



LUCARA  
DIAMOND

May 16, 2019

To our stakeholders:

Lucara Diamond Corp. became a Participant of the UN Global Compact on February 19, 2018. On behalf of Lucara, I am pleased to reaffirm our support for the UN Global Compact's Ten Principles on Human Rights, Labour, Environment and Anti-Corruption.

Please find attached Lucara's sixth consecutive annual sustainability report, prepared in accordance with the GRI Standards: Core option, as our inaugural Communication of Progress. This report, which was subject to limited assurance, covers the reporting period from January to December 2017 and its UN Global Compact index is presented overleaf.

The report demonstrates our sustainability performance across numerous indicators and highlights how we continue to integrate the Ten Principles and UN Sustainable Development Goals (SDGs) into our business strategy, culture and daily operations. This includes our contributions to several SDGs, such as No Poverty (SDG1), Good Health and Well-being (SDG3), Quality Education (SDG4), Decent Work and Economic Growth (SDG8), and Peace, Justice and Strong Institutions (SDG16).

We welcome feedback on the content of our inaugural Communication on Progress and how we could further improve our sustainability performance. Please send your email to [csr@lucaradiamond.com](mailto:csr@lucaradiamond.com).

Kind regards,

Eira Thomas  
President and CEO



UNGC Principles	Information in Section
<b>HUMAN RIGHTS</b>	
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	Our Code of Business Conduct and Ethics (p. 17), Our CSR Charter (p.18), Support of UN Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights (p.18)
<b>Principle 2:</b> Businesses should ensure that they are not complicit in human rights abuses	Membership and adherence to the Kimberley Process, Responsible Jewellery Council, and Diamond Producers Association (p. 19)
<b>LABOUR</b>	
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We place no restriction on freedom of association or union membership (Our People, p.44)
<b>Principle 4:</b> Businesses should uphold the elimination of forced or compulsory labour	Our Code of Business Conduct and Ethics (p. 17); Adherence to Responsible Jewellery Council principles (p. 19)
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour	Our Code of Business Conduct and Ethics (p. 17) Adherence to Responsible Jewellery Council principles (p. 19)
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation	Board Member Diversity (p.20) Equal opportunity approach (Our People, p. 43)
<b>ENVIRONMENT</b>	
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	Environmental Stewardship (p. 8) Environmental Policy (p. 29)
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility	Board-level Safety, Health, Environmental and Community Relations Committee meetings (p. 20), Promote environmental awareness with employees, contractors, visitors and other parties (p. 29)
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies	We work to improve energy efficiency, monitor our energy usage, improved efficiency, and report performance (Energy & Carbon Emissions, p. 33), We monitor and manage water abstractions so as to optimize our use. We recycle 18% of abstractions on average (p. 35,36)
<b>ANTI-CORRUPTION</b>	
<b>Principle 10:</b> Businesses should work against all forms of corruption, including extortion and bribery	Our Code of Business Conduct & Ethics (p. 17) Membership and adherence to the Kimberley Process, Responsible Jewellery Council and Diamond Producers Association (p. 19), Compliance with the Canadian Extractive Sector Transparency Measures Act, ESTMA (p.19)



Lucara Diamond

## GRI Index to the Lucara Diamond 2017 Sustainability Report



**REPORT REFERENCED**

### Also includes:

- **UN Global Compact Index (Appendix 1)**
- **Additional Health & Safety Statistics (Appendix 2)**

This web-posted document is a supplement to the Lucara Diamond 2017 Sustainability Report. Both are available at [www.lucaradiamond.com](http://www.lucaradiamond.com) under CSR/Sustainability.

For questions regarding Lucara Diamond's Sustainability Report or this supplement, please contact [csr@lucaradiamond.com](mailto:csr@lucaradiamond.com).

