



PetraDiamonds

Filip Reyniers  
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8 November 2023

Dear Mr Reyniers,

### **Community relations and Independent Grievance Mechanism of Williamson Diamond Mine**

Thank you for your recent correspondence and for providing us with a copy of your report (the **IPIS Report**) on community relations and the Independent Grievance Mechanism (**IGM**) at the Williamson mine in Tanzania (the **Mine**).

We are grateful that IPIS have provided Petra Diamonds Limited (**Petra**) and Williamson Diamond Limited (**WDL**) with the opportunity to respond to the IPIS Report before it is published and for the previous engagements with us on certain of the topics covered the IPIS Report. We hope that IPIS would agree that Petra has engaged co-operatively with IPIS' enquiries regarding the IGM and community relations at the Mine. As noted in the IPIS Report, Petra and WDL have already provided a significant amount of detailed information on the IGM and other projects at the Mine.

We remain committed to ensuring that information about the issues covered by the IPIS Report is accurate, balanced and fairly presented, and have reviewed the IPIS Report as quickly as possible since IPIS provided it on 27 October 2023 in the short amount of time that has been available.

While we recognise that a significant amount of work has gone into the IPIS Report and we thank IPIS for this, we are disappointed that certain of the factual inaccuracies and other important points of context we have raised with you in writing have not been addressed in the version of the IPIS Report that will be published.

As set out further in this response, we consider that there are a number of important points of context or additional facts that need to be considered alongside the IPIS Report to allow the reader a fuller understanding of the situation – in particular, in relation to the IGM and relations with the communities surrounding the Mine.

In addition to the factual points that we consider inaccurate and/or misleading, we are also following up on certain other smaller points that we believe are unlikely to be accurate, but which remain subject to further investigation at the time of writing this letter. As an initial point, Petra wishes to correct the suggestion in places in the IPIS Report that recent changes to the shareholding structure in relation to WDL will impact Petra's commitment to these projects.

As has been explained publicly, Petra made certain commitments as part of the settlement announced in May 2021,<sup>1</sup> and changes to the shareholding structure of WDL have no impact on those commitments. Indeed, Petra is continuing to meet its obligations and fund these projects (and indeed in several instances is going beyond what was required pursuant to the terms of the settlement) despite the widely known economic challenges facing the diamond industry as a whole.

In the sections that follow we have provided Petra's response in relation to each of the projects or issues covered by the IPIS Report. Petra has focused on the most significant issues in the IPIS Report in the short time available and so Petra should not be deemed to have agreed with or accepted points or conclusions made in the IPIS Report that are not addressed in this letter.

As a final point, Petra also looks forward to engaging with IPIS on these points going forward with a view to continuing to identify ways of improving community relations at the Mine. Petra will also reflect on the findings and recommendations in the IPIS Report with WDL, the IGM and other stakeholders.

## **IGM**

### **Missing points of context**

The IPIS Report covers the workings of the IGM in some detail and, while Petra will work with the IGM to reflect on many of IPIS' recommendations, we consider the IPIS Report misses several important points of context regarding the IGM. In particular:

- i. **Background of intensive and challenging work to establish IGM:** It has been a very significant exercise to design and set up the IGM's organs and ways of working. This has required a huge amount of time and work by Petra, WDL, their advisors and indeed other stakeholders such as local and regional government in what is necessarily a challenging environment to set up such a mechanism. This is important context that needs to be taken into account when assessing the IGM and the pilot in particular and, unfortunately, it does not appear that IPIS has fully appreciated the scale and complexity of this undertaking;
- ii. **The independence of the IGM:** Similarly, as Petra has previously explained, the IGM is an independent mechanism. It is not run or operated by Petra or WDL. There is therefore a limit on the extent to which Petra or WDL can influence the IGM or require the IGM to take certain steps. As an example, Petra cannot require the IGM to focus its attentions on particular allegations at the behest of IPIS, as the IPIS Report suggests should be the case. Petra also cannot unilaterally direct the IGM to change its working practices. Having said that, it is also not accurate to suggest (as IPIS does) that Petra and WDL solely rely on the IGM to investigate human rights issues at Williamson. As noted below, separate to the IGM, WDL also investigates all incidents where it is alleged that injury is caused by any of the security forces currently operating at the Mine and reports key issues to Petra as appropriate;
- iii. **The stated purpose of the pilot phase:** It is also important to understand that the IGM was launched with a pilot phase exactly so that its systems could be tested and, if necessary, improved. Petra made that clear in its public statements and indeed such an approach aligns with the expectations of the UN Guiding Principles on Business and Human Rights (**UNGPs**), which emphasise continuous learning. Petra does not therefore consider it fair to suggest that the IGM was "*launched without sufficient preparation*" or that it is being "*patched up as it progresses*" beyond the pilot phase (and indeed such a criticism appears to misunderstand the expectations of the UNGPs); and
- iv. **The future of the IGM:** Petra also considers it important to address the suggestion made by IPIS that Petra has reneged on the IGM being a permanent facility. It was never the intention for the IGM to be a permanent facility and the statement that "*future*" human rights complaints would be considered was intended to convey that incidents that happened after the May 2021 settlement would still be investigated. Regardless, WDL

