

## Report of the Health, Safety and Environment (“HSE”) Committee

### Members of the HSE Committee

Bernard Pryor (Chair), iNED

Varda Shine, iNED<sup>1</sup>

Richard Duffy, CEO

Johannes Bhatt NED<sup>2</sup>

1. Ms Shine became a member of the HSE Committee in July 2020.

2. Mr Bhatt became a member of the HSE Committee in July 2021.

**HSE Committee Terms of Reference** <https://petradiamonds.com/about-us/corporate-governance/board-committees>

### Quote from the Chair:

“The health and safety of Petra’s people remains our top priority, along with safeguarding our environment for future generations. The Company is taking measures to continuously improve our performance in this area, working towards our primary goal of zero harm.”

I am pleased to present Petra’s HSE report for FY 2021, which is my third as Chair of the Committee.

### The purpose of the HSE Committee

The role and purpose of the HSE Committee is to assist the Board in discharging its oversight responsibilities relating to HSE matters. It achieves this by overseeing the Group’s HSE systems and policies and evaluating how these translate into HSE performance, as well as by monitoring compliance with all applicable regulations.

### Activity during the Year

In FY 2021, the HSE Committee continued to monitor all key HSE-related indicators. The 32% rise in LTIs and the resultant 52% deterioration in the Group’s LTIFR for the Year was concerning (as covered in more detail on page 47) and therefore an action plan has been put in place to address this via the continued embedding and enforcement of the Group-wide Health and Safety pledge, further implementation of the Group’s safety behaviour-based intervention campaign initiatives to mitigate accidents at each operation and the continual review of safety practices and implementation of proactive interventions.

However, overall Petra improved on 73% of measured safety KPIs in FY 2021. The Group reported 8.6 million fatality free shifts, a 35% improvement in Non-Lost Time Injuries and a 7% improvement in Total Injuries recorded. There was a 31% decrease in Days Lost due to LTIs and a 20% decrease in the Group’s Severity Rate. This is a notable achievement given that the South African mining industry saw a significant increase in fatalities and injuries during 2020 and 2021 believed to be related to disruption to workforce caused by COVID-19.

Our focus on the management of the COVID-19 pandemic continued in FY 2021. While the majority of those who do contract COVID-19 may only experience mild symptoms, very sadly 14 employees have tragically lost their lives to COVID-19. I would like to reiterate the Board and Management’s sincere condolences to the family and friends of the deceased.

The Committee maintained its oversight of the strict systems and mitigating measures we have put in place to protect all of our workers and contractors. In addition, at our South African operations we commenced the roll out of a COVID-19 vaccination programme in September 2021 which included an awareness campaign to encourage uptake of the vaccine. As with all safety matters, it is important to show leadership from the top and Exco and senior managers have therefore had the vaccine and publicly promoted this to our workforce to demonstrate its safety, bearing in mind a major hurdle to vaccination throughout South Africa is misinformation about the safety of COVID-19 vaccines.

With regards to vaccinations in Tanzania - previously only Government hospitals were permitted to administer vaccinations to citizens, but from September 2021, the Government authorised the Mwadui Hospital to commence acting as a vaccination centre for Williamson’s employees, contractors and the surrounding communities and this work is underway.

Other key achievements include the retention of the ISO 14001:2015 and ISO 45001:2018 certifications at our South African operations, as well as improvements in workplace conditions, including dust and noise reduction at all operations.

Looking at Petra’s environmental performance in FY 2021, we again reported no ‘major’ or ‘high’ environmental incidents within the Company for the 11<sup>th</sup> consecutive year. We also improved our water management and efficiencies as well as our waste management practices. Further to Board approval of the Petra Climate Change Adaptation Strategy, the Committee has overseen the development of the Group’s climate change adaptation action plans and initiatives to achieve further alignment with TCFD recommendations, and it has undertaken an investigation into carbon off-set initiatives.

