



LUCARA
DIAMOND

SUSTAINABILITY REPORT 2024



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2024 Content Index
and ESG Databook





Lucara's Operations at Karowe Diamond Mine (KDM)

ABOUT THIS REPORT

Lucara Diamond Corp. prepared this report in collaboration with its wholly-owned operating subsidiaries, in particular, Lucara Botswana Proprietary Limited (“Lucara Botswana”) (together “Lucara” or the “Company”). This is Lucara’s thirteenth consecutive annual report on the sustainability topics that are most material to our business, our stakeholders, and the communities in which we operate. Our reporting journey reflects our commitment to continuous improvement in sustainability performance, risk management, and transparent reporting on our economic, environmental, and social impacts.

Unless otherwise noted, this report covers our performance for the 2024 calendar year, from January 1st to December 31st, 2024. The reported financial information is also for the calendar year, and all dollar amounts are expressed in United States dollars (US\$) unless otherwise stated.

The report was prepared in alignment with the Sustainability Accounting Standards Board (SASB) Standards for Metals and Mining (2023) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have also prepared this report with reference to the Global Reporting Initiative (GRI) Universal Standards (2021) and GRI 14: Mining Sector (2024).

The content index and additional information are available at: www.lucaradiamond.com/sustainability/sustainability-reports/.



Underground Project at Karowe

ABOUT LUCARA

Lucara Diamond Corp. is a publicly listed Canadian diamond mining company headquartered in Vancouver. It operates the 100% owned Karowe Diamond Mine (KDM), one of the world's foremost producers of large, high quality, Type IIA diamonds in excess of 10.8 carats, located in the Boteti District in Botswana.

Lucara is part of the Lundin Group of Companies and is listed on the Toronto Stock Exchange (TSX) in Canada, the Nasdaq First North Growth Market (FNGM) in Sweden, and the Botswana Stock Exchange (BSE), under the symbol "LUC."

Lucara's revenue comes from selling natural diamonds mined by its wholly-owned subsidiary, Lucara Botswana, from KDM. The Company sells its diamonds through HB Antwerp (HB), via quarterly tenders held in Gaborone and Antwerp, and on Clara, a digital sales platform.

The rough diamond digital sales platform Clara Diamond Solutions (Clara) was included in Lucara's previous Sustainability Reports as a 100% owned entity of Lucara Diamond Corp. In October 2024, Lucara announced the sale of 100% of its interest in all the Clara entities. Clara is therefore no longer considered a reporting entity for the purposes of inclusion in Lucara's 2024 Sustainability Report.

Sustainability Commitments & Guidance

Lucara is committed to putting sustainability at the core of our business. We are a certified member of the Responsible Jewellery Council (RJC), participating in the UN Global Compact (UNGC), and we adhere to the Kimberley Process. Our commitment to responsible mining is also evidenced in our adoption of the Mining Association of Canada's Towards Sustainable Mining (TSM) Standard, the IFC Performance Standards, the World Bank Group's Environmental, Health and Safety Guidelines for Mining (2007) and the Equator Principles. We believe that upholding this commitment is fundamental to our success, across our company and relationships. Our focus drives continuous improvement across our value chain, while enabling us to deliver lasting socio-economic benefits for stakeholders and the local communities where we operate.

We actively collaborate with a network of industry associations and non-governmental organizations (NGOs) that help guide our approach to sustainability performance and governance. These partnerships promote responsible and competitive mining practices, and we leverage their expertise to continuously improve our performance.

Responsible Jewellery Council



United Nations Global Compact



IFC Performance Standards



Kimberley Process



Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM)



Equator Principles



Highlight Story: Record-setting 2,488 carat Motswedi diamond

**807** Specials¹ recovered

**41** diamonds greater than 300 carats since 2012

In August 2024, Lucara announced the recovery of an epic 2,488² carat diamond, one of the largest rough diamonds ever unearthed. This remarkable find was detected and recovered by the Company's Mega Diamond Recovery (MDR) X-ray Transmission (XRT) technology, installed in 2017 to identify and preserve large, high-value diamonds.



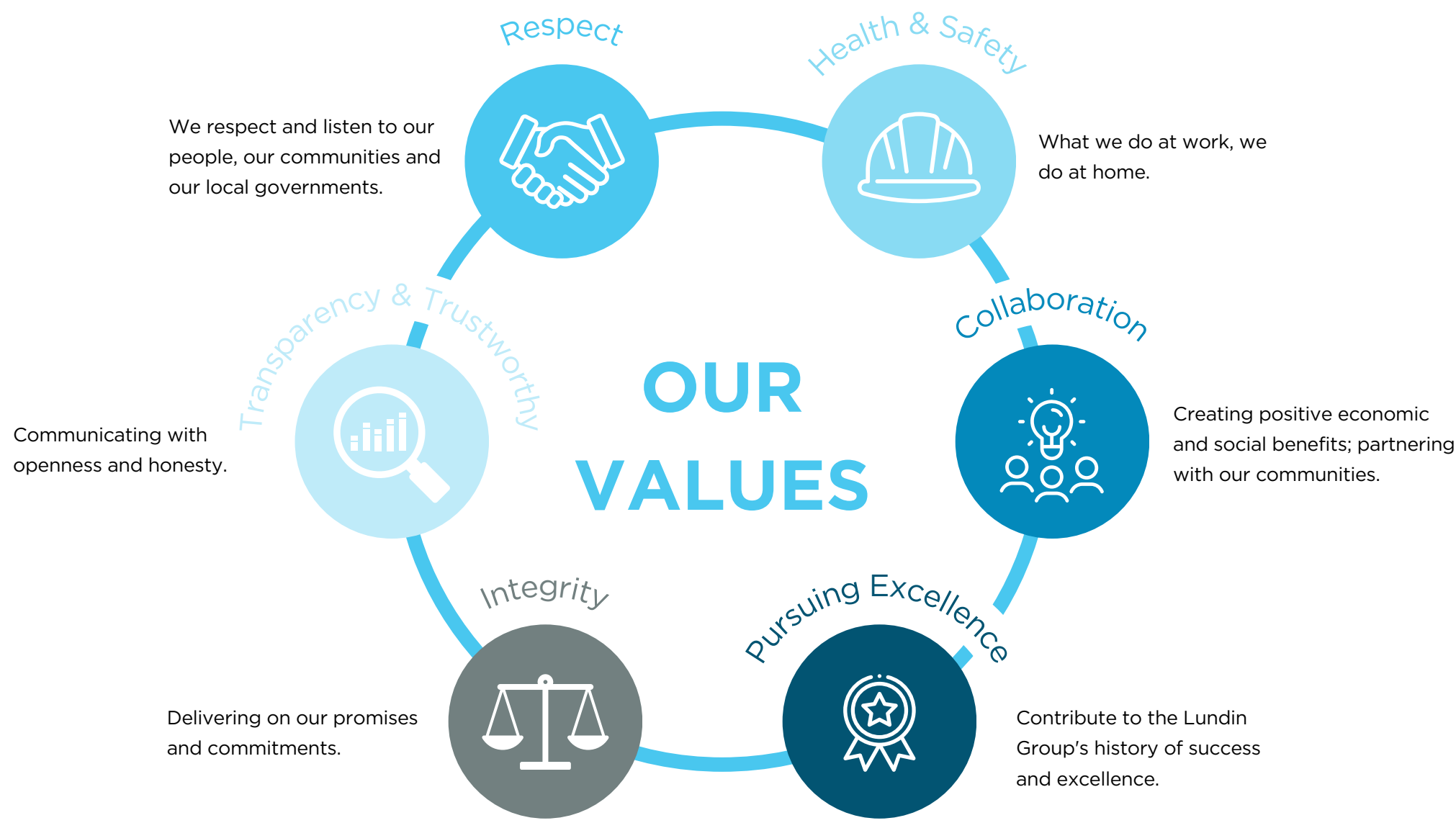
Motswedi Diamond

The diamond's name was chosen through the Botswana Legacy National Diamond Naming Competition, which was open to all Botswana nationals and drew over 39,000 entries. The 2,488 carat diamond was named Motswedi, which in Setswana, the local language in Botswana, means a water spring or the flow of underground water that emerges to the surface offering life and vitality. The submitted names were judged on creativity and originality, Botswana cultural significance, and relevance to the diamonds themselves, and were evaluated through a series of reviews by a panel of judges. The winner received a 100,000 Botswana Pula (BWP) prize and an exclusive tour of KDM. The continued presence of such diamonds within the eastern magmatic/pyroclastic kimberlite (EM/PK(S)) geological unit of the South Lobe aligns with Lucara's expectations for the development of the Karowe Underground Project (UGP). These diamonds are not just geological phenomena; they are a testament to the incredible potential of KDM and Lucara's innovative approach to diamond recovery.

¹ Defined as rough diamonds larger than 10.8 carats.
² The carats reflect the final cleaned weight of the rough stone. The stone was previously reported at 2,492-carats.

Mission & Values

Our Mission: Using innovation, creating value, making a difference across the diamond industry



2024 HIGHLIGHTS



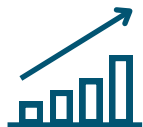
399,215 carats

Diamonds Sold



2,386

Total Workforce



\$203.9 million

Revenues



0.05³

Lost Time Injury
Frequency Rate (LTIFR)



807

Specials recovered



99%

Botswana nationals
at Lucara Botswana



Zero

significant spills



Zero

water discharges into
the environment

Botswana Benefits



\$30 million

Employee Compensation



\$116 million

Local Procurement⁴



\$0.4 million⁵

Community Investment



\$23 million

Royalties

³ Using the International Council on Metals & Mining (ICMM) incident classification, where a Restricted Work Injury (RWI) is classified as an LTI.

⁴ Local procurement is defined as businesses located and registered in Botswana.

⁵ Not including the Sports Complex



MESSAGE FROM THE PRESIDENT AND CEO

I am delighted to present Lucara's thirteenth annual sustainability report, which highlights Lucara's achievements in occupational health and safety, community engagement and development, and environmental practices. We take pride in upholding responsible industry-leading standards in diamond mining and provenance, while creating broad benefits for our diverse stakeholders, with a special focus on enhancing our local communities.

Protecting our People

At Lucara, the health and safety of our people are fundamental to how we operate. In 2024 we were awarded the Mining Company of the Year award by Africa Safety Award for Excellence (AfriSAFE), a pan-African group advocating for workplace safety, environmental sustainability, and organizational resilience across the continent. This award is a testament to Lucara's strong safety protocols across our operations.

Our safety vigilance is strengthened by conducting regular safety stand-downs and touchpoints, and by building a strong safety culture across the organization, ensuring that safety is always prioritized in everything we do.

Community Partnerships

Community partnerships and development are important to Lucara, and we are focussed on strengthening our business activities, relationships, and the lasting socio-economic benefits we deliver to stakeholders and the communities where we operate.

Our participation in traditional Kgotla meetings and the successful Karowe Village Initiatives (KVI) program demonstrates this commitment. These platforms facilitate meaningful dialogue and collaboration, and we carefully design and oversee our community investment projects with a view beyond short-term outcomes. Our unwavering focus is on creating lasting impacts that empower communities to achieve self-sufficiency.

Environmental Stewardship

As stewards of the environment, we uphold our responsibility to the surrounding area and constantly enhance our environmental management practices. Our approach is guided by recognized global standards, including: the International Organization for Standardization (ISO) 14001:2015 and the Global Industry Standard on Tailings Management (GISTM).

Environmental responsibility is central in our operations, and we are dedicated to minimizing our ecological footprint, committed to strong water stewardship, and upholding responsible tailings management.

Responsible Mining & Strong Operational Performance

We were delighted to recover the epic 2,488 carat Motswedi diamond in August 2024, followed shortly after by the recovery of the 1,094 carat Seriti diamond. Both stones were named in a Botswana-wide naming competition, which was open to all nationals.

In 2024, a total of 807 Specials were recovered, solidifying KDM as a remarkable world-class asset.

We remain focussed on the UGP, a transformative and exciting project that will extend KDM's productive life to 2040 and will access KDM's high-value ore body. Significant shaft sinking and shaft connection lateral development was completed in 2024.

Positioning for Growth

Sustainability is the foundation of our business, influencing every decision we make and as envisioned by our five-year sustainability strategy (see framework in [Sustainability Strategy](#) section). This commitment to sustainability comes to life through the dedication of our exceptional workforce and leadership teams, in both Canada and Botswana, whose passion and expertise drive our shared vision forward. We were pleased to develop our new sustainability strategy in 2024 and look forward to progressing towards our targets and goals.

I must also thank Lucara's management team and Board of Directors for their continued support.

Together we are shaping a legacy of responsible mining, community empowerment, and long-term growth that will endure far beyond the diamonds we recover.

William Lamb

President and CEO Lucara Diamond Corp.



KDM Processing Plant

OUR APPROACH TO SUSTAINABILITY

Stakeholder Engagement

Strong stakeholder relationships are the cornerstone of our success at Lucara. We believe meaningful engagement is the key to building and maintaining trust. We foster open, respectful, and inclusive dialogue with investors, customers, employees, NGOs, government agencies, and industry peers to understand diverse interests, needs, and expectations. This broad engagement allows us to anticipate risks, uncover opportunities for mutual benefit, and navigate challenges with agility.

We continue to work towards alignment with the Government of Botswana’s diamond strategy, and we recognize the importance of shaping our approach to meet the needs of our different stakeholders. Our Stakeholder Engagement Plan and our Responsible Mining Policy, frame our engagement activities and priorities.



“

Meaningful stakeholder engagement is at the foundation of what we do at Lucara – by fostering dialogue, trust, and collaboration, we create shared value for all.

Naseem B. Lahri
- Managing Director

”

Feedback and Grievance Management

Stakeholder feedback is important in measuring the effectiveness of our initiatives and ensuring the needs of our stakeholders are addressed. Lucara’s Whistleblower Policy and grievance mechanisms support our commitment to good governance and allow us to identify and address internal and external stakeholders’ concerns.

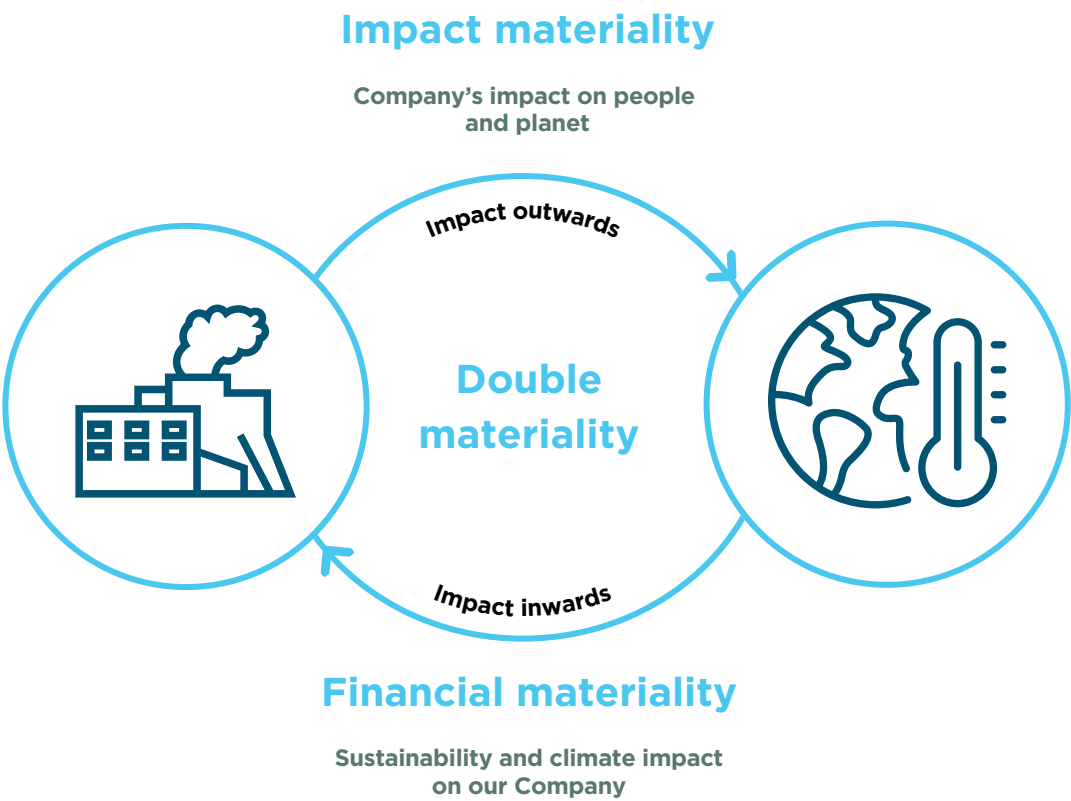
Compliance and Stakeholder Trust

Lucara is committed to ensuring compliance with all applicable laws and regulations in the jurisdictions where it operates. During the reporting period, there were no instances of non-compliance with applicable laws and regulations. No financial, judicial, or administrative penalties were imposed on the Company in 2024.

Double Materiality Assessment

Lucara is dedicated to managing the economic, environmental, and social impacts of our operations. In line with this commitment, we regularly review our material topics through a materiality assessment process. Guided by evolving global best practices, we conducted a comprehensive double materiality assessment in February 2024 to identify our most critical sustainability topics. In early 2025, as part of the preparation of this report, we conducted a review of the assessment and gathered input from both internal and external stakeholders.

Our materiality assessment approach, guided by the GRI Standards and European Sustainability Reporting Standards (ESRS), evaluates both the impacts of our activities on broader societal, environmental, and economic systems and the relevance of those factors to our enterprise’s financial performance. The result is an integrated understanding of our business’s multifaceted influence and its strategic implications.



