



LUCAPA  
DIAMOND COMPANY

## COMPLEXO ESCOLAR DO CACUILO

ESG  
REPORT 2023

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## ACKNOWLEDGEMENT

Lucapa acknowledges the Traditional Owners of the land on which the Merlin Diamond Project in the Northern Territory and the Brooking Exploration Project in Western Australia are located.





# CEO Letter

***In 2023, the lions share of our social impact budget across Lulo and Mothae was devoted to education projects. Education for the next generation is crucial to create opportunities for the future.***

Education is such a basic right in the western world, however, in emerging economies, it is not the same. Many struggle to afford to send their children to school and many communities can't afford to build schools.

In 2023, after more than a year of planning and building, a new school in the local village near the Lulo Mine in the province of Lunde Norte opened to the public. This came after SML committed significant funds (about US\$2million) to build a new school so the children of our employees and those from surrounding villages benefit from learning in a clean, modern and

stimulating environment. I was there for the official opening of the Complexo Escolar Do Caculo in November and toured the impressive facility.

Credit must go to the team who drove the construction of this school. It is largely self-sufficient, with bores providing fresh water and solar panels supplying electricity. In addition to the classrooms and staff rooms, the school is equipped with excellent sporting facilities.

Our focus on education also extended in 2023 to Lesotho's education system. Mothae continued to support students by funding scholarships and resourcing classrooms.

We hope you enjoy the 2023 ESG Report.

**NICK SELBY**  
**CEO & MD**

**Lucapa Diamond Company Limited**

# Our Purpose

*Lucapa produces natural diamonds sustainably and cares for its people, communities and the countries in which we operate.*

## Our Values

### SAFETY

We conduct operations in a safe, responsible and environmentally conscious manner.

### INTEGRITY

We interact with all stakeholders with integrity, respect, honesty, transparency and fairness.

### TEAMWORK

We attract and employ the best skillsets, encourage teamwork, diversity and reward performance.

### PARTNERSHIP

We partner with the local communities and governments in the countries we operate for mutual benefit.



# ICMM PRINCIPLES

Lucapa's sustainability program is aligned with the objectives of the United Nations Sustainable Development Goals and we have adopted the International Council on Mining and Metals (ICMM) Principles framework.



ETHICAL  
BUSINESS



DECISION-  
MAKING



HUMAN  
RIGHTS



RISK  
MANAGEMENT



HEALTH  
& SAFETY



ENVIRONMENTAL  
PERFORMANCE



CONSERVATION  
OF BIODIVERSITY



RESPONSIBLE  
PRODUCTION



SOCIAL  
PERFORMANCE



STAKEHOLDER  
ENGAGEMENT

## 2023 PRIORITY GOALS



### 1. HEALTH & SAFETY

Safety is our number one priority throughout Lucapa's operations. The safety of our people sees us investing time and resources into training of employees and cultivating a safe working environment. Our goal is for zero harm.



