

**TERMS OF REFERENCE  
SUSTAINABILITY COMMITTEE  
(the “Committee”)**

**1. PURPOSE AND MANDATE OF THE COMMITTEE**

- 1.1. The Committee is constituted as a Committee of the Board of Directors of the Company (the “Board”). In the context of these terms of reference, “Company” or “Group”) means Petra Diamonds Limited, its subsidiaries and other group business units.
- 1.2. The Committee’s roles and responsibilities are set out hereunder. The duties of the members of the Committee are in addition to those as members of the Board, as applicable.
- 1.3. The Committee will assist the Board in discharging its oversight responsibilities relating to sustainability matters, in particular Social and Environmental matters as set out below.
- 1.4. These terms of reference are subject to the Company’s Bye-laws and the UK Corporate Governance Code.
- 1.5. In support of the Company’s Purpose, Values and Sustainability Framework, the Committee recognises the importance of the Company enhancing its local environment for the benefit of its employees and communities (Valuing our People; Driving shared value Partnerships) and upholding high standards of environmental stewardship (Respecting Our Planet).

**2. COMPOSITION OF THE COMMITTEE**

- 2.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Committee Chair. Membership of the Committee shall be limited to the time a member is a Director of the Company and reviewed by the Committee Chair periodically who will make any recommendations to the Nomination Committee.
- 2.2. The Committee shall consist of at least one independent non-executive director and the Chief Executive Officer of the Company. An independent non-executive director shall act as Committee Chair. In the event of his/her absence, the Committee will elect a Chair for the meeting.
- 2.3. Only members of the Committee are entitled to attend and vote at meetings. However, other directors of the Company, members of the Company’s Executive Committee (“Exco”), external advisors and senior managers may be invited by the Committee to attend meetings, as and when required.

**3. MEETINGS AND QUORUM**

- 3.1. The Company Secretary or their nominee shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues which the Committee is required to consider.

- 3.2. The Committee shall meet at least twice a year and at such other times as may be required. Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chair or any of its members.
- 3.3. Notice of a meeting as well as the agenda and working papers shall be sent to the Committee at least five days prior to the meeting. Minutes of the meeting shall be distributed to the members of the Committee promptly after the meeting.
- 3.4. The quorum required for the transaction of business shall be two members, including at least one independent non-executive director and the Chief Executive Officer. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.5. Should a meeting of the Committee not be quorate, the actions taken by the Committee in terms of the resolutions taken at such non-quorate meeting shall be ratified by the Board.
- 3.6. Committee members are expected to attend all scheduled meetings of the Committee, whether in person or via telephone/video conference. If absent, the submission of a prior apology to the Committee Chair or Company Secretary is required.

#### **4. AUTHORITY OF THE COMMITTEE**

- 4.1. The Committee acts in terms of the delegated authority of the Board and has the power to investigate any activities within the scope of these terms of reference. The Committee can therefore:
  - 4.1.1. seek any information it requires from any employees or officers of the Company in order to perform its duties, and all employees shall be directed to cooperate with any request made by the Committee, subject to such a request being made via the relevant member of Exco;
  - 4.1.2. call any employee to be questioned on sustainability issues at a meeting of the Committee as and when required, provided that this is arranged through the relevant member of Exco;
  - 4.1.3. obtain, at the Company's expense, subject to any budgetary constraints imposed by the Board, outside expert advice from the Company's auditors or other professional advisers, and take independent professional advice and require, if it considers it necessary, the attendance at meetings of external parties with relevant experience and expertise; and
  - 4.1.4. delegate its authority as per the Group's Delegation of Authority Policy and Matrix, which is approved by the Board.

#### **5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

- 5.1. The Committee shall have oversight of the following areas:
  - 5.1.1. **"Social"** including, but not limited to:
    - (a) stakeholder engagement, including grievance mechanisms;
    - (b) community and social development, including within mine communities and alternative local economic development;
    - (c) community human rights;

- (d) sourcing, including leveraging local procurement and enterprise and supplier development;
  - (e) the Group's organisational culture;
  - (f) freedom of association and collective bargaining;
  - (g) diversity, equity and inclusion of Petra's workforce; and
  - (h) the training and development of Petra's workforce.
- 5.1.2. **"Environment"** including, but not limited to:
  - (a) climate change, including adaptation and carbon emissions (scope 1, 2 and 3) and mitigation;
  - (b) water management and consumption;
  - (c) circular economy, including waste optimisation and resource consumption; and
  - (d) biodiversity, including conservation and rehabilitation.
- 5.2. The Committee shall discharge the duties below for the Company and Group as appropriate, by:
  - General**
    - 5.2.1. assessing the effectiveness of the Group's ESG frameworks, policies, procedures and systems as these relate to Social and Environmental matters, including for ensuring compliance with applicable material local and international legal and regulatory requirements and identifying and managing risks with respect to sustainability and ESG matters, including:
      - (a) the Sustainability Framework (recommending for approval to the Board any amendments or changes considered necessary);
      - (b) the Human Rights Policy Statement (recommending for approval to the Board any amendments or changes considered necessary);
      - (c) the Climate Change Position Statement (recommending for approval to the Board any amendments or changes considered necessary);
      - (d) the Environmental Management Policy;
      - (e) the Workplace Harassment and Anti-bullying Policy;
      - (f) the Stakeholder Engagement and Management Policy; and
      - (g) the Diversity and Inclusion Policy.
    - 5.2.2. reviewing any material non-compliance by the Group with applicable legal and regulatory requirements or frameworks, policies, procedures or systems with respect to sustainability matters that relate to Social and Environmental matters;
    - 5.2.3. considering technical developments in the fields of sustainability management and practice (including in relation to the Social and Environmental matters listed below) and, where appropriate, having the impact of these on the business assessed and providing appropriate strategic guidance;

