



LUCARA
DIAMOND

July 5, 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 seventh consecutive annual sustainability report, prepared in accordance with the GRI Standards: Core option, as our updated Communication of Progress. This report, which was subject to limited assurance, covers the reporting period from January to December 2018 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), Zero Hunger (SDG2), Good Health and Well-being (SDG3), Quality Education (SDG4), Gender Equality (SDG5), Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Industry Innovation and Infrastructure (SDG9), Peace, Justice and Strong Institutions (SDG16), and Partnerships for the Goals (SDG17).

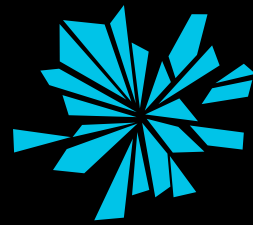
We welcome feedback on how we could further improve our sustainability performance. Please send your email to csr@lucaradiamond.com.

Kind regards,

Eira Thomas
President and CEO



UNGC Principles	Information in Section
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Our Code of Business Conduct and Ethics (p. 10), Our CSR Charter (p.9), Support of UN Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights (p.1 and 11)
Principle 2: 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. 12)
LABOUR	
Principle 3: 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.28)
Principle 4: Businesses should uphold the elimination of forced or compulsory labour	Our Code of Business Conduct and Ethics (p. 10); Adherence to Responsible Jewellery Council principles (p. 12)
Principle 5: Businesses should uphold the effective abolition of child labour	Our Code of Business Conduct and Ethics (p. 10) Adherence to Responsible Jewellery Council principles (p. 12)
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Board Member Diversity (p.8) Equal opportunity approach (Our People, p. 26)
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Environmental Policy (p. 11)
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Board-level Safety, Health, Environmental and Community Relations Committee meetings (p. 9), Promote environmental awareness with employees, contractors, visitors and other parties (p. 40)
Principle 9: 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. 42,43), We monitor and manage water abstractions so as to optimize our use. We recycle 18% of abstractions on average (p. 46,47,48)
ANTI-CORRUPTION	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery	Our Code of Business Conduct & Ethics (p. 10) Membership and adherence to the Kimberley Process, Responsible Jewellery Council and Diamond Producers Association (p. 12), Compliance with the Canadian Extractive Sector Transparency Measures Act, ESTMA (p.13)



LUCARA

DIAMOND

GRI and UN Global Compact Indices to the Lucara Diamond 2018 Sustainability Report



REPORT REFERENCED

Also includes:

- **Appendix 1: GRI Index**
- **Appendix 2 : UN Global Compact Index**
- **Appendix 3: Additional Health & Safety Statistics**

This web-posted document is a supplement to the Lucara Diamond 2018 Sustainability Report. Both are available at www.lucaradiamond.com under CSR/Sustainability.

For questions regarding Lucara Diamond's Sustainability Report or this supplement, please contact csr@lucaradiamond.com.

Appendix 1: GRI Index to Lucara Diamond 2018 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
101- REPORTING PRINCIPLES, USING GRI STANDARDS, MAKING CLAIM – Report prepared in accordance with the GRI Standards (2016): Core option			
GENERAL DISCLOSURES			
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, Lucara Botswana Overview	1, 16
102-5	Ownership and legal form	Corporate Profile	1
102-6	Markets served	Corporate Profile; Lucara markets its rough diamonds through tenders and Clara, a digital sales platform, in Botswana and other major international markets	1
102-7	Scale of the organization	Corporate Profile; Economic Performance; Operations and Exploration Activities; Our People	1, 14, 21, 25
102-8	Information on employees and other workers	Our People	25
102-9	Supply chain	Supply Chain Sustainability	53
102-10	Significant changes to the organization and its supply chain	Corporate Profile; Operations and Exploration Activities	1, 21
102-11	Precautionary Principle or approach	Environmental Performance	40
102-12	External initiatives	Governance and Ethical Conduct; UN Global Compact; Adopting Good International Practice; Product Stewardship	7, 11, 12
102-13	Membership of associations	Governance and Ethical Conduct; Product Stewardship (incl. Kimberley Process, Diamond Producers Association, UN Global Compact); Membership and Awards	7, 12, 24
STRATEGY			
102-14	Statement from senior decision maker	Message from the CEO Lucara Corp	5
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Our Mission; Our Values; Our Priorities; Governance and Ethical Conduct; Health & Safety	4, 7, 29
GOVERNANCE			
102-18	Governance structure	Governance and Ethical Conduct	7