### 2. COMMUNITY

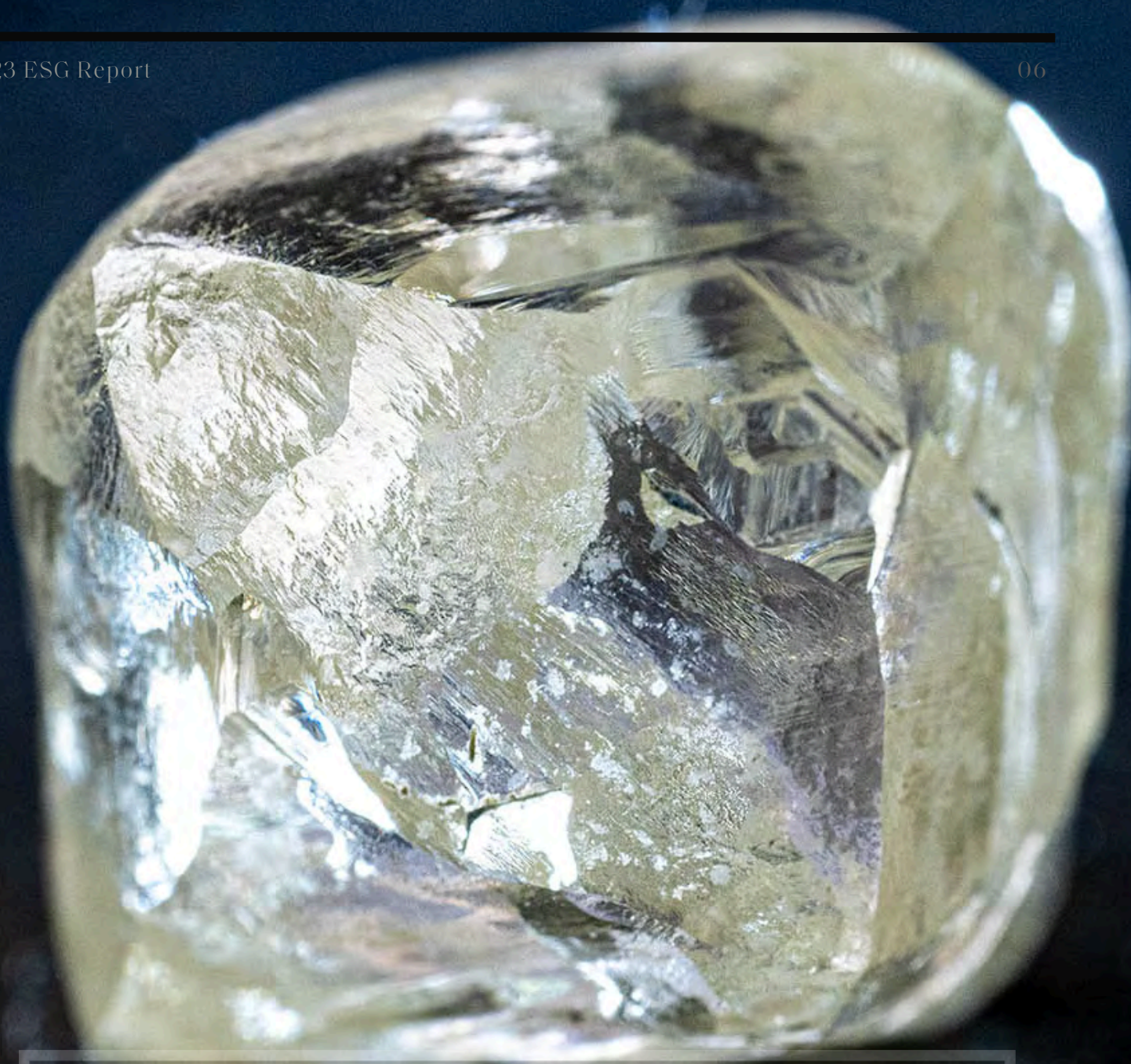
Our operations are located in some of the most disadvantaged areas in Africa. Together with our partners, we provide employment for more than one thousand people across the two mines and use our resources to address shortages in education, health and social facilities.



### 3. ENVIRONMENT

Our operations sit in remote areas surrounded by sensitive ecosystems. We are focused on rehabilitating the disturbed land caused by our mines and regularly monitor our impact on the environment.





## The Kimberly Process

The historical threat to human rights from conflict diamonds is recognised and taken very seriously by Lucapa and its partners.

All diamond mining and sales in the Group are performed in accordance with the Kimberley Process and in adherence to the World Diamond Council's System of Warranties.

Policies and procedures have been put in place to ensure that all businesses within the Group comply with the legislation of host countries and incorporate international best practice in respect of human rights and ethical standards.



