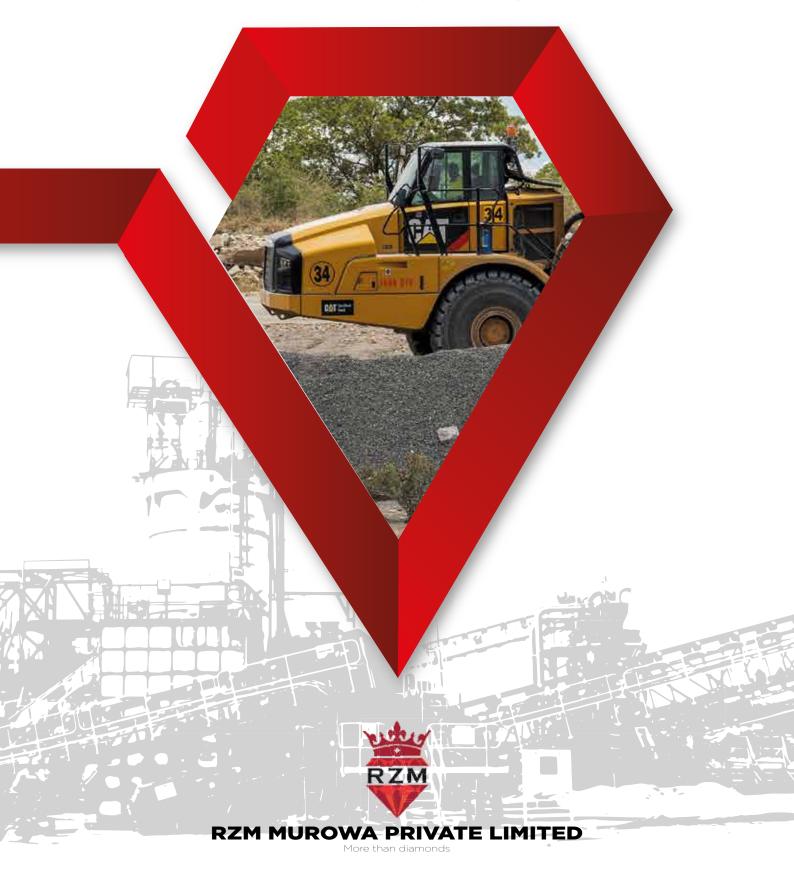
2019

Sustainable Development Report







Vision

We are a proudly Zimbabwean Company that aims to become a large diversified regional Company delivering sustainable shareholder wealth from natural resources.



Mission

To achieve success through:

- Optimization of existing business.
- Exploration of opportunities.
- Implementation of world-class operating standards.
- Recognition of our employees and communities.
- High standards of HSE management



Respect Integrity Accountability Teamwork Commitment Diligence Transparency

4

About this report

RZM Murowa Private Limited, a Company domiciled in Zimbabwe, presents the Sustainable Development Report for the year ending 31 December 2019. The report integrates financial and non-financial information pertinent to our operations and stakeholders. This report presents how the Company continues to make significant positive impacts on society, environment and national economy.

Report Boundary and Scope

The report covers information for RZM Murowa operations located in South Western Zimbabwe close to the town of Zvishavane, exploration sites in the Masvingo Province and other administrative activities at our head office in Harare. In this report unless otherwise noted, references to "our", "we", "us", "the Company", "RZM Murowa", "RZM Murowa" refers to RZM Murowa Private Limited. The report details information about the change of name to RZM Murowa.

Reporting Frameworks

This report has been prepared in alignment to the following reporting quidelines:

- The Global Reporting Initiative (GRI) Standards.
- The National Code of Corporate Governance.
- The Natural Diamond Council
- Kimberly Process Certification (KPC)

Report Declaration

Management takes responsibility to confirm that the report has been prepared in accordance with the GRI Standards 'Core' Option.

Data and Assurance

The information and data supporting environmental and social performance indicators in this report was verified by the Internal Auditors. The financial statement which provided economic performance data was externally assured by Ernst and Young. The Institute for Sustainability Africa (INSAF), a third party, verified the report for compliance with GRI Standards.

Forward-looking statements

This report takes into account forward-looking statements that look to our plans and targets towards sustainability. All statements other than those of historical fact are deemed as forward looking statements. Readers are cautioned not to put undue reliance on forward looking statements.

Feedback on the Report

We welcome your feedback and any suggestions on this Report. Please contact: islam.chipango@murowadiamonds.com.

Saleem Beebeejaun Chairman Manit Shah
Operations Director

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ONLINE: You can find this report online at: https://murowadiamonds.com/



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WE ACHIEVED A 14% INCREASE In full time employees



WE MAINTAINED OUR Certification



WE ACHIEVED A 2% DECREASE in energy consumption



WE ACHIEVED A 17 % DECREASE in fresh water consumption at our process plant



69% OF ALL OUR GOODS were Procured Locally



Mined Material 99 % of PLAN



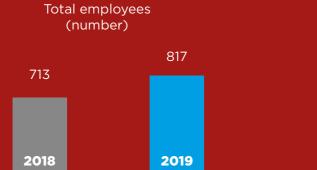
Processed Materials 90 % of PLAN



Diamond Recovery 101 % of PLAN



We maintained a fatality free operation



(Carats) 692,622 683,594

2018

2019

Diamonds Sold





During 2019, Murowa Diamonds changed its name to RZM Murowa Private Limited thereby reflecting the new strategic direction of the Company. Indeed going forward, the Company will intensify its focus on sustainability issues that are at the core of the new world order that is taking shape post COVID 19.

The foundations of the business are solid and the fundamentals sound and these have enabled the Company to continue to run a successful and safe operation despite the challenges in our external environment.

The Board met regularly to examine and review its strategies so as to enable the Company to proactively navigate through the challenges posed by a constantly changing operating landscape.

I am pleased to report that in 2019, we maintained a fatality free operation as a result of the high priority that we set regarding the safe production of our precious product. Externally, we partnered with a Zimbabwean Non-Profit Organisation to help, support and train Artisanal and Small Scale Miners (ASM) to develop safety systems with the set objective of preventing the loss of lives in the industry. This initiative was triggered at a time when there was a rise in fatalities in the industry.

RZM Murowa continued to provide much sought after employment opportunities and this resulted in an increase of our full time employees by 14% in 2019. Employee welfare remained one of the top priorities of the leadership team who took several measures to cushion its people from the pernicious effects of a hyperinflationary environment and also to uplift their morale.

The Company delivered solid operational performance which allowed it to contribute positively to society by meeting its statutory obligations including paying taxes, and royalties. This performance also allowed the Company to create employment and continue carrying out community development programmes.

The Company produced 685,000 carats representing 101% of our plan for the year, confirming the strong business fundamentals across the value chain. During the year we began feasibility studies for "Project Crown Jewel", a 500tph process plant that is scheduled to be commissioned in 2021. The plant will help us balance economies of scale and maintain our current production levels.

We increased our community investment in 2019 and the programmes were executed across our clearly identified impact areas. The Company goes through a well-defined consultation protocol before selecting these programmes. There were however delays in project implementation mainly as a result of shortage of materials and constantly changing market prices.

The reduction of our environmental impact remained at the forefront of our sustainability strategy and received constant Board review throughout the year. The Zimbabwean electricity deficit presented the Company with an opportunity to move from the consumption of power generated from non-renewable resources and explore cleaner energy options most of which will be implemented in 2020.

Central to our sustainability efforts was the maintenance of strong stakeholder relations throughout the year. Our good run was made possible by the support from all our stakeholders both internal and external who supported us throughout 2019. For this, we remain forever indebted.

I believe RZM Murowa has a bright future and has a good deal to contribute to the universal agenda on sustainability. In 2020, we launched our refreshed corporate five-year Sustainability Strategy that will guide our actions towards building a sustainable business whilst demanding greater accountability on the same. Enjoy our FY2019 Sustainable Development Report!

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S. Beebeejaun

Board Chairperson

The history of RZM Murowa

The history of RZM Murowa can be traced back to the early 1990s when the Company conducted an exploration program in Zimbabwe focusing solely on diamonds. In 1997, this exploration came to fruition with the discovery of three diamond-bearing kimberlite pipes in the Murowa area.

To date, RZM Murowa prides itself as being one of the leading producers of diamonds in the country. Our processing capacity increased to 1.2M tonnes per annum (qualifying RZM Murowa as a Tier 2 diamond mine).

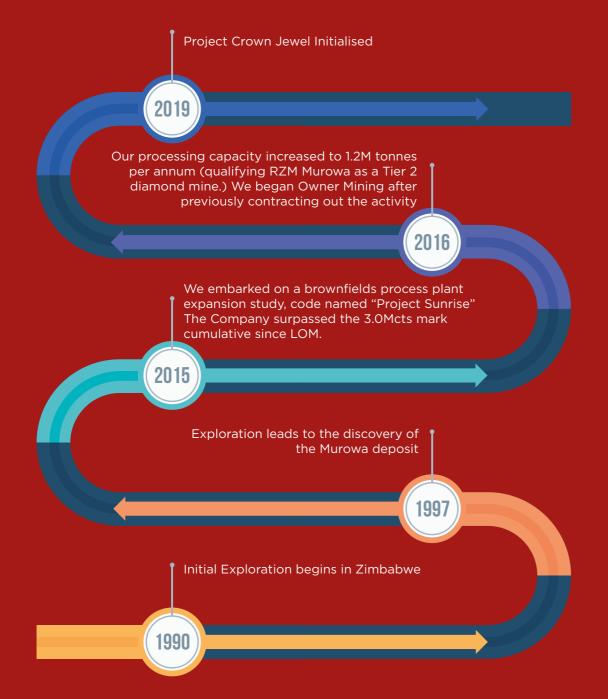
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RZM Murowa in a glance

RZM Murowa is one of the leading private limited diamond mines in Zimbabwe, operating a 24-hour open-pit mine situated in Ward 18 of Runde Rural District Council in the Zvishavane District of Zimbabwe. Our Operations are sorely based in Zimbabwe with the Headquarters located at Newlands in Harare. After having more than tripled its capacity, RZM Murowa today is a global top 10 diamond mine enabling it to become one of the biggest exporters and foreign currency generators for Zimbabwe.

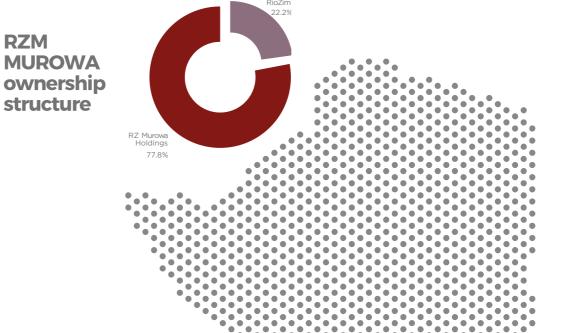
We produce predominantly gem-quality diamonds and reasonable quantities of large 'special' stones. Diamonds are gemstones used as decorative items such as jewellery. Special stones are rough diamonds that hold a higher value and are greater than 10.8 carats.



RZM Murowa Mine



RZM Murowa is owned in majority by RZ Murowa Holdings (77.8%) with Independent mining operator RioZim owning 22.2% of the Company.



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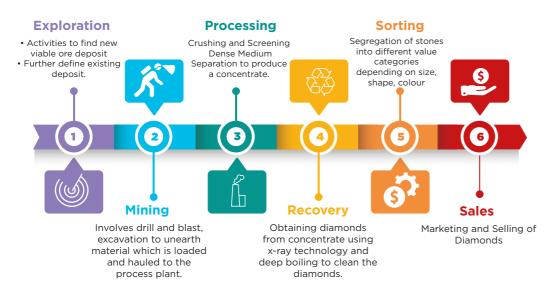
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Diamond Mining Value Chain

We unearth and process white gem diamonds to meet the rising demand for this precious stone by consumers worldwide. The final diamonds we sell come out of an extensive production process. Our mining operations are conducted in a way that generates long term value for our shareholders while striving to make a sustainable and enduring positive impact to communities, employees and other stakeholders. The process below illustrates our diamond production flow:

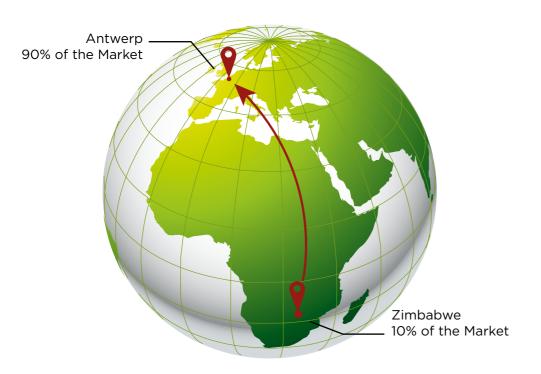


Our Markets

Sorting, Sales and Marketing

Since the mine came into production in 2004, RZM Murowa diamonds have been presorted in Harare and exported to Antwerp Belgium for further sorting and sales through Rio Tinto Diamonds (RTDnv). As required by law and in support of the Zimbabwe government's local beneficiation efforts, we availed 10% of our product for sale to the local manufacturing industry..