# GRI Index to Lucara Diamond 2017 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
<b>101 - REPORTING PRINCIPLES, USING GRI STANDARDS, MAKING CLAIM</b> - Lucara's 2017 Sustainability Report was prepared in accordance with the GRI Standards (2016): Core option. GRI notified of use of Standards by sending e-copy to standards@globalreporting.org			
<b>GENERAL DISCLOSURES</b>			
102-1	Name of the organization	Corporate Profile	1
102-2	Activities, brands, products and services	Corporate Profile	1
102-3	Location of headquarters	Corporate Profile	1
102-4	Location of operations	Corporate Profile	1
102-5	Ownership and legal form	Corporate Profile	1
102-6	Markets served	Lucara markets and sells its rough diamonds through tenders on the international market.	N/A
102-7	Scale of the organization	Corporate Profile; Operations and Exploration Activities; Economic Performance; Our People	1, 11, 25, 42
102-8	Information on employees and other workers	Our People	42
102-9	Supply chain	Supply Chain Sustainability	20
102-10	Significant changes to the organization and its supply chain	Corporate Profile; Operations and Exploration Activities	1, 11
102-11	Precautionary Principle or approach	Environmental Performance	28
102-12	External initiatives	Governance and Ethical Conduct	15
102-13	Membership of associations	Governance and Ethical Conduct; Product Stewardship; Membership and Awards	15, 17, 20
<b>STRATEGY</b>			
102-14	Statement from senior decision maker	Message from the CEO	3
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and norms of behaviour	Our Values; Governance and Ethical Conduct; Health & Safety	Inside Front Cover, 15, 21
<b>GOVERNANCE</b>			
102-18	Governance structure	Governance and Ethical Conduct	15

# GRI Index to Lucara Diamond 2017 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Stakeholder and Community Engagement	44
102-41	Collective bargaining agreements	Our People (we have no collective bargaining agreements)	42
MM4*	Number of strikes and lock-outs exceeding one week's duration by country	Our People (no strikes or lock-outs)	42
102-42	Identifying and selecting stakeholders	Stakeholder and Community Engagement	44
102-43	Approach to stakeholder engagement	Stakeholder and Community Engagement	44
102-44	Key topics and concerns raised	Our Material Issues; Stakeholder and Community Engagement	8, 44
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	Corporate Profile, About This Report, Economic Performance	1, 2, 25
102-46	Defining report content and topic Boundaries	About This Report; Our Material Issues	2, 8
102-47	List of material topics	Our Material Issues	8
102-48	Restatements of information	No restatements of information	
102-49	Changes in reporting	No significant changes since previous reporting period. We modified ranking of Material Issues and reduced them from 10 to 8 issues through merging of two (water and energy) and removal of one (Availability of Appropriate Technology and Skills)	8
102-50	Reporting period	About This Report (2017 calendar year, unless otherwise stated)	2
102-51	Date of most recent report	About This Report (2016 calendar year)	2
102-52	Reporting cycle	About This Report (annual)	2
102-53	Contact point for questions regarding the report	About This Report; back cover (csr@lucaradiamond.com)	2, Back Cover
102-54	Claims of reporting in accordance with the GRI standards	About This Report (In accordance with GRI Standards Core option and the G4 Mining and Metals Sector Disclosures)	2
102-55	GRI content index	This document.	
102-56	External assurance	About This Report, Assurance Statement	2, 50

\* Mining & Metals Sector Disclosure (G4)

# GRI Index to Lucara Diamond 2017 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
<b>103 – MANAGEMENT APPROACH</b>			
103-1	Explanation of the material topic and its Boundary	Our Material Issues	8
103-2	The management approach and its components	Our Material Issues; Governance and Ethical Conduct	8, 15
103-3	Evaluation of the management approach	Our Material Issues; Governance and Ethical Conduct	8, 15
<b>200 - ECONOMIC STANDARDS</b>			
<b>201 - ECONOMIC PERFORMANCE</b>			
201-1	Direct economic value generated and distributed	Economic Performance	25
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change in Environmental Performance	31
201-3	Defined benefit plan obligations and other retirement plans	Our People	42
<b>203 - INDIRECT ECONOMIC IMPACTS</b>			
203-1	Infrastructure investments and services supported	Stakeholder and Community Engagement; Community Investment and Support	44, 48
203-2	Significant indirect economic impacts	Stakeholder and Community Engagement; Community Investment and Support	44, 48
<b>300 - ENVIRONMENTAL DISCLOSURES</b>			
<b>302 - ENERGY</b>			
302-1	Energy consumption within the organization	Energy and Carbon Emissions	30
302-3	Energy intensity	Energy and Carbon Emissions	30
<b>303 - WATER</b>			
303-1	Water withdrawal by source	Water Use and Management	34
303-2	Water sources significantly affected by withdrawal of water	Water Use and Management (No water sources are significantly affected)	34
303-3	Water recycled and reused	Water Use and Management	34