Petra continued to show high levels of performance in its environmental reporting in FY 2021, with its CDP score on climate change reporting of ‘A-’ higher than average for the Company’s sector and region of reporting, and placing the Company in the ‘leadership’ category.

Further information on HSE matters is included in ‘ESG and Sustainability’ on pages xx to xx and in Petra’s 2021 ESG and Sustainability Report.

## Committee membership changes

Dr Bartlett retired from the Board at the end of FY 2020. He has therefore retired as a member of the Committee but he was invited to attend all committee meetings in FY 2021 as a Technical Consultant. In July 2020, iNED Ms Shine joined the Committee and has brought to bear her experience of multi-stakeholder relations in the diamond industry. Post Year end, we welcomed NED Mr Bhatt to the Committee on 1 July 2021. Mr Bhatt has extensive experience within the mining sector and we look forward to the benefit of this insight in Committee meetings.

## HSE Committee role and activities

The principal functions of the HSE Committee are listed below, along with the corresponding activity and performance in FY 2021.

Role	Activities in FY 2021	Outcomes
To evaluate the effectiveness of the Group's policies, standards and systems for identifying and managing health, safety and environmental risks within the Group's operations.	The Group's significant HSE hazards and associated risks were reviewed as part of a discovery process as per ISO 14001 and ISO 45001 standards requirements and implemented into the operations.	Material impacts on health, hygiene and safety related legislative requirements were integrated into existing policies.  Various legislative updates during the COVID-19 pandemic resulted in updates to Company reviews on risk assessments and policies during the Year.  Processes were reviewed during February 2021, are up-to-date, compliant to international standards requirements and certified by BSI through third-party audits.
To assess compliance obligations with applicable legal and regulatory requirements with respect to health, safety and environmental aspects.	Changes in legislation were evaluated for potential impact on HSE systems and policies.	No material changes in environmental legislation were identified that required systems or policies to be updated.  Processes are up-to-date, compliant to international standard requirements and certified by BSI through third-party audits.
To ensure, on behalf of the Board, that an internationally recognised Health and Safety Management System and an Environmental Management System are implemented and maintained.	Outcomes of external certification audits for ISO 45001:2018 and ISO 14001:2015 were evaluated.	All South African operations successfully retained ISO 14001:2015 and ISO 45001:2018 certification through BSI.  The Williamson mine remains uncertified but conforms to the HSE Management Systems principles of the certified operations.
To assess the performance of the Group with regards to the impact of health, safety and environmental decisions and actions upon employees, communities and other stakeholders.	Monitoring of HSE performance throughout the Year and review of annual Group occupational HSE objectives and KPIs.  COVID-19 brought significant challenges regarding return-to-work policies and processes. The implementation of these as well as general performance against the processes were monitored.	The achievement of HSE objectives was noted. The Group's performance was satisfactory.  The decisions and actions leading from COVID-19 specific policies, codes of practice and procedures did not have a negative effect on any stakeholders including communities and employees.
To review management's investigation of any fatalities and/or serious HSE-related accidents or incidents within the Group and the efficacy of the resultant remedial actions implemented.	Health and safety incidents, investigation outcomes and detailed trending were reported to and reviewed by the Committee on a quarterly basis.  Environmental incidents classified as 'significant' were discussed in detail.	Zero fatalities occurred in FY 2021.  The 20% LTI reduction target was not achieved due to an increase in LTIs at Cullinan and Finsch, which were assessed to be mostly behavioural in nature and of low severity. Mitigation plans were put in place.  Three environmental incidents classified using Petra's ratings system as 'significant' (the category to follow 'Major' and 'High') occurred during FY 2021, deemed moderate in nature. These incidents related to the extreme rainfall experienced at both Finsch and Koffiefontein and more details are listed in the Company's 2021 ESG and Sustainability Report on page 85.
To evaluate the quality and integrity of reporting to external stakeholders concerning HSE aspects.	A review of the Company's disclosure requirements was carried out.	Changes to disclosures were instituted where required.



**Bernard Pryor**  
HSE Committee Chair  
12 October 2021