In 2019, sorting and sales functions both in Harare and Antwerp were anchored on efficient processes supported by integral security systems to derive value from every single stone for the benefit of our communities, employees, shareholders and the nation at large. Internationally, diamond markets were characterized by weak polished demand and falling prices. Rio Tinto Diamonds leveraged on its sound business processes and strong distribution channels to market and sale exported diamonds to our international customers.



Building Capacity for Local Sorting, Sales and Marketing

Training and development of our personnel remained at the core of our business, drawing experience and expertise from Rio Tinto's decades of wealthy experience and knowledge in sorting, sales and marketing. During 2019, a collaboration between RZM Murowa and RTDnv sorting and marketing teams was heightened with RTDnv offering onsite training in sorting and valuation to both RZM Murowa and MMCZ sorting teams in Harare. Joint trips to two major markets, China and India were conducted by RZM Murowa and RTDnv marketing teams to build capacity of the local teams.

Compliance and Local Industry Support

RZM Murowa diamonds are cleaned to specified minimum standards before export through the caustic fusion and acid cleaning facility at the mine. This complied with the Zimbabwean government's national policy requiring all products to be cleaned to a specified minimum standard before export. We remain committed to producing safely and sustainably following sound business ethics, principles and practices of the Kimberley Process Certification Scheme (KPCS). The Company also continues to actively participate in decision-making processes that map the future for the country's diamond industry.

Business Memberships, Certifications and Awards,









THE CHAMBER OF MINES

OF ZIMBABWE

Memberships

International	Local
Kimberley Process Certification Scheme	Business Council for Sustainable Development Zimbabwe
Natural Diamond Council(formerly the Diamond Producers Association)	Employers Confederation of Zimbabwe
Responsible Jewellery Council	Zimbabwe Chamber of Mines

Certifications

• ISO 14001 of 2015: 2008

Awards and Recognition

- First place Red Cross World First Aid competitions
- Second Place- Zimbabwe Chamber of Mines First Aid national competitions.
- Best Captain accolade Mine Rescue Team
- Best Workload Exercise prize for a Brigades-lady
- Second place in the Chamber of Mines of Zimbabwe Mine Rescue national competitions.

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* In 2020 there have been some Board changes including the resignation of Ms Ethel Kuuya and Mr Bhekinkosi Nkomo

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2019 Board of Directors

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Manit Shah

Executive Director

Masters in Finance and attended LMBS and the London School of Economics.
Chartered Accounts in India (ICAI) and the ISACA in the USA.
Manit is also an alumnus of the Harvard Business School.

Appointed: 2019

Mustafa Sachak

Independent, Non-Executive Director

BSc Chemical Engineering UCL (U.K), BSc Electrical Engineering Florida Atlantic University (USA)

Appointed: 2015 Other commitments: CEO Masawara Insurance (TA Holdings).

Gopal Krishna Jain

Independent, Non-Executive Director

B.A. in Economics from Hansraj College (India), M.A Jurisprudence Oxford University (U.K)

Appointed: 2018 Other commitments: Member of the Bar Council of Delhi and the Supreme Court Bar Association.

Saleem Rashid Beebeejaun

Independent Non-Executive Chairman

AMP Harvard (USA), Licence - ès Sciences Economiques (France)

Appointed: 2015
Other commitments:
Non-executive director
Warwick Private Bank
Ltd, Pembani Remgro
Infrastructure Fund,

Ethel Kuuya

Independent Non-Executive Director

Business Analytics Wharton (USA), MSc Strategic Management Derby (U.K)

Appointed: 1 May 2018
Other commitments:
Founder Advisory K,
Crans Montana Forum
New Leader, Business
Advisory Board Member
for Boost Enactus,

Bhekinkosi Nkomo

Chief Executive Officer

AMP Harvard (USA), CA (Z), CA (SA), BSc Acc (NUST)

Appointed: 2017 Other commitments: Serves on the RioZim Board. OVERVIEW

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Senior Management









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Masimba Nyamhunga Brian Ward Islam Chipango Olivia Dzawo Tafadzwa Gova

General Manager Group Security Manager Vice President HR and Administration Senior Manager Projects Finance Manager

Sustainability Team

Tafadzwa Chifashu Sandra Gudza Prince Chikate Tichaona Chinhoro Evans Makopa Gibson Chirimba Phinias Mamvura Tsigirai Chiripa Precious Muzanenhamo Mollyn Dengende Blessing Mapfumo Kudakwashe Mhuruyengwe Dubilizwe Mlilo Fredreck Mpesi Munyaradzi Mungaraza Tsitsi Taruvinga Patience Ndhlovu Tinashe Nemadire George Waeni Mcdonald Nhambure

Human Resources Human Resources Finance **Operations - Process** Operations - Process Security Security Site Services Site Services Sales and Marketing Engineering Health, Safety and Environment - HSE Procurement Warehouse Communities and External Relations Communities and External Relations **Technical Services** Mining Production Mining Production **HME Maintenance**

Corporate Governance

RZM Murowa remains committed to upholding international best practice on corporate governance while complying with local requirements. The Company subscribes to the National Code of Corporate Governance Zimbabwe (ZIMCODE) and continues to make improvements in implementation. Upholding integrity and exemplary ethical standards remains key among our people, relations and how we conduct business.

Board Structure

As at 31 December 2019, the Board consisted of six members. The current Board includes five independent non-executive directors and one executive director. The Board of Directors has a number of committees to assist in discharging its duties. These include an Audit and Risk, and a Remuneration and Nomination Committee. The day to day running of the business is delegated to the Chief Executive Officer (CEO), who works in liaison with senior management across the Company.

The Function of The Board

The Board is responsible and accountable for providing the Company with effective corporate governance, direction and control. The directors have a duty to exercise leadership, entrepreneurship, integrity and judgment, based on transparency, fairness, accountability and responsibility.

All directors subscribe to the directors' duties as outlined in the Companies Act and Articles of Association, duties for which they are jointly and severally answerable. All directors carry full fiduciary responsibility and owe a duty of care and skill to the Company. The Board is responsible for adopting a corporate strategy, major plans of action, and major policies, as well as monitoring of the operation's performance. This includes identifying risks which impact on the Company's sustainability and monitoring risk management and internal controls, compliance management, corporate governance, business plans, key performance indicators, non-financial criteria and annual budgets. Furthermore, the Board shoulders the responsibility for fostering and managing successful and productive stakeholder relationships.

The Board is committed to our corporate values and:

- Recognizes that compliance with legal requirements is not always enough;
- Integrates our sustainable development strategy into business planning and reporting processes;
- Publicly reports our activities and performance;
- Is accountable for the process of risk management, internal audits and controls including external verification in our business processes, and ensures a disciplined and integrated approach to the economic, social and environmental aspects of our activities;
- · Maintains best-practice systems;
- Performs audits of processes, functions, systems and resolving identified weaknesses;
- Ensures that the business interacts with local communities in a manner that respects traditional cultures and laws; and
- Ensures the training of all employees in our business code of ethics and acceptable practices.

Board Meetings

The Board meets at least once per quarter with additional extraordinary meetings convened per notifications prescribed in the Companies' Act and Articles of Association.

Board Committees

For the Board to discharge its responsibilities in setting strategic direction and providing leadership, the Board has established the following committees:

- Audit and Risk Committee
- Remuneration and Nomination Committee

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These committees enable the Board to make informed decisions by dividing the workload among its members. This allows more focus on different aspects of the business and to debate the issues raised more intensively, based on their areas of expertise. Committees then take their proposals and recommendations to the Board for approval. These committees operate under Board approved terms of reference which are reviewed by the Board annually.

Board Committee Attendance

Director	Main Board	Audit and Risk	Remunerations and Nominations
L. P. Chihota	2/5	-	-
S. R. Beebeejaun	4/5	1/4	-
Manit Shah	2/5	-	-
B. Nkomo	5/5	4/4	3/3
M T Sachak	5/5	4/4	3/3
G.K. Jain	0/5	-	-
E. Kuuya	4/5	-	3/3

Committee	Members	Responsibilities
Audit and Risk	Chair: M. T. Sachak S. R. Beebeejaun B. Nkomo	The Board Audit Committee reviews the effectiveness of the risk management process, the appropriateness of financial controls, and manages assurance activities through internal and external audits. This committee is also the custodian of the Company's standards of business conduct and ethics and ensures compliance with all the relevant laws of Zimbabwe
Nominations and Remunerations Committee	Chair: M. T. Sachak B. Nkomo E. Kuuya	The committee assists the Board by reviewing and making recommendations in the following key areas: • Establishing performance objectives for executive directors • Benchmarking remuneration practices against both local and international best practice • Reviewing performance and remuneration of executive directors and senior management • Ensuring the effectiveness of the succession planning and talent management process • Making recommendations to assist management to achieve established objectives • Making recommendations to the Board on fees for non-executive directors.





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Sustainability Governance

Governance at Group level

The RioZim Group Sustainability Committee

RZM Murowa is part of the RioZim Group Sustainability Committee. The Group has a mandate over RioZim and its associates. The Sustainability Committee meets alongside the RioZim main Board. The committee's mandate is to guide and monitor sustainability efforts and annual targets. The committee has biannual meetings (with meetings in the first and third quarter). Some of the key issues discussed included the safe and responsible operation of the Group, environmental protection and greenhouse gas emissions, major incidents that impact safety, environmental performance and community investment.

Governance at Business Unit Level

The HSEC Steering Committee

A Health, Safety, Environment and Communities (HSEC) Steering Committee exists at RZM Murowa business unit level to enhance the Health, Safety, Environment and Community performance of the Company and ensure continual improvement.

The Committee comprises of senior leadership and cross-functional experts who oversee all sustainability matters. The committee met quarterly in 2019 to review sustainability performance against targets. Issues discussed included the evaluation of compliance, energy efficiency, plant water efficiency, effluent discharge and noise results analysis. Training, improvement planning and internal and external feedback were also central to the agenda.

Risk Management

At RZM Murowa risk management is a daily activity. We believe our success hinges on our ability to anticipate risk and opportunities emanating from our operations and business relationships. Businesses today face multifaceted risks that range from climate change to cybersecurity, thus making risk management a critical pillar.

Approach to Risk Management

We use a multi-layered approach to risk management and building a sustainable risk culture. At departmental level, we use an inclusive approach to departmental risk analysis and the development of mitigation plans. Managers consolidate and categorize the top five risks per section for scrutiny and adoption by the Board Audit and Risk Committee. The Board not only evaluates the submissions but ensures that there are sound risk mitigation strategies in place before the adoption of the Business risk profile.

Key risks for RZM Murowa fall into three categories, Operational, Financial and Environmental risks.

Operational Risks

RZM Murowa like all businesses faces risks that emanate from people, processes and technology. Given the magnitude of impacts resulting from operational risks such as business interruptions, health and safety and failure of systems it is critical for us that these risks are kept at a bare minimum. Operational risks are often tied to failed procedures and mistakes. The Company has established a robust procedure review system, monitoring and training for risk control. We also subscribe to the precautionary approach which states that "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

Financial Risk

RZM Murowa takes seriously the issues surrounding its ability to meet its financial obligations. Financial risk such as currency, credit and liquidity are managed through policies and procedures established by the Company. The Audit and Risk Committee has strict oversight over financial risk management.