Appendix 1: GRI Index to Lucara Diamond 2018 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Engagement	33
102-41	Collective bargaining agreements	Message from the General Manager, Our People	18, 25
MM4*	Number of strikes and lock-outs exceeding one week's duration by country	Our People (no strikes or lock-outs)	25
102-42	Identifying and selecting stakeholders	Engagement	33-35
102-43	Approach to stakeholder engagement	Engagement	33-35
102-44	Key topics and concerns raised	Our Material Issues; Engagement	58-59, 33
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	African Diamonds Ltd., UK, Clara Diamond Solutions Corp., UK, Lucara Diamond Holdings Inc., Mauritius, Mothae Diamond Holdings Inc., Mauritius, Boteti Diamond Holdings Inc., Mauritius, Wati Ventures (Pty) Ltd., Botswana, Debwat Exploration (Pty) Ltd., Botswana, Lucara Botswana (Pty) Ltd., (formerly, Boteti Mining (Pty) Ltd.), Botswana	N/A
102-46	Defining report content and topic Boundaries	About This Report; Our Material Issues	1, 58
102-47	List of material topics	Our Material Topics 2018	57
102-48	Restatements of information	No restatements of information	N/A
102-49	Changes in reporting	Includes newly acquired Clara Diamond Solutions; Name change Boteti Mining Pty to Lucara Botswana Pty	N/A
102-50	Reporting period	About This Report (2018 calendar year, unless otherwise stated)	1
102-51	Date of most recent report	About This Report (2017 calendar year)	1
102-52	Reporting cycle	About This Report (annual)	1
102-53	Contact point for questions regarding the report	About This Report; back cover (csr@lucaradiamond.com)	1, Back Cover
102-54	Claims of reporting in accordance with the GRI standards	About This Report (In accordance with GRI Standards: Core option, and selected G4 Mining and Metals Sector Disclosures)	1
102-55	GRI content index	This document.	N/A
102-56	External assurance	About This Report, Assurance Statement	1, 61

* Mining & Metals Sector Disclosure (G4)

Appendix 1: GRI Index to Lucara Diamond 2018 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
103 – MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary	Materiality Analysis; Our Material Issues	56-58
103-2	The management approach and its components	Materiality Analysis; Our Material Issues	56-58
103-3	Evaluation of the management approach	Materiality Analysis; Our Material Issues	56-58
200 - ECONOMIC STANDARDS			
201 - ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	Economic Performance	14-15
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change and Greenhouse Gas Emissions, in Environmental Performance	44
201-3	Defined benefit plan obligations and other retirement plans	Our People, Benefits	25, 27
203 - INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	Impact Investment, Economic Performance	36-39, 14
203-2	Significant indirect economic impacts	Impact Investment, Economic Performance	36-39, 14
300 - ENVIRONMENTAL DISCLOSURES			
302 - ENERGY			
302-1	Energy consumption within the organization	Energy; Climate Change and Greenhouse Gas Emissions	42, 44
302-3	Energy intensity	Energy; Climate Change and Greenhouse Gas Emissions	42, 44
303 - WATER			
303-1	Water withdrawal by source	Water Use and Management	46
303-2	Water sources significantly affected by withdrawal of water	Water Use and Management (No water sources are significantly affected)	46
303-3	Water recycled and reused	Water Use and Management	46