Methodology

Our materiality assessment incorporated input from internal and external stakeholders, supported by third-party specialists to ensure impartiality and alignment with good international industry practice. Our tailored approach considers the Company’s ongoing sustainability efforts, capacity, and available resources. The multi-step process involved:

- **Identification of Impacts and Risks:** Reviewing Lucara’s actual and potential economic, social, and environmental impacts and risks.
- **Stakeholder Engagement:** An online survey and two in-person workshops involving near seventy internal and external stakeholders helped refine and prioritise an updated list of material topics representing our identified impacts and risks. In-depth workforce and community workshops enabled a more robust exploration with individuals, small groups, and larger groups. The engagement supported Lucara in updating and prioritizing a list of material topics that considers positive and negative impacts, business risks, and opportunities.
- **Prioritisation and Validation:** Senior Management and the Board validated our material topics list for reporting. Lucara’s Senior Management approved our final material topics list as the last step in the process.

The assessment was framed by a review of industry environmental, social, and governance (ESG) trends and risk research, ongoing regulatory shifts, relevant ESG ratings and rankings, and updates to industry-relevant reporting and performance standards.

Emerging reporting standards and frameworks were also considered, which Lucara may consider adopting in the future, as appropriate. This included the International Financial Reporting Standards (IFRS) S1 and S2 sustainability disclosure standards, the Taskforce on Nature-related Financial Disclosures (TNFD), the GRI 14 Mining Sector Standard, and the ESRS. The assessment also examined documentation on operational risks, impacts and engagement activities at KDM.



Materiality Assessment Workshop

Material Topics

Lucara’s materiality assessment has identified key economic, environmental, governance and social topics that represent our most significant risks and impacts. The presented list seeks to reflect qualitative and quantitative insights gleaned, integrating both impact and financial materiality analysis outcomes.

This evaluation integrates both impact materiality and financial materiality analyses, providing a holistic view of our operational landscape. The resulting list of material topics reflects a synthesis of qualitative and quantitative insights, ensuring a balanced and thorough representation of our sustainability priorities.

In the infographic of the topic list provided, the circle size indicates the current relative materiality of each topic. For impact materiality, this is inclusive of positive and negative actual impacts, and in the case of financial materiality, this is inclusive of both risks and opportunities.

Following the materiality assessment review, there were some changes in the topic list from previous reporting periods. These changes are also reflected in Lucara’s new Sustainability Strategy Framework. The changes mainly focus on adjusting certain topics to better capture the Company’s strategic priorities. Key updates include the reframing of Diversity & Inclusion, Engagement & Partnership, Product Stewardship & Provenance, and Water Management. Additionally, Innovation was not retained as a standalone material topic within sustainability and ESG, although we continue to consider it a transversal theme that permeates many areas of our business. Each of these material topics is addressed within this report, including Lucara’s management approach in each case.

ENVIRONMENT



SOCIAL



GOVERNANCE



Monitoring Material Topic Performance

We continue monitoring our performance within each material topic.

Material Topic	KPI	2024 Performance Highlight
Local Procurement	Botswana National Procurement	\$116 million (59% of total procurement)
Local Employment	Botswana Nationals	Botswana nationals direct employees in Lucara Botswana: 99%
Labour Practices	Botswana Mine Workers Union membership Operational grievance mechanism	65% of the workforce are unionized. Botswana Mine Workers remains the only recognized trade union. One employee grievance was processed through the Company’s Disciplinary Procedure.
Diversity and Inclusion	Workforce diversity Board diversity	31% women in management positions 29% female Board Directors at Lucara Diamond ⁶ 13% female workforce (including contractors) 25% female employees at KDM
Training and Skills Development	Training provided	41,408 nominal hours of training
Health, Safety & Wellness	Lost time injury frequency Fatalities	LTIFR: 0.05 ⁷ Fatalities: 0
Engagement & Partnership	New partnerships formed Partnerships maintained	Partnership with AbariCom to expand internet access to all 34 schools in the Boteti region. First Biodiversity Assessment Survey of KDM in partnership with Birdlife Botswana. Partnership with Botswana International University of Science and Technology to implement mine tours at KDM.
Community Development	Sustained Investments Community Grievances	Community Investment, not including Sport Complex: \$0.4 million. Sport Complex: \$8.2 million. Began the construction of the Makgaba Primary School Three recorded community grievances resolved. Completed a Community Needs Assessment for the nineteen villages in the Boteti district.

⁶ Following the Annual General Meeting in May 2025, David Dicaire did not stand for re-election, reducing the Board size to seven Directors, two of whom are women (29%).

⁷ Using the (ICMM) incident classification, where a (RWI) is classified as an LTI.

Monitoring Material Topic Performance

We continue monitoring our performance within each material topic.

Material Topic	KPI	2024 Performance Highlight
Community Development	Sustained Investments Community Grievances	Developed a formal grievance procedure in addition to the grievance process mechanism presented in 2023. First Aid training to 52 individuals across the 19 villages in Boteti East and West.
Cultural Heritage	Number of Cultural Heritage Studies	Completed Rural Area Dwellers (RADs) vulnerability assessment in the nineteen villages where we operate.
Human Rights	Human Rights Risk Assessment Human Rights Violations Reports Whistleblower hotline	Zero allegations of human rights violations.
Governance & Business Ethics	Governance and assurance Regulatory compliance	In 2024, following the implementation of the new structure, 28 out of 69 personnel participated in human rights training aligned with Botswana laws and the Voluntary Principles on Security and Human Rights (VPSHR). Zero regulatory non-compliance.
Economic Performance	Financial performance	389,017 carats recovered \$203.9 million in revenue \$23.2 million in royalties
Product Stewardship	Kimberley Process RJC certification MAC TSM	Kimberley Process compliance Certified RJC member Second MAC TSM external verification audit completed
Cybersecurity	Incidents of cybersecurity	Zero cyber breaches in 2024.
Climate Change	Climate Change Working Group	Finalized the first climate risk assessment incorporating scenario analysis.
Energy Use & GHG Emission	GHG emissions Energy use	Total Energy: 500,340 GJ Total GHG Scope 1: 16,090 tCO ₂ e Total GHG Scope 2: 80,871 tCO ₂ e

Monitoring Material Topic Performance

We continue monitoring our performance within each material topic.

Material Topic	KPI	2024 Performance Highlight
Biodiversity & Land Management	Land disturbed and yet not Rehabilitated (ha) Land newly disturbed this year (ha)	Lease area: 1,523 hectares Land disturbed and yet not rehabilitated: 902 hectares Newly disturbed area: 14.5 hectares
Dust & Air Quality	Dust levels Community grievances on dust	New noise monitoring instruments to implement frequent in-house environmental monitoring. No community grievance on dust
Mine Closure & Rehabilitation	Closure plan updates	New onsite soil treatment facility
Waste Management	Hazardous and Non-Hazardous Mine Materials	Total Hazardous Mine Materials: Zero Total Non-Hazardous Mine Materials: 3.9M tonnes
Tailings Management	GISTM: alignment of Emergency Response Planning MAC TSM Tailings Protocol alignment Independent Tailings Review Board (ITRB) reviews	Completed design for a third Fine Residue Deposit (FRD) Total tailings produced: 2.8 M tonnes. Second annual ITRB review to increase compliance with GISTM.
Water Management	Regulatory compliance Resource use, wastes and spills	Zero regulatory non-compliance, spills, or fines. No freshwater used in the processing plant. Maintained zero discharges into the environment. 1,805,424 m ³ groundwater withdrawn from pit dewatering.

Sustainability Strategy Development

In 2024, Lucara developed a new five-year sustainability strategy centred around our vision statement “to create an enduring positive legacy in Botswana through sustainable and responsible diamond mining”.

The strategy development process leveraged our double materiality assessment and was further supported by feedback from internal and external stakeholders. It involved all levels of the organization and was a collaborative effort between the Lucara Diamond corporate office, the Lucara Botswana regional office, and the on-site team at KDM. This process enabled us to map out a comprehensive set of focus areas to underpin Lucara’s sustainability strategy.

The Lucara team is refining the Company’s long-term sustainability ambitions and targets in 2025, which will be aligned with the five pillars and topics detailed in the framework.



TRANSPARENT LEADERSHIP	ENGAGED WORKFORCE	HEALTHY ENVIRONMENT	EMPOWERED COMMUNITIES	RESPONSIBLE MINING
Ethical decision making, strong governance	Investing in our people’s success	Responsible stewardship for a healthy environment	Creating lasting, positive change	Sustainable operational excellence
We practice transparency, uphold strong governance, and treat all stakeholders equally and with respect.	We prioritize safety, well-being, and development to build an engaged, diverse and Inclusive workforce.	We manage natural resources responsibly work to minimize our environmental footprint, and adapt to climate risks for a sustainable future.	We empower local communities through sustainable partnerships and economic opportunities.	We focus on longevity and Innovation through responsible mining and operational excellence.

HEADLINE KPI TOPICS				
Governance & Business Ethics	Health, Safety & Wellness	Water Management	Community Development	Underground Expansion Project
Risk Management	Talent Attraction & Retention	Energy Use & Greenhouse Gas Emissions	Engagement, Consultation, & Partnerships	Economic Performance

TOPICS				
- Human Rights - Cybersecurity	- Training & Skills Development - Diversity & Inclusion - Labour Practices	- Climate Change Adaptation - Pollution - Biodiversity & Land Management - Mine Closure & Rehabilitation	- Local content: People & Supply Chain - Cultural Heritage	- Product Security & Provenance - Tailings & Waste Management

CRITICAL ENABLERS:
REPORTING | MANAGEMENT SYSTEMS | TECHNOLOGY & INNOVATION



Mapping to the Sustainable Development Goals

The 2030 Agenda for Sustainable Development calls for global collaboration to achieve the seventeen Sustainable Development Goals (SDGs), with every organization, regardless of size or industry, contributing to this effort.

In Botswana, the Government and the United Nations have developed the [United Nations Sustainable Development Cooperation Framework \(UNSDCF\) 2022-2026](#), aligned with national plans such as Vision 2036: Achieving Prosperity for All, and NDP 12 (2023–2029), to build a more equitable and resilient society.

At Lucara, we align our sustainability initiatives with the UNSDCF, focusing on ten priority SDGs that most closely align with our business activities and material risks, impacts, and opportunities. We remain committed to advancing these goals through our sustainability strategy and community investment programming.

Environmental and Social Management System

Our Environmental and Social Management System (ESMS) demonstrates our commitment to environmental responsibility and good governance practices, guiding us to meet our operational sustainability management requirements and obligations in a systematic manner. The ESMS ensures effective monitoring and evaluation of our environmental and social performance. It was designed in alignment with the IFC Performance Standards on Environmental and Social Sustainability and ISO 14001:2015 for Environmental Management Systems.

The ESMS encompasses a wide range of focus areas covered in this report, including but not limited to climate change, biodiversity, air and water quality monitoring, pollution abatement, closure and rehabilitation planning, stakeholder engagement, and our operational grievance mechanism.

Our ESMS includes our Environmental Management Plan, which was developed in 2020 by independent environmental practitioners and endorsed by the Government of Botswana, providing us a comprehensive framework for mitigating a range of environmental risks.

As part of our continuous improvement efforts, our ESMS also employs Isometrix software, which was developed in compliance with ISO 45001 and ISO 14001 standards. It serves as a centralized platform for managing risks, implementing policy commitments, allocating resources and assigning responsibilities. It also enables ongoing monitoring and auditing of safety, health, environmental performance and stakeholder engagement. Performance dashboards provide actionable insights for management review, supporting internal reporting and driving continuous improvement. Key users of the system include management, Process Owners, Sectional Heads (such as Superintendents, Engineering Coordinators, and Senior Process Engineers), and all Legal Appointees.



Lucara Botswana employees and Khwee farm workers

CORPORATE GOVERNANCE

Our Approach

Lucara is committed to upholding the highest standards of ethical and transparent business practices. Guided by a commitment to legal compliance, respect for human rights, environmental stewardship, and the safety of our workforce and communities, our governance framework ensures accountability across all business activities. As issues such as ethics, transparency, human rights, and cybersecurity grow in importance, we remain steadfast in our pursuit of strong corporate governance. This includes complying with Canada's Extractive Sector Transparency Measures Act (ESTMA), which mandates the public disclosure of payments to governments.

Governance Structure

Lucara Diamond's Board of Directors holds ultimate accountability to shareholders and stakeholders, overseeing the Company's operations in accordance with the British Columbia Business Corporations Act and Lucara's Articles. The board is committed to effective governance, with a strong focus on risk management, including sustainability and ESG objectives.

Meeting regularly, the board reviews and approves key reports and monitors adherence to evolving legal, regulatory, and stakeholder expectations through continuous refinement of its guidelines and policies. Sustainability oversight and comprehensive risk management are central to its mandate.

See further details on [Lucara Diamond's Board of Director's Mandate](#) and the [Lucara Diamond's ESG Committee's Mandate](#).



A visit from Botswana's First Lady, Mrs. Kaone Boko, pictured with Lucara CEO William Lamb and Managing Director Naseem B. Lahri

The following corporate governance and sustainability policies, available on our [website](#), guide our business practices and establish commitments and expectations across the organization:

- Position Descriptions for the President/CEO, Chair of Board, Lead Director and Committee Chairs
- Board of Directors' Mandate
- Audit Committee Charter
- Corporate Governance and Nominating Committee Mandate
- Environmental, Social and Governance Committee Mandate
- Compensation Committee Mandate
- Code of Business Conduct & Ethics
- Whistleblower Policy
- Anti-Bribery and Anti-Corruption Policy
- Disclosure Policy
- Advance Notice Policy
- Majority Voting Policy
- Responsible Mining Policy
- Board and Executive Officer Diversity and Inclusion Policy
- Human Rights Policy
- Corporate Social Responsibility Charter
- Environmental Policy

Our Board of Directors

Lucara's Board of Directors oversees the Company's business strategy, including our ESG and sustainability objectives. The board currently consists of eight directors, seven of whom are independent members and all have experience in overseeing matters pertaining to Sustainability and ESG including climate change, tailings management and human rights. Further details on all board members, including their tenure and expertise relevant to their roles, can be found in the [2025 Notice of Meeting and Management Proxy Circular](#). The board is supported in its mandate by the following four standing committees:

- Audit Committee
- Corporate Governance and Nominating Committee
- Compensation Committee
- Environmental, Social and Governance Committee

The Corporate Governance and Nominating Committee, composed solely of independent directors, proposes board nominees, aligning with our [Board and Executive Officer Diversity and Inclusion Policy](#) and board composition guidelines. Additional corporate governance information is available on our [website](#).



Lucara Botswana Board

Lucara's Executive Officers include the Company's Chief Executive Officer, Chief Financial Officer, Vice President of Finance, Vice President of Mineral Resources, Managing Director of Lucara Botswana, and General Manager of KDM. In 2024, our new VP Mineral Resources, Dr. Lauren Freeman and our new Chief Financial Officer (CFO), Glenn Kondo, joined Lucara Botswana's Board of Directors.

⁸ Following the Annual General Meeting in May 2025, David Dicaire did not stand for re-election, reducing the Board size to seven Directors, two of whom are women (29%).



Paul K. Conibear, Chair
Independent, appointed
April 2007



Adam Lundin
Independent, appointed
May 2022



David Dicaire
Independent, appointed
May 2020



Sheila M. Colman
Independent, appointed
May 2024



Ian W. Gibbs
Independent, appointed
May 2024



Melissa M. Harmon
Independent, appointed
February 2025



Peter J. O’Callaghan
Independent, appointed
May 2020



William Lamb, President & CEO
appointed
August 2023



**Women Executive Officers at
Lucara Diamond Corp.**



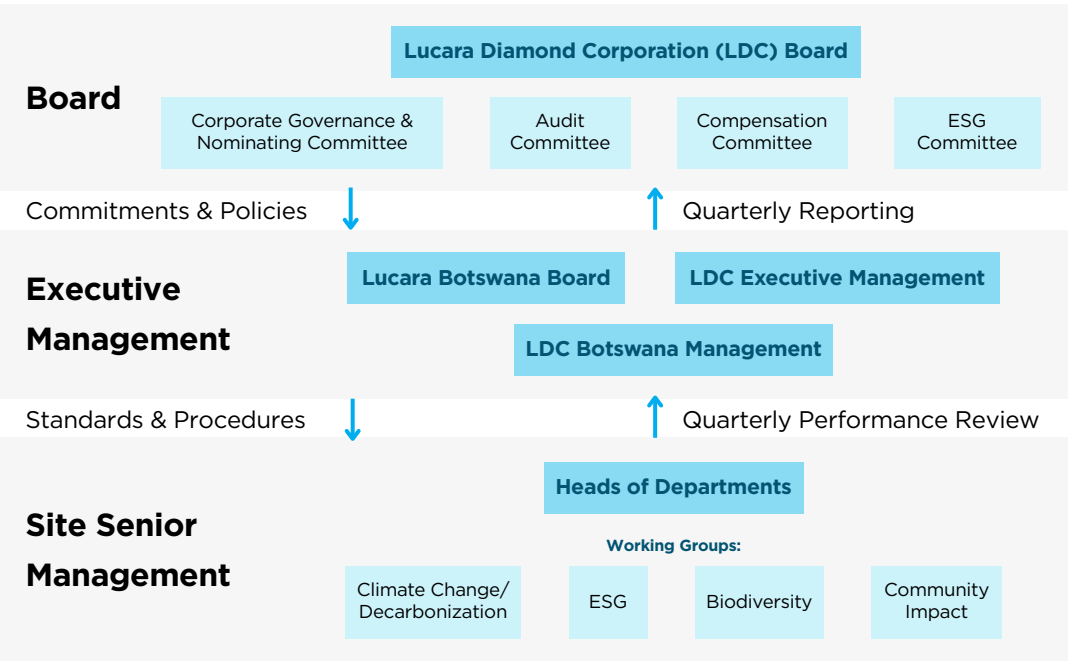
**Women Executive Officers at
Lucara Botswana**

In addition to the Lucara Diamond board, Lucara Botswana holds its own regular board meetings. The Lucara Botswana board includes executive management from both Lucara Diamond and Lucara Botswana. The following multi-disciplinary technical working groups and management committees support implementation of our strategic ESG initiatives, providing quarterly updates to both the Lucara Diamond and Lucara Botswana boards:

- Climate Change/Decarbonization Working Group
- ESG Working Group
- Biodiversity Working Group
- Community Impact Working Group

During the reporting period, the Lucara Botswana board held four meetings, and the technical working groups held thirteen meetings.