Environmental Risks

Our area of operations is often under continuous exposure to political, economic social and legal changes. This creates major risks for the business. As a business we have developed a risk culture to continually monitor our practises in light of the changes in the environment to minimise our exposure to risk. We are constantly upgrading our business to meet international standards which often drive the changes in the local environment. Where regulations change we update our business with immediate effect. Our environmental management risk is guided by our ISO 14001 Environmental Management System to which the Company is certified.

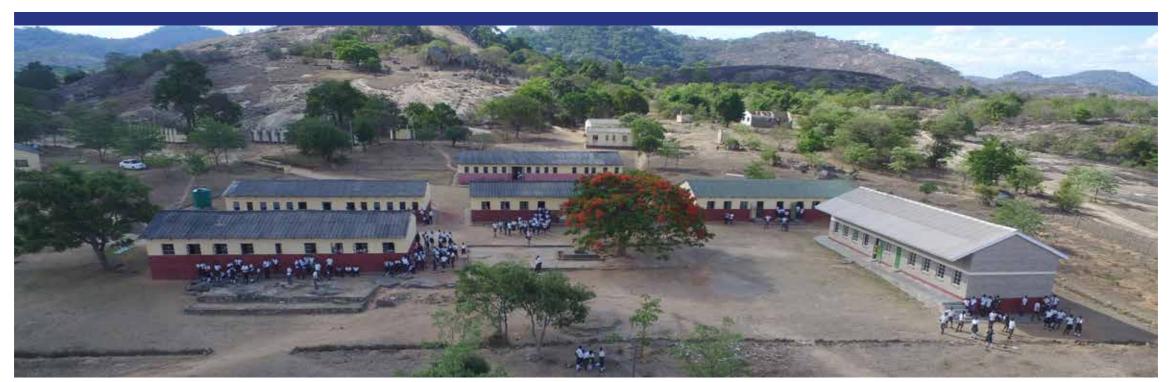
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Significant Operational Risks

Top Risks	Description	Impact	Risk Mitigation
Vehicles and Driving	The risk associated with operation or driving of vehicles and heavy mobile equipment Vehicle to Vehicle interaction Vehicle to pedestrian interaction Toppling	Fatal/irreversible/ reversible injuries Vehicle/ Equipment damage	Procurement of vehicles/equipment with inbuilt safety requirements Vehicle/Equipment maintenance Competent drivers/operators Training and awareness Vehicle/equipment pre-operational checks Proper operating environment e.g.road maintenance, high wall scaling
Electrical	The risk associated with electrical energy for fixed plants and infrastructure Electrocution Fires	Fatal/irreversible/ reversible injuries Infrastructure damage	Isolation and lockout Competent persons Training and awareness Fixed Plant/Infrastructure maintenance Risk assessments
Explosives	The risk associated with handling, transportation, use, storage and disposal of explosives Accidental detonation Fly rock	Fatal/irreversible/ reversible injuries Equipment damage Air and Land pollution	Proper handling, transportation, use, storage and disposal of explosives according to legal regulations and best practices
Fires	The risk associated with fire outbreaks to fixed/mobile plants and infrastructure	Fatal/irreversible/ reversible injuries Fixed/mobile plants damage Infrastructure damage Air pollution	Fixed/mobile plants maintenance Fire prevention i.e. fire guards, fire-fighting equipment Training and awareness
Rotating and moving parts	The risk associated with equipment or machinery with moving and rotating parts Conveyors Pulleys	Fatal/irreversible/ reversible injuries Equipment/ machinery damage	Equipment/machinery maintenance Isolation and lockout Use of Competent persons Risk assessments Training
Cranes and Lifting	The risk associated with the use of cranes and lifting gear • Suspended loads	Fatal/irreversible/ reversible injuries Equipment/ machinery damage	Maintenance of cranes and lifting gear Use of Competent persons Training
Waste	The risk associated with generation and disposal of waste Improper disposal	Air/land/water pollution	Training and awareness Waste Reduction Waste Reuse e.g. FeSi drums Waste Recycling e.g. batteries, plastics, paper etc. Disposal i.e. landfill and waste incineration





RZM Murowa remains committed to sustainable development as outlined in the UN Sustainable Development Goals (SDGs). We recognise that many parts of Africa face poverty, water scarcity, poor healthcare access and inequality among others. As such, we believe we have a great opportunity to make a difference. In this regard, we developed our sustainability strategy in 2014 which continues to guide how we respond to environmental, social and economic impacts.

The incorporation of sustainability into our business strategy drives our operations, enhances progress towards an environmentally friendly operation and prioritization of the wellbeing of our people. We place equal value on our community relations as society has a vested interest in the success of our business and can easily impact us. Our sustainability efforts are supported by strong governance structures.



In 2020, a refreshed corporate five-year Sustainability Strategy will guide our actions towards building a sustainable business whilst demanding greater accountability on the same.

Sustainable Development Reporting

RZM Murowa's approach to reporting on its contributions to sustainable development goals is based on matching sustainability performance with relevant SDGs. This approach allows us to identify how our actions on sustainability performance indicators would have contributed to relevant SDGs. The rest of this report will feature relevant SDGs and the actions from sustainability performance.

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During the year, our stakeholder engagement was as follows:

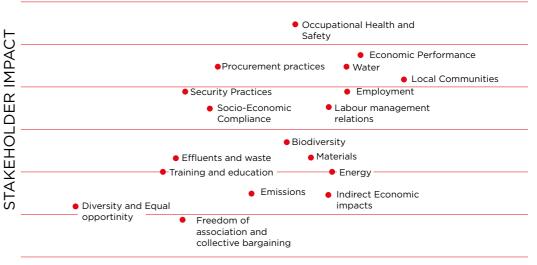
Stakeholder **Material Issues** Action/ **Method of** Frequency of group Responses **Engagement Engagement** Remuneration Regular salary Works Council Need basis **Employees** meeting reviews Verbal face to Training Talent Review Quarterly Opportunities face Accommodation Village Employee Once every Expansion engagement two years survey Transport Purchase of Staff Need basis Announcements bus **Improved** Information Lack of spares inventory Centres Community Stakeholder Town hall Monthly Communities investment Engagement meetings decrease **Employment** Local Engagement Once every 3 opportunities employment of traditional months policy leaders and liaison committees Drilling of Need basis Competition for Engaement water boreholes through community leadership Compliance Rectification Face to face Adhoc of deviations Regulators & issues meetings Government Forex Lobbying for Specific retention review meetings Quality of goods Supplier Face to face Need basis Suppliers supplied Engagement meetings Payment of Agreed terms Written goods correspondence Pricing of goods Contracts and Negotiated various forms of pricing communication

Materiality

We conduct our materiality analysis each year to identify issues critical to our stakeholders and the business and as part of our sustainable development reporting. We rely on departmental interactions with stakeholders and the feedback they get. Our material matters are those that are of significant interest to our stakeholders at both national and international level. The material matters address an array of issues that cut across the economy, the environment and society in general.

During the year, our Sustainability Champions conducted a materiality exercise starting at departmental level. Issues identified were further assessed for the relevant GRI Indicators they match so as to identify the specific topic for reporting. Identified material topics were further presented to senior management for approval into contents of this report. A materiality matrix is presented below:

Materiality Matrix



IMPACT TO THE BUSINESS

Reporting Practice

This report details the steps we have taken in integrating sustainability into our sustainable development reporting. In this report, we disclose our non-financial performance across significant social, economic and environmental impact areas. This illustrates our contribution to the goal of sustainable development.

Report Boundary

The report covers our operation at the RZM Murowa diamond mine in Zvishavane, exploration sites in the Masvingo Province and other administrative activities at our head office in Harare.

Report Data

The report used qualitative, quantitative data and information to explain how the Company performed on topics considered important to our stakeholders. This information was extracted from Company records, policies and respective person in charge of the topic areas. Internal auditors were responsible for validating the accuracy and completeness of the information.

Report Period

The reporting period spans over 12 months from 1 January to 31 December each year. There were no changes to the reporting period. The previous 2018 report was published in 2019.

Report Declaration

RZM Murowa management declares that this report was prepared in accordance with the Global Reporting Initiative Standards – 'Core' option.

Reinstatement

The Company did not make any reinstatement of any data published in prior report.

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Our sustainable development impacts

Environmental Stewardship

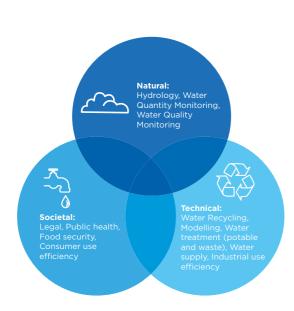
We acknowledge the impact our business has on the environment. Our approach is to identify the environmental aspects with a higher material risk. We have adopted best practices and international standards in managing our core risks. Key identified risk areas are water, energy, compliance and biodiversity.

CLEAN WATER AND SANITATION

Water

RZM Murowa recognises the importance of water as a scarce natural resource. It is critical in our mining processes such as scrubbing and cyclonic processes. We rely on shared water sources with surrounding local communities, therefore, our operations can impact the availability and quality of water. The Company acknowledges that water-related problems are not only technical but also linked to social, economic and political issues and therefore seeks to provide sustainable

solutions. In many regions, communities have experienced effects of climate change and depletion of water sources. As such, the Company devised a water management system to minimise negative impacts on sources.



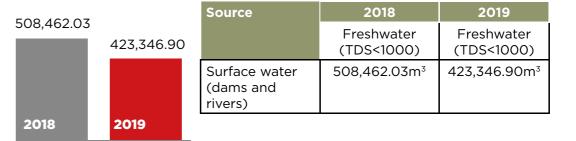
RZM MUROWA

How we manage water usage and discharge.

We have an Integrated Water Resources Management (IWRM) system in place which includes management of storm water, freshwater and wastewater to minimize negative impacts (quality and quantity) on water resources, community and also meet the desired processing targets. The diagram summarises how the Company tackles water-related issues.

All our water consumption comes from surface water bodies, during the previous year our extraction patterns have been as follows:

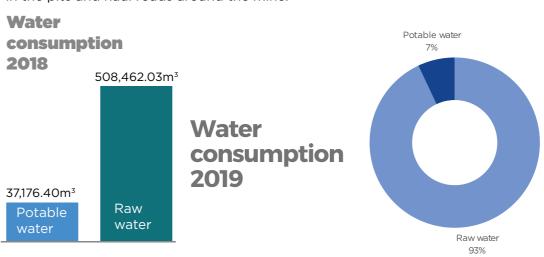
Murowa Surface Water Extraction



Due to the geographical location and high demand for water in diamond extraction, the Company has reduced freshwater abstraction (from Ngezi and Runde rivers). Annual freshwater consumption targets are set based on a combination of tonnes of ore expected to be processed, actual averages previously obtained, expected efficiencies in the planning period and the organisation's goals with regards to water usage. Water used within the mine site is contained within a closed-loop system which prevents the discharge of excess water into the surrounding natural water sources. Over the years, the focus has been and will continue to be on the reuse and recycling of water from the tailings dam and pit dewatering.

Water Consumption

Runde and Ngezi rivers remain the main water sources for the mine. When the water levels in Ngezi River dwindle during the dry period, water is discharged from Palawan Dam located approximately 200 kilometres upstream and then pumped to the mine site via a 14-kilometre pipeline. The Company has an abstraction right of up to 800 megalitres from Ngezi and is allowed to store up to 3,500 megalitres of water in the Runde weir. The Company is currently withdrawing approximately 9.84% of the maximum volume allowed. In addition, groundwater from pit dewatering is used for activities such as dust suppression in the pits and haul roads around the mine.



Water and Public Health

RZM Murowa pays close attention to the public health implications of water on its employees and local communities. There is a water quality control system that ensures that potable water is safe for human consumption for everyone at the mine site. Tests on acidity (pH) and free chlorine level are conducted daily. Free chlorine level is tested every three hours to ensure that any contamination that may find its way into the distribution network will be dealt with immediately. Tests on the other parameters such as heavy metals, Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD) and coliforms are conducted every month on both potable water and raw water. It is quite fortunate that the two surface water sources are not affected by toxic chemicals such as mercury from mining operations upstream. In the event of illnesses suspected to have been caused by poor water quality, samples of water are collected and tested for verification and assurance.

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Opportunity For Improvement

Opportunity

an opportuin reducing raw water ugardens an by explorin water from

Grey water recycling - There is an opportunity for improvement in reducing the amount of raw water used for watering gardens and washing vehicles by exploring the reuse of grey water from ablutions in the village.

