%–17% depending on the commodity. We were also pleased to improve gender diversity at the higher levels of the business, with an increase in female representation at Board, Senior Management and Management level. However, we recognise that the diversity of more teams still needs widening to enable Petra to benefit from the breadth of thought and variety of opinions, perspectives and experience this offers. Petra will expand its reporting on wider employee diversity, as well as gender diversity, in its 2022 Annual Report and its 2022 ESG and Sustainability Report.

#### Breakdown of gender diversity

	Men		Women		Total (number)
	FY 2021	FY 2020	FY 2021	FY 2020	
Board	75%	78%	25% <sup>1</sup>	22%	8
Senior Management	82%	89%	18%	11%	33
Management	76%	78%	24%	22%	172
Employees	81%	81%	19%	19%	3,310
<b>Total</b>	<b>80%</b>	<b>81%</b>	<b>20%</b>	<b>19%</b>	<b>3,523<sup>2</sup></b>

1. As at 30 June 2021; the percentage of women on Petra's Board increased to 36% from 1 July 2021, following the appointments of Mr Bhatt, Ms Gudgeon and Ms Watson, and will increase further to 40% when Mr Hamilton steps down from the Board at the conclusion of the FY 2021 AGM.
2. This figure differs from the total employee figure of 3,517 for the Year, as it includes the six Non-Executive Directors (as at 30 June 2021) who are not employees of the Company.

#### Women in Mining Committee ("WiM Committee")

Petra's 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.

#### Case study: Finsch employee recognised as a Women in Mining COVID-19 Hero!

Petra wishes to congratulate Dr Mpho Moloi, an Occupational Health Practitioner at Finsch, for being designated by the Minerals Council SA as a Women in Mining COVID-19 Hero, thereby joining a select group of women who were recognised as having contributed beyond their call of duty and made a difference to the lives of their colleagues and communities during the pandemic.

Like most people, Dr Moloi's initial response to COVID-19 was feelings of fear, uncertainty and confusion. However, she quickly realised that as a medical practitioner she was a voice of reassurance and needed to face the pandemic with confidence. She equipped herself mentally and physically and took on the role of local custodian, helping those around her fight and guard against the virus.

Helping local communities and employees during a time of such uncertainty, Dr Moloi held daily consultations with anyone who needed help and was constantly reading and updating the Company's standard operating procedures. She contextualised and simplified complex medical information which was then published throughout Petra's communication channels to the benefit of all employees.

Dr Moloi was also available to answer questions and provide clarity on a 24-hour basis to curb misconceptions related to the virus. Dr Moloi foresaw the possible impact COVID-19 would have on mental health, particularly how it would impact the work and home environment. She guarded against stigmatisation by guiding the reporting of cases and made sure that the Employee Assistance Programme was equipped to deal with employees' mental health issues.

Sharing medical information clearly and sensitively, Dr Moloi became the sounding board for Management, community members and employees as she kept herself up to date with the latest COVID-19 research. She liaised with all stakeholders to make sure that Petra remained compliant with legislation, whilst being sensitive to socio-economic challenges. She spearheaded a campaign to issue the flu vaccine to vulnerable employees and community members and visited a local school to help educators understand the necessary screening process for their pupils.

Dr Moloi saw the importance of working together to combat the effects of the pandemic and was instrumental in creating a forum that included the mines in the area and local community councillors. The forum conducted strategic planning to help local communities.

On a personal level, this was a difficult time for Dr Moloi. As a single mother, she had to endure being away from her two young children for extended periods and even with regular video calls and messages she felt disconnected from her family. However, her children inspired her to continue this important work. We are so proud of you Mpho!

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#### 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 new Mining Charter, is therefore mandatory.

## Diversity continued

### **Our approach to achieving diversity continued**

#### **Equality and equity continued**

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 South African Department of Labour, as prescribed by law.

Even though 'transformation' is a regulated compliance issue in South Africa, the Company views it as the right thing to do and a strategic business imperative. Petra has Employment Equity Plans at all its South African operations, with specific targets regarding HDSAs and women in mining, where managers are compelled to comply with the Employment Equity Plans in order to address transformation. During FY 2021, the Company carried out a review of its Employment Equity Plans process and it was determined that this area would be managed centrally from now on, rather than separate processes per operation, with overall monitoring by the SED Committee.

#### Group Employment Equity Policy

Our approach to diversity is outlined in the Group Employment Equity Policy, a summary of which is:

- We are committed to the principles of employment equity and to achieving a productive and fair working environment free of any kind of discrimination.
- We commit to actions which will result in a work environment wherein opportunity, treatment, expectations and practices are not based on race, gender, sexual orientation, marital status, family responsibility, ethnic or social origin, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth and/or any other arbitrary grounds.
- We aim to eliminate all forms of unfair discrimination, either directly or indirectly, from our employment practices and conditions of employment.
- We recognise the need to implement affirmative action measures to counteract the underrepresentation of certain designated groups in certain levels of the workplace through recruitment, training and promotion.
- We strive to foster a culture which encourages understanding and appreciation of the diverse cultural background of our employees. This will in turn develop a relationship of trust, cooperation and confidence amongst employees.