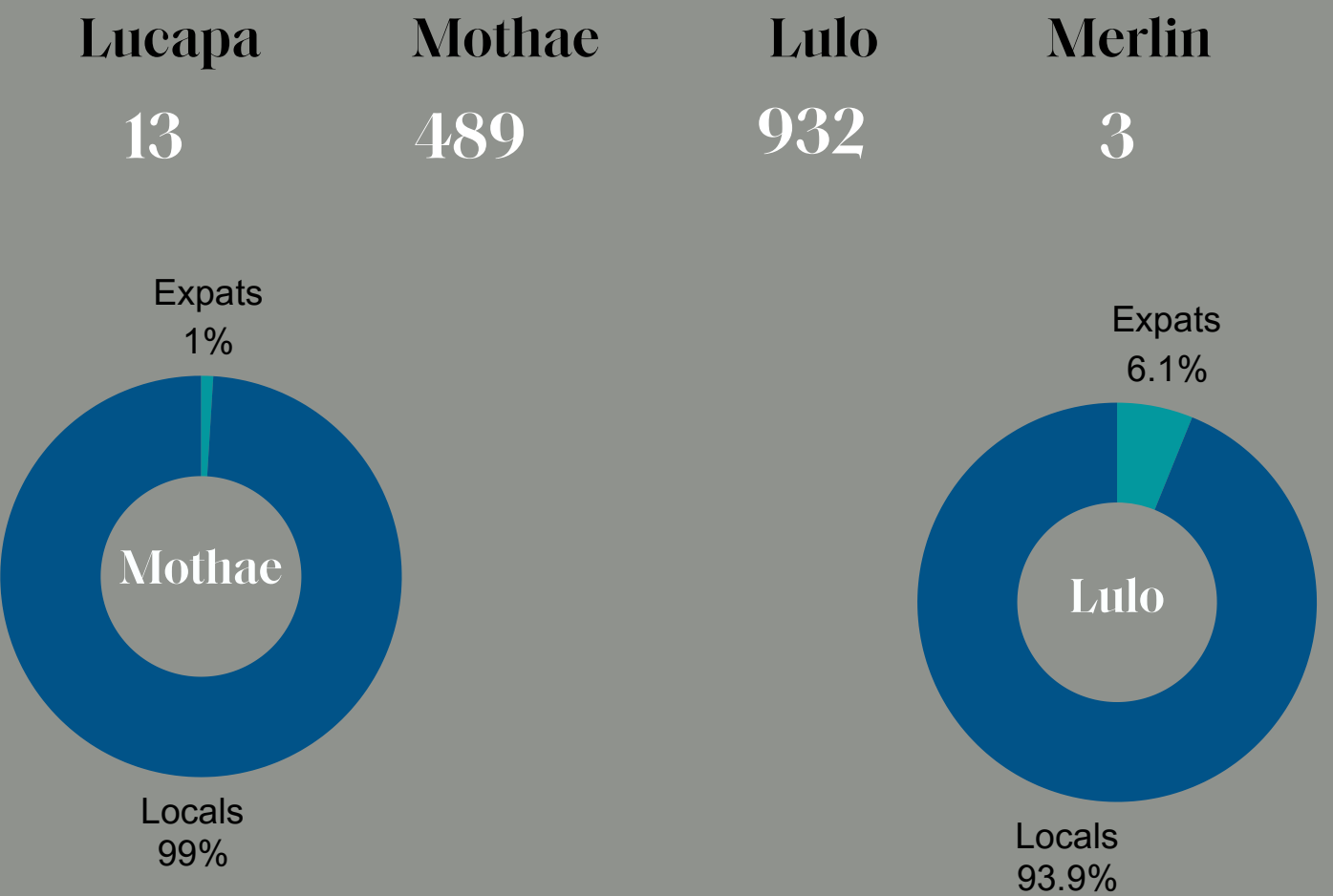


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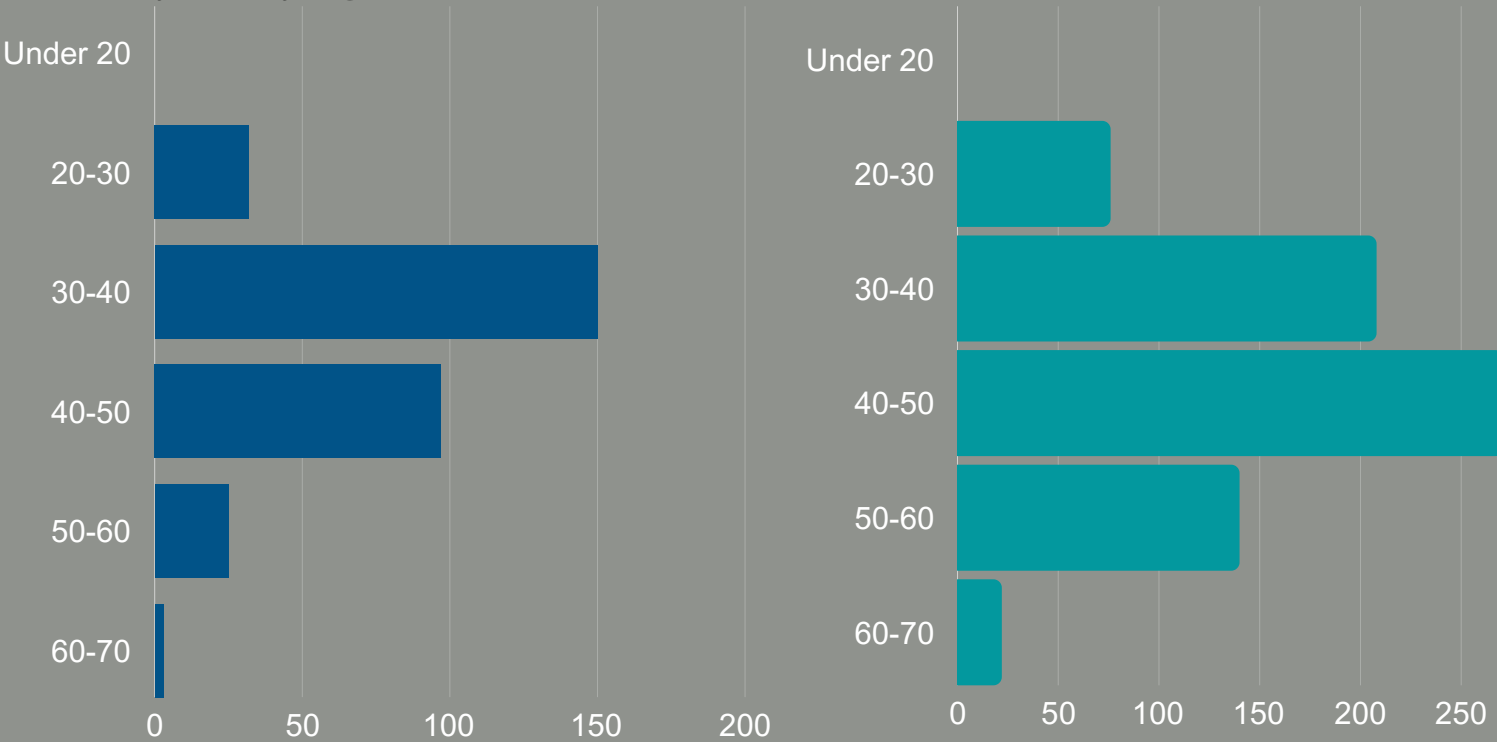
# Health, Safety & People