Governance Structure Diagram:



Executive and Board Compensation

The Lucara Diamond Compensation Committee reviews and recommends board approval of the Company's executive and director compensation. The board appoints committee members from its ranks, ensuring that at least three members hold independent director status as defined by National Policy 58-201— Corporate Governance Guidelines (NP 58-201).

Lucara's Compensation Committee reviews and approves executive and director compensation. Executive Short-Term Incentive Payments (STIPs) are determined using a Balanced Scorecard, which includes a 10% weighting for Environment, Health, Safety, and Social (EHSS) KPIs. In 2024, the EHSS KPI achieved 90% of its target, reflecting strong performance. In 2024, the board only made market-based adjustments to director compensation, ensuring competitiveness and fairness.

Business Ethics & Transparency

Lucara has a robust ethics program to combat corruption. Corruption risks continue to be monitored through our departmental risk registers. Our Strategic Risk Register rates the risk of "Compromised or lack of business integrity" as low. Staff and contractors undertake an annual Code of Conduct training, which includes information on Lucara's anti-corruption and anti-bribery stance and practices.

In 2024, the Lucara Botswana executive team and relevant staff from the finance and procurement departments completed training on Business Continuity Management, Enterprise Risk Management, and Anti-Money Laundering, Combating Terrorist Financing and Countering Proliferation Financing. No corruption incidents were experienced or reported in 2024. As part of our commitment to transparency and responsible resource development, we adhere to Canada's ESTMA, which mandates the annual disclosure of payments made to governments in Canada and abroad.

This ensures accountability and helps combat corruption by providing stakeholders with clear insights into our Company's financial contributions. By publicly reporting these payments, we aim to foster trust, support sustainable development, and demonstrate our dedication to ethical business practices and good governance. Lucara also complies with tax regulations in its operating jurisdictions.

Risk Management

Lucara's robust approach to risk management is integrated across our strategic planning, operations, and project oversight processes. This includes ESG risks, which are assessed and integrated into daily planning, operations, and decisions. Our commitment to effective risk prioritization and mitigation is a cornerstone of our success, informing decision-making at every level.

The Lucara Diamond Board oversees risk management, supported by the Audit and ESG Committees, which monitor management's performance across Lucara and its subsidiaries. Lucara reports on risks in quarterly financial reports and the Annual Information Form (AIF), available on our website and SEDAR+ at www.sedarplus.ca.

Our Enterprise Risk Management (ERM) identifies and manages organization-wide risks documented in the Strategic Risk Register, each assigned to a designated owner for management and updates. Departments maintain their own risk registers, updated by Risk Champions and regularly discussed in team meetings. On a quarterly basis, Heads of Departments (HODs) present risks at our Risk Forum, escalating them to the Lucara Botswana Board and ultimately, the Lucara Diamond Board. Safety and ESG-related risks are presented at the Lucara Botswana SHECR Committee and the Lucara Diamond ESG Committee.

Per the 2024 AIF, the top risks to the Corporation are as follows:

- Global Economic and Geopolitical Risks
- Diamond Prices and Marketability
- Liquidity Risk and Ability to Maintain Obligations or Comply with the Facilities
- Access to Capital and Financing Requirements
- Capital Costs Related to the UGP

Guided by the COSO, ISO 31000, 14001 and 45001 standards, our management systems systematically identify, evaluate, and address risks. These systems help us uphold our commitment to responsible operations and continuous improvement.

Audit & Assurance

At Lucara, we recognize the importance of third-party audits and assurance in validating the accuracy and reliability of our ESG performance. Lucara had five key third-party audits during 2024, including our ISO 45001 recertification, our Lenders' Independent Environmental and Social Consultant (IESC) monitoring, RJC recertification, ITRB review, and external verification of our alignment with the MAC TSM Protocols.

Lucara Botswana's Governance and Assurance department evaluates and reviews internal processes and controls to determine the effectiveness of our risk management measures and emergency preparedness and response, including a range of ESG-related requirements and obligations. During the reporting period, critical processes were audited through internal audits covering various ESG components, including anti-money laundering and counter terrorism financing, community relations projects, and effluent and tailings management. These audit reports were disclosed to the Lucara Botswana senior management team and the Lucara Diamond CFO, providing reasonable assurance of the effectiveness of the Company's control environment. No significant deviations were recorded.

In 2024, the external verification of our MAC TSM alignment was a priority in our sustainability audit and assurance activities. As part of our ongoing evaluation of sustainability reporting practices, we have decided that no independent third-party assurance will be conducted for this Report.

Nasoma Lionjanga Chief Risk Officer, Lucara Botswana

As Chief Risk Officer of Lucara Botswana, Nasoma Lionjanga oversees security, internal audit, enterprise risk management (ERM), and compliance matters. Her career began in banking, where she gained experience in various bank branches, process re-engineering, product development, risk management, compliance, and operations. ERM became a natural focus for her, given the impact of helping organizations make informed decisions by balancing opportunities and threats across operational, financial, reputational, and ESG risks.



Nasoma is a people-centric leader who believes in nurturing talent and fostering a positive, inclusive work environment. In 2024, her key achievements include developing three-year Security and ERM strategies and leading a successful live crisis management simulation.

This simulation improved awareness and alignment between strategy and risk management across all organizational levels.

Nasoma emphasizes the firm belief that effective ERM ensures Lucara stays in control of risks, seizes opportunities, and monitors emerging risks, supporting a smooth transition from open-pit to underground mining.

Cybersecurity

Cybersecurity is critical to safeguarding Lucara’s operations, information, and stakeholder trust. Integrated into our risk management framework, our approach aligns with the Botswana National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to ensure consistent and formalized processes. Monitoring, audits, and regular risk assessments help us address emerging cyber threats and enhance operational resilience.

In 2024, we advanced our Risk Reduction & Business Continuity initiatives, recognizing that robust cyber resilience is essential to minimizing financial and reputational risks while ensuring long-term business sustainability. Key accomplishments included the implementation of several NIST and audit recommendations at Lucara Botswana, which contributes to continuous improvement in our overall cyber resilience.

Botswana’s Data Protection Act 2024 came into effect in January 2025. At Lucara Botswana, preparations for compliance have been a key priority area. A formalized compliance function and supporting policy have been implemented, with employees and contractors engaged through regular updates and Secure Access Service Edge (SASE) email briefings. A data representative has been appointed to oversee data governance, report breaches, and maintain strong regulatory relations. During the reporting period no breach or compromise was registered on the personal data processed by Lucara.

As part of our focus on fostering a skilled and cyber-aware workforce, we have also been prioritizing cybersecurity awareness and training. The Lucara Diamond Board of Directors received an education session on “Effective Oversight of Cybersecurity” and over the past year, 330 employees actively participated in cybersecurity sessions, collectively completing 99 hours of training. These sessions covered essential topics, including password security, vishing, and phishing, equipping our team with the knowledge and practical tools needed to identify and mitigate cyber threats effectively.

The recent awareness sessions via direct on-screen images held at Lucara Botswana (which included topics on email security, clear desk, removable media, ransomware, social engineering and physical security) further reinforced our proactive approach to strengthening our cybersecurity and safeguarding our digital assets. Additionally, we initiated the development of a chatbot to drive organization-wide cyber awareness, providing employees with accessible and interactive resources. Other ongoing initiatives include the enterprise resource planning review, continuous disaster recovery testing, and enhancements to SharePoint for improved personal data protection. We also assessed the potential of select AI-based tools to strengthen our cyber defenses, with plans for implementation in 2025.

During the reporting period, we registered no significant cybersecurity incidents or non-compliance events.



Lucara Botswana Employees

Human Rights

Lucara is committed to upholding human rights across our business activities and relationships, guided by international frameworks such as the *UN Guiding Principles on Business and Human Rights (UNGPs)*, the *Kimberley Process*, and the *RJC's Code of Practices (2019)*. The principles within these frameworks are embedded in our Human Rights Policy and Code of Business Conduct and Ethics, with ultimate oversight provided by the Board and responsibility shared among all employees.

To help us uphold this commitment, Lucara has established an operational grievance mechanism and Whistleblower Policy. We also keep open communication channels with our employees, communities, and stakeholders, to foster a culture of transparency, honesty, and respect. This approach is also supported by the inclusion of human rights themes in our various inspections and internal audits.

Our commitment to human rights is further reinforced through ongoing employee awareness and training programs. In 2024, our internal human rights training and awareness program focused on key areas such as basic human rights, sexual harassment, discrimination, bullying, and intimidation in the workplace. About 76% of the workforce attended these training sessions. In addition, the Human Resources function at Lucara Botswana conducts quarterly inspections on all site-based contractors to check compliance to the Lucara Code of Conduct and Business Ethics and the Human Rights Policy.

In 2024, we expanded our human rights training to local communities. Training took place in eight villages (Rakops, Xere, Mmadikola, Xhumo, Toromoja, Mopipi, Kedia and Mokobaxane) in Boteti West and in seven villages (Letlhakane, Mmea, Mokubilo, Mmatshumo, Mosu, Khwee and Makgaba) in Boteti East.

The training was focused on ten key objectives, including:

1. Basic life support skills
2. Injury management
3. Emergency response protocols
4. Understanding common medical emergencies
5. Scene safety
6. Communication skills
7. Promoting community resilience
8. Confidence building
9. Encouraging lifelong learning
10. Cultural sensitivity

With these objectives in mind, the training contributed to safer communities by equipping individuals with the skills to respond effectively in emergencies. The training was conducted in local languages, integrated into our regular Kgotla meetings and broader community engagement activities. This approach seeks to ensure accessibility, cultural sensitivity and relevance for participants.

We are committed to respecting labour rights and fostering an inclusive and fair workplace. Our Human Rights Policy reinforces these principles by prohibiting harassment and discrimination based on gender, sexual orientation, race, national origin, or any other protected characteristic.

We also uphold the principle of freedom of association and operate in accordance with our collective bargaining agreement with the Botswana Mine Workers Union (the “Union”), in place since 2018. Further details can be found in the [Labour Relations](#) section.

Security and Human Rights

Our security personnel play a critical role in maintaining the safety and integrity of our operations, regularly interacting with employees and community members as part of their physical security mandate. Their responsibilities include access control, random searches, and other essential security measures.

Lucara’s Security team ensures that all personnel receive refresher training on human rights protocols at least every three years. By the end of 2023, all staff had completed human rights training. In 2024, following the implementation of the new structure, 28 out of 69 personnel participated in human rights training aligned with Botswana laws and the Voluntary Principles on Security and Human Rights (VPSHR). The remaining group is scheduled for refresher training in 2025, with a new training cycle beginning in 2026.

Additionally, Lucara’s Security team conducts an annual security environmental scan to identify potential internal and external threats that may impact the organization. Security contracted service providers are also required to complete mandatory human rights training within six months of their engagement.

Our Memorandum of Understanding (MoU) with Botswana Law Enforcement Agencies serves to strengthen the alignment of our internal security processes with local Botswana regulations and the VPSHR. No allegations of human rights violations were recorded in 2024.

KDM Human Rights Review



In 2024, Lucara undertook a comprehensive review of human rights issues associated with the KDM, conducted by an independent third party. This review assessed relevant human rights considerations related to the Company’s operations and across a range of functions. The assessment was guided by established methodologies and approaches for conducting Human Rights Impact Assessments (HRIAs). The review did not identify any salient human rights issues directly associated with KDM’s assets and activities.

On the contrary, it found that KDM demonstrates a strong commitment to respecting, protecting, and fulfilling human rights through its high standards in environmental management, social responsibility, health and safety, as well as its proactive community engagement and social investment initiatives.

The review commented on a labour dispute regarding retrenchment that began in 2023 and was resolved in 2024 following legal proceedings and a ruling by the national Industrial Court. Prior to this dispute, relations between Lucara Botswana and the Union had remained cordial since 2018. Further details on this matter can be found in the [Labour Relations](#) section of this report.

Forced and Child Labour

Several ESG standards to which Lucara subscribes include requirements related to forced and child labour. These include the Kimberley Process, the RJC, and the MAC TSM Protocol on the Prevention of Child and Forced Labour. To support our alignment, these requirements are integrated into our policies and practices.

The third-party specialist human rights review in 2024 found no salient issues related to child or forced labour associated with Lucara’s activities.

In compliance with Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, Lucara published its first Modern Slavery Report in 2024, for the year ending December 31, 2023. This annual report, available on Lucara’s [website](#), outlines the steps taken to assess and mitigate risks related to forced labour and child labour across our operations and supply chain.

Product Stewardship & Provenance

At Lucara, we are committed to responsible mining and product stewardship across the diamond value chain. Accountability, compliance, and transparent reporting form the foundation of our governance and product protection approach, enabling us to drive innovation, create value, and make a positive impact on the diamond industry with integrity and respect.

We prioritize ethical supply chain management, adhering to internationally recognized human rights principles and industry standards in responsible sourcing. By prioritizing local procurement wherever possible, we strengthen supply chain resilience and support the development of robust communities. Further details are available in this report’s [Local Employment](#) and [Local Procurement](#) sections.

To ensure ethical and transparent practices, we continuously refine our procurement processes—from sourcing to contract awarding and lifecycle management. We are also expanding due diligence, monitoring, and auditing procedures across our value chain to ensure alignment with our ethical standards among upstream and downstream partners.

As part of our commitment to accountability and transparency, Lucara maintains certifications and undergoes regular audits to align with industry’s standards of responsible mining and ethical practices. In 2024, Lucara achieved RJC recertification following independent audits at both the KDM and the Vancouver corporate office, with no major findings reported. The next recertification is scheduled for 2027. For a full overview of our memberships and certifications related to responsible mining, visit the [About Lucara](#) section.



Diamonds recovered from KDM

Our Value Chain



2024 ECONOMIC PERFORMANCE

HIGHLIGHTS

-  **399,215 carats** Diamonds Sold
-  **\$203.9 million** Revenue
-  **\$43.6 million** Net income from continuing operations

Botswana Benefit:

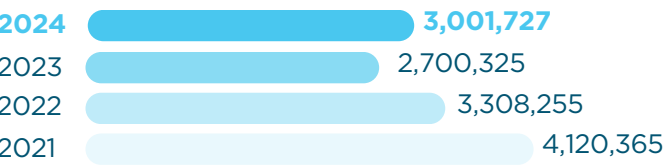
-  **\$0.4 million** Community Investment (not including the Sports Complex)
-  **\$8.2 million** Sports Complex (approximately P113,000,000)
-  **\$23.2 million** Royalties
-  **\$30 million** Employee Compensation
-  **\$116 million** Local Procurement



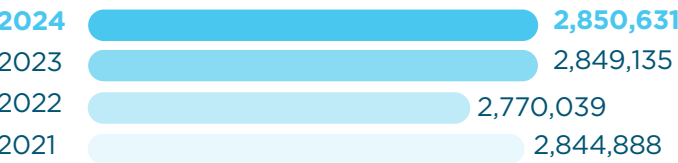
Seriti Diamond

Operations

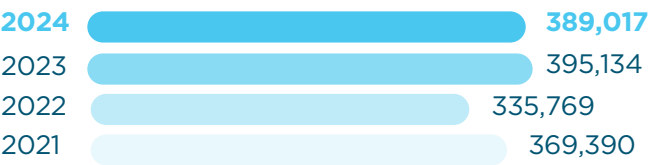
Ore Mined (tonnes)



Ore Milled (tonnes)



Carats Recovered



Mining & Processing

In 2024, KDM's processing plant milled a record 2,850,631 tonnes of ore and recovered 389,017 carats of diamonds. A total of 807 Specials (stones larger than 10.8 carats in size) were recovered, equating to 7.6% by weight of the total recovered carats from ore processed in the year. Since 2012, 41 diamonds in excess of 300 carats have been recovered. Our operations experienced no disruptions or strike lockouts in 2024.



KDM Processing Plant

Security & Loss Control

In 2024, Lucara Botswana restructured its security framework and implemented a Security Optimization Strategy to enhance control measures and mitigate risks, with consideration of the transition from open pit to underground mining operations between 2025 and 2028.

A key initiative, called Protection at Source, minimized exposure to high-risk activities by embedding security within operational processes and restricting unnecessary access. The surveillance strategy transitioned from continuous monitoring to event-triggered surveillance, strengthened by remote assurance and data analytics. Three Security Risk Reviews were conducted, leading to significant improvements, including enhanced data storage capacity, automated action tracking, and a more robust incident reporting and management system. To strengthen intelligence and investigations, Lucara expanded data-driven security measures, integrating insights from security, technical, and process data. A strict incident escalation policy and reinforced stakeholder collaboration further improved risk management and operational resilience in preparation for the mining operation transition.

Underground Project



Significant progress in shaft sinking and shaft connection lateral development



A total of 702 metres were sunk, consisting of 375 metres in the production shaft and 327 metres in the ventilation shaft

The UGP is designed to access the highest value portion of the KDM orebody, a significant source of many large high-value diamonds, including the 1,109-carat Lesedi La Rona, the 549-carat Sethunya, and more recently, the 2,488-carat Motswedi. The UGP is expected to extend the mine life to 2040. Lucara released an updated schedule and budget for the Project in July 2023, with the UGP projected to cost \$683.4 million and production commencing in 2028.