Implementation date

31 December 2020

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Installation of automated (non-contact) water taps -

Installing automated water meters with sensors that allow people to wash their hands without touching the tap will help in preventing the spread of diseases. It will also increase potable water efficiency as people tend to leave the tap running whilst washing hands and switching to the next user.

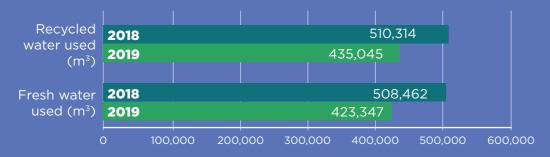
31 December 2020

Freshwater Usage in Operations

With the communities in the mine's sub-catchment area in mind, the key drive for the processing plant is to ensure maximum possible retention and recycling of process water with freshwater only to be used on a last resort basis.

The graph below compares the recycle water usage and freshwater usage for the 2018 and 2019 production years.

Water Usage Analysis



A 17% decrease in freshwater consumption was realised for the 2019 production resulting in 423,347 m³ of freshwater being used in the process and the associated recycle stream amounting to 435,045m³. During the 2018 production year, 508,462m³ of fresh water was used in conjunction with 510,314m³ of recycled water.

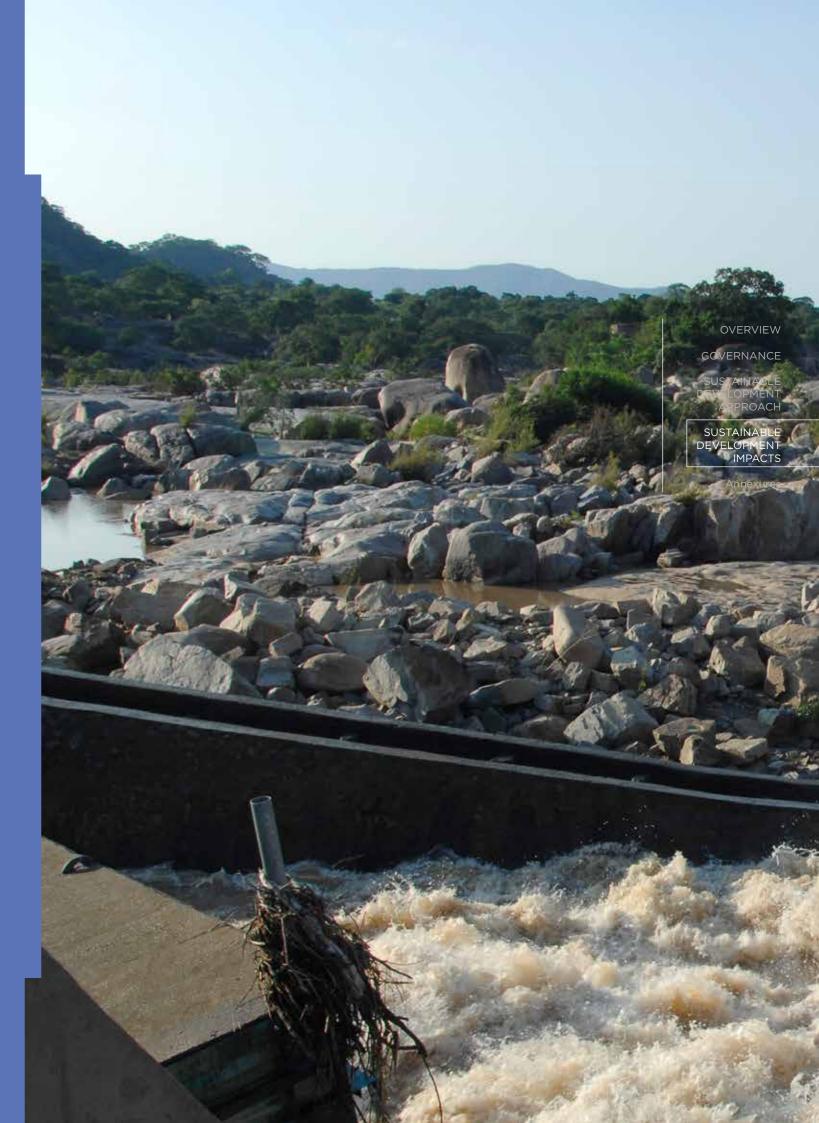
Water Usage Analysis

Freshwater consumed per tonne of ore processed also reduced by 2% from 0.50m³ of water/tonne of ore processed to 0.49m³ of water/tonne of ore processed. This implied that the percentage recycling factor increased from 0.50m³/t to 0.51m³/t. This was on the backdrop of the commissioning of the process plant spillage pond to reclaim all plant water spillages for re-use in the plant.

Freshwater Consumption Factor

0.5 0.49 2018 2019

Fig 6: Freshwater consumption factor for 2018 and 2019 (m³/t)



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Energy and Emissions

Energy is a key driver to our operational activities and the Company is very mindful of the environmental impact that this brings with it. Major energy sources in use within the business are electricity and diesel fuel. Energy consumption is among the business' top four environmental aspects. As such, all employees are made aware of the impacts of inefficient use of energy and conservation measures are implemented and various activities performed to save energy and reduce the resulting GHG emissions. Electricity is a non-renewable resource. We constantly look at ways to save and consider clean energy.

In 2019, Zimbabwe faced electricity deficits due to a decrease in thermal and hydro power generation, subsequently relying on imports from neighbouring countries. As such, this had a bearing on our operations prompting the Company to resort to diesel generated power.

Energy management is the process of tracking and monitoring energy to conserve usage. In line with GRI Sustainability Reporting Standards (GRI Standards) under Disclosure 302-4; Reduction of energy consumption and with alignment to SDG number 7 (Sustainable and Clean Energy), the Company embarked on a number of energy conservation and efficiency initiatives.

Energy Consumption Within the Company

Diesel and Electricity Consumption



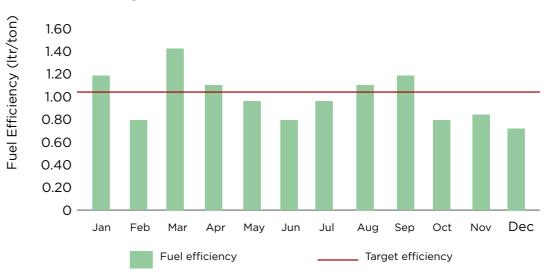
Energy Source	Classifi- cation	2018		201	9
		Consumption	Energy Value(GJ)	Consumption	Energy Value(GJ)
Diesel (Litres)	Non- renewable	5,247,154.00	200441.28	5,222,866.00	199,513.48
Jet Fuel (Litres)	Non- renewable	71,773.08	2,677.14	101,497.00	3,785.84
Electricity (kWh) (Total)	Non- renewable	11,728,800.00	42,223.70	12,005,401.00	43219.44
Total(GJ)			245,342.12		246,518.76

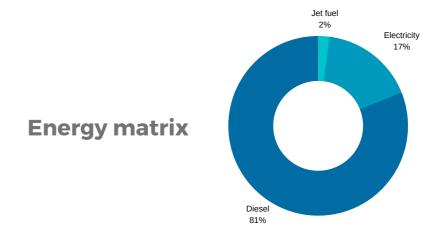
The consumption of energy posed a serious concern due to unreliable electricity supplies from the national grid, lack of alternative energy sources and heavy reliance on diesel powered generators for back-up electricity. As the mine expands, plans are in place to reduce electricity consumption by investing in clean energy options.

The total energy consumption for 2019 was 0.48% greater than that of 2018 due to the increase in jet fuel usage and total electricity consumed. The total power consumption increased by 2.36% due to the addition of the Wet Flush Crushing circuit in the Fixed Crushing Plant and fine crushing which was done to improve diamond liberation. Jet fuel usage was up by 41.4% because of the return of an aircraft, which was out of service for the greater part of 2018.

RZM Murowa uses diesel generators for backup power. The generators contributed a yearly average of 8.36% to the 2019 total power consumption. This was an increase of 5.28% from the 2018 generators' contribution due to increased power outages from the national grid.

Fuel Efficiency (2019)





Solar geysers in the village accommodation areas and lights at the explosives magazine were installed as we lean towards green energy and increase its contribution to RZM Murowa's energy matrix.

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Energy Intensity

ENERGY INTENSITY BY MONTH 20 0.5 0.4 0.2 0.2

The average energy intensity for 2019 was 13kWh/t and this is above a set target of 12kWh/t. The power intensity was above target because of an increase in total power consumption whilst the total ore processed reduced by 16%. The reduction in total ore processed resulted in a decrease in total diamonds recovered.

a) Power Factor and Load Factor

Year	Load Factor	Power Factor
2017	0.68	0.93
2018	0.72	0.92
2019	0.63	0.91

The load factor reduced due to a decrease in power from the national grid, caused mainly by grid power outages and opting to run the plant on generators in cases of voltage instability. The power factor reduced by a small margin due to the addition of inductive loads during plant upgrades though it was above the set target of 0.85.

Reduction of Energy Consumption

Energy consumption reduction initiatives that will be implemented in 2020 include:

1. Management of equipment idling

Idling equipment results in unproductive power consumption. This mainly occurs during blasting, breakdowns, and long stoppages of upstream and downstream equipment. Training of both artisans and operators will ensure that idling equipment is switched off resulting in a decrease in energy consumption.

2. Minimizing compressed air system energy consumption

Compressed air system energy consumption will be reduced by ensuring that the delivery system has minimum losses.

3. Use of alternative energy sources

A biogas project will be undertaken in 2020 to reduce power consumption in the mine kitchen whilst reducing the quantity of biodegradable waste taken to the landfill.

New installations or replacements will prioritise solar geysers and outdoor lights to ensure that the contribution of solar energy to the energy matrix increases.

4. Sustaining the energy consumption reduction initiatives done in the previous years

Emissions

Carbon Dioxide (CO2) gas contribution to the total GHG emissions increased by 0.87% in 2019 compared to 2018. This was mainly due to increased jet fuel and electricity consumption by 41% and 2.36% respectively.

2018		2019	
Energy Value(GJ)	Energy Value(GJ)	GHG Emission(tCO2)	GHG Emission(tCO2)
245,342.1	22,037.44	246,518.76	22,229.96

The Company continued to implement its GHG emission reduction initiatives throughout the course of 2019. The initiatives included:

- 1) Awareness training on energy conservation and GHG emission plans
- 2) Use of energy efficient lighting
- 3) Use of energy efficient equipment
- 4) Use of renewable energy (solar)
- 5) Powder factor management (explosives)

Environmental Compliance

The Company remains committed to ensuring compliance with legal and other requirements. The business is certified to the ISO14001:2015 Standard. In order to ensure legal compliance the organisation was audited by the following legal bodies:

National Social Security Authority



Radiation Protection Authority of Zimbabwe



Zimbabwe National Water Authority



Environmental Management Agency



Our Performance

The organisation did not receive any fines, sanctions, or penalties from the regulatory authorities during the reporting period and still strives to remain compliant with relevant applicable legal and other requirements.

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Biodiversity



Our operations at RZM Murowa can create risks that threaten biodiversity. With that in mind, through our Net Positive Impact strategy, the Company continues to ensure that its actions have positive effects on biodiversity features outweighing the inevitable negative effects of the physical disturbances and impacts associated with our mining and mineral processing.

The organisation continues to implement the following to ensure protection of biodiversity:

Controlled land clearance
Land clearance only takes place when it is absolutely necessary and with approval after a detailed area assessment for any endangered species.

If identified, species such as aloes are transplanted to a reasonably protected habitat. Quarterly reports of cleared land are also done and submitted to the Environmental Management Agency.

Biodiversity protection awareness
The organisation carries out environmental activities that raise awareness on waste management and pollution prevention and highlighting the importance of indigenous flora and fauna protection. World Environment Day is commemorated at the mine site every year, following the international theme to raise awareness.

Prohibition of hunting
The hunting and killing of endangered species and other animals around the mine is strictly prohibited.

Rehabilitation Projects
In 2018, a nursery for indigenous flora was established for the rehabilitation of affected areas, however, in 2019, the seedlings were not transplanted as the area received very little rainfall.

Control of Significant Impacts of mining activities, eliminating or significantly reducing environmental damage to ensure habitat preservation. These include dust, hazardous chemicals and fire.