# Total Employees and Contractors

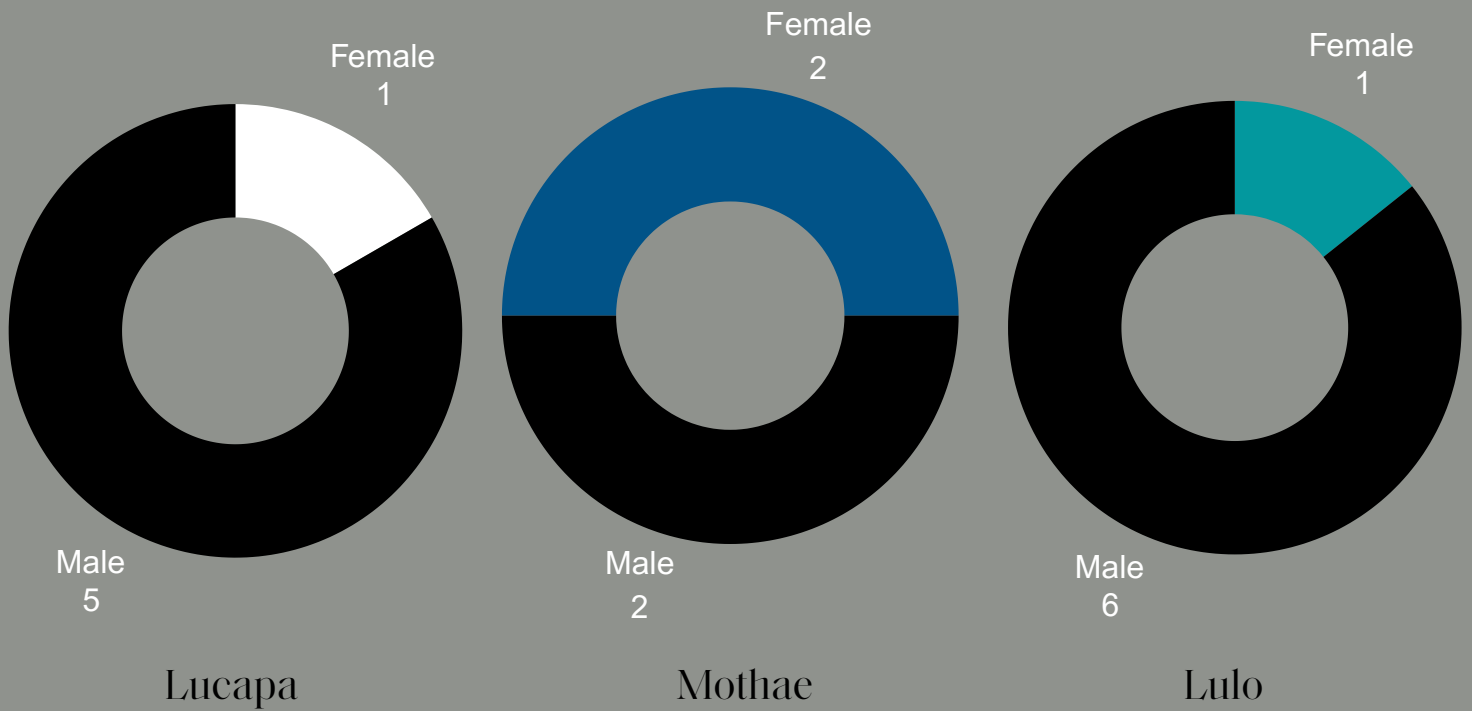


## Employees by age

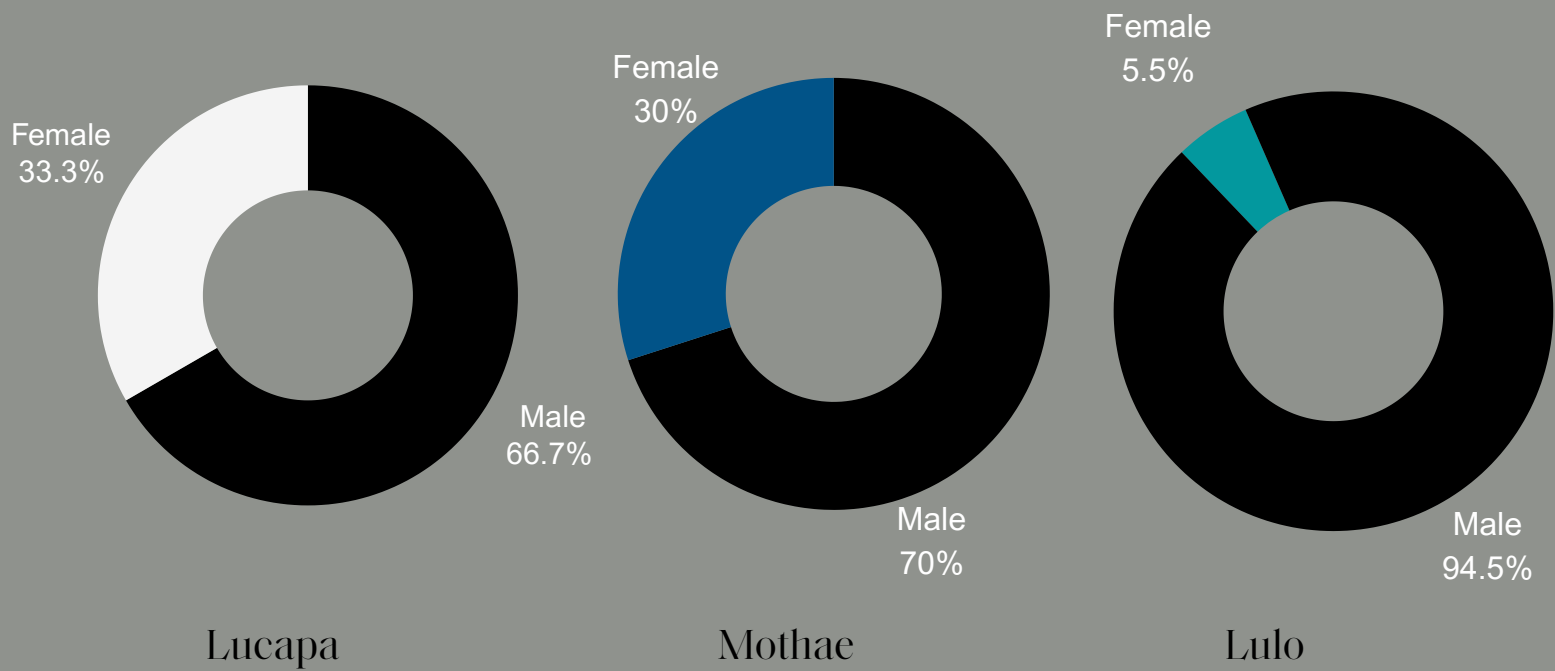




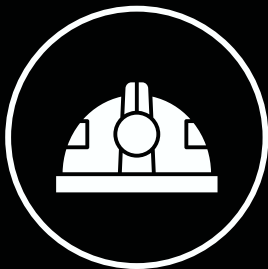
## Management



## Total Employees



**LTIFR**  
*per 200,000 hours worked*



2022

2023

Lulo

0.40

0.19

Mothae

0.35

0.00

## HEALTH & SAFETY AT OUR SITES

Lucapa's priority is safety of its people.

In Q1 2023, Mothae reached an excellent safety milestone of 1.3 million LTI free manhours. Overall, Mothae improved its annual recorded Lost Time Injury Frequency Rate (LTIFR) to end the year at zero compared with 0.35 in 2022.

Lulo improved its LTIFR in 2023 to record 0.19 compared to 0.40 in 2022.

Toolbox meetings which are short, informal gatherings between supervisors and employees occur before every shift at the mines.

The content of the meetings varies and depends on which hazards are likely to be encountered by the workers during the planned tasks for the day. In addition, the mine sites carry out regular random drug and alcohol testing across the entire workforce.

Continuous education and training to encourage improvement across all areas of health and safety is provided at the mines.

The operations have systems and processes to report safety concerns and breaches. To date, there have been no operational fatalities recorded. Health education is also provided by staff at the on-site clinics at the operations.

### Industrial relations

In 2023, Lucapa and its partners employed more 1,400 people across a diverse range of ages, experience and nationalities.

In 2023, Sociedade Mineira do Lulo (SML) the operator of the Lulo mine negotiated new pay and conditions for employees through the workers union representing the Lulo workforce.

The new agreement runs for two and a half years and will expire in 2026.

At Mothae, employees remuneration and conditions are reviewed regularly and compare favourably to local industry benchmarks. Mothae employees receive annual inflationary cost of living pay increases.





*Lulo employees attend an information session regarding alcohol abuse*



*Lulo employees attend environmental management courses*

## A large crowd of people is gathered in front of a school building. The building is decorated with a long arch of pink and white balloons. A sign on the building reads "COMPLEXO ESCOLAR DO CARNI". The sky is overcast and grey. In the foreground, several people are seen from behind, looking towards the building. A man in a white shirt and a woman in a black jacket are prominent in the crowd. A flagpole with a flag is visible on the left side of the building. A tall light pole stands on the far left. The overall atmosphere is one of a significant community event or ceremony.