UGP development in 2024 consisted of shaft sinking, shaft connection lateral development, and surface infrastructure activities, with a total of \$64.7 million invested. By year-end, the ventilation shaft reached 671 metres below surface (mbs) out of a planned final depth of 722 mbs, and the production shaft reached 731 mbs out of a planned final depth of 770 mbs. The 470-level station development was completed, as were the construction and pre-commissioning of the permanent bulk air coolers at the production shaft. Construction and fabrication of the permanent man and materials winder continued during the year, representing the last major component for the permanent winders.

The UGP continues to advance with construction and development activities focussed on sinking the ventilation and production shafts to final depth, continued construction, and procurement of underground equipment.



“

In 2024 we made great strides on the Karowe Underground Project, consistently driving operational excellence while upholding a strong safety record.

Johane Mchive
- General Manager

”



KDM Underground Project

OUR PEOPLE

HIGHLIGHTS

-  **2,386 employees⁹** Total Workforce (employees and contractors)
-  **559 employees** Employees at Lucara Botswana
-  **31%** Women in management positions at Lucara Botswana
-  **25%** Women employees at Lucara Botswana
-  **99%** Botswana Nationals at Lucara Botswana (direct employees)
-  **41,408** Hours of Training
-  **6.9%** Staff Turnover

⁹ The total workforce only includes Lucara Botswana's employees and contractors. It does not include Lucara Diamond Corp.



Lucara Botswana Employee: Boikobo Motsamai

Our Approach

At Lucara, we recognize that our people are our most valuable asset, and we are committed to fostering a healthy, inclusive, and fulfilling work environment. We respect the right to unionise and freedom of association, maintaining open dialogue with the Botswana Mine Workers Union. Our commitment to fair wages, equal opportunities, fair treatment, and non-discrimination is central to our operations, alongside promoting diversity in all its forms.

Employee welfare is prioritized through long-service awards, retirement program, and wellness initiatives. Local talent development is prioritized through training and growth opportunities. Our approach is guided by key company-wide commitments including our Responsible Mining Policy, Corporate Social Responsibility Charter, Code of Business Conduct & Ethics, Whistleblower Policy, and Human Rights Policy.

Our Workforce

Lucara Botswana endeavours to be an employer of choice by fostering a workplace environment where employees feel safe, healthy, valued, and have a strong sense of belonging. Developing a workforce that reflects our operating environment is a top priority, as local employment and development are fundamental components of our business success.

Low Turnover

Employee turnover carries significant costs, which is why we prioritise employee well-being and strive to achieve a high level of satisfaction among our workforce. To enhance our appeal and retain top talent, we offer competitive compensation packages, opportunities for professional growth, meaningful engagement forums and an inclusive, supportive work culture. In 2024, our staff turnover rate grew compared to the previous year, particularly during Q1 and Q2, primarily due to an optimization and restructuring exercise in the Security Department (see [Labour Relations](#) section for more information). Upon completion of the exercise, the turnover rate stabilized by the beginning of Q3. Accounting for the variability through the year, our final annual turnover rate for the period was 6.9%. We remain dedicated to keeping our turnover low and strengthening our position as an employer of choice in the region.



Mine workers in KDM

Long Service & Excellence Awards



Annual Long Service & Excellence Awards

To honour and celebrate the dedication of its long-serving employees, the Company hosted its third annual Long Service & Excellence Awards on October 25, 2024. This prestigious event recognized the remarkable contributions of employees who have reached the significant milestone of ten years with the Company, as well as the top performing employees of 2024 who demonstrated exceptional achievements.

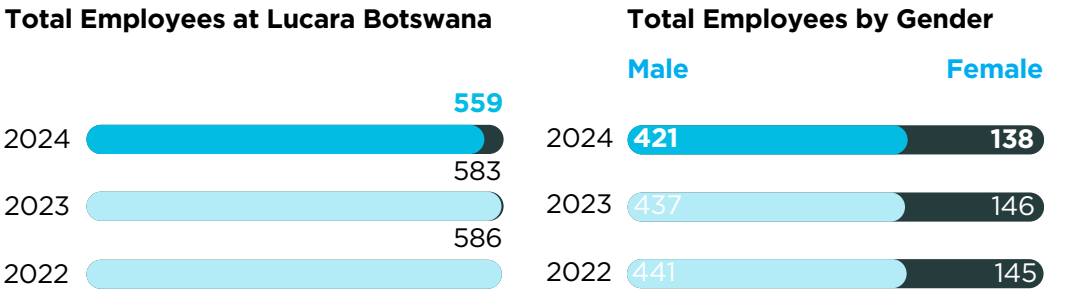
These awards exist to visibly reinforce our commitment to acknowledging the hard work, loyalty, and excellence of our workforce, which drives Lucara forward every day. This year's ceremony awarded 25 individuals for their decade of service and 62 employees for outstanding performance. The number of employees recognized for performance doubled compared to the previous year.

Fair Wages

Lucara is committed to fair remuneration and remaining competitive within the mining sector. The Company’s wage or remuneration rates exceed Botswana’s statutory minimum requirements. Our compensation strategy is designed to balance affordability with a structured evaluation system that considers skill levels, performance, internal equity, and local market benchmarks.

We review our wages and standard benefits, including parental leave (maternity and paternity), medical and life cover, and disability cover. For employees not covered by our collective bargaining agreement (see [Labour Relations](#) for more detail), remuneration reviews are conducted in accordance with the Company’s remuneration policy and individual employment contracts. Any enhancements to employment conditions are formally communicated in writing, followed by detailed discussions between employees, their supervisors, and management to ensure clarity and alignment.

Lucara prioritizes fair employment practices by ensuring that its site-based contractors provide equitable pay and good working conditions. Lucara conducts quarterly labour inspections on its site-based contractors to ensure compliance to the legal requirements on minimum wage. During the reporting period, the Human Resources and Procurement Department teams continued to monitor the employment and ethical practices of these site-based contractors as part of our continued improvement efforts.



¹⁰Based on the [International Institute for Sustainable Development, 2023](#).

Diversity & Inclusion

Operating in an industry facing persistent skills shortages, Lucara is focused on attracting, developing, and retaining top talent to drive our success. Central to this is our commitment to creating a safe, inclusive, and diverse workplace where individuals feel valued and are treated fairly.

Our approach is guided by our Responsible Mining Policy, Human Rights Policy, Code of Conduct and Business Ethics and the Lucara Botswana Diversity, Equity, and Inclusion Policy, which is currently being developed. In 2025, following approval, we intend to implement our Diversity, Equity and Inclusion Policy.

Our recruitment process emphasizes equal opportunity and gender-blind selection, focusing solely on talent and potential. By fostering diversity and inclusion, we aim to build a dynamic, innovative and creative workforce aligned with our values and equipped to meet industry challenges.

Gender Diversity at Lucara

Enhancing the participation of women within our workforce has been a central focus at Lucara for several years. We are proud of our history of consistently increasing the proportion of female employees across the Company, including in senior leadership roles. This progress not only reflects our commitment to gender diversity but also represents our contribution to advancing SDG 5, Gender Equality, and aligns with Botswana’s UNSDCF Output 1.2.

Our performance in this area continues to significantly exceed global industry averages, which typically range between 9% and 19%¹⁰. During the reporting period, we maintained a 25% representation of women employees at Lucara Botswana for the fourth consecutive year, with 138 women employed as of December 2024. We celebrated International Women in Mining Day with a dedicated workshop, highlighting the experiences and contributions of women at the mine.



Lucara Botswana's Managing Director Naseem B. Lahri with employees participating in GBV Campaign

Furthermore, in 2024, Human Resources spearheaded a gender-based violence awareness campaign for all employees, in conjunction with ongoing social investment and community development efforts on this topic (see the Gender-Based Violence section of this report).

Talent Development & Management

Strategic talent development and management enables us to identify and nurture top performers and foster skills development. This is particularly impactful on our efforts to grow local talent and maximize local workforce participation at KDM. In 2024, Lucara's Talent Management Initiative continues to be implemented, with a focus on professional development and student engagement. We also reviewed our Lucara Botswana Recruitment, Relocation & Repatriation Policy.

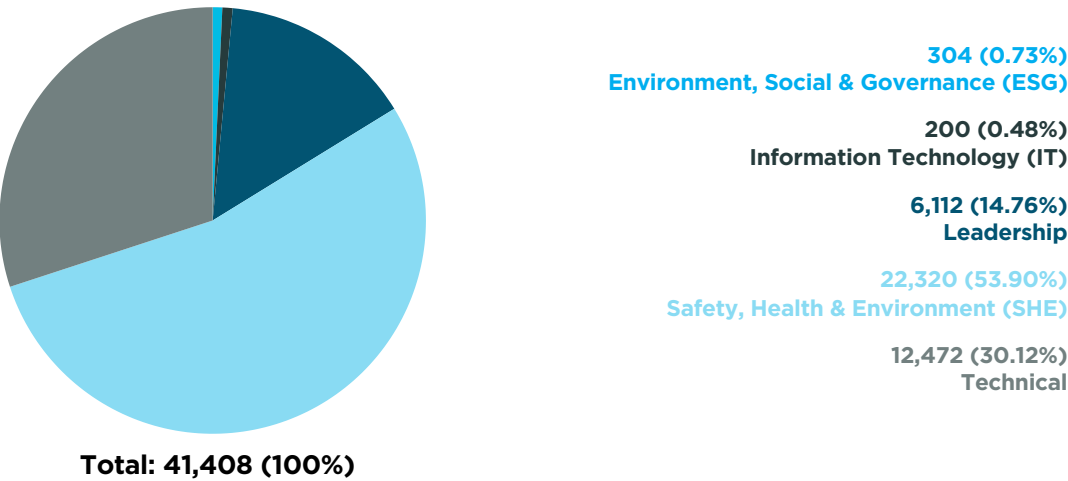
Training for Professional Development

Botswana's government has partnered with companies to encourage employee training through a training levy known as Human Resources Development Fund. This partnership has led to a considerable number of accredited courses being made available to Lucara Botswana's employees. Courses have covered a wide range of themes, including ESG, Information Technology (IT), Leadership, Safety, Health and Environment (SHE), and Technical. In 2024, there were 952 participants in 104 courses. The levy paid out in 2024 was \$343,500 (approximately P4,686,600). The reimbursement for all claimable training amounted to \$572,500 (approximately P7,809,509).

Employee Training at Lucara Botswana in 2024:



Employee training by topic:



Student Engagement and Mine Tours

At Lucara, we are committed to developing the next generation of talent for the mining industry. As part of our collaborative efforts with higher learning institutions, Lucara Botswana offers a six-month attachment program designed to provide current students with hands-on experience in key disciplines such as Mining, Engineering, Process, and Mineral Resources. This program not only supports the professional growth of these individual students but also represents our contribution to building a skilled and sustainable talent pipeline, for our company and industry. In 2024, 24 students from five higher learning institutions participated, gaining valuable industry exposure and practical skills development.

Additionally, as part of BIUST’s Department of International Linkages Akita study tour, Lucara facilitates yearly mine tours for visiting students from Akita University in Japan. The mine tours provide students with first-hand knowledge about mining operations such as extraction, environmental management and safety protocols. In addition, the tours motivate students for future careers in mining, geology, or related fields, broadening their professional horizons.



Lucara Botswana’s Partnership with University of Science and Technology (BIUST)

Labour Relations

At Lucara, we are committed to upholding the principle of freedom of association and operate in accordance with our collective bargaining agreement with the Botswana Mine Workers Union, which has been in place since 2018. This agreement grants the Union a range of rights, including access to the workplace for recruitment and collective bargaining on behalf of its members to improve their employment conditions.

As of December 31, 2024, the Union had 360 members representing 65% of Lucara Botswana’s employees, reflecting a 2% increase in membership compared to the previous year. The Union remains the only recognized trade union at Lucara. For employees outside the collective bargaining agreement, conditions of service are reviewed in alignment with their individual employment contracts and company policies.

We maintain a strong partnership with the Union and continue to collaborate closely with its local branch committee on building skills in collective bargaining and effective workplace issue resolution. Additionally, the Company provides the Union with office space and other amenities to ensure seamless access for members and facilitate day-to-day operations.

In 2024, the Union elected a new branch committee and, as part of their onboarding, they were put through an induction program to appreciate company policies, labour laws, ILO conventions and the collective labour agreement. Further training on basic collective bargaining was provided by a company sponsored external trainer to enhance their negotiation skills.

Our joint Lucara Negotiation and Consultation Committee (LNCC) composed of representatives from both management and the Union serves as a consultative and collective bargaining structure, enabling us to jointly address issues affecting employee wellbeing and conditions of employment.

Our “Relationship Building by Objectives” program, which is part of our annual commitment plan with the Union, is an initiative to strengthen our working relationship and enhance our collaboration. This program includes annual meetings where both parties reflect on the working relationship and set goals for the year ahead.

In 2024, Lucara Botswana and the Union successfully negotiated a 5% wage increase for employees within the bargaining unit, effective retroactively from April 1, 2024, and valid until March 31, 2025.

Employee Engagement Forums

The Company actively fosters a culture of employee involvement, participation, and consultation between employees and management most notably through monthly consultation forums across each business function. These forums are complemented by the General Manager’s Quarterly Brief, which provides employees with updates on the Company’s performance, strategic plans, and key initiatives. Importantly, these forums are inclusive and open to all employees, including non-unionized staff, to ensure effective representation and engagement.



Employee Engagement Forums

In 2024, we expanded the accessibility of these forums by introducing a virtual platform which allows employees who are unable to attend in person to participate remotely. To further enhance employee engagement, our employee relations function monitors the effectiveness of the employee forums. A tracker has been developed to record and monitor resolution of issues raised at these forums.

As part of continuous improvement, moving forward, employee exit data will be analysed to understand employee perceptions and initiate an action plan to address these concerns and mitigate potential employee turnover. As a long-term strategy for improving employee engagement, Lucara Botswana is also considering an employee engagement survey in the coming years.

Security Department Restructuring and Optimization

Following management and Union consultations that commenced in late 2023, Lucara Botswana undertook a planned restructuring and optimisation exercise within the Security Department in early 2024. Meetings were held with the Union in February and March 2024 to discuss the process, and the parties initially reached an impasse regarding the interpretation of the Memorandum of Agreement.

The Union referred the dispute to the Industrial Court of Botswana for Adjudication in March 2023 and the Court ruled in favour of the Union. Further disagreements on the implementation of the exercise ensued and were resolved in March 2024, after the Company had approached the Industrial Court of Botswana for intervention. The matter was settled out of Court, resulting in the implementation of the restructuring exercise in June 2024.

The exercise, which affected 94 employees, was amicably concluded in June 2024 with minimal job losses. About 13 employees voluntarily left the organization through the voluntary separation scheme, 5 were redeployed to alternative roles and a total of 69 jobs were preserved. Union and management relationship building initiatives continue for continual harmonious labour relations.

Collaborative Innovation at Lucara

Since 2021, Lucara Botswana’s Annual Colloquium Series has enabled employees across the company to present innovative ideas, suggestions, and issues, which could help close gaps, solve problems or better meet working standards, to help shape the future of how we work at Lucara. During the reporting period, we had a total of eleven employees submit ideas to this innovation platform, with two winners selected by management.



2024 Colloquium winner, runner-up, and participant.

Malebogo Majaule: Colloquium Winner

Malebogo Majaule, a University of Botswana geology graduate, joined Lucara Botswana as an intern in 2015. Since 2017, she has served as an Assistant Geotechnical Engineer, leading projects like the Rockfall Mitigation Project, North Highwalls Support, and Mosolotshane Slope Stabilization. Malebogo was the winner of Lucara Botswana’s Annual Colloquium Competition in 2024, a significant achievement. Her project, “Development of an Automated Mine Control Trigger Response System for Seismic Monitoring”, aimed to enhance safety and efficiency during Karowe’s transition to underground mining.



Automating this trigger response system aims to improve decision-making, ensuring quicker and more accurate responses to seismic activity.

A key moment in the Colloquium process was a benchmarking visit to Cullinan Diamond Mine, which provided Malebogo with valuable insights into advanced seismic monitoring, and which she applied to optimise Karowe’s operations.

In implementing the project, Malebogo has applied her strong time management skills and self-discipline. Lucara recognizes Malebogo’s dedication and creative thinking, and commends her ability to balance the Colloquium project with her daily responsibilities.

Human Rights and Employee Grievances

Lucara is committed to upholding the principles of fairness and non-discrimination in all aspects of our employment practices, as outlined in our Code of Conduct and Business Ethics and [Human Rights Policy](#). These policies strictly prohibit harassment and discrimination based on gender, sexual orientation, race, national origin, or any other protected characteristic. Any concerns or violations raised by employees are thoroughly investigated and addressed in accordance with Lucara Botswana's Disciplinary Code & Procedure and established grievance resolution mechanisms.



Lucara Botswana employees

For fairness, transparency and accountability, Lucara Botswana's Human Resources department oversees the Company's internal grievance management processes. It is a procedural requirement for aggrieved employees to first raise concerns with their immediate supervisors and if unresolved, grievances can be escalated through successive levels of management, up to the General Manager or Managing Director. Employees are also encouraged to report any violations anonymously through a third-party [whistleblower hotline](#) or to email the chair of the Audit Committee directly at ethicscomplaint@lucaradiamond.com.

Unionized employees also have the option to involve their Union representatives in the process. Complex cases requiring investigation are referred to the joint task teams composed of representatives of both management and the Union.

In 2024, no complaints or grievances related to discrimination, human rights violations, or labour rights issues were raised. One case of sexual harassment was processed through the Company's Disciplinary Procedure.

Policy awareness training sessions are conducted annually to educate and raise awareness among employees across the organization. These sessions focus on key topics such as human rights in the workplace, procedures for filing complaints and the consequences of violating these rights. For further details on our approach to human rights, please refer to the dedicated [Human Rights](#) section of this report.