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<sup>1</sup> Petra Diamonds announcement, 12 May 2021, (<https://ir.q4europe.com/solutions/petradiamonds/3144/newsArticle.aspx?storyid=15059437>).

investigates all allegations of serious human rights violations on the Mine that relate to the current security operations and any future allegations of that nature will be fully investigated in that way.

### Factual inaccuracies

Petra has also discussed the IPIS Report with WDL and the IGM and notes that there are a number of discrete factual inaccuracies in the IPIS Report:

- i. **Written information has been provided to local communities:** The IPIS Report criticises the IGM's engagement with local communities on the basis that all initial awareness raising regarding the IGM was conducted verbally. This is not correct. In addition to complainants being provided with copies of the registration form and decision form during their engagement with the IGM (both of which contain information on the IGM's processes), detailed written information on the IGM's processes was provided as part of the village engagements by Adv. Bahame. Petra and the IGM will reflect on whether more can be done to keep community members informed as grievances progress, however it is not correct to say that no written information has been provided;
- ii. **No restrictions on who can be called as a witness:** The IPIS Report also suggests that family members cannot be called as witnesses by complainants. That is incorrect and there is no limit as to who can provide witness evidence to the IGM;
- iii. **Fact-finding team only approach villagers with consent of complainant:** It is not correct that villagers or village leaders are approached to corroborate testimony behind complainants' backs. The fact-finding team only approach potential witnesses if it is considered that their evidence may have probative value and the express consent of the complainant is always sought before doing so; and
- iv. **IGM has been designed with gender and sexual and gender-based violence (SGBV) issues in mind:** The IPIS Report states that specific measures should be implemented to ensure the IGM is sensitive to concerns of victims of sexual violence. However, Petra considers that such measures are already in place. Psychological support is currently available for all SGBV cases (as required) through independent psychosocial specialists. Efforts are also made to ensure female complainants are matched with female legal aid providers and that female legal officers and fact-finding team members are matched to female complainants, although due to capacity restraints that is not always possible.

### Implementation of continuous learning

As IPIS is aware, the IGM's Independent Monitors (**IM**) report regularly on the IGM's functioning and their first report was published last month. The IMs are highly qualified individuals with extensive human rights experience in Tanzania. The IM's reporting cycle is also built into the IGM's processes and so the IMs have greater insight into the IGM's processes than external parties. As that report makes clear, there are a number of areas where Petra, WDL and the IGM are aware that the IGM's processes and practices can be strengthened and steps are being taken to implement those as appropriate.

It is also the case that, as part of the IGM's practice of continuous learning, the IGM's policies and practices have already been strengthened in a number of ways since becoming operational. Several of these were developed in response to recommendations by the IM and touch on issues raised in the IPIS Report (as IPIS appear to recognise by their reference to the IM's reporting). As examples:

- i. **Human rights training:** as the IPIS Report notes, training has been given by a business and human rights expert on ensuring the language used and the approach to complainant interviews is attuned to the human rights context;
- ii. **Flexibility for meetings:** complainants are offered a range of dates for IGM meetings to allow them to pick a convenient date for them; and

- iii. **Legal support:** the IGM has made additional legal aid providers available and has also taken steps to ensure legal support is compulsory for all complainants.

As with the IM's reporting, Petra, WDL and the IGM will reflect on IPIS' findings on the IGM and whether certain recommendations can be incorporated into the IGM's processes.

#### Request for IPIS to provide further information

Finally, Petra notes that the IPIS Report makes reference to serious allegations of evidence tampering and bribery on the part of IGM staff. This is something Petra, WDL and the IGM staff take extremely seriously. IPIS asked Petra, in general terms, questions regarding these topics by letter earlier this year and, after consultation with the IGM, Petra confirmed that the IPEs were not aware of any such allegations and requested that IPIS provides further details so that any such allegations could be investigated by the IGM. IPIS did not provide any such further details however, again, Petra urges IPIS to provide more specific information so that these allegations can be properly investigated.

#### Security operations

The IPIS Report makes a number of points regarding WDL's security operations at the Mine. Petra and WDL welcomes the conclusion that "*noticeable improvements*" have been made regarding engagements between security contractors and illegal miners and that the efforts to demarcate the mine are "*an important first step in preventing potential conflict situations caused by intrusions*". Petra and WDL will also keep under review whether there are further measures that could be taken to prevent incursions onto the Mine and reduce the risk of conflict.

Despite the IPIS Report's broadly positive assessment of changes to the security situation, Petra also has a number of concerns with the IPIS Report's description of the security practices at the Mine:

- i. **Criticism of Petra's due diligence:** Petra finds it difficult to understand the suggestion that Petra has not embedded human rights due diligence processes in its systems. This suggestion seems to be derived from the fact that WDL has confirmed that there have been no reports of any serious injuries or deaths during incursions onto the Mine from 2021 onwards. WDL's findings are consistent with evidence from other parties and indeed IPIS' own assessment of the security situation. As has been made clear to IPIS, WDL investigates any allegation of injuries being caused by security forces and so will always investigate any allegations of serious injuries. As noted publicly, Petra has also restructured its operational reporting lines and a revised incident escalation procedure has been put in place. GardaWorld is also required to comply with the Voluntary Principles on Security and Human Rights (**VPSHR**) and 92% of WDL's security personnel have also been trained on the VPSHR.<sup>2</sup> In light of this, Petra does not understand how it can be said that its or WDL's processes are insufficient;
- ii. **January 2022 incident:** the IPIS Report also makes extensive reference to the allegation of a shooting in January 2022 (including graphic photos of the evidently serious injuries that were sustained). Following dialogues with Petra, the IPIS Report has been updated to reflect Petra's confirmation in response to seeing the first draft of the report that it has no record of any shooting taking place on the Mine in January 2022. However, Petra had previously confirmed to IPIS in writing that: (i) no WDL, GardaWorld or AA Gimbi staff have access to live ammunition at the Mine; and (ii) that no serious injuries or deaths had taken place on the Mine in the relevant period. Despite the seriousness of these allegations, it is disappointing that IPIS also did not put the specifics of them to Petra in the course of the research phase. Had this information been provided to Petra sooner, Petra would have worked with WDL to provide a fuller response to the allegation, including by confirming that there is no record of any shooting at the Williamson mine at that time and that it is very likely that the allegation relates to a shooting incident in January 2022 at the neighbouring El-Hilal mine, with such incident being investigated by local police and confirmed by the police to solely concern the El-Hilal mine.

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<sup>2</sup> Petra Diamonds Limited Sustainability Report 2023, (<https://wp-petra-diamonds-2023.s3.eu-west-2.amazonaws.com/media/2023/10/Petra-Diamonds-Limited-Sustainability-Report-2023.pdf>), p. 33.

Petra also does not consider that the IPIS Report accurately captures all the information provided to IPIS from Petra and GardaWorld in relation to that incident. Firstly, the IPIS report does not explain how the incident could have been caused by WDL or security contractors at the Mine when, as noted above, no WDL, GardaWorld or AA Gimbi staff have access to live ammunition. The IPIS Report also does not mention the steps WDL took to investigate the incident and conclude that it very likely occurred on the neighbouring El-Hilal mine, as was explained in GardaWorld's letter to IPIS. This is disappointing and risks providing a misleading impression of the incident; and

- iii. **Livestock practices at the Mine:** After consultation with WDL, Petra understands the statement in the IPIS Report that there is a common practice of livestock being confiscated and a TZS 300,000 fine being levied is not correct. WDL does not levy any such fine (instead it is imposed by the relevant village council) while WDL has informed Petra that the fine is in fact TZS 50,000 per cattle head rather than TZS 300,000.

### **Restorative justice projects**

The IPIS Report reaches a number of conclusions regarding the restorative justice projects that Petra has funded in the vicinity of the Mine. Petra welcomes IPIS' view that the projects "*hold considerable potential*", "*address genuine needs in key local livelihoods*" and "*have led to a gradual improvement of community perceptions of the Williamson mine*". Petra continues to meet the commitments it has made as part of the settlement in May 2021 in this regard and, as IPIS notes, Petra has also gone beyond those commitments in a number of respects in this area, including by funding the sexual and gender-based violence campaign that aims to address the issue of SGBV in local communities.

In light of this, Petra considers it important to correct an important mischaracterisation in the IPIS Report regarding the restorative justice projects, in particular that **Petra has not reneged on any commitment in relation to a potential ASM project**. Specifically, the IPIS Report suggests that Petra reneged on a commitment to pursue the ASM project (the IPIS Report states that Petra "*committed*" to an ASM project but now may "*hold off on announced plans to support ASM*"). That is not correct. As part of the settlement, Petra committed to exploring whether an ASM project was feasible through a formal feasibility assessment.<sup>3</sup> Given the complexities of ASM projects, a feasibility assessment needed to take place before any commitment to the project itself could be made.

As the IPIS Report notes, the feasibility assessment concluded that an ASM project should not proceed at this time and so the project is not currently being pursued. IPIS express concern that this decision may cause dissatisfaction in local communities however Petra and WDL have taken significant steps to communicate with local communities on the outcome of the feasibility study, including through in person meetings in June and July this year. Petra and WDL will continue to consider whether further such engagement might be beneficial.

As noted in the IPIS Report, Petra and WDL are also in the process of developing an ASM strategy and will keep under review whether a project to support ASM might be pursued in the future.

### **Tailings Storage Facility (TSF) failure**

Since the TSF failure in November 2022, WDL has moved as quickly as possible to provide remediation. As reported previously, WDL has provided compensation in line with Tanzanian regulations and International Finance Corporation best practice and has also provided humanitarian relief, psychosocial support and interim accommodation to those affected. Petra therefore welcomes IPIS' view that this approach demonstrated several good practices.

However, Petra is surprised to note that IPIS have included comments suggesting the cause of the TSF failure was "*faulty construction and the neglect of warning signs in the months prior*" (referencing the comments from the National Environment Management Council in Tanzania). WDL is currently undertaking a detailed investigation into the cause of the TSF failure with input from external specialists (which involves geological analysis including sampling of the relevant site). In light of that, it is **not logically or factually possible to conclude on the likely cause of the**

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<sup>3</sup> Petra Diamonds Limited announcement, 12 May 2021, (<https://ir.q4europe.com/solutions/petradiamonds/3144/newsArticle.aspx?storyid=15059437>).

**failure.** Given that, Petra is disappointed at IPIS' decision to include this suggestion in the IPIS Report and considers it to be misleading.

Petra also notes IPIS' observation that a number of affected people did not receive this support. This does not align with Petra's understanding from WDL that 303 out of 304 affected had been compensated. Petra therefore asks IPIS to provide details of these people so that they can be contacted and provided support if appropriate.

**Concluding remarks**

As is evident from this letter, Petra considers that there is important further information, in addition to the extensive coverage in the IPIS Report, that needs to be considered to get a fuller picture of the issues outlined above.

However, as set out above, Petra nevertheless welcomes IPIS' engagement. Petra is also always open to further engagements with IPIS going forward to better understand some of the issues raised in the IPIS Report with a view to continuing to identify ways of improving, particularly in relation to the IGM which is the focus of the IPIS Report. Petra will also reflect on the findings and recommendations in the IPIS Report with WDL, the IGM and other stakeholders.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R. Rowland-Clark', written in a cursive style.

Rupert Rowland-Clark

**Petra Diamonds Limited, General Counsel & Company Secretary**