# GRI Index to Lucara Diamond 2017 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
<b>304 - BIODIVERSITY</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	39
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity (no significant impact)	39
MM1*	Amount of land disturbed or rehabilitated	Land Management	41
<b>305 - EMISSIONS</b>			
305-1	Direct (Scope 1) GHG emissions	Energy and Climate Change	30
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Climate Change	30
305-4	GHG emissions intensity	Energy and Climate Change	30
<b>306 – EFFLUENTS AND WASTE</b>			
306-1	Water discharge by quality and destination	Water Use Management; Waste Management (no wastewater discharged off site).	34, 37
306-2	Waste by type and disposal method	Waste Management	37
306-3	Significant spills	Water Management (no significant spills)	37
MM3*	Total amount of overburden, rock, tailings, and sludges and their associated risks	Waste Rock and Tailings Management	40
<b>307 – ENVIRONMENTAL COMPLIANCE</b>			
307-1	Non-compliance with environmental laws and regulations	No fines or penalties received	Here

\* Mining & Metals Sector Disclosure (G4)

# GRI Index to Lucara Diamond 2017 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
<b>400 - SOCIAL DISCLOSURES</b>			
<b>401 - EMPLOYMENT</b>			
401-1	New employee hires and employee turnover	Our People. We do not have all required statistics, but will work towards obtaining these in 2018	42
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	42
<b>403 – OCCUPATIONAL HEALTH AND SAFETY</b>			
403-1	Workers representation in formal joint management–worker health and safety committees	Health and Safety	21
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety; and Appendix 2 to this Index	21, Here (Appendix 2)
<b>413 – LOCAL COMMUNITIES</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder and Community Engagement; Community Investment and Support	44, 48



# Appendix 1: United Nations Global Compact Index

UNGC Principles	Information in Report
<b>HUMAN RIGHTS</b>	
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> <li>• Our Code of Business Conduct and Ethics (p. 17)</li> <li>• Our Corporate Social Responsibility Charter (p.18)</li> <li>• Support of UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights. (p.18)</li> </ul>
<b>Principle 2:</b> Businesses should ensure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> <li>• Membership and adherence to the Kimberley Process, Responsible Jewellery Council and Diamond Producers Association (p. 19)</li> </ul>
<b>LABOUR</b>	
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> <li>• We place no restriction on freedom of association or union membership (Our People, p.44)</li> </ul>
<b>Principle 4:</b> Businesses should uphold the elimination of forced or compulsory labour.	<ul style="list-style-type: none"> <li>• Our Code of Business Conduct and Ethics (p. 17)</li> <li>• Adherence to Responsible Jewellery Council principles (p. 19)</li> </ul>
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour.	<ul style="list-style-type: none"> <li>• Our Code of Business Conduct and Ethics (p. 17)</li> <li>• Adherence to Responsible Jewellery Council principles (p. 19)</li> </ul>
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>• Board Member Diversity (p.20)</li> <li>• Equal opportunity approach (Our People, p. 43)</li> </ul>
<b>ENVIRONMENT</b>	
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> <li>• Environmental Stewardship (p. 8)</li> <li>• Environmental Policy (p. 29)</li> </ul>
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> <li>• Board-level Safety, Health, Environmental and Community Relations Committee meetings (p. 20)</li> <li>• Promote environmental awareness with employees, contractors, visitors and other parties (p. 29)</li> </ul>
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>• We work to improve energy efficiency, monitor our energy usage, improved efficiency, and report performance</li> <li>• (Energy &amp; Carbon Emissions, p. 33)</li> <li>• We monitor and manage water abstractions so as to optimize our use. We recycle 18% of abstractions on average (p. 35,36)</li> </ul>
<b>ANTI-CORRUPTION</b>	
<b>Principle 10:</b> Businesses should work against all forms of corruption, including extortion and bribery.	<ul style="list-style-type: none"> <li>• Our Code of Business Conduct &amp; Ethics (p. 17)</li> <li>• Membership and adherence to the Kimberley Process, Responsible Jewellery Council and Diamond Producers Association (p. 19)</li> <li>• Compliance with the Extractive Sector Transparency Measures Act, ESTMA (p.19)</li> </ul>

Lucara Diamond became a signatory to the United Nations Global Compact in February 2018

## Appendix 2: Additional Health & Safety Statistics

ADDITIONAL STATISTICS	2015	2016	2017
Fatality	0	0	0
Restricted Work Injury (RWI)	0	3	2
Medical Treatment Injury (MTI)	2	0	3
First Aid Injury (FAI)	14	10	30
Absenteeism Rate	0.30	0.31	1.24
Days Lost to LTI	31	0	11
Days Lost to RWI	0	31	4
Severity Rate	2.44	2.33	0.11
Exposure Hours	2,540,440	2,664,553	3,163,773
Property Damage	16	23	48