HEALTH, SAFETY & WELLNESS

HIGHLIGHTS

-  Awarded the Africa Safety Award for Excellence (AfriSAFE) Mining Company of the Year Award
-  0 Fatalities
-  0.05¹¹ LTIFR
-  1.34 All-Injury Rate
-  0.26 TRIFR
-  0.26 Near Miss Frequency Rate
-  5 Near Misses
-  66,379 Stop & Fix

¹¹ Using the ICMM incident classification, where a (RWI) is classified as an LTI.



AfriSAFE Mining Company of the Year Award

Our Approach

At Lucara, we recognize that the health, safety, and wellness of our workforce are fundamental to our business success. We are committed to providing a safe and healthy work environment for employees, contractors, and the communities in which we operate. Guided by our Occupational Health and Safety Management System, aligned with ISO 45001:2018, we strive to eliminate injuries, accidents, and occupational illnesses while promoting a proactive safety culture. To achieve this goal, we drive continuous improvement through annual training programs, regular testing of our emergency preparedness response, implementation of employee wellness initiatives, and the adoption of innovative practices. These efforts reinforce our commitment to ensuring workplace safety and well-being.

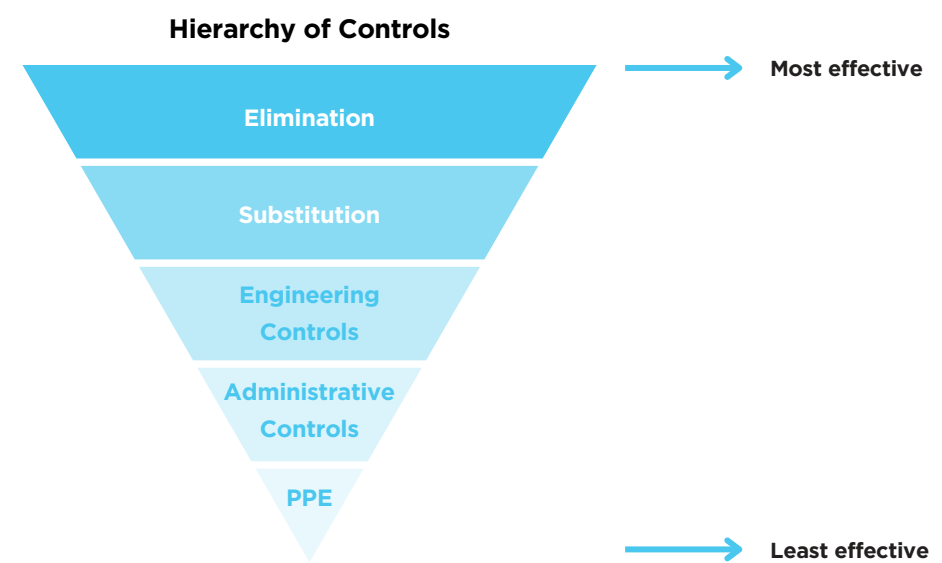
Since 2021, Lucara has been certified under ISO 45001:2018 occupational health and safety management systems, which provides a structured framework for identifying, assessing, and mitigating our operational risks, to improve our occupational health and safety performance. The system is complemented by our “5-SHE Steps” program, which promotes a proactive safety culture, empowering all employees to report unsafe acts or conditions in their work areas.

In 2024, we completed our second external TSM verification process, achieving a AAA performance rating across all indicators under the Safe, Healthy, and Respectful Workplaces Protocol. This protocol now incorporates mental health as a key component of occupational health and safety (OHS).

Using the Hierarchy of Controls methodology, our workforce is equipped to understand and identify where and how hazards may arise, to implement effective and appropriate controls. This systematic approach helps prevent workplace incidents and enables us to identify vulnerable areas to continuously enhance our risk assessment and management practices.

The Hierarchy of Controls is a systematic approach to managing our workplace hazards, prioritizing the most effective methods to minimize risks. It consists of five levels, ranked by effectiveness:

- **Elimination:** Removing the hazard entirely from the workplace, as the most effective control measure.
- **Substitution:** Replacing hazardous substances, processes, or equipment with less hazardous alternatives.
- **Engineering Controls:** Isolating or compartmentalizing the hazard through physical modifications, such as barriers or ventilation systems.
- **Administrative Controls:** Implementing procedures, policies, and training to reduce exposure to hazards, such as awareness programs, safe work practices, and inspections.
- **Personal Protective Equipment (PPE):** Using equipment such as hard hats, safety shoes, and gloves to protect workers from hazards.



Zero-Incident Mindset

Since its commissioning, KDM has maintained an exemplary safety record, operating continuously without a single fatality. In 2024, using ICMM incident classification, where a (RWI) is classified as an LTI, Lucara recorded an LTIFR of 0.05. During the year, we launched our Zero-Incident Mindset campaign, a proactive initiative aimed at preventing workplace incidents before they occur. The campaign focussed on six key areas, with particular attention to improving risk perception and fostering a culture of accountability.

A central component of this initiative was the continued promotion of a Stop-and-Fix culture. All employees, business partners, and contractors were encouraged to report at least one potential hazard or unsafe condition each week. This approach not only heightened awareness but also empowered individuals to take immediate action to address risks. In 2024, a total of 66,379 stop and fix reports were generated, with a closure rate of 89%. Finally, this year we achieved an all-injury rate of 1.34, marking a reduction of over 10% compared to our 2023 rate of 1.52¹².

¹² This figure was incorrectly reported as 0.12 in the SASB Content Index of the 2023 Sustainability Report due to a calculation error, where the LTIFR was reported instead of the all-injury rate.

During this reporting period, the rolling twelve-month Total Recordable Injury Frequency Rate (TRIFR) was 0.26, compared to 0.24 in the previous year. A total of 26 work-related injuries were recorded (including employees and contractors) across the operations and the UGP. Additionally, five Near Misses were reported in 2024, resulting in a lower Near Miss Frequency Rate (NMFR) of 0.26 in comparison to the 0.48 of 2023.

Safe Start® Program

Lucara Botswana’s behaviour-based safety program called Safe Start® has been in place since 2021. The program focuses on influencing worker’s behaviours to reduce injuries and near misses and improve the safety culture. It uses a set of simple and proven techniques that facilitate behaviour change and drive personal performance improvement, error reduction, reduced complacency, and heightened safety awareness. In 2024, “Leadership Rate Your State” training was provided to 100% of supervisors and managers. This training, which was integrated into our Stop-and-Fix program, equips leaders with the tools to assess and improve their own mental and physical readiness and provide oversight to others to do the same, further reinforcing a proactive safety mindset. Additionally, we expanded our Safe Start® training to include new contractors and employees as part of their onboarding process.



Lucara Botswana’s teams at the Botswana Chamber of Mines Inter Mine First Aid Competitions



Lucara Botswana workers at Karowe

Safety Leadership Recognition

In 2024, Lucara Botswana was honoured with the [AfriSAFE Mining Company of the Year Award](#), recognizing our unwavering commitment to workplace safety and excellent working practices. Company assessment areas include staff investment, employee support programs, health, safety and environment initiatives, adherence to regulations, evidence of an excellent safety record, and examples of best practices or industry-leading safety programs.

Additionally, Lucara participated once again in the annual Botswana Chamber of Mines Inter Mine First Aid Competition in September 2024, on World First Aid Day. Two teams representing Lucara secured first and third place in the nationwide inter-mine competition, a testament to our unwavering commitment to safety excellence and emergency preparedness.

Emergency Preparedness and Response

Effective emergency response is critical to safeguarding people, property, and the environment while minimizing potential harm. This commitment is embedded in our mine policies through our Emergency Preparedness and Response Plan (EPRP) and our Crisis Management Plan.

In 2024, we continued to strengthen our preparedness through monthly field drills to test and refine response effectiveness. Additionally, we conducted quarterly simulations, covering the following:

- Radiation leak field simulation (XRT machine)
- Large-scale chemical spill field simulation
- Catastrophic pit emergency crisis management
- Tailings storage facility dam breach desktop simulation



Lucara Botswana workers at the Karowe (UGP)

Notably, we executed a full-scale mine-wide simulation involving senior management and external stakeholders, including communities. This comprehensive exercise simulated an emergency in the open pit with multiple casualties, focusing on the coordination of rescue teams, clinic response, and management support at the Director level. The inclusion of external stakeholders ensured a holistic approach to managing the scenario and the opportunity for learnings to improve our shared state of readiness for emergency situations. Presently, there is a high reliance on Lucara and Debswana Diamond Mining Company (“Debswana”) for disaster response resources in the local area, but our collaboration efforts with Debswana and local authorities are fostering an improved shared state of preparedness for emergency situations. In 2024 we continued the ongoing development of the District Disaster Management Plan with local authorities. To ensure alignment as it evolves, we also updated our EPRP to incorporate the District Commissioner’s (DC) inputs.

Further, capacity-building opportunities with local services are being identified for future consideration through the District Disaster Management Committee. Lucara Botswana participated in disaster response efforts within the framework of the Committee collaboration in 2024 and early 2025, assisting in the response efforts to significant village floods in the region. This experience provided valuable insights to refine the drafted Management Plan. A formal convening of local government authorities is expected in 2025 to finalize collaborative efforts on the drafted disaster management frameworks.

Contractor Engagement

Our safety programs are designed to protect everyone working for and on behalf of Lucara, whether a direct employee, contractor, supplier or other business partner, at the mine site or our offices. In particular, we recognize that safe and responsible production requires active collaboration with our contractors, as their role is integral to ensuring the well-being of all personnel on-site.

In 2024, efforts continued in our supply chain department by implementing the integrated framework for contractor performance management, a key component of our comprehensive contractor management program. We are currently monitoring its implementation which enables us to undertake a strategy for managing contractor performance in all areas of the Company, including safety, health and environmental performance. In the future, we hope to implement this framework across all stages of contractor engagement, including onboarding, ongoing compliance monitoring, and proactive engagement to align contractor activities with our framework.

Annual Training

All employees and contractors receive safety training regularly. Training is crucial to ensuring that our workforce is equipped with the necessary skills and information to perform jobs effectively and safely. Our training programs are designed to address identified risks and are delivered by qualified external providers. In 2024, we focused on the following key areas:



Safety stand-down at Karowe

	Employees	Contractors
Total number	559	1,828
Hours of health, safety, and emergency response training	5,168	4,840
Average Hours of training	9.24	2.64

Training Theme	Employees Hours	Contractors Hours
Health, safety, and emergency response	1,720	4,040
Breathing apparatus	1,360	560
Fire marshal refresher training	240	0
ISO 45001: 2018 Safety and Health Management System Understanding	480	0
ISO 45001: 2018 Safety and Health Management System Auditing	440	160
Defensive Driving	264	0
Aircraft Rescue & Fire Fighting	320	160
Occupational Hygiene	152	0
Risk Management (ISO 31000)	192	0

Health & Wellbeing

Karowe Diamond Mine Clinic

Since its opening in 2023, the Karowe Diamond Mine Clinic has been providing healthcare services to employees and contractors on-site. The clinic offers comprehensive health services, including through our ongoing Employee Assistance Program, such as 24-hour emergency response, mental health support, curative and preventative care, and occupational health services.

In 2024, we relicensed the facility and expanded its capabilities by introducing an on-site pharmacy, staffed by a dedicated pharmacist. Additionally, we launched a rehabilitation section, with a physiotherapist now available on-site three days a week to ensure convenient access for employees.



Intake process at KDM clinic on site



KDM clinic and ambulances on site

Employee Wellness Support

Our wellness team plays a critical role in supporting employee health, especially through our on-site counseling services provided by a dedicated counselor and a full-time psychologist. For those who prefer to access such support off-site, we maintain an office in Letlhakane, where employees and their families can access confidential counseling services.

The counselling support is a 24-hour service that also allows employees and their families to contact a toll-free number at any time. In addition to individual support, the wellness team collaborates with regional health authorities to extend public health campaigns, such as World AIDS Day and TB Day, to our workforce. These initiatives often include additional services like HIV testing and health education.

In 2024, Lucara Botswana further enhanced our mental health resources by introducing an initiative designed to make wellness services more accessible to all employees, their families, and contractors, regardless of location. The Lyra Wellbeing app is a digital platform designed to support mental health and wellness, delivering evidence-based mental health care that boosts employee well-being and drives business impact.

It features a tele-health component, allowing users to connect with licensed counselors and access mental health support remotely. Early feedback has been overwhelmingly positive, with high levels of engagement observed. While official usage metrics are still being compiled, it appears the app is being widely accepted as a valuable resource for promoting mental and emotional well-being.



During the report period, we began proactively incorporating elements of ISO 45003:2021 - Psychological health and safety at work, into our existing ISO 45001 management system, as part of expanding our focus on worker wellness and mental health. Additionally, we integrated psychosocial issues into our OHS statistics in our internal reporting, enabling these critical aspects to be monitored and addressed at the management level.

Individual health and wellness have a collective impact, influencing not only personal well-being but also the overall workplace environment. Moving forward, we aim to continue expanding our wellness support, with a particular focus on integrating wellness into our broader health and safety approach. Plans include promoting the use of the Lyra Wellbeing app to ensure all employees have the tools they need to thrive.



Lucara Botswana Team On Site

Supporting Community Wellness

The Karowe Diamond Mine Clinic collaborates with district health stakeholders to organise community wellness activities in remote villages. The clinic extends its resources to underserved settlements, providing free consultations, medication donations, and health screenings, as well as supporting awareness campaigns for non-communicable diseases.

We also extend first aid training programming to local communities, more details on which can be found in the [Community Emergency Preparedness and First Aid Training](#) section.

These efforts help us to contribute to advancing SDG 3: Good Health and Well-Being, as well as Botswana's UNSDCF Output 2.1.

Occupational Health and Hygiene

Occupational health and hygiene efforts at Lucara enable us to protect workers from workplace hazards to prevent illness and injury alike, and reducing exposure to chemicals, dust, and other potentially harmful substances.

Lucara Botswana continued to enhance its Occupational Hygiene Program during this reporting period, with the goal of controlling recognized workplace health hazards and maintaining acceptable levels of occupational health risks and stressors. We are proud to continue reporting zero respiratory illnesses, occupational dermatitis, noise-induced hearing loss, or any musculoskeletal disorders in 2024.



Fit 2000 predictive technology pilot for fatigue management

Our monitoring program is designed to anticipate, recognize, evaluate, and control specific occupational health hazards, including noise, dust, vibration, illumination, and ergonomic risks. Key program updates for the reporting period include the following:

- **Hearing conservation program:** We intensified controls related to noise exposure by commissioning a real-time cloud-based monitoring system in March 2024. The system uses sensors to track occupational noise and dust levels, enabling proactive identification of equipment issues and prompt corrective actions. This has significantly improved the effectiveness of our efforts by reducing employee exposure to harmful noise levels.
- **Ergonomics management program:** Our ergonomics program proactively assesses workstations and identifies employees who would benefit from specialized equipment. In 2024, we provided one additional workstation aiming to address specific health conditions or needs to enhance workplace safety and comfort.
- **Hazardous Chemical Substances Management:** Two internal audits were conducted in June and November 2024, with no major findings reported, demonstrating our effective management of hazardous substances and validating our 2023 efforts to strengthen hazardous chemical control across the site.
- **Fatigue Management program:** The 2023 pilot of the Fit 2000 machine, a predictive technology for assessing fatigue, was extended to July 2024. Following management approval, two machines were requisitioned on a rent-to-buy model.

In 2024, through the Botswana Chamber of Mines, a National Occupational Hygiene Guideline was developed. Lucara's existing practices are already fully aligned with this guideline. Following two years of internal monitoring, an external consultant conducted assurance monitoring for us in May 2024, evaluating all major stressors across the mine, including underground operations. We are currently working on the findings of this assessment to enhance the effectiveness of our controls and ensure our exposure limits remain below the allowable limits.



Lucara Botswana employees at the UGP project

Angel Smith: Safety & Occupational Hygiene Coordinator

Angel Smith, a dedicated Safety & Occupational Hygiene Coordinator, has been a pillar of workplace safety since joining the Company in 2020. Born and raised in Tonota, her passion for environmental and occupational health led her to earn a Bachelor of Science in Environmental Health from the University of Botswana and a Master of Science in Safety & Risk Management from Heriot-Watt University. At work, Angel is renowned for her meticulous approach to ESG management systems, compliance, and reporting.



She played a pivotal role in securing our initial ISO 45001 certification. She also led the successful recertification of ISO 45001, RJC, and alignment with TSM in 2024, further bolstering the Company's commitment to responsible mining, and especially safety standards.

Beyond her professional achievements, Angel is an avid reader, constantly seeking knowledge to fuel her growth. Her dedication to excellence, whether in safety regulations or personal development, makes her an invaluable asset and an inspiration to her colleagues.

Angel's story highlights the impact of hard work, passion, and a relentless pursuit of excellence in creating a safer workplace.

COMMUNITY ENGAGEMENT & PARTNERSHIPS

HIGHLIGHTS

-  Completed Community Needs Assessment
-  Completed Remote Area Dwellers Vulnerability Assessment
-  **50 Kgotla meetings** with the 19 district villages
-  **\$0.4 million** Community Investment (excluding the Sports Complex)
-  **\$8.2 million** Sports Complex (approximately P112,500,000)
-  **\$27,000** Gender & Gender-based violence events (approximately P371,402)
-  **3** Community Grievances Received



Community meeting at Selokolela

Our Approach

Lucara is committed to building lasting, mutually beneficial relationships with local communities by managing our impacts and striving to create shared value. We acknowledge the potential for significant positive contributions, particularly through local employment, procurement, and socio-economic investment. Additionally, we recognize that our operations may potentially have adverse or unintended impacts, and we are committed to avoiding or mitigating them wherever possible. Meaningful engagement is central to fostering trust, preventing disruptions, and unlocking opportunities. Guided by our Responsible Mining Policy, Corporate Social Responsibility Charter, Human Rights Policy, Community Social Investment (CSI) Policy, and Stakeholder Engagement Plan, we work diligently to ensure a positive and enduring legacy. Our approach also aligns with the MAC TSM Indigenous and Community Relationships Protocol.