# Cacuilo School Opening

In November 2023, the Escolar Do Cacuilo in Xamiquelengue was officially opened by the Governor of Lunde Norde, the region in which the mine is located. SML committed US\$2 million to finance the planning, construction and fit out of the school and the sporting facilities.

The school is situated on about 6000 square meters of land donated by the municipality.

Almost 1000 students from the nearby villages attend the primary school from years one to seven. Classes are held in two shifts; one starting in the morning and the other in the afternoon.

The school is self sufficient and equipped with a 5kW solar power plant, water supply mains with borehole and 3000 litre raised tank and distribution network. The main building consists of 8 classrooms, an office area, storage and ablution facilities. There's also a multipurpose court for ball sports.



*Students prepare for lessons at the new school*



# Cacuilo School Opening



*Desks donated by SML (top) and the school's ablution block*





*Picture: SML GMPieter Von Wielligh, Lucapa CEO Nick Selby, Lucapa Board Director Miles Kennedy*



A full-page photograph serves as the background for the text. It depicts a female worker in a bright orange safety suit and cap climbing the side of a large yellow CAT dump truck. The truck's bucket is raised, and its side features the 'CAT' logo. Another worker, a man in a white shirt, yellow safety vest, and red cap, stands in the foreground holding a clipboard. The scene is set outdoors under a blue sky with scattered white clouds.

## Lulo's First Female Truck Driver

In 2023, Lulo reached an important milestone by employing its first female ADT operator.

The female employee was appointed to the role after taking part in an extensive training and testing program.

It is believed that the Lulo employee is the first female dump truck driver to be employed on a mine site in Angola. Overall female participation rates at Lulo have been consistent for the past three years.

*Lulo's first female dump truck operator Jandira Suenti Antonio climbs aboard an ADT*



# Supporting Lesotho's Schools



Education is the focus of Mothae's Corporate Social Responsibility activities.

In 2023, Mothae Mine continued its "Take a Child to School" initiative, where it provides bursaries for twelve students to attend local high schools. The financial support for the students allows them to receive an education at a quality school which their families otherwise could not afford. Students results are regularly monitored to ensure they are achieving their milestones and to motivate them.

The Mine also donated school uniforms and school jerseys from schools in Bloemfontein to young school students at Sebera Primary School and White Hill Primary School in Qacha's Nek.



*Picture: Lesotho Children proudly wear their uniforms donated from schools in Bloemfontein, South Africa*



# Mothae Community Support

Mothae continued to support local Basotho through its agricultural kickstart program. Farmers were supplied seed and fertilizer to grow produce which the mine then purchases to use in the kitchen to create meals for the mine workers.

The agriculture program gives financial support and provides certainty for farmers and provides healthy meals for the workforce from locally sourced produce.

In 2023, Mothae purchased ZAR 1.5 million of produce from farmers and local businesses, in line with the previous year's support of the local community.

Mothae mine also provides poverty relief through rotational employment of casual labour from neighbouring villages.