Continual Engagement with wildlife authorities for safe capture and relocation of animals that may pose a safety risk to both the employees and itself. Large Pythons and crocodiles that were threatening safety were relocated to Mushandike Game Reserve in the Masvingo Province.

Blue Quail



Aloe Tauri



Pangolin



Aloe Crytopoda



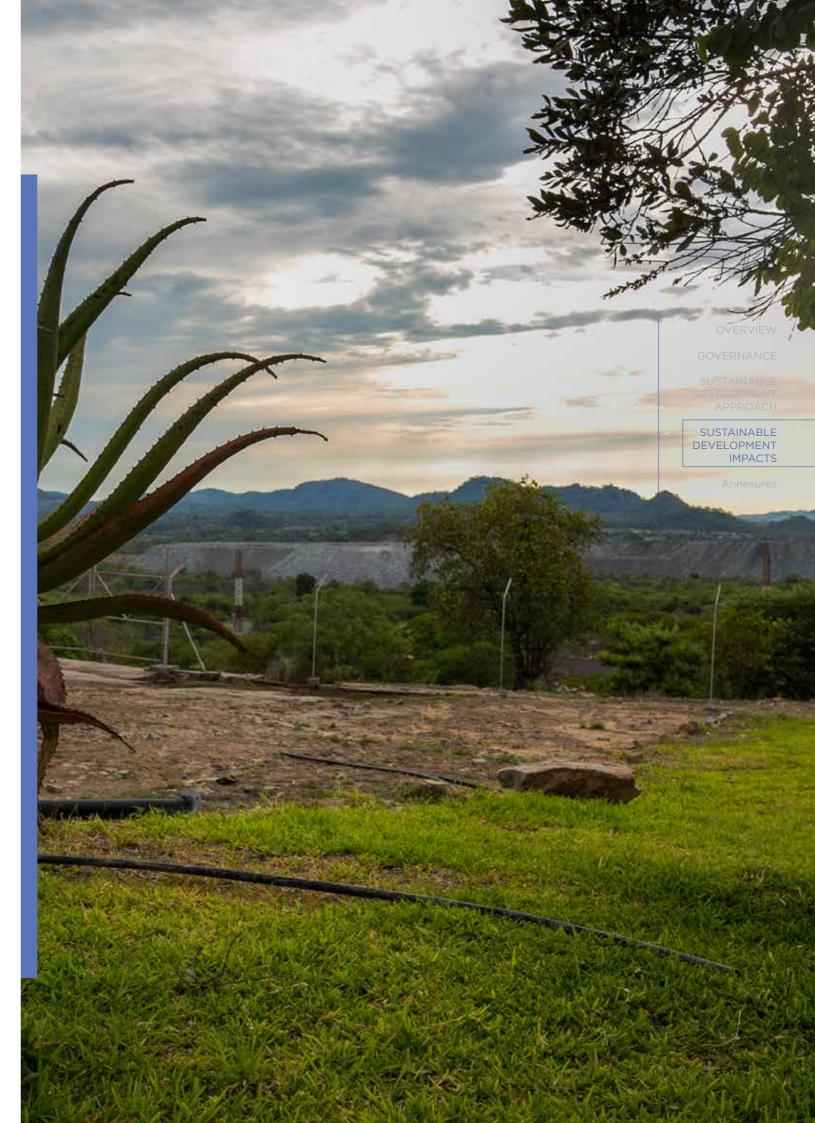
Aardwolf

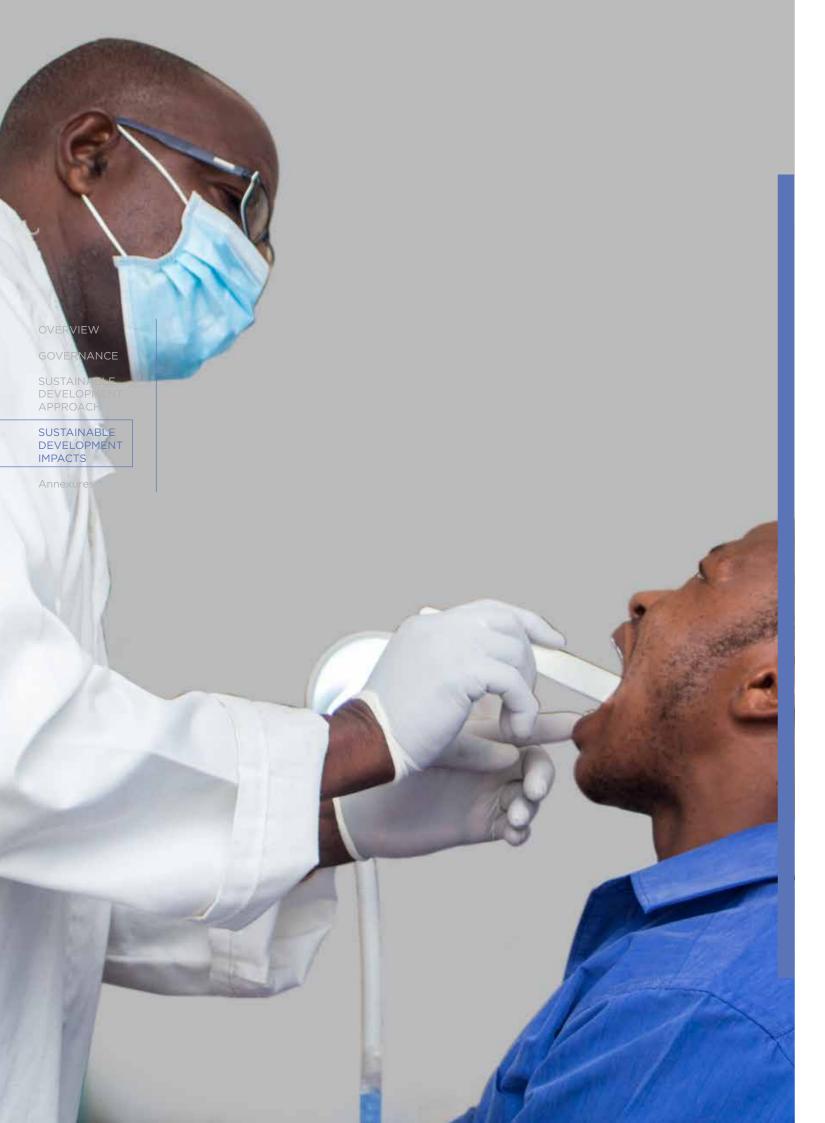


African Rock Python



RZM MUROWA





Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS) is critical to RZM Murowa to prevent occupational diseases/injuries emanating from working conditions; to promote health, safety and wellbeing of employees; prevent financial losses from incidents; prevent property damage; boost worker productivity; improve product quality and enhanced corporate reputation. During the year our stakeholders emphasized more on the need to manage occupational disease and accidents at a bare minimum and the resultant link with compensation and production losses. Failure to manage OHS can create irreparable injury, fixed asset losses, financial and production loss. RZM Murowa remains resolute about maintaining a safe work environment for all stakeholders who interact with the Company.

Pillars of Occupational Health and Safety at RZM Murowa

Occupational Health and Safety Management System.

RZM Murowa operates an integrated Health, Safety and Environment - Management System (HSE MS). This is supported by effective implementation and maintenance of our ISO14001:2015 - Environmental Management System (EMS) which we have been certified to since 2008. Furthermore, a decision was made to certify the Company to the Occupational Health and Safety (OHS), ISO45001:2018 Standard, by the first quarter of 2020. Both Standards are designed to eliminate and reduce risks in the business processes, activities, services and products as well as taking advantage of opportunities for continual improvement. The spin offs of implementing integrated health, safety and environment management system are minimized risk; resource saving; increased productivity; worker motivation and retention: improved safety culture and an enhanced corporate image. The system is managed by highly skilled OHS personnel and continually



audited internally and externally for improvement. Employees were provided with an opportunity to suggest improvements.

Hazard Identification and Risk Management

Hazard Identification and Risk Management at RZM Murowa follows two approaches namely risk based thinking and a process approach. We pay closer attention to areas of high risk such as fixed processing plants, operations in the pits and those involving both heavy mobile equipment and light diesel equipment. A Hazard Identification Risk Assessment (HIRA) is conducted routinely through annual baseline surveys, and task specific HIRA done daily. Non-routine triggers are often as a result of tasks not covered by procedures and those linked to Life Saving Rules. HIRA results are used to implement mitigating measures following the hierarchy of controls.

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Risk Based Thinking

RZM Murowa identified internal and external issues from its processes, activities, services and products through worker participation, consideration of business environment changes as well as legal and other requirements and consolidated them in issues and risk registers. Reviewing of risk registers is done to update new risks/opportunities for continual improvement. This identification of issues (risks and opportunities) is essential in the setting of objectives and targets, resource provision and development of preventive and corrective actions following the hierarchy of controls.

Process Approach

RZM Murowa employed the process approach in its value chain and developed process flow charts for the different stages in the value chain. The process approach is vital in hazard identification and risk management culminating in issues and risk registers; setting of objectives and targets and formulation of procedures and work instructions for the Company.

Hazard Reporting Channels

- Near hit reporting system
- Daily HSE Toolbox Talks
- Safety suggestion scheme
- Open door policy
- HSE Interactions/Job Task Observations
- HSE Inspections/Audits

Incident Investigation

Incidents that occur during operational activities are investigated to a level of detail appropriate to the actual consequence and Maximum Reasonable Outcome (MRO) in order to find the underlying root causes and contributing factors of the incidents. Various methods such as 5 Whys, Fishbone, Taproot and Essential Factors are used to gather admissible evidence in order to devise the appropriate corrective and preventive actions. This is to ensure that the incident does not reoccur thereby reducing losses. In order to achieve this, corrective actions should aim at the most effective level of the hierarchy of control, with the topmost being the elimination of the associated hazards. It is important to ensure that corrective actions, once implemented, do not introduce any new hazards or increase employee exposure to risk. Furthermore, learnings are drawn from incident investigations to cover the knowledge gap, making safe the work environment and overall improvement of HSE performance.

Occupational Health Services

RZM Murowa has systems in place to check the health of employees, contractors and visitors. The system includes pre-employment medical examination for new employees and periodical examination for existing employees and contractors to check for any exposure to stressors or diseases or to monitor for any disease progression. Exit medical examinations are conducted on termination of employment. All visitors to the site complete a visitors declaration form so that they can be assessed for any underlying conditions enabling a quick turnaround in case of an emergency while on site.

Occupational Hygiene Surveys

Occupational hygiene surveys are performed to monitor and measure occupational health exposures that can impact the health of employees by causing occupational illnesses or injuries. These are conducted periodically to cover stressors such as noise, dust, radiation, lighting and ergonomics as shown in the following table.

Table 1: Occupational Hygiene Stressors

Occupational Hygiene Stressor/Exposure	Monitoring Parameters	Occupational Exposure Limit
Static Dust	Respirable Dust	2 mg/m³
Personal Dust	Inhalable Dust	10 mg/m ³
Personal Noise	Noise level in decibels(dB)	82 dB
Radiation Monitoring	Ionising radiation	20 mSv/year Skin Dose (41.7mSv) Deep dose (1.7 mSv)
Lighting	Light intensity	300lux

Static Dust Monitoring

Occupational stressors such as dust are monitored monthly and consolidated on a quarterly basis internally and monitored annually by an external service provider. This is essential for independent verification and validation.

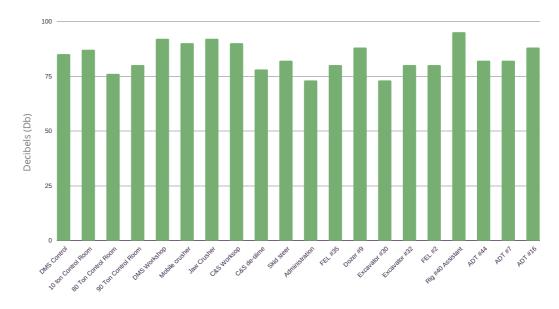
Two of our monitoring points the Mobile Crushing Plant (MCP) and the Jaw Crusher had respirable dust measurements that were above the occupational exposure limit. The MCP by its design and mechanism generates dust. However, a dust fighter has since been installed to reduce dust emissions.

At the Jaw Crusher, the operators are not exposed to the dust as there is minimal interaction between the crusher and the employee. However additional controls such as the correct use of Personal Protective Equipment (PPE) continues to be in effect for instances where an employee has to monitor or attend to the Jaw Crusher.

Noise Monitoring

Process plants and heavy mobile equipment generally create some noise. In mitigation, RZM Murowa has mapped all noisy areas and signposted information to alert employees and contractors to wear appropriate PPE in those areas. The PPE has the correct attenuation factor to effectively reduce noise exposure. In addition, scheduled maintenance of both fixed and mobile plants has minimized noise to As Low As Reasonably Practicable (ALARP). The graph below shows personal noise monitoring in different work areas for the period under review.

PERSONAL NOISE MEASUREMENT ANALYSIS GRAPH



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Evaluation of systems and methods for managing occupational exposure limits

RZM Murowa manages occupational exposure limits through adopting local and international methods such as Southern African Institute for Occupational Hygiene (SAIOH), as well as the American Conference of Governmental Industrial Hygienists (ACGIH). These standards stipulate requirements for monitoring, equipment quality and purpose, calibration among others. The standards, therefore, speak to the following:

- Identifying occupational stressors through risk assessments.
- · Conducting planned occupational hygiene surveys at stipulated intervals.
- Training and awareness for employees and contractors taking into consideration limits above threshold limits and subsequent corrective action.
- Application of control measures according to the Hierarchy of Controls (Elimination, Substitution, Engineering, Administrative controls, PPE) in order to reduce risk to ALARP.

Radiation Safety

RZM Murowa recognizes the effects of radiation exposure to its employees and contractors. It is important to state that from the monitoring conducted, RZM Murowa radiation sources are not a threat to the workforce. We are mandated to comply with the Radiation Protection Act of Zimbabwe, hence the continued monitoring and measurement. We implement best practices for radiation protection and eliminate exposure to employees. Our radiation sources include a baggage scanner, sorting machines and a density gauge. The radiation measurements for the period under review are way below the occupational exposure limit (OEL).

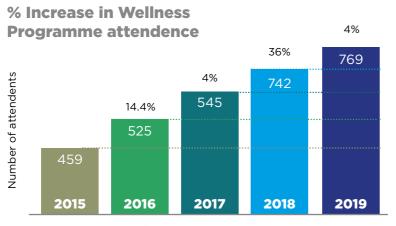
Wellness Programme

Employee Wellness is recognized by RZM Murowa as a fundamental pillar of fitness for work for its employees and contractors. Pursuant to that, 2019 saw us coming up with various initiatives to promote wellness and wellbeing of our people throughout the year. The annual Health Promotion Week was the hallmark of the 2019 wellness programme and various activities in partnership with external service providers were held. The Wellness Programme was aligned with the National Social Security Authority (NSSA)'s Vision Zero: Global initiatives for safety, health and wellbeing.

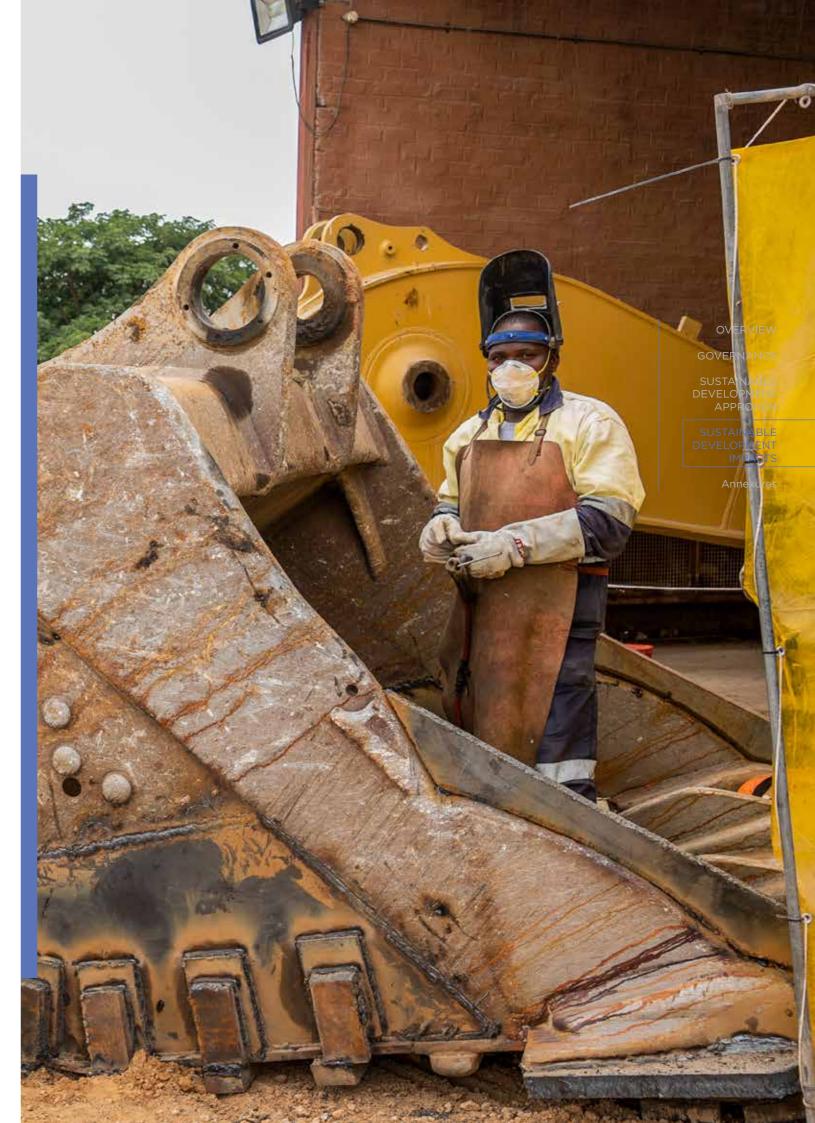
Key Statistics

- 143 employees took up HIV self- testing and voluntarily declared their results.
- 157 employees participated in a 13km, 10km, 7.5km, 5km and 3km marathon run.
- 117 employees underwent eye screening
- 23 female employees underwent Visual Inspection Acetic Acid and Camera (VIAC)
- 127 employees went through Voluntary Counselling and Testing (VCT)
- 47 males over the age of 40 were screened for prostate cancer
- 147 employees went for dental check-ups

Other activities held during the Health Promotion Week included vital signs monitoring, financial wellness and massage therapy.







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Wellness programme attendance has been increasing exponentially year on year due to appreciation and understanding by the workforce of the benefits of health and well-being not only for themselves but their families as well.





Training on Occupational Health and Safety

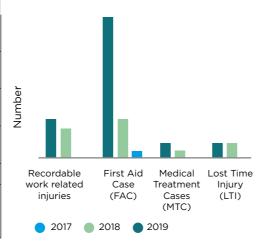
Training is a key element in boosting knowledge and skills of human capital which is a vital resource of RZM Murowa. In 2019, the following key training programs were undertaken:

- Occupational Health and Safety (OHS) ISO45001:2018 Standard development and implementation training and internal auditing for leaders. The training was aimed at enhancing risk management skills on our journey to initial certification of the OHS Management System.
- Fire fighting training for employees and contractors to upscale fire fighting skills.
- Advanced fire fighting training for the Mine Rescue Team to respond to major inferno incidents.
- Basic First Aid training for the workforce. In this area, the Company's First
 Aid Team participated in the Red Cross World First Aid Competitions where it
 won the first position while in the Zimbabwe Chamber of Mines First Aid
 national competitions it came second.
- Quarterly training and workload exercises were conducted for the Mine Rescue Team to enhance emergency preparedness and response skills.
 Additionally, the Mine Rescue Team got the Best Captain accolade, Best Workload Exercise prize for a Brigades-lady and took second position in the Chamber of Mines of Zimbabwe Mine Rescue national competitions.

Managing Work-related Injuries

Managing Work related injurie					
Category	2017	2018	2019		
Lost Time Injury (LTI)	0	2	2		
Medical Treatment Case (MTC)	0	1	2		
First Aid Case (FAC)	1	4	11		
Recordable Work related injuries	0	3	4		
LTIFR	0.00	0.17	0.16		
Recordable Work related injuries rate/ AIFR	0	0.26	0.33		

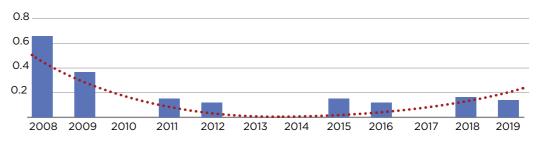
Work related Injuries (Number)



In 2019 we experienced two lost time injuries (LTI) and two medical treatment cases (MTC) which had a bearing on the all injury frequency rate (AIFR) which increased from 0.26 in 2018 to 0.33 in 2019 respectively. Investigations of the injury incidents were conducted and indicated that the major root causes for these incidents were lack of provision of appropriate disembarking means and use of inappropriate tooling or technique. Despite the HSE Performance the organization remained resilient and focused to mitigate risk by implementing the following initiatives in order to meet set objectives and targets:

- 1. Vision Zero (global safety, health and wellbeing initiative) launch and implementation.
- 2. Alignment of HSE MS to the ISO 45001:2018 OHS management system standard and training for leaders
- 3. Kiken Yochi approach to reinforce hazard identification, prediction and effective controls in order to refocus the workforce towards nipping complacency in the bud and uplift safe production.
- 4. Breaches and Fines System to enforce conformance to procedures and compliance with legal and other requirements.
- 5. Online HSE suggestion platform to contribute ideas for continual improvement.
- 6. Fire suppression systems were installed in heavy mobile equipment that had been procured without these systems inbuilt as the first line of defense for fire mitigation.

LTIFR TREND 2008 - 2019



The graph shows the lost time injury frequency rate (LTIFR) trend for the period 2008 to 2019. Comparison of 2018 and 2019 shows a downward trend of LTIFR due to increased number of man-hours worked even though the number of LTIs remained the same at two.

Helping Build a Sustainable Safety Culture for Artisanal and Small Scale Miners

As a large scale miner will believe it is our duty and responsibility to influence safe behaviours and share our expertise with communities including Artisanal and Small Scale Miners (ASM) and broader society.

In 2019, we partnered with the Zimbabwe Environmental Law Association (ZELA) to develop a Health, Safety and Environment (HSE) toolkit for the ASM sector. The toolkit will assist in cultivating a sustainable safety culture and prevent some of the incidents and injuries that the sector has experienced over the years. A number of these have led to the unfortunate loss of lives.

The intervention involved facilitating training sessions across the country and interactive sessions with the miners.

2019 Activities

- · The development of the HSE toolkit for ASM
- Annual Midlands ASMS conference Building a sustainable safety culture
- Cost effective HSE plan for small scale miners
- ASM seminar in Bulawayo- Stakeholder input into the HSE toolkit
- Mthandazo Women Miners Association Cost effective HSE plan and HSE toolkit.

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Our People



817 PEOPLE





20% OF FEMALES IN THE WORKFORCE

EMPLOYEES TRAINING 17,514.50 TOTAL HOURS



3,054 FEMALE TRAINING HOURS



33% of OUR INTERNS WERE FEMALES



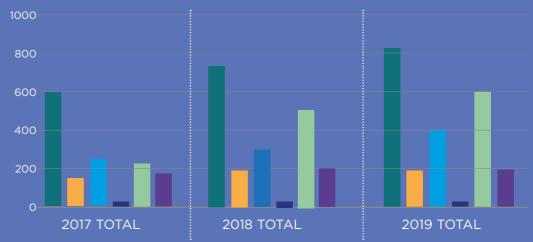
DESCENT WORK AND ECONOMIC GROWTH

Our employees (direct and contractor Company employees) are the basis upon which we can deliver on our promise to our stakeholders. RZM Murowa recognises the important contribution of every team member across the Company. With operations in a rural community, the Company has progressively created direct employment opportunities for the local communities improving livelihoods in the process.

Employment

Full Time Employment (FTE) (annual average) has been gradually increasing since 2017. In 2019 FTE increased by 14.17% from 2018.

Employees by Category



Full time employees GTs/Aprentices/Interns

Permanent employees Direct employees

Fixed term employees Indirect/Contractors

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	2018			2019		
	Total	Male	Female	Total	Male	Female
Full Time Employment	713	591	122	817	680	137
Permanent Employees	170	133	37	176	140	36
Fixed Term Employees	304	271	33	387	345	42
GTs/Apprentices/Internships	26	19	7	36	24	12
Direct Employment	500	423	77	599	509	90
Indirect (Contractors)	213	168	45	215	168	47

Direct Contractors: Employed directly by RZM Murowa on fixed term contracts **Indirect Contractors:** Employed by companies contracted by RZM Murowa

Salaries & Remuneration

Management Approach

The Company complies with local regulations and the Collective Bargaining Agreements. A salary survey was held during the first quarter to benchmark against competitive players in the labour market. Further, the business consistently paid salaries above the Collective Bargaining Agreement scale throughout the year.

As a result of the prevailing dynamic macroeconomic and regulatory environment, the business paid part of salaries in foreign currency to cushion employees.

GENDER

EQUALITY

Diversity and Equal Opportunity

Diversity brings a positive contribution to the success of the Company; RZM Murowa leverages business success on the benefits of employee diversity. The Company ensures equal employment opportunity regardless of one's gender, colour, creed and race among other discriminatory elements. This enhances the fusion of expertise, skills and experience for the benefit of the business.

Management Approach

At the recruitment stage, every applicant has an equal opportunity to be selected for interviews. We are guided by the Labour Act Chapter 28:01 (Section 5) which provides for the protection of employees or prospective employees against discrimination on the grounds of race, tribe, political affiliation, colour, gender, creed and HIV/ AIDS status amongst other issues. Equity is integral to the fair treatment of all employees. The organisation pays similar remuneration to employees performing similar tasks regardless of their gender.

Women in Mining

The Company made a concerted effort to focus on gender equality. Female employees constituted 20.45% of permanent staff, a decline of 1.31% from 2018. Management is aware of the need to progressively increase the number of female employees. However, this compares favourably against the Zimbabwe Mining industry average of 7%.

Attending the 2019 MineEntra showcase was not only eye-opening but inspirational for the eight professional women who attended the Women in Mining Breakfast Conference. The conference aimed at showcasing several milestones targeted at empowering women in the mining industry whilst celebrating women miners who are making a positive contribution towards the industry as a whole.

It was inspiring for women miners in the formal sector to engage with informal miners, who are producing against all odds. The importance of technological advances was made apparent at a round table discussion and delegates came to appreciate the value of cross pollination and accessing training on modern mining methods.

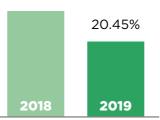
2019 Bre

21.76% 20.45%

Gender Equality

21.76%

2018



Breaking the Glass Ceiling

The "Women Thriving" program was spearheaded by Board member Ethel Kuuya. Ms Kuuya broke the glass ceiling when she was appointed the first female Board member at RZM Murowa.

The programme aimed at identifying impediments and hindrances to women thriving at RZM Murowa across all job levels. Some of the concerns raised by participants included the need to have gender friendly after work facilities for employees based at the mine and the need for a Companywide understanding of sexual harassment. In a show of commitment, management took action by bringing in an expert to train employees on sexual harassment at the workplace.

Maternity & Breastfeeding Leave

RZM Murowa has paid maternity leave benefit as provided for by the Labour Relations Act: 28:01. In addition to the legally stipulated 98 days on paid maternity leave, the business gives 90 days paid breastfeeding leave upon completion of maternity leave. This benefit accrues to both permanent and long term fixed contract employees. In 2019 four female employees went on Maternity Leave. All the four enjoyed the benefit which allowed them time to bond with their infants before returning to work.

Freedom of Association and Collective Bargaining

Freedom of association and the right to collective bargaining is an essential right for all employees. In Zimbabwe, there are several employee associations. RZM Murowa employees are free to affiliate to Trade Unions of their choice. The Company is a member of the Chamber of Mines, an Employers confederation that negotiates with Trade Unions through the National Employment Council for the Mining Industry. At the workplace level, employees' input and interests are harnessed through consultative platforms such as the Works Council. 87% of our employees are covered by collective bargaining agreements.

Management Approach

RZM Murowa is guided by the Labour Act Chapter 28:01 (Section 4) on employees' entitlement to membership of Trade Unions and the formation of Workers Committees. The Company deducts and remits Trade Union subscriptions for member employees. A Workers Committee represents the interests of employees and the outcomes of a Works Council negotiation agreement are binding.

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Employee Relations

A culture of shared values and cordial employer/employee relations fosters mutual beneficial relationships. Such an environment improves employee engagement where every single team member identifies with the business.

Management Approach

Management places importance on Employee Relations. A culture of open communication is encouraged within the business. Registered Trade Unions are allowed to address employees and their members on the Company premises.

Employment Engagement

Continuous employee engagement mechanisms are in place and these include employee engagement surveys, departmental meetings, works council meetings, quarterly General Manager's Briefings, Manager Once Removed discussions and Line Management updates.

Training and Development

The management approach to training and development at RZM Murowa is three pronged – internal, external as well as programs that include the long term development of graduate learners and attachment students. In comparison with 2018, there has been a deliberate effort to ensure more female employees are trained across the Board and this has seen the inclusion of women in key units such as the Mine Rescue Team (PROTO) which specializes in emergency preparedness at the mine. Emphasis has also been placed on leadership development as new team members have joined the force. The importance of developing effective teams led to the significant increase of training man days for managerial employees.

Dover and CAT Simulator System

Adequately skilled employees improve the organization's human capital base and contribute to employee satisfaction, which directly translates to improved performance. In readiness for the introduction of the Dover and CAT Simulator systems for Heavy Mobile Equipment (HME) training, the emphasis was placed on HME operators training, which accounts for the bulk of training man days for operational employees. Not only can the tools be used for the recruitment of potential operators, but it is also well equipped to increase operational proficiency. The systems have also been used to develop operators from a pool of individuals recruited locally, increasing the business' commitment to developing sustainability within communities once the mine's life comes to an end..

This training enhances operator confidence reducing property damage costs accumulated from incorrect handling of actual machines. As the operation grows and the pit deepens, operators are also faced with the changing face of hauling ramps, and the training provided will assist them to be better equipped to handle any unforeseen situations. Additionally, this investment in the operating systems will see a huge return as all resources required to give this ongoing training are available within the Company; therefore eliminating the need to outsource external facilitators.

Programs for enhancing employee skills allow businesses to equip their employees with the knowledge, skills and attitudes to meet strategic targets in an ever changing work environment. To this end, key compliance programs such as Fire Fighting and First Aid continued to occupy a central position in the bouquet offered on site, with dedicated internal resources being groomed to train from within the Company, consequently cutting costs of bringing in external resources.

RZM Murowa believes in developing its people and runs a vibrant learnership program. In 2019, four Graduate Trainees undertook a 24-month programme that should be completed in 2020. It is anticipated that after completion the learners stand a chance of being absorbed into the system in substantive positions.

Key Statistics



Total Training Hours

	2018	2019
Total training hours	10,907	17,514.50
Average training	15.3	21.5
hours per employee		



Training Hours by Gender Split

Training hours were not previously calculated by gender split for 2018, and in an endeavour to attain a finer quality of reporting these have been provided for the year 2019.

Following is the split of training hours for 2019:

	2018	2019
Total hours	10,907	17,514.5
Total male training hours	-	14,685.5
Total female training hours	-	3,054
Percentage of male training hours	-	82.54%
Percentage of female training hours	-	17.46%

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Training Hours by Employee Category - 2019

Training by Managerial and General Staff

Indicator Total training hours - 9,240.5 Non Managerial employees Total training hours - 8,274 Management Total training hours 17,514.5



With emphasis placed on leadership development, programs such as leadership effectiveness, business etiquette and grooming as well as industrial relations ranked high on the list of priorities for the year. Leaders were also exposed to an assortment of specialized programs such as chute design and grade control amongst others. The bulk of the implementation team for ISO45001 was comprised of the managerial level, hence the marked increase in total training hours for Management.

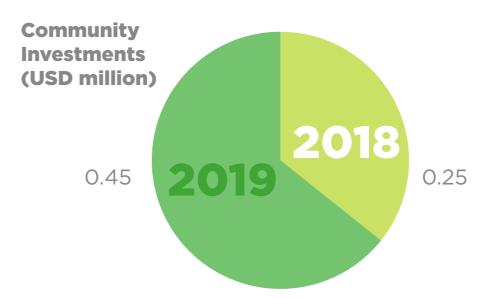
Security and Human Rights

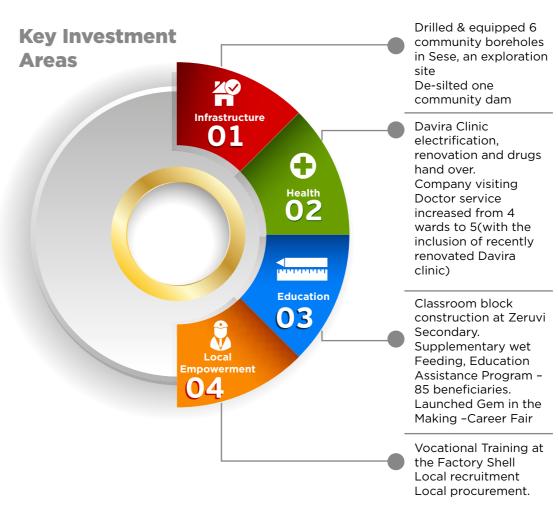
The extractive industry requires us to uphold the highest standards of Human Rights.

Respecting human rights during our operations is critical value as a responsible Company and is consistent with our commitment to operate in a manner that aligns with the United Nations (UN) Declaration on Human Rights, the UN Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights and the 10 UN Global Compact Principles. We are increasingly expected as a business to demonstrate respect for human rights throughout the value chain and we continue to work closely with our stakeholders to understand opportunities to make a positive contribution towards human rights.

In 2019, 100% of RZM Murowa Security and 54% of Fawcett's (contractor security Company) personnel received training and participated in a workshop on Human Rights best practice responses using real life examples. Standardised security and human rights training material is implemented at the mine site. In 2019, 100% of employees and contractors participated in security practices which include reaction to armed robberies, and the arrest of suspects.

Our Communities





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Social Responsibility and Impacts

The value we create at RZM Murowa extends beyond the diamonds we produce. In addition to helping our customers celebrate their special moments with our diamonds, we also create value for our varied stakeholders. In this section, we illustrate how we create shared value while managing our negative impacts. RZM Murowa strongly believes that as a Company it will only succeed if it creates shared values with local communities and stakeholders. We are committed to playing a significant role in improving the social context of our stakeholders.

Local Communities

RZM Murowa subscribes to the notion that businesses can only be as prosperous as the communities they serve. Our success is not our own but a combined effort and support from our local communities. Our local communities should benefit from the activities of the RZM Murowa mine. In line with creating valuable contributions to our communities and society as a whole, we foster long term partnerships with local stakeholders. We give back to our communities through employing the locals, buying local products and paying our dues in taxes and royalties.

Community Investments Highlights

Management Approach

The Company has established Community Relations Committees (CRCs) charged with the responsibility of representing the community in all dealings with the business. The committees are guided by our Community Policy which is fused in the Health, Safety and Environmental Policy. We have also set in place a community grievance procedure to allow communities to air out their concerns to RZM Murowa. The Community and External Relations department manages relationships and investments projects in the community. We always seek to be open, and transparent with our local communities on any expectations and matters they may have with RZM Murowa.

Our Impact in the Community

RZM Murowa is an important development partner in six wards in the Midlands and Masvingo Provinces in Southern Zimbabwe. With an increased footprint has come greater expectations to invest in community development programmes. Our discretionary spending increased in 2019 and we ensured that resources where channelled in a fair and equitable fashion to the areas that are dependent on the mine for improved livelihoods. From 2016 when the UN SDGs where operationalised, RZM Murowa ensured we aligned our work to the SD Goals and Agenda 2030 deliberately shying away from philanthropic and short term programmes. Public Private Partnerships continued to be critical to the execution of our social investment programmes.

Participatory project planning and extensive stakeholder engagement were undertaken in order to implement relevant development programmes and implementation of mine expansion exploration activities. Our communities played a proactive role in deciding on priorities.



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QUALITY EDUCATION

Education

Contributing to improved education is a mainstay of sustainable development especially in many rural communities where several challenges are faced. These challenges include poor or lack of infrastructure, inadequate learning aids, textbooks and education affordability.