Community Relations

At Lucara, we believe that honest dialogue, meaningful engagement and collaboration are essential to building impactful partnerships with local communities. These partnerships are critical to mitigating our adverse impacts and maximizing positive outcomes. Our commitment is reflected in our comprehensive Stakeholder Engagement Plan, which outlines a systematic approach to engaging with host communities¹³, local government authorities, the private sector, and other interested or affected parties.

The nearest community to KDM is Letlhakane, which has grown to over 36,338 inhabitants (2022 census, including many of our employees). We also engage with the nineteen villages in the Boteti district. We maintain open dialogue with community stakeholders through quarterly public consultations, where we update host communities on mine activities and address topics of interest to them. Additionally, we hold annual workshops with village leaders to ensure accountability and gather valuable feedback. Recognizing the diverse needs of our communities, we tailor our engagement to include disadvantaged or vulnerable groups, ensuring fair and accurate representation of all voices.

“

When I look at the diamonds of Botswana I see opportunities, I see developments like schools, clinics, roads, hospitals, and other infrastructure. We believe diamonds are capable of providing all these.

Mr. Badiseng Resetse,
Kgosi, Mokubilo

”

During our second external TSM Verification process in 2024, we achieved an AAA performance rating in the Indigenous and Community Relationships Protocol. Additionally, there were no non-technical delays or stoppages due to community unrest during the year, a reflection on the quality of our community relationships and commitment to engagement.



Community Engagement at Khwee

Kgotla meetings

In line with Botswana’s traditional consultative process, Kgotla meetings serve as a platform to share information, discuss community issues, and make collective decisions. In 2024, we attended fifty Kgotla meetings and ten stakeholder meetings across the nineteen villages in the Boteti district. Meetings with three villages were rescheduled to early 2025 due to local elections and government changes, but all villages were ultimately covered.

¹³ Host communities are defined as those people who live within the vicinity of our operations, who have been or could be directly affected by our exploration, construction or operational activities, and have a reasonable expectation of Lucara’s duties and obligations.

In 2024, we observed increased attendance and greater preparedness among participants at the Kgotla meetings in most of the villages. The meetings centred around updates on Lucara’s operations and performance, occupational health and safety performance, our operational grievance mechanism and our (CSI) programs.

During the reporting period, we also delivered human rights training in local languages, alongside strengthening the practice of community members presenting a safety moment, security moment, and Gender-Based Violence moment at each meeting.

Industry Collaboration

Engagement and collaboration with other industry players in our operating area are core aspects of our commitment to minimize adverse impacts of mining in local communities. In 2024, Lucara participated in several sessions with neighbouring mining companies to address shared challenges and cumulative effects. These discussions are enabling the development of a management plan to mitigate the effects of population influx caused by mining across the broader Boteti region. As part of this initiative, a multi-stakeholder committee is being formed to oversee the implementation of the plan’s actions.

Grievance Management

Our operational grievance mechanism is a critical tool for early risk identification and community collaboration. It provides stakeholders with a clear and accessible process to raise concerns, offer feedback, and seek resolution for issues related to our operations, policies, or impacts. In 2024, we developed a formal grievance management procedure, building on our 2023 communities presentation of our new grievance mechanism process. The new management procedure details were shared with communities through public consultations and the grievance mechanism was a key topic during our annual village leadership workshops. To ensure accessibility, the detailed reporting procedure has been translated into Setswana, Botswana’s national language.

In 2024, the two outstanding grievances from 2023 were successfully resolved and closed. During the year, we received three new grievances, all of which were addressed and resolved through constructive dialogue. These included concerns about rainwater impacts on roads, with requests for trenches to manage runoff, as well as issues related to Lucara’s contractors, such as unpaid bills. The mechanism continues to strengthen trust and accountability, ensuring that community concerns are addressed promptly and effectively.



Community leaders and representatives meeting

Community Emergency Preparedness & First Aid Training

Lucara’s efforts to promote safety and well-being extends beyond our mine site and workplace. A significant focus in recent years has been ensuring a shared state of emergency preparedness with local communities for a range of emergency and crisis situations. This includes a variety of skills development initiatives and increasing involvement in emergency planning and response (see [Emergency Preparedness and Response](#) section for detail on external involvement in emergency simulations).

In 2024 we continued extending our First Aid training programs to local stakeholders and surrounding communities, delivering First Aid training to 52 individuals across the nineteen villages in Boteti East and West. This marked the first time we were able to cover both areas in full within a single year. Additionally, we provided First Aid training to the District Road Safety Committee, further strengthening local emergency response capabilities in the region. 2024 was also the first time we delivered a bushfire firefighting awareness campaign across all nineteen villages, with a total of 1,690 participants.

We were proud to see ongoing efforts lead to the formation and participation of the first Community First Aid Team in Lucara’s interdepartmental first aid competition in 2024. A team composed entirely of community members competed and showcased their skills alongside Lucara Botswana’s departments.

These efforts not only support our alignment with global standards like the Global Industry Standard on Tailings Management, but also exemplify our commitment to advancing SDG 3: Good Health & Well-Being and Botswana’s UNSDCF Outputs 2.1 and 2.2, equipping individuals with life-saving skills to respond effectively in emergencies.



Karowe Diamond Mine Clinic: Ambulance and Medical Team - First Aid Training

Local Content

Lucara is committed to driving meaningful socio-economic development in our host communities by prioritizing local employment and local procurement of goods and services wherever possible. We believe that sourcing locally generates significant economic benefits, including job creation, income generation, and increased local tax revenues. Additionally, it reduces unnecessary costs associated with foreign sourcing, enhances local supply chain efficiency and resilience, and strengthens our social license to operate.

Recent regulatory changes in Botswana, such as the *Economic Inclusion Act*, which came into effect in 2021, and proposed adjustments to the *Mines and Minerals Act* are prompting us to enhance our existing focus on economic inclusion, especially local procurement and employment.

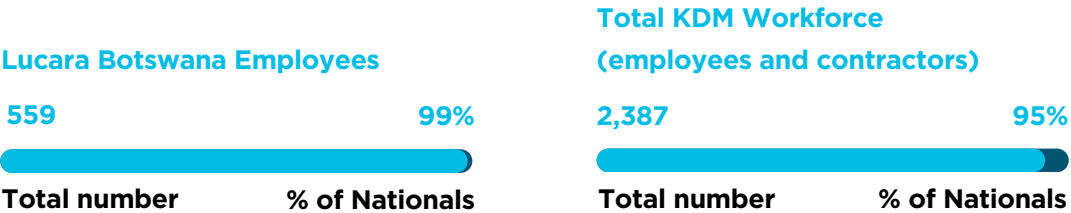
Our efforts in this area help us contribute to advancing Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth, as well as Botswana’s United Nations Sustainable Development Cooperation Framework (UNSDCF) Output 4.2.

Local Employment

Lucara Botswana is committed to maximizing employment opportunities for local communities. As of December 2024, Botswana nationals represented ninety-nine percent of the total employees at Lucara Botswana: the Company directly employed a total of 559 staff, including 417 local men, 138 local women, and four expatriate men. Notably, in 2024, our broader KDM workforce expanded primarily due to the UGP. This was the driving force behind the increase in the proportion of Botswana nationals from 92% to 95% of the KDM workforce.

Looking forward, we continue to prioritize local employment by providing tailored training programs and resources.

Local Employment in 2024:



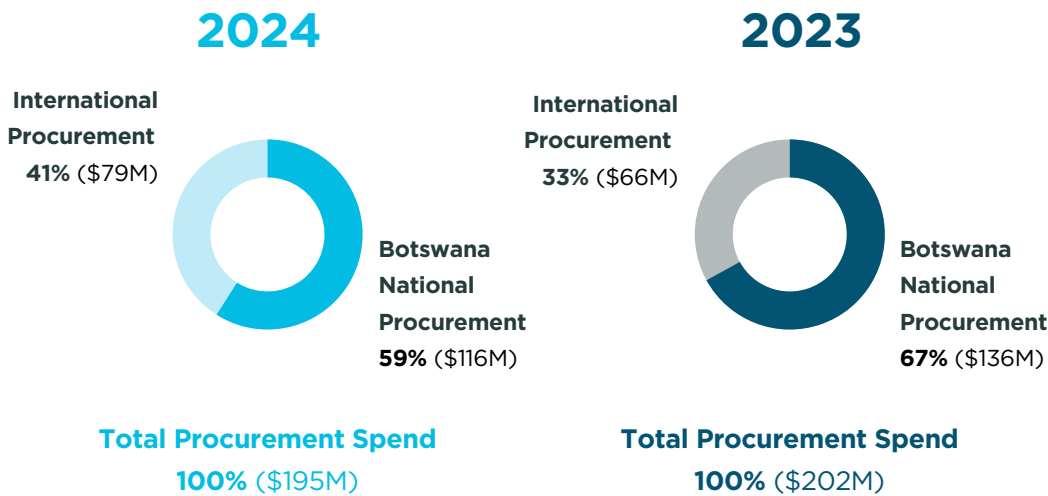
Local Procurement

Our Procurement Policy reflects our commitment to local sourcing by prioritizing goods and services from Citizen-Owned and Botswana-Registered suppliers and contractors, while ensuring compliance with performance standards related to product quality, supplier reliability, and business practices. In 2024, we undertook a draft revision of the policy to align better with requirements of Botswana’s Citizen Economic Empowerment Program (CEEP), and to focus on greater support for local enterprises.



Lucara Botswana Employee on site: Mompoti Motshabi

Lucara Botswana's procurement spend in 2024 was \$195 million (2023: \$202 million). Spending on goods and services procured locally in Botswana accounted for 59% of the total procurement cost, a decrease from 67% in 2023. The decrease is due to the procurement of high-value specialized equipment required for the UGP, sourced from foreign suppliers.



To help us improve our local spend wherever possible, Lucara implements the following ongoing initiatives:

- **Citizen Economic Empowerment Program (CEEP):** Aligned with Botswana's *Economic Inclusion Act 2021*, we are developing our own Citizen Economic Empowerment Program (CEEP), pending policy approvals and resource allocation.
- **Mapping Local Competitive Advantage:** Our internal assessment of local supplier capacity, a list which we revise annually, has now identified over 80 specific goods and services that can be reserved for local suppliers, who have a competitive edge in terms of cost, skills, infrastructure, and equipment.

- **Vendor Database Expansion:** In 2024, we again launched an expression of interest in the local newspaper to register new suppliers in our vendor database. Nearly 900 vendors applied. The onboarding process, which includes vetting and compliance checks, is ongoing. A specialised third party is conducting fraud verification in early 2025. As previously, engagement and guidance is offered to those not meeting the requirements, for future.
- **Procedural Support and Engagement for Financing:** We continue to support local suppliers' access to financing, by verifying the authenticity of purchase orders or contracts upon request. This enables them to secure financing more efficiently from third parties, including banking institutions and the Citizen Entrepreneurial Development Agency (CEDA).
- **Engagement for Continuous Improvement:** In 2024, we held our regular series of performance review and progress meetings with existing suppliers. The campaign covered most suppliers operating within the mine lease area, involving the SHE department and project stakeholders. These reviews focus on contractual performance, Safety, Health, and Environment (SHE) performance metrics, and social impact themes. They also serve as a forum to address any supplier grievances or supplier-related community grievances, which are logged by the Community Relations team.

Looking ahead, we hope to further strengthen our efforts by recruiting a dedicated resource for strategic sourcing and to engage and manage local suppliers.

Community Development

Participating in the development of thriving, resilient communities in our operating area is an essential part of our business success and long-term vision to leave an enduring positive legacy. As a responsible neighbour, we are committed to fostering long-term prosperity in the communities where we operate by contributing to sustainable and inclusive local development. For us, investing in community development is not just corporate philanthropy or a means to secure social license—it is a core part of who we are and what we stand for.

At Lucara, we partner with local communities to identify and implement impactful, needs-based community investment projects. Both funding and in-kind support empower local organizations to address local priorities and enhance community resilience. In 2024, we continued developing our impact measurement framework to help us monitor and evaluate our corporate social investment activities effectively. Meanwhile, the positive outcomes of many initiatives suggest tangible contributions are being made to a range of Sustainable Development Goals (SDGs) at the local level, as well as the Botswana (UNSDCF), detailed in the [Mapping to the Sustainable Development Goals](#) section of this report.



Lucara CEO William Lamb at the breaking ground ceremony for the Makgaba Primary School project

In 2024, a specialized consultant completed a Community Needs Assessment for the nineteen villages in the Boteti district. It involved key informant interviews, focus group discussions, and a stakeholder validation workshop to maximize engagement and include local communities perspectives. The findings will inform our new five-year Corporate Social Investment Strategy at KDM, ensuring our efforts remain aligned with community priorities.

Karowe Village Initiatives

During the reporting period, our signature Karowe Village Initiatives (KVI) Program has continued to be one of our most impactful initiatives at Lucara. This program, conceived to address local community needs, provides funding for income-generating projects throughout Botswana, with a focus on community ownership, co-creation, governance, and support for vulnerable populations.

The KVI Program was expanded in 2024 with the introduction of the Makgaba Primary School, bringing us to a total of five active projects. These five projects are subject to ongoing monitoring and are evaluated for their long-term impact and sustainability, as well as alignment with the ten identified UN (SDGs) that Lucara seeks to contribute to.

Through our Community Investment Office and partnerships with key stakeholders, we are also enhancing our capacity-building efforts. These are tailored to the specific needs of each project, identified through business needs assessments. Efforts focus on developing practical skills, such as horticulture techniques, crop plans, market access, and record-keeping.

1-Kolonkwaneng Horticulture Farm:

Launched in December 2022, the Kolonkwaneng Horticulture Farm was developed to address vegetable shortages in the Kgalagadi area. In 2023, the farm transitioned to community ownership and it now employs five individuals (one man and four women).

As of the end of 2024, the project had received a total investment of \$70,000 (approximately P944,000), generating a total revenue of \$14,000 (approximately P186,000) and a profit of \$5,000 (approximately P71,000) to date. The project is part of our contribution to advancing SDG 3: Good Health & Well-Being, and SDG 8: Decent Work & Economic Growth, as well as Botswana's UNSDCF Outputs 2.3 and 3.3.



Kolonkwaneng Horticulture Farm:

2-Mokubilo Integrated Farm:

Launched in 2018, the Mokubilo Integrated Farm supports local food security and education through its school feeding program. The project employed five people in 2024, paying a total of \$10,000 (approximately P133,000) in wages and benefits ninety-six beneficiary shareholders, four schools, and one Rural Area Dwellers hostel, reaching a total of 8,192 students by providing an adequate supply of nutritious food. According to the Boteti District Health Management, in 2024, moderate malnutrition rates decreased from 0.82% to 0.31%, while severe malnutrition rates decreased from 0.46% to 0.32% for children under five.

Kgosi Moroka I, Peter Tumaeletse IV, Kolonkwaneng Horticulture Farm

Kgosi Moroka, an agronomist by profession, plays a pivotal role in guiding and training farm workers while overseeing the daily operations of the Kolonkwaneng farm. His responsibilities include the marketing of farm produce, ensuring that the community reaps the benefits of their hard work. Kgosi has developed a 6-year plan aimed at transforming the farm. His vision includes expanding the farm from its current 1 hectare to 10 hectares, diversifying activities to include poultry farming with broilers and layers, cultivating fruit trees, and establishing a bakery.



Kgosi is particularly proud that the farm currently supplies fresh vegetables such as tomatoes, spinach, rape, and beetroots to supermarkets and schools in Tsabong, Kolonkwaneng, and surrounding villages.

“

Lucara Botswana, even after handing over the farm to the community, has been playing an instrumental role in making sure that the farm is sustainable, and we really appreciate these efforts.

Kgosi Moroka

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As of the end of 2024, the project had received a total investment of \$175,000 (approximately P2,373,000), earning \$250,000 (approximately P3,389,000) in revenues and generating a profit of \$30,000 (approximately P407,000) to date. The farm is contributing to reduced malnutrition among school children in the area, and is a key part of our contribution to SDG 3: Good Health & Well-Being, SDG 8: Decent Work & Economic Growth, and Botswana's UNSDCF Output 2.3.



Mokubilo Integrated Farm

3-Mmadikola Hardware Store:

Opened in 2022, the Mmadikola Hardware Store is a community-owned hardware store that improves access to building materials for the village’s 1,004 residents, eliminating the need for costly travel to Letlhakane Village, 134 km away. The store is operated by a multi-purpose cooperative, consisting of 34 shareholders, and it provides training in customer service for employees.



Mmadikola Hardware Store

As of the end of 2024, the project had received a total investment of \$51,000 (approximately P690,000), generating a total revenue of \$80,000 (approximately P1,083,000) and a profit of \$3,000 (approximately P43,000). This initiative helps us contribute to advancing the SDG 8: Decent Work & Economic Growth and Botswana's UNSDCF Outputs 4.2 and 4.3.



“Lucara’s dedication, time, and effort have made a significant positive impact on our community. We are truly grateful for the collective spirit that brought this project to life and continues to uplift and empower our communities.

**Keoagile Sebako, Chairperson of the Board
- Mmadikola Hardware Store**

”

4-Khwee Small Stock and Fodder Production Farm Community Project:

Established in 2022, this project aims to improve small stock breeding and enable access to affordable fodder for local farmers. Once becoming self-sufficient, it transitioned to community ownership in 2023. The farm now employs six people (four men and two women), and benefits 49 shareholders.

As of the end of 2024, the project had received a total investment of \$121,000 (approximately P1,633,000), generating a total revenue of \$9,000 (approximately P118,000) and a profit of \$2,000 (approximately P26,000). The project is an example of our efforts to contribute to SDG 3: Good Health & Well-Being, and SDG 8: Decent Work & Economic Growth, as well as Botswana’s UNSDCF Output 3.3.