- 5.2.4. approving the setting of sustainability objectives and Key Performance Indicators (“KPIs”) to be achieved (including in relation to the Social and Environmental aspects of the Group’s ESG metrics and in the Sustainability Framework), reviewing the Group’s performance against such objectives and KPIs on a quarterly basis and reviewing incentive targets and outcomes related to the Committee’s remit for recommendation to the Remuneration Committee;
- 5.2.5. reviewing reports from management concerning all significant Social and Environmental incidents within the Group and actions taken by management in this regard;
- 5.2.6. ensuring management has systems in place for subsidiaries to record and submit statistical data that may be required for legal, regulatory and other external reporting on sustainability matters, including the Social and Environmental matters listed below. The data must meet or exceed the level of ‘reasonable assurance’ and the reporting criteria that will meet internal/external stakeholder requirements;
- 5.2.7. on a quarterly basis, reviewing the Group’s material sustainability risks (including in relation to the Social and Environmental matters listed below) and ensuring these are communicated to the Audit and Risk Committee;
- 5.2.8. reviewing the Group’s public disclosure on the Environmental and Social aspects of sustainability and ESG matters and approving it for submission to the Board as necessary, including recommending those parts of the annual Sustainability Report for which the Committee is responsible for approval by the Board; and
- 5.2.9. ensuring that the Group’s approach to sustainability takes into account and supports the United Nations Sustainable Development Goals (“SDGs”), in particular the five SDGs identified by the Company as being the most relevant, as set out in Appendix 1 hereto.

#### **Social**

- 5.2.10. assessing the performance of the Group regarding the impact of Social decisions and actions upon employees, communities and other stakeholders, including, without limitation, monitoring grievance mechanisms and their effectiveness;
- 5.2.11. assessing the impact of Social decisions and actions on the reputation of the Group;
- 5.2.12. monitoring the implementation and performance of the Group’s material community and social investment (CSI) projects;
- 5.2.13. identifying and/or ratifying those material Social issues which could impact the longer term viability of the Company;
- 5.2.14. monitoring and evaluating the Group’s organisational culture against the Purpose and Values of the Group;
- 5.2.15. ensuring, on behalf of the Board, that an appropriate programme of stakeholder engagement management is implemented and maintained;
- 5.2.16. monitoring the Group’s performance on issues of diversity in general and gender and ethnic diversity in particular as a strategic imperative for the Company and advising the Board on the same;

- 5.2.17. understanding the key concerns of the workforce (including trade unions) and how the Company is addressing them;
- 5.2.18. considering any other matters referred to it from time to time by the Board as they relate to Social issues;

**Environmental**

- 5.2.19. considering and reporting to the Board the actual and potential impacts of climate-related risks and opportunities on the Group's business and strategy;
- 5.2.20. considering the processes, including the metrics and targets, used by the Group to identify, assess and manage climate-related risks;
- 5.2.21. in collaboration with the Audit & Risk Committee, considering and recommending to the Board climate-related disclosures in financial reporting prior to publication;
- 5.2.22. monitoring the Group's Environmental Management Policy and reviewing priorities, targets and challenges on key Environmental issues and receiving regular reports on progress;
- 5.2.23. receiving and reviewing periodic Environmental reports, including:
  - (a) quarterly reports of environmental performance against agreed objectives, including, in collaboration with the Health & Safety Committee, any issues of on-mine environmental legal or regulatory non-compliance and management's response;
  - (b) carbon reporting performance and disclosures; and
  - (c) overviews from the operating companies on how they are implementing and complying with the Group's Environmental Management Policy and how this is being considered and included as a part of broader strategic planning of the Group;
- 5.2.24. evaluating and overseeing the quality and integrity of any Group reporting to external stakeholders concerning Environmental matters

**6. REPORTING**

- 6.1. The Committee Chair shall report to the Board on its proceedings after each meeting on key matters within its duties and responsibilities.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 6.3. The Committee shall produce a report to be included in the Company's Annual Report about its activities and the Committee Chair shall attend the Annual General Meeting and be prepared to respond to any shareholders' questions on the Committee's activities.

**7. OTHER**

- 7.1. The Committee shall:-
  - 7.1.1. arrange for periodic review of its own performance and at least annually review its terms of reference to ensure its effectiveness and recommend any changes it considers necessary to the Board for approval;

- 7.1.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 7.1.3. have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance, as required;
- 7.1.4. oversee any investigation of activities which are within its terms of reference;
- 7.1.5. work and liaise as necessary with all other Board committees ensuring that interaction between committees and with the Board is reviewed regularly; and
- 7.1.6. give due consideration to relevant laws and regulations, which may be applicable to its scope of work.

Effective from 1 July 2023

## Appendix 1

### United Nations Sustainable Development Goals (SDGs)

Whilst the Company's business strategy and Sustainability Framework supports all 17 SDGs, there is a specific focus on the following five SDGs identified as being the most relevant to the Group:

SDG No.	Title	Description
3	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages
4	Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
8	Decent work and economic growth	Promote inclusive and sustainable economic growth, full and productive employment and decent work for all
12	Responsible consumption and production	Encourage sustainable consumption and production patterns
15	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The Company's compliance with applicable laws and regulations also requires specific focus on a number of other SDGs, including, for example, SDG 5 (Gender Equality) and SDG 17 (Partnership for the Goals).