Appendix 1: GRI Index to Lucara Diamond 2018 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
304 - BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (not in/near or adjacent to such areas)	41
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity (no significant impact)	41
MM1 *	Amount of land disturbed or rehabilitated	Land Management	41
305 - EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	Climate Change and Greenhouse Gas Emissions	44
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change and Greenhouse Gas Emissions	44
305-4	GHG emissions intensity	Climate Change and Greenhouse Gas Emissions	44, 45
306 – EFFLUENTS AND WASTE			
306-1	Water discharge by quality and destination	Water Use Management; Waste Management	46, 49
306-2	Waste by type and disposal method	Waste Management	49
306-3	Significant spills	Water Management (no significant spills)	49
MM3 *	Total amount of overburden, rock, tailings, and sludges and their associated risks	Production Statistics, Waste Volumes	23, 51
307 – ENVIRONMENTAL COMPLIANCE			
307-1	Non-compliance with environmental laws and regulations	Environmental Performance. (No fines or penalties received)	40
400 - SOCIAL DISCLOSURES			
401 - EMPLOYMENT			
401-1	New employee hires and employee turnover	Our People	25
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Benefits	25, 27

* Mining & Metals Sector Disclosure (G4)

Appendix 1: GRI Index to Lucara Diamond 2018 Sustainability Report

Disclosure No.	Title	Location/Information/Reason for Omission	Page
403 – OCCUPATIONAL HEALTH AND SAFETY			
403-1	Workers representation in formal joint management–worker health and safety committees	Health and Safety	29
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 additional data provided in this document/index	29, Appendix 3 (this document)
413 – LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments and development programs	Karowe Diamond Mine, Botswana (One/100% operating mine)	N/A
417 – MARKETING AND LABELING			
417-1	Requirements for product and service information and labeling	Product Stewardship (100% of products/rough diamonds covered by Kimberley Process)	12
417-2	Incidents of non-compliance concerning product and service information and labeling	None	N/A
417-3	Incidents of non-compliance concerning marketing communications	None	N/A

Appendix 2: United Nations Global Compact Index

UNGC Principles	Information in Section, Page # or Comment	Page
HUMAN RIGHTS		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Governance & Ethical Conduct, Adopting Good International Practice	7, 11
Principle 2: Businesses should ensure that they are not complicit in human rights abuses	Governance & Ethical Conduct, Adopting Good International Practice, Product Stewardship, Labour Issues	7, 11, 12, 28
LABOUR		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Product Stewardship, Our People, Labour Issues	12, 25, 28
Principle 4: Businesses should uphold the elimination of forced or compulsory labour	Product Stewardship, Our People, Labour Issues	12, 25, 28
Principle 5: Businesses should uphold the effective abolition of child labour	Product Stewardship, Our People, Labour Issues	12, 25, 28
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Board Member Diversity, Our People, Diversity and Gender, Labour Issues	8, 25, 26, 28
ENVIRONMENT		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Environmental Policy, Environmental Performance	11, 40
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Environmental Performance, Supply Chain Sustainability	40, 53
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Environmental Performance, Supply Chain Sustainability	40, 53
ANTI-CORRUPTION		
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery	Governance & Ethical Conduct	7

Appendix 3: Additional Health & Safety Statistics

ADDITIONAL STATISTICS	2016			2017			2018		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Fatality	0	0	0	0	0	0	0	0	0
Restricted Work Injury (RWI)	3	3	0	2	2	0	0	0	0
Medical Treatment Injury (MTI)	0	0	0	3	3	0	0	0	0
First Aid Injury (FAI)	10	9	1	30	25	5	14	13	1
Absenteeism Rate	0.31			1.24			0.55		
Days Lost to LTI	0			11			0	0	0
Days Lost to RWI	31			4			0	0	0
Severity Rate	2.33			0.11			0	0	0
Exposure Hours	2,644,553			3,163,773			3,409,217		
Property Damage	23			48			51		