Workers at the Khwee Small Stock and Fodder Production Farm Community Project

5- Makgaba Primary School

In July 2024, we broke ground on the construction of the Makgaba Primary School. This new school in Makgaba Village was funded by the Lucara Botswana General Manager’s Cycling Challenge. The school will feature seven classrooms, and teachers’ housing.



Lucara Botswana General Manager, Johane Mchive, (right) at the Inauguration ceremony of the Makgaba Primary School

Currently, the nearest primary school is located 12 kilometers away in Mokubilo, requiring students to travel long distances to access education. This project aims to eliminate this access challenge and expand access to quality education for local children.

As of the end of 2024, the project had received a total investment of \$87,600 (approximately P1,2 million) and was on track for completion in 2025. This initiative is an example of our contribution to advancing SDG 04: Quality Education, as well as Botswana’s UNSDCF Outputs 2.3.

Promoting Sports in Letlhakane and Beyond

Our efforts to support and promote sports in the region are part of our contribution to advancing SDG 3: Good Health and Well-Being. The annual GM's Cycling Challenge is always a highlight, as it was again in 2024.

We also renewed our sponsorship of the national football team, the Zebras, for an additional three years (2025–2028), including Botswana's national women's football team. Alongside this sponsorship, we continue to support regional football teams in the Boteti area too.

Notably, several players from these teams have been selected to represent the national team, showcasing the potential of local grassroots sports development.

Letlhakane Sports Complex

As part of Lucara's mandate to build sustainable communities guided by the 10 UN SDGs that Lucara subscribes to, Lucara constructed the Sports Complex in Letlhakane village for the Boteti community as a way of promoting sports development in the region and as an income generating opportunity. The facility is expected to host many sporting activities and provide recreational opportunities for the community at large.

The sports complex comprises a football pitch, two ablution blocks, one change room, three spectator stands, outdoor courts for tennis, netball, football, and five-a-side football courts and basketball, water tanks and a pump house. The football field is FIFA certified, and the running tracks are compliant to IAAF standards.

The General Manager's Cycling Challenge



The Lucara Botswana General Manager's Cycling Challenge, established in 2018, has grown from a modest event with just 10 cyclists to a significant regional sporting competition. This annual event is part of Lucara's (CSI) initiatives, designed to promote sport and health activities while positively impacting communities through charitable contributions. The cycling challenge promotes sports among youth and aligns with Lucara's efforts to support (SDG) 3 on Good Health and Wellbeing. Since its inception, the event has raised a total of P5.6 million.

The 2024 GM's Cycling Challenge, held on July 28, 2024, once again brought together communities, athletes, and cycling enthusiasts from across Botswana and neighboring countries. Top performers participated in the 90km race. Johane Mchive, General Manager of Lucara Botswana, personally extended invitations to cyclists throughout the region. An impressive amount was raised, with over P2 million collected. Proceeds from the challenge have supported various community development initiatives over the years, including library facilities improvements, procurement of computers and Information and Communication Technologies (ICT) materials, and the development of a junior cyclist program that nurtures talent in the Boteti Region.



Sports Complex

Lucara achieved a significant milestone in our community social investment in 2024, with the completion of Phase 2 of the Letlhakane Sports Complex. With an investment of \$8.2 million (approximately P112.5 million), the complex is now in its final decommissioning phase, with handover expected in 2025.

The modern facility, with a capacity to seat approximately 2,500 people, will host both recreational and competitive sporting events, promoting healthy, active lifestyles. In 2024, several events were held at the Sports Complex, including the Boteti Regional Football Association league games, a fundraising soccer tournament, and a fundraising music festival. The GM's Cycling Challenge award ceremony was also held at the facility.

Donation of Porta-Cabin Classroom to Primary Schools

At Masunga Primary School, a shortage of classrooms means lower primary classes are held under trees and in storerooms, while at Danega Satellite Primary School in the Okavango District, many students are taught outdoors, and some classrooms are made of deteriorating river reeds.

As part of its commitment to supporting quality education and improving learning environments for students in local communities, in 2024 Lucara donated two-classroom porta-cabins to each school.

These porta-cabins are equipped with desks, chairs, air conditioning, solar lights, and fans, providing safe and functional learning spaces. This effort is an example of our contributions to advancing SDG 04: Quality Education, as well as Botswana's UNSDCF Outputs 2.3.



Donation of Porta-Cabin Classroom to Masunga Primary School

Community Digital Empowerment

Lucara remains committed to supporting digital literacy and connectivity in local communities through targeted initiatives. Building on our 2023 community information and communication technologies training, in 2024, we donated thirty-four printers and sixty-eight desktop computers, across all of the thirty-four schools in the Boteti region. This equipment is already proving to be highly impactful in enhancing access to essential physical technology, as well as digital literacy, for students and educators alike.



General Manager Johane Mchive participates in handover ceremony for donation of printers and computers to the Boteti Schools

Additionally, in collaboration with local organization AbariCom, we expanded internet access to all thirty-four schools in the Boteti region, enabling communities to benefit from improved connectivity and contribute to advancing the SDG 04: Quality Education, as well as Botswana’s UNSDCF Outputs 2.3.

Gender-Based Violence

Gender-based violence (GBV) is a challenge in our operating context and is an issue that Lucara remains committed to tackling in the Boteti area. Our efforts to tackle this topic aim to involve both women and men in GBV prevention efforts, both inside and outside the Company, to foster increased awareness throughout our operating area.



Honouring Denim Day 2024, a global movement for sexual assault awareness and a stand in solidarity with survivors

In addition to the internal efforts discussed in the [Diversity and Inclusion](#) section of this report, in 2024, we provided GBV training to Women’s Organizations across all nineteen villages in Boteti East and West, incorporating human rights education. Additionally, we supported the “Men’s Sector,” a local men’s organization, by sponsoring events such as the Commemoration of International Men’s Day. This is a global awareness day for many issues that men face, including themes like abuse, violence and mental health.

Cultural Heritage

At Lucara, we recognize the value of culture and cultural heritage in the communities in which we operate. The communities around KDM guide us to ensure our actions and engagement approaches are culturally appropriate and will help lead to equitable, mutually beneficial outcomes. Lucara is committed to respecting cultural, customary, and traditional rights, as well as preserving both tangible and intangible cultural heritage.

Our Chance Find Procedure ensures we properly handle any archaeological areas which may be identified during activities. Fencing and demarcating are used as appropriate to protect sites. Archaeological and burial sites have previously been identified in the KDM area and access road corridor, including some Early Stone Age, Late Stone Age, and Iron Age stone artifacts, as well as pieces of pottery, bones, and glass objects.



Celebrating Botswana's cultural heritage with Mpho Mokgatle (right), showcasing his award-winning jewelry designs (left)—honouring tradition and proudly supported by Lucara Botswana



Moot Court Initiative



Babili Musawenkosi (right), 1st Runner-Up Winner, accompanied by Ntshamisang Tumisang (left) and teacher Matshidiso Moleboge (center).

Our Moot Court and Public Speaking competitions are a key part of our support in public schools, where students argue legal cases in a simulated courtroom. Running since 2022, this initiative continues to empower students by promoting debate on legal cases, including GBV-related topics. Through these competitions in junior and secondary schools throughout the Boteti district, youth are equipped with knowledge about GBV, its impact, reporting mechanisms, and coping strategies. The initiative encourages open dialogue, helps dismantle traditional norms, and equips young people with the knowledge to advocate for change. This impact in turn extends to the broader community, with families and communities encouraged to begin conversations about gender roles early on.

In 2024, thirty-seven students were sponsored by Lucara Botswana to represent Boteti at the Orate Africa Championships in Lesotho. One student won first runner up in the Moot Court competition. The Moot Court programme focuses on key social issues like gender-based violence and human rights, reflecting Lucara's commitment to addressing critical social issues. The program's greatest value lies in teaching students lifelong skills, shaping their perspectives and future ambitions.

In 2024, archaeological assessment and monitoring was conducted in the area where an evaporation dam is being constructed for saline water treatment (see [UGP Water Planning](#) section). Our archaeological surveys, previously undertaken in 2018 and 2022, and most recently in 2024, identified no new archaeological sites.

In 2024, we developed our first Cultural Heritage Management Procedure. Aligned with our Chance Find Procedure, it establishes clear processes for managing cultural heritage at KDM, aiming to avoid or minimize impacts on cultural heritage resources.

It ensures compliance with all applicable legal requirements, including Botswana’s Monuments and *Relics Act 2001* and *Environmental Assessment Act 2010*, while helping us fulfill our commitment to the (IFC) Performance Standard 8 on Cultural Heritage.



Mafitlhakgosi performing a traditional dance at the Lucara Botswana Naming Competition Grand Finale

Rural Area Dwellers (RAD)

Within our area of influence, some communities are referred to as Rural Area Dwellers (RAD) settlements, including Xere, Khwee, Kedia, Mosu, Makgaba, Mokubilo, and Mmea. We recognize that RAD communities may face systemic vulnerabilities and that cultural heritage holds significant importance for many of these groups.

Lucara is committed to continually improving our understanding of the connection RADs have to the land and environment, as well as their cultural heritage and socio-economic development priorities.

This, in turn, helps us understand and mitigate the potential impacts of our operations, and meaningfully direct our social investment resources.

In 2024, we completed our Assessment of the Vulnerability of RAD Communities. This study, conducted by a specialist third party, involved a detailed documentation review of RAD systemic vulnerabilities, an evaluation of data quality, and site visits including interviews with key stakeholders.

The assessment identified a range of cultural, social, and economic factors contributing to RAD vulnerabilities and provided actionable recommendations. These will help us ensure our activities don’t infringe on rights and that any risks that could exacerbate vulnerabilities can be mitigated.

Moving forward, Lucara will analyse these findings to develop a tailored plan aligned with Botswana’s Rural Area Development Programme (RADP). This plan will help guide our efforts to better support RAD communities and uphold our commitment to respecting cultural heritage.

ENERGY & CLIMATE CHANGE

HIGHLIGHTS¹⁴

-  **228,250 GJ** Direct (Diesel)
-  **272,089 GJ** Indirect (Power)
-  **500,340 GJ** Total Energy
-  **127 GJ/kt** Energy Intensity¹⁵
-  **16,090 tCO₂e** GHG Scope 1
-  **80,871 tCO₂e** GHG Scope 2
-  **24.57 tCO₂/kt** GHG Intensity¹⁶



Karowe Diamond Mine

Our Approach

Lucara acknowledges the need to transition to a low-carbon economy and recognizes the mining industry’s potential impact on climate change. We also recognize the risks that climate change poses to our operations and value chain. Accordingly, our approach to this crucial topic centres on energy efficiency, emissions reduction, and enhancing our understanding of the risks associated with climate change for our business. Guided by the TCFD Recommendations and the MAC TSM Climate Change Protocol, we continuously assess our operations’ contributions to climate change and evaluate risks posed by climate change. Through these efforts, we aim to align our practices with global sustainability goals while ensuring the resilience and long-term success of our business.

¹⁴GHG conversion factors used for diesel fuel is 2.68787 kgCO₂/l (DEFRA, 2020) and Botswana grid power is 1.07 kgCO₂/kWh (Harmonized IFI Default Grid Factors 2021 v3.1).
¹⁵Energy Intensity – Total Energy (GJ)/(ore + waste rock mined (kt)).
¹⁶GHG Intensity – Total CO₂e(kt)/(ore + waste rock mined (kt)).

This sustainability report represents the fourth consecutive year in which we have aligned our climate-related disclosures with the recommendations of the TCFD.

Beyond disclosing our annual emissions performance data, this section covers our energy use, key climate change focus areas, and planned actions across the TCFD's eleven disclosure recommendations, organized under four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. A summary of these disclosures can be found in the TCFD section of our content index.

In addition to this section, climate-relevant initiatives and metrics are being tracked and disclosed in the sections on [Water Management](#), [Biodiversity Management](#), and [Tailings Management](#).



Materials movement and crusher at Karowe Diamond Mine

Governance

Board Oversight & Governance

The Lucara Diamond Board of Directors is the highest governing body responsible for overseeing climate-related policies, strategies, and performance targets. Matters relating to climate change are often addressed within our existing corporate governance structures and reporting lines to the board.

Lucara Diamond's executive management team is also part of Lucara Botswana's board and, in this capacity, reports to the Lucara Diamond board on site-level progress toward our climate goals and targets on an ongoing basis, at least quarterly. Further details and a diagram of our governance structure can be found in the [Corporate Governance](#) part of this report.

To maintain effective oversight, we have established a series of internal controls, including:

- Conducting comprehensive climate risk assessments every 3-5 years to identify and evaluate emerging risks.
- Maintaining a clear governance framework that defines roles, responsibilities, and accountability for climate risk management.
- Monitoring and reporting on the effectiveness of our risk management practices to ensure continuous improvement.
- Communicating climate risk information to stakeholders in a transparent and timely manner.
- Conducting independent internal and external audits to validate our risk management processes.
- Ensuring compliance with relevant national laws and regulations, including those related to climate change.
- Providing targeted training programs to enhance employee awareness and understanding of climate-related risks and their management.

Climate Governance at Lucara Botswana

The Lucara Botswana Board is responsible for approving operating expenditure budgets and capital expenditure projects for the implementation of our climate action strategy, as well as reviewing quarterly progress reports. It's also responsible for reviewing and endorsing the Climate Action Plan, which frames our approach to managing climate change risks and impacts at KDM. This board also approves the Climate Action Plan, ensures resource allocation and monitors implementation progress.

Lucara has a Climate Change Working Group, which is a cross-functional team of site-level personnel tasked with driving tactical climate action initiatives. This group is responsible for climate risk assessments, setting strategy, defining metrics and KPIs, and monitoring performance against plans, targets, and budgets. The Working Group provides oversight over day-to-day efforts related to energy efficiency, carbon reduction initiatives, and climate change awareness across the Company.

Supported by a dedicated Chair, the Working Group provides direction and leadership, reporting progress to the Lucara Botswana Board quarterly. It stewards the Climate Action Plan and operates at the Head of Department (HoD) level.

Executive management from Lucara Diamond and Lucara Botswana is kept informed of climate-related progress through regular reporting, which may occur monthly, quarterly, or annually, depending on the metrics. Management and the Working Group also participate in training programs, webinars, conferences, and summits to stay updated on climate-related issues and best practices.

Transparency & Disclosure

The Lucara Diamond Board employs a formal decision-making process to approve the disclosure of climate-related information. The process includes review, discussion and formally documented release approvals prior to disclosure. In the future, we plan to integrate climate-related risks further into our internal board-level quarterly risk reporting. This regular reporting will support our governance objective and ensure that climate risks are a focus area within our strategic planning process.

Strategy

Lucara recognizes that both physical and transition risks related to climate change will impact our operations. These risks are not static; they will evolve over time, influenced by a range of plausible future climate scenarios. To appropriately consider this dynamic landscape in our strategic planning, we have adopted an approach considering three distinct time horizons, preparing us to navigate the complexities of climate-related risks and opportunities at different stages of our operations:

-  **Short-term** up to 2026
-  **Medium-term** from the commencement of underground mining in 2028 through to the end of the mine life around 2040
-  **Long-term** beyond 2040, post-mine closure

In 2024, Lucara undertook our first detailed climate risk assessment, evaluating physical and transition risks, as well as identifying potential opportunities and developing a corporate climate risk registry. Further detail is found in the [Risk Management](#) sub-section.

Understanding Physical Risks

A number of physical climate change risks, both acute and chronic, may affect Lucara in the future. Among the physical risks we have identified, the following are most highly ranked:

1. **Heatwaves on Site:** Prolonged heatwaves pose serious health and safety risks for our workforce, potentially disrupting operations.
2. **Water Scarcity Due to Droughts:** Increased frequency and severity of droughts could lead to water availability issues, impacting both operations and community relations.
3. **Pandemic/Epidemic Outbreaks:** New health crises can emerge from altered ecosystems and disease vector expansion, which could result in project delays, supply chain disruptions, and reduced diamond demand.
4. **Community Perceptions of Water Use:** Droughts may create tensions with local communities, who may perceive Karowe as consuming a disproportionate share of water resources.
5. **Flooding:** Severe floods could prevent access to the site, causing delays, supply chain disruptions, and potential health and safety risks.

Understanding Transition Risks

Transition risks arise from the global shift toward a low-carbon economy. Although many of our physical risks are more highly ranked than our transition risks, we identified several key transition risks of a similar risk level. These top transition risks include:

1. **Increased Compliance Costs:** Stricter climate-related regulations could lead to higher operational costs.
2. **Rising Insurance Costs:** More frequent and severe storms may drive up insurance premiums over time.
3. **Shifts in Consumer Preferences:** Reduced demand for diamonds with high greenhouse gas (GHG) emissions intensity could impact market dynamics.
4. **Carbon Tax Implications:** The introduction of a carbon tax in Botswana, coupled with the country's heavy reliance on coal for energy, could increase direct and indirect costs.
5. **Market Volatility:** Climate-related events may reduce demand for diamonds, lowering their value and affecting Lucara's profitability.

Strategic Planning for Climate Risk Mitigation

Our new climate risk registry provides a centralized resource for tracking and understanding how our physical and transition risks may evolve under varying global conditions. The registry serves as a critical resource for long-term strategic planning, enabling us to adapt our strategies as new risks and opportunities emerge.

To further enhance our strategic planning, we have considered the Intergovernmental Panel on Climate Change’s (IPCC’s) shared Socioeconomic Pathway 2 (SSP2) scenario, which represents a “middle-of-the-road” global development pathway. The integration of the SSP2 scenario is enabling us to better anticipate broader implications of future climate conditions and strengthen our climate resilience.

Following the establishment of our climate risk registry in 2024, Lucara will be focused on finalizing our climate change strategy. This strategy will not only address the identified risks but also explore how they intersect with our broader business objectives, resilience planning, and financial performance.

Risk Management

Lucara’s approach to climate risk assessment and management has been developed to align with the TCFD recommendations, ensuring we employ a robust and transparent approach to identifying, evaluating, and managing climate-related risks.

Assessment Methodology

Our climate risk assessment evaluated both the likelihood and impact of each identified risk, using a five-point ordinal scale for both likelihood and impact. Our risk matrix evaluates key dimensions such as impact, likelihood, vulnerability, and speed of onset, providing a comprehensive view of potential risks. Impact is assessed across multiple dimensions: revenue, costs, safety and health, environment, regulatory compliance, public and stakeholder relations, and socioeconomic factors.

Our assessment of Lucara’s physical risks was informed by publicly available climate scenario modeling tools and risk assessment frameworks, including the IPCC Representative Concentration Pathway (RCP 2.6 and 4.5) scenarios. These incorporated both a very stringent pathway, in which temperature rises are maintained below 2°C, and an intermediate scenario wherein temperatures rise between 2-3°C by 2100.



KDM Tailings Storage Facility

Our assessment of Lucara’s transition risks was informed by researching global trends in diamond mining and various climate change regulations that might translate into risks or opportunities for the Company. For example, we considered Botswana’s 2021 Climate Change Policy and the country’s Third National Communication to the United Nations Framework Convention on Climate Change (UNFCCC), published in 2019. Such documents provide valuable insights into national climate priorities, including national-level scenario planning and recommended adaptation measures.

As part of our complete climate risk assessment process, we held dedicated sessions engaging Lucara’s corporate team and KDM site personnel to discuss emerging climate trends, associated risks, and conducted a ranking exercise to prioritize the most pressing concerns. We reviewed and ranked transition-related risks under multiple scenarios, to develop a detailed understanding of their potential impacts. These engagement sessions also served as a valuable opportunity to brainstorm potential opportunities.

Risk Management Processes

Climate-related risks at Lucara are managed on a day-to-day basis by HoDs and process owners, who are supported and guided by the Climate Change Working Group, previously mentioned in the [Governance](#) section. This collaborative management approach is helping us ensure that our climate risks are integrated into our operational decision-making processes.

As part of our ongoing objective to strengthen our climate resilience, Lucara is taking steps to further assess the materiality of various climate risks in relation to our financial performance, reputation, and strategic objectives.

We will also explore expanding our focus to include climate-related requirements that may impact our business relationships and value chain, to develop an increasingly holistic approach. Having prioritized risks that are deemed most material and actionable, we will aim to allocate resources effectively and address those with the highest potential impact.



Tailings Management Workshop with other stakeholders in Botswana at KDM

Looking ahead to 2025, we are focused on completing the development of our climate change strategy. As we achieve this, we will integrate it into our overall ERM framework, to manage our climate-related risks in a holistic and coordinated manner, aligned with other operational and strategic risks.

This integration will enhance our ability to anticipate, mitigate, and adapt to the evolving challenges posed by climate change. For a detailed overview of Lucara’s overall risk management approach, please refer to the [Risk Management](#) section of this report.

Metrics & Targets

This year, we have made significant progress in better understanding our climate-related physical and transition risks as part of our commitment to climate action. Moving forward, we plan to establish specific science-based goals and targets to further align with the TCFD recommendations and enhance our risk management practices.



Mining in the KDM open pit

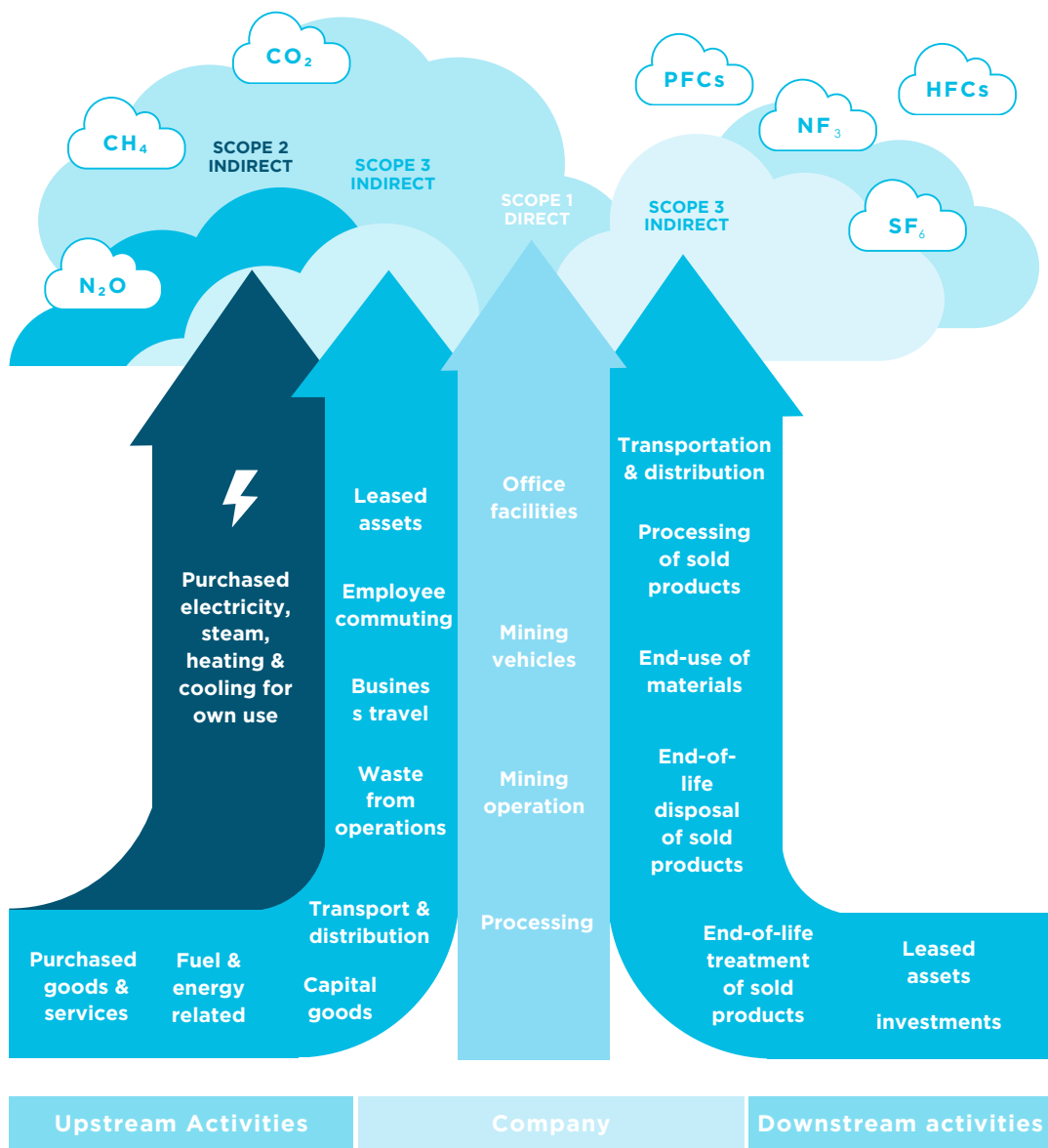
GHG Emissions

Since 2012, Lucara has been committed to estimating and disclosing its GHG emissions, encompassing both direct (Scope 1) and indirect (Scope 2) emissions. Scope 1 emissions originate from energy sources owned or controlled by the Company, primarily driven by diesel consumption for mining activities such as drilling, hauling, and loading. Scope 2 emissions arise from the generation of purchased electricity consumed by our operations, occurring at the source of electricity production.

To ensure accuracy and consistency, our emissions calculations align with the GHG Protocol¹⁷. For Scope 2 emissions, we utilize the International Financial Institution (IFI) Harmonized IFI Default Grid Factors 2021 v3.1, ensuring our data reflects the most up-to-date methodologies.

Year	Energy Use (GJ)	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Energy Intensity (Energy in GJ/Revenues \$million)	GHG Intensity (Total CO ₂ e(kt)/ore + waste rock mined (t))
2024	500,339	16,090	80,871	2,454	24.57
2023	518,315	20,504	67,600	2,921	15.2

¹⁷ GHG conversion factors: for diesel fuel is 2.68787 kgCO₂/l (DEFRA, 2020) and Botswana grid power is 1.07 kgCO₂/kWh.



In 2024, Lucara's Scope 1 and Scope 2 emissions at KDM totaled a combined 96,961 tonnes of CO₂ equivalent (CO₂e). Between 2023 and 2024, Scope 1 emissions decreased by approximately 21.53%, from 20,504 tonnes of CO₂e to 16,090 tonnes of CO₂e in 2024. This reduction is attributed to a decrease in the amount of waste rock mined from the open pit, requiring less diesel consumption.

Meanwhile, our Scope 2 emissions increased by 19.63%, from 67,600 tonnes of CO₂e in 2023 to 80,871 tonnes of CO₂e in 2024. This rise is attributed to the introduction of new equipment at the UGP, including the ventilation shaft temporary bulk air cooling plant, the production shaft temporary bulk air cooling plant, and the double boom drill rig at the 670 Level. These additions significantly increased energy demand at the UGP.

While Scope 1 and Scope 2 emissions have been a focal point of our GHG reporting, we recognize the importance of addressing Scope 3 emissions, which encompass indirect emissions across our value chain. In 2024, we initiated engagement with our suppliers to assess the availability of data required for Scope 3 emissions estimation.

Over the coming year, we will begin collecting this data to evaluate which of the 15 categories established by the GHG Protocol to prioritize. Our goal is to complete a detailed Scope 3 emissions assessment by the end of 2025, enabling us to better understand and mitigate our broader environmental impact.

To enhance our emissions reduction efforts, we introduced a new system in 2024 to monitor and measure exhaust gases. We now conduct monthly monitoring and testing, having equipped all our machinery with catalytic converters, and installed scrubbers to minimize exhaust emissions.

Energy Management

In 2024, our GHG intensity, measured per total materials mined, increased from 15.2 in 2023 to 24.5 in 2024. The increase is primarily due to higher Scope 2 emissions due to increased electricity consumption following the completion of the 132kV bulk power supply line.

This Botswana Power Corporation (BPC) grid power enabled us to transition away from using diesel generators as our primary energy source for the UGP, which translates to increased Scope 2 emissions. Generators at the UGP remain available as a back up source during rare power outages.

As we advance the UGP and increase our load on the supply line, it continues to provide good operational stability. Additionally, we have enhanced the stability of our energy supply through the installation of power factor correction equipment, including two energy filters. These improvements have optimized power system efficiency by enhancing voltage stability and minimizing harmonic distortions.

We welcome the Botswana government’s approval of the [Renewable Energy Support and Access Accelerator \(RESA\) Project](#), which aims to transform the country’s energy landscape. This project sets ambitious targets to increase renewable energy to 30% of Botswana’s energy mix by 2030 and 50% by 2036.

The initiative presents a significant opportunity for Lucara to reduce its Scope 2 emissions by incorporating renewable energy sources, such as solar power, into our operations. This shift would not only support our own decarbonization goals but also signal an increasingly sustainable and resilient energy future for Botswana broadly.



Underground Project view from pit

Decarbonization at Karowe

In 2024, we made significant progress in advancing our decarbonization initiatives. We are monitoring the fully functional rooftop solar project on our administration buildings, which now run 100% on solar during daylight hours.

Following the completion of the feasibility study for a Large-Scale Solar Photovoltaic (PV) Power Plant, we are now in the process of seeking proposals from contractors.

This mega solar project has the potential to provide cost-effective power while reducing our transition risks, particularly those associated with future carbon tax liabilities, further improving the marketability of Lucara’s rough diamonds.

We also remain committed to advancing our energy efficiency initiatives at the process plant. This includes the ongoing replacement of traditional lighting with energy-efficient light-emitting diodes (LEDs) across the site, as well as the continued transition of non-critical lighting from daylight sensors to timed switches through circuit separation.

These adjustments ensure that non-essential lights are automatically turned off during daylight hours and activated only at night, further optimizing energy use.

Another focus was the conversion of process water pumps and slime disposal pumps to Variable Frequency Drives (VFDs). By design, Direct On-Line (DOL) starters start induction motors at very high currents, leading to a high maximum demand index at the coal-fired power plant fueling the grid. VFDs, on the other hand, do not require this high maximum demand.

The result is reduced stress and CO₂ emissions at the coal-fired power generation plant. The procurement process is currently underway, and the VFDs are scheduled for installation in 2025.

Moving forward, we are still exploring the feasibility of integrating electric vehicles (EVs)—both light and heavy-duty—into our operations.



KDM Power Station

Charles Masole: Electrical & Instrumentation Engineer

Charles Masole, a Professional Electrical Engineer and member of the Botswana Institute of Engineers, serves as the Electrical & Instrumentation Engineer at Lucara.

He holds a Bachelor of Engineering from the University of Botswana, a Post Graduate Diploma in Industrial Automation from India, and a Master of Science in Project Management from the University of Bolton, UK. He completed a Management Development Programme, a leadership development program sponsored by Lucara at Stellenbosch University.



Charles is passionate about electrical designs, energy management, and industrial automation, with a focus on green energy and reducing carbon footprints. He has successfully led projects such as upgrading the plant's communication protocol systems, electrifying pit dewatering, and spearheading decarbonisation initiatives, including the design of the Karowe Mine Solar PV project.

As KDM's Energy and GHG Champion, Charles develops energy management procedures and oversees energy efficiency and GHG emissions across the organization. His expertise and commitment to sustainability make him a key driver of climate innovation and environmental responsibility at Lucara.

BIODIVERSITY & LAND MANAGEMENT

HIGHLIGHTS

 **1,523 Ha** of Lease Area representing modified habitat

 First Biodiversity Assessment Survey of KDM in partnership with Birdlife Botswana

 New onsite soil treatment facility to address hydrocarbon contamination

 **83.2%** treatment rate of contaminated soil at new soil treatment facility



Flamingos at KDM

Our Approach

Lucara acknowledges that mining activities can have adverse impacts on biodiversity and nature. Biodiversity loss disrupts the delicate balance of ecosystems, threatening both people and the planet. We are committed to being responsible environmental stewards, minimizing our ecological footprint, and contributing to ecosystem resilience where possible, to leave a positive legacy for local communities. Central to our efforts are our Biodiversity Working Group and our Biodiversity Management Plan (BMP), which aligns with Botswana’s National Biodiversity Strategy & Action Plan. The BMP enables alignment with key frameworks, including the TSM Biodiversity Conservation Management Protocol and the RJC Code of Practice (2019) requirements.

Biodiversity Management

At KDM, we operate within a 1,523-hectare lease area that is surrounded by livestock grazing and farming, as well as several other diamond mining operations. The lease area is home to a diverse range of wildlife, including kudus, antelopes, warthogs, guineafowl, and other mammals and birds, which extend beyond the perimeter fence.

None of our proven or probable reserves are within sites with protected conservation status, nor are any critical habitat triggers applicable in the operating area. However, our proven and probable reserves are near regions identified as endangered species habitat, based on our biodiversity surveys and IUCN Red List classifications. Two endangered species are occasionally present near the KDM site, but their rare occurrence poses minimal risk to their protection or ecosystem services. Although these areas lack formal conservation status, we recognize their ecological importance. We are updating our Biodiversity Management Plan and have implemented the following practices:

- Coordination with the Department of Wildlife Conservation and National Parks to repel the advancement of elephants to the mine when observed.
- Conducting awareness sessions to employees on encounters with dangerous animals
- Maintaining a population of warthogs at KDM. Elephants fear the high pitch squeals made by warthogs.
- Conducting avifauna monitoring
- Engagement with communities and farmers on biodiversity management including endangered animals.

Our mine license area is characterized as a Modified Habitat. The closest conservation area to KDM is the Orapa Game Park, about 30 km from the mine. Established biodiversity hotspots are located within such protected conservation areas.

Our mining operations involve non-acid generating kimberlites and host rocks, which means they do not produce acid rock drainage (ARD) that can negatively affect nearby ecosystems.

The critical drivers of biodiversity loss in the region, according to Botswana's 2016 National Biodiversity Strategy and Action Plan, include habitat destruction and conversion, habitat disturbance, barriers to wildlife movement, high elephant populations in sensitive areas, increased poaching, disruption of natural fire patterns, unsustainable plant use, invasive species, climate change, and alterations to river hydrology and water quality.

Our [Environmental Policy](#) and Environmental Management Plan help us address the operational risks and impacts associated with these challenges, guiding us in responsible biodiversity impact management throughout the mining lifecycle.

Biodiversity management and conservation at KDM is overseen by a dedicated team, including the SHE & CR Manager, an Environmental Coordinator, and two Environmental Officers. This team is responsible for the implementation of the BMP, which was first developed in 2021, and which we began updating in 2024.

We aim to update the BMP to align with the Taskforce on Nature-related Financial Disclosures (TNFD) requirements. The KDM Executive team bears ultimate responsibility for ensuring its successful implementation and integration into our operations.

In 2024, Lucara conducted its second external verification of the MAC TSM Biodiversity Protocol, achieving AAA ratings in two key indicators and an AA rating in Biodiversity Conservation Reporting. While these results demonstrate our ongoing commitment to sustainability, we are actively working to further enhance our performance, with the goal of achieving AAA ratings across all indicators.

Biodiversity Monitoring

Lucara’s biodiversity monitoring activities focus on supporting the conservation and preservation of endangered and vulnerable species, or those with special conservation status, in particular International Union for Conservation of Nature (IUCN) Red List and Botswana Red Data Book listed species, which may be encountered in the mine lease area.

Activities requiring vegetation removal or clearing undergoes a flora search conducted in collaboration with relevant government authorities, such as the Department of Forestry and Range Resources. These searches aim to proactively identify and relocate any endangered or vulnerable flora species to a protected habitat within the mine lease area. Additionally, they support our efforts to control the growth of three identified alien and invasive plant species: *Cupressus sp.*, *