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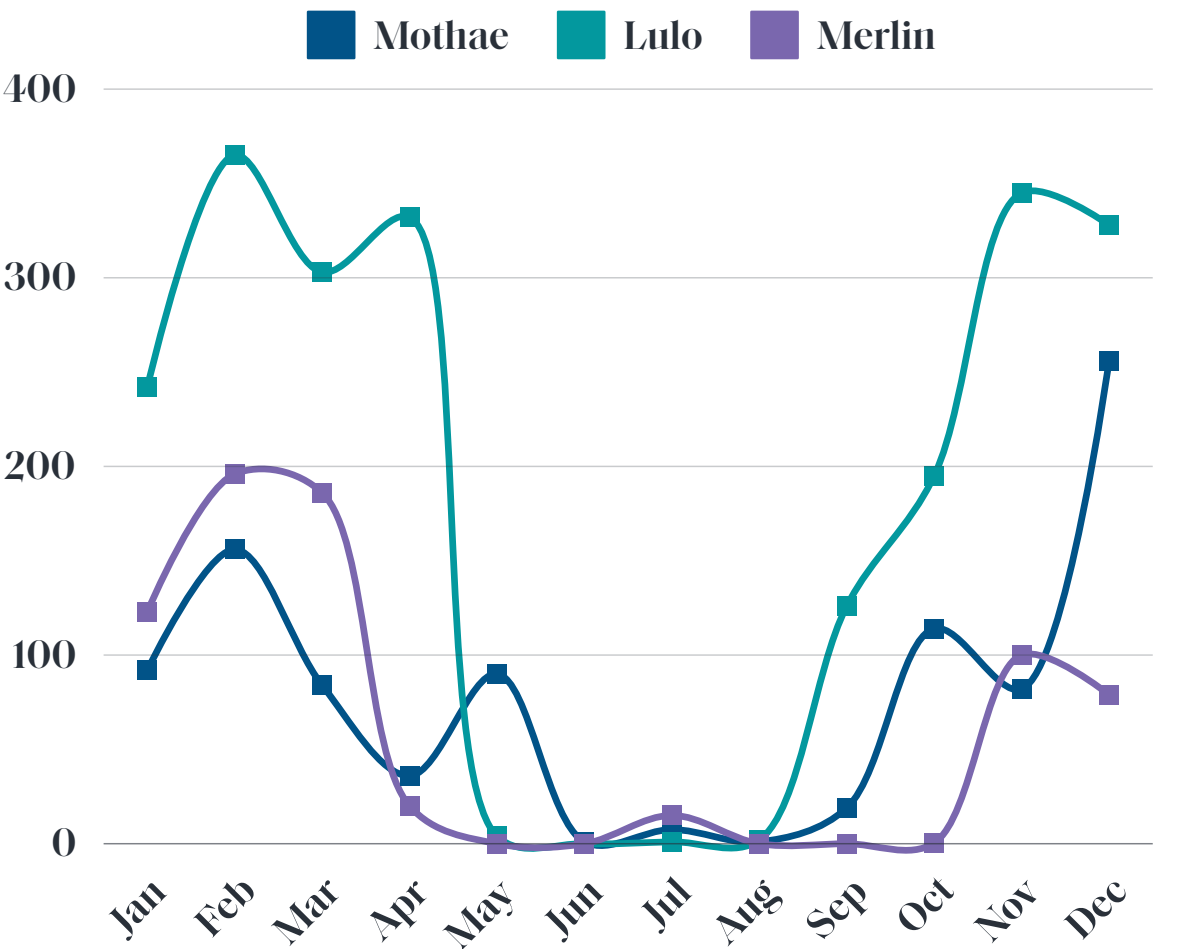
# Environment



# Monthly Rainfall

Merlin total rainfall: 720 mm  
Mothae yearly total rainfall: 939 mm  
Lulo yearly total rainfall: 2,175 mm

Total rainfall/snow (in mm) at Mothae, Merlin and Lulo in 2023



**Mothae**  
Max temp 25 C  
Min temp -11 C

**Lulo**  
Max temp 37 C  
Min temp 17 C

**Merlin**  
Max temp 42 C  
Min temp 5 C



Diesel

**Mothae**  
2.69 l/t  
mined

**Lulo**  
0.68 l/t  
mined



Potable &  
Process Water

0.76 m³/t  
processed

1.08 m³/t  
processed



Our Lulo operations are located in an area subject to extreme tropical weather fluctuations. The 2023/2024 summer wet season was particularly severe, with widespread flooding impacting the mining and exploration areas.





# Merlin Community Engagement

Traditional Owners visited Merlin for a sacred site clearance survey in 2023. This was conducted in conjunction with an anthropologist and archaeologist. Three archeological heritage sites were recorded by the team on the mineral licence area and the exploration lease. No new sacred sites were identified.

Engagement continued throughout the period, with Traditional Owners, the Northern Territory Government and other stakeholders as the Merlin Feasibility Study advanced and then pivoted to a smaller scale development proposal.





# Groundwater monitoring at Merlin



In line with Lucapa's environmental obligations to protect and manage groundwater at the Merlin site, monitoring bores were installed across the lease in 2023.

In total, 17 instrumented bores were drilled to collect data about the groundwater levels.

The information collected through the monitoring stations will ensure proper management of the groundwater resource is maintained.



A man with a beard, wearing an orange high-visibility shirt, a red hard hat, and yellow safety glasses, is holding a small green plant seedling in his hands. He is looking directly at the camera with a slight smile. The background is a blurred outdoor setting with trees and sunlight filtering through the leaves.

## Environmental Management

There were no significant environmental incidents reported at Lulo or Mothae in 2023.

The Environmental team at Sociedade Mineira do Lulo (SML) grew in 2023, as greater emphasis was given to protecting the environment surrounding the operations.

Land rehabilitation and revegetation efforts stepped up as the trial nursery to germinate native plants and revegetate disturbed land on the Lulo concession grew.

Various species of native trees are being grown at the trial nursery and planted over disturbed land to revegetate it. The trial nursery will make way for a larger, more permanent structure at the site.



## Progressive Rehabilitation

Progressive rehabilitation and revegetation activities took place across the Lulo concession during 2023.

The rehabilitation of more than 15 mining blocks consisted of backfilling, overburden levelling and revegetation totalling in area of 6.5 million square metres. Overburden levelling also took place at the Slides Dam and Tailings Dam.

The areas colour coded in aqua and green on this page have been fully rehabilitated including revegetation of the disturbed areas where applicable.