- RZM Murowa continued with a number of roll-over programmes including the Educational Assistance Programme running for the ninth consecutive year. The scheme benefits orphaned children whose family circumstances would ordinarily not allow them to attend school.
- 2019 saw the inaugural launch of the "Gem in the Making" career fair that
 will be held annually going forward. 66 learners and 4 teachers from nearby
 Chinembeure Secondary School were able to appreciate mining activities and
 career options in the mining industry. The fair exposed marginalised learners
 to a mining set up and to the various careers open to them in the future.
- The Company donated nutritional drink prepared from small grains known as Maheu in the local vernacular to 1,557 school children in 18 primary schools within the mine's footprint. The program aimed at alleviating hunger and improving school attendance. It is not uncommon for school going children to miss out on attending classes due to low nutrition and hunger.
- As a means of motivating academic achievement, the business supported Zvishavane District prize-giving ceremonies by providing floating shields and prizes for both teachers and students.
- Capacity building training sessions in First Aid and Fire fighting were carried
 out for teachers at St Simon Zhara Primary School and Danhamombe High
 School (located close to our exploration camp at Sese). These proved to be
 critical life skills not only for the schools but the whole community.

Supporting the Girl Child

Tinevimbo Mpofu aspires to go to University to study medicine in order to help her community. She has vowed to leave no stone unturned to achieve this dream and her results to date have spoken for themselves. She is a recipient of the RZM Murowa Educational Assistance Programme and received this reward following her accomplishment as one of two top female science students in the Zvishavane District. She studies Maths, Biology and Chemistry at a boarding school in the District. "My subjects are too demanding and require maximum concentration, so I spend most of my free time studying". RZM Murowa is proud to be part of the vision Tinevimbo has for her life.



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Improving Learning Infrastructure

Classroom infrastructure is a big challenge in many rural areas world over. It is scientifically proven that a conducive learning environment is a key contributor to cognitive development.

Zeruvi Secondary School is situated in the Mutambi ward under Chief Mazvihwa in Zvishavane Zimbabwe. It was built in January 2015. The surrounding community comprises of thirteen villages with approximately 3,900 community members.

The school started with an enrolment of 56 learners and in 2018 the number had risen to 197. All learners shared two classrooms. This prompted the school to share infrastructure facilities with neighbouring Zeruvi Primary school causing a burden on the latter. The school also resorted to hot sitting to try and counter the problem of lack of infrastructure. Hot sitting is a common practice in rural communities that sees some students learning in the morning and making way for other students to learn in the afternoon. The learning environment at the school was highly compromised with the quality of learning and teaching at the school under threat. The construction of a classroom block at Zeruvi Secondary School, therefore came as a huge relief to the community in the area.

Partnerships in Action

- · Mutambi Community,
- Runde Rural District Council and
- Ministry of Primary and Secondary Education

Local Community Contribution

- · Provided locally available resources like pit sand and water
- · Moulded over 2,000 bricks
- · Provided labour assistance



GOOD HEALTH AND WELL-BEING

Health

- Renovated and electrified Davira Clinic in Chivi Ward 14.
 The Company donated a consignment of primary health care drugs during the handover ceremony.
- The Company Doctor continued to visit community clinics for treatment and medical surveillance and extended his visits to include Davira Clinic.
- The Company provided logistical support to the National

Measles, Rubella & Vitamin A Supplementation Campaign (Chivi District).

Lighting up Davira Clinic

Brief History of Davira Clinic

1985 - Clinic was constructed in a partnership between the Chivi Rural District Council and the community. Initially, solar power was installed but regrettably stolen in the 1990s

1996 - Waiting area was built, new toilets and water reticulation. This was a government-funded programme

2009 - Rural Electrification Agency (REA) project introduced solar but after three months it was in a state of disrepair

2010 - The community and the nearby school tried to fund the electrification but the cost was very prohibitive

2017 - REA programme saw the installation of a power line that would electrify the clinic. During the same year, the community attempted to electrify the clinic but failed

2018 - RZM Murowa and community participatory planning adopted the project. Delays due to instability in the market which led to excessive ballooning of costs delayed project completion

2019 - Project completed and handed over to the community.

Partnerships in Action

- Davira Ward 14 Community,
- · Chivi Rural District Council and
- · The Ministry of Health and Child Care

Community Contribution

- Initiated the project as far back as 2010 and tried again in 2018
- Provided two qualified electricians who were later employed by RZM Murowa on short term contracts.

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RZM MUROWA

More than diamonds

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Economic Empowerment

- 23 students enrolled for vocational skills training in garment making and steelworks at the Murowa Business Centre Factory Shells. The training is run in partnership with the Zvishavane Vocational Training Centre. This creates an opportunity for the Company to carry forward sustainable development through skills development in the community. Community based tutors were absorbed into the Company employment pool. The Factory Shells were built by RZM Murowa in partnership with the community and the Runde Rural District Council.
- 56% of our employees were recruited from the community during the year. Local employment continues to be a critical tool in economically empowering communities.
- Two local community co-operatives run by women provided consistent canteen supplies including poultry and vegetables.
- The business continued to support local community enterprises who provide laundry, waste management, transport and construction services
- RZM Murowa supports the growth of local businesses through sourcing and promoting locally available products and services. During FY2019, 69 per cent of our procurement was awarded to local Zimbabwean suppliers.

Infrastructure

- Drilled and equipped six boreholes in the Sese area. Access to potable water by rural communities is a struggle. The Company drilled the boreholes as a means of addressing not only a water scarcity issue but paying attention to some of the community issues raised.
- Continued with maintenance and upgrading of the local community road
 network
- De-silted a local community earth dam in Mhototi Ward under Chief Mazvihwa's area. This not only increased water holding capacity but presented opportunities to the surrounding local communities including micro-irrigation and providing water for livestock.

Local Employment

The business realises the opportunity to improve the livelihoods of the local communities we operate in. This is achieved through various initiatives which include the Local Recruitment Policy. The policy reserves all generic employment opportunities for the local communities. Qualified candidates from local communities are fairly considered for skilled and specialised employment opportunities which are advertised nationally.

Local employment increased from 43.06% in 2018 to 55.65% in 2019.

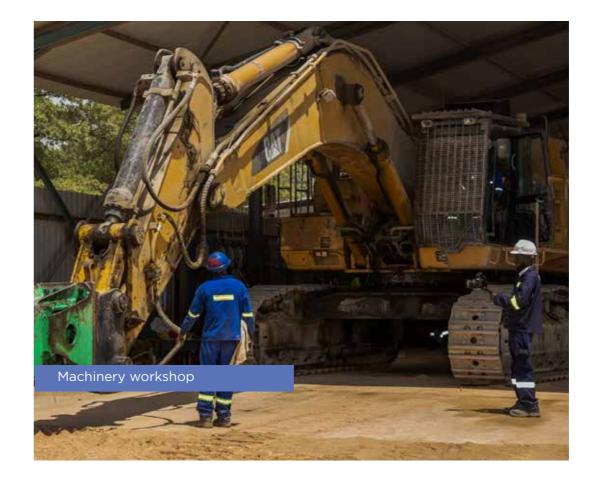
Local Employment



Community Complaints/ Issues management

As the Company made inroads at the Sese exploration site in Masvingo Province, community relations came under pressure with some members of the community soliciting external assistance to solve disputes. Progress was made from previous years. However, two complaints were registered via the existing grievance process whilst the second grievance was taken through the courts.

- A community member in Sese alleged that their cattle died as a result of grazing/ drinking water from our exploration operations. The matter was conclusively handled by all relevant government departments. Post-mortems done concluded that the animals had not died from drinking the said water.
- Some members of the Sese community proceeded with litigation alleging
 that they were not informed of exploration activities in the area and that
 exploration activities were disturbing learners at a nearby school. The matter
 has since gone through the courts and RZM Murowa was not found at fault.
 The Company remains alert to any complaints from the community through
 maintaining an open door to communities, listening to their concerns and
 continuously engaging with them.



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Economic Contributions

Indicator	Unit	2017	2018	2019
Major value Distribution				
Employee wages and Benefits (millions)	US\$	11.51	15.22	10.82
Payments to Government(millions)	US\$	16.27	15.64	15.54
Community Investments (million)	US\$	1.31	0.25	0.45

Economic Value Generated and Distributed

In 2019, our contribution to Zimbabwe's fiscal revenue remained very meaningful. A substantial share was in the form of royalties, taxes paid to revenue authorities, employee costs, local procurement and community social investment. Additionally, the Company generated the much needed foreign exchange to bolster the economy. To buttress our economic performance the Company re-strategized and refocused plans to mitigate against challenges in the external environment which included electricity outages and the rising cost of doing business.

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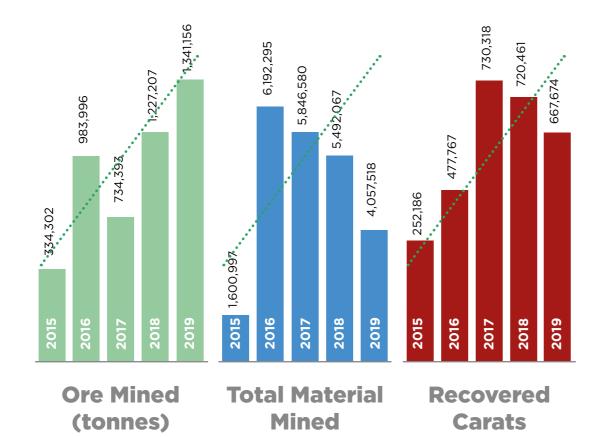
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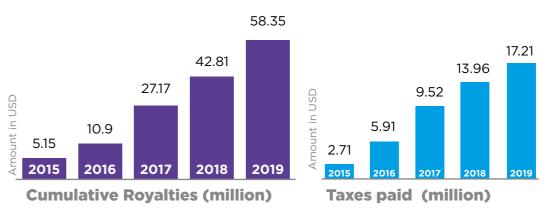
Payments to Government

RZM Murowa plays a significant role in the economy of Zimbabwe. We are a critical foreign currency earner and contribute substantial tax revenues to the country. Our payments to government in their various forms including tax and royalties play a significant part in providing basic services and improving the economy of our country. Tax payments is a key area of interest for our business and stakeholders.

(tonnes)

Management Approach

RZM Murowa is committed to operating as a responsible and sustainable business. This entails that we are always seeking the best approach to ensure our business contributes more to our varied stakeholders. We also appreciate that we represent the interests of varied stakeholders and as such the payments we make will be tied to an inclusive business model. We have an unwavering duty to comply with all laws including those regarding tax. Tax evasion is unlawful and all our employees are made aware of this through the Company code of conduct. We are also sensitive to concerns from stakeholders on tax transparency and through this report we open up about payments. We aim to pay the appropriate amount of taxes and respect the tax laws of the country, and respecting the tax laws of the country. We continuously engage with tax regulators to ensure we are clear of our obligations and any changes in regulations.



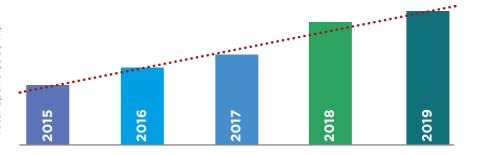
Supply Chain

Our supply chain carries immense potential for risk on the Company and opportunities to generate a positive impact on the communities and our stakeholders. Our customers expect us to uphold the principles of responsible procurement of products and services attached to our diamonds. We do not take this expectation lightly and have established a robust procurement system to cleanse our supply chain from any possible unethical elements, human rights violations among other risks. Through demonstrating sustainable supply chain management we can continue to add value to our stakeholders.

Managing Our Procurement Practices

The RZM Murowa Procurement Department is responsible for the acquisition of equipment, spares, consumables and services to keep the mining operations running smoothly. The team is guided by the Health, Safety, Environment and Communities' requirements of the RZM Murowa HSEC Policy (including ISO14001:2015 and ISO45001:2018), the Procurement Policy and ethical conduct in all dealing with suppliers. Suppliers and contractors are expected to adhere to our policies. RZM Murowa supports the local procurement drive and considers cases where required specifications, competitive pricing, favourable lead-times are met, and there shall be no compromise on quality. In 2019, the Company spent US33.03 million on procurement. 69% of our goods and services were procured through local suppliers.

Spend (Local)



More than diamonds

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Corporate Information

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