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8942500

8942000

8941500

8941000

8943000

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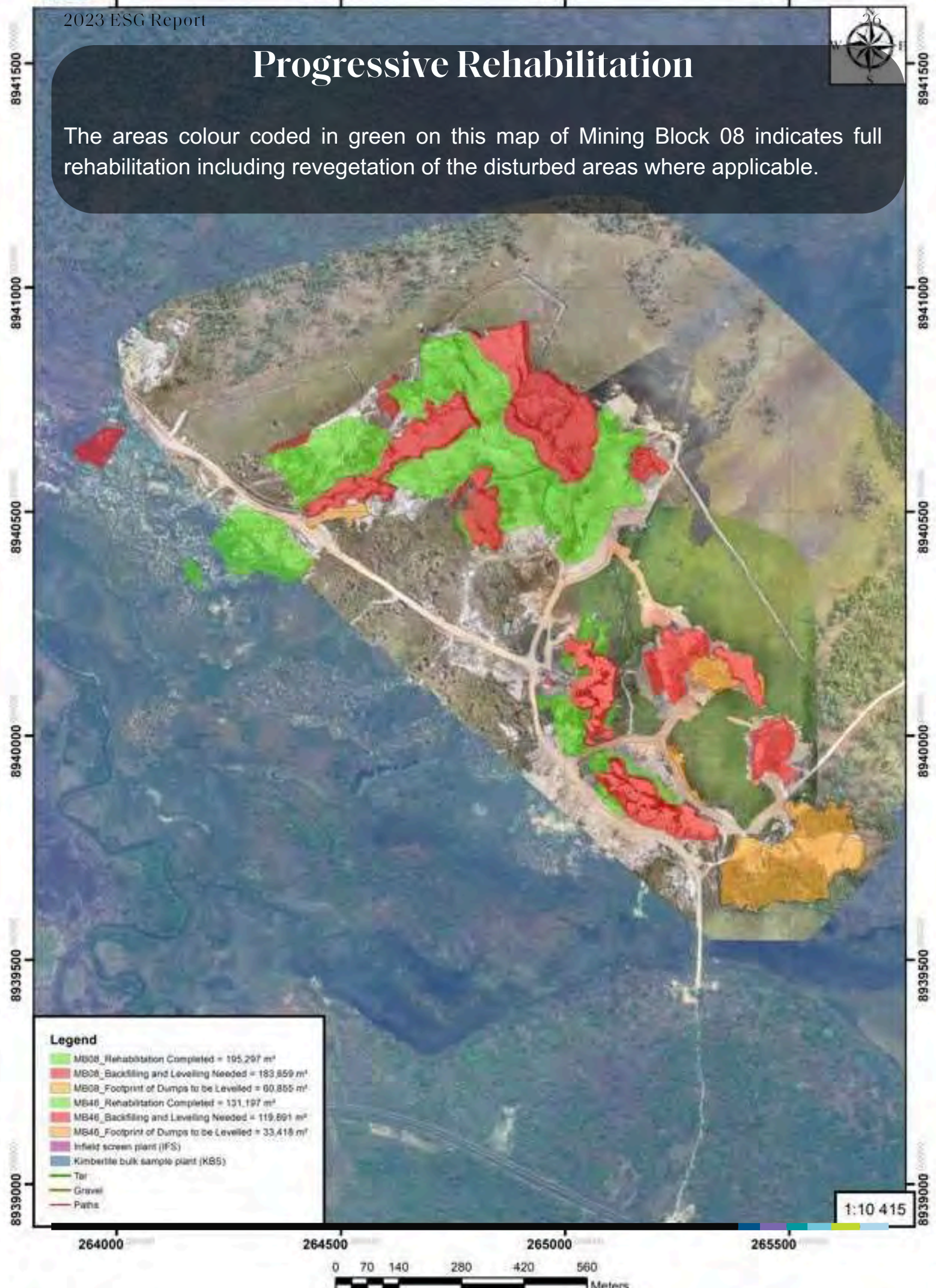
### Legend

- River to natural course (Rehabilitation complete) = 113,415 m<sup>2</sup>
- MB06\_Rehabilitation Completed = 201,456 m<sup>2</sup>
- MB06\_Backfilling and Leveling Needed = 365,336 m<sup>2</sup>
- MB06\_Footprint of Dumps to be Levelled = 132,861 m<sup>2</sup>
- Tail
- Gravel
- Paths



## Progressive Rehabilitation

The areas colour coded in green on this map of Mining Block 08 indicates full rehabilitation including revegetation of the disturbed areas where applicable.







*Planting a sapling as part of the revegetation efforts at Lulo*



*Members of the environmental team revegetating a mining block at Lulo*



**LUCAPA**  
DIAMOND COMPANY



Lucapa Diamond Company Ltd  
ACN 111 501 663

34 Bagot Road  
Subiaco WA 6008  
Tel: +61 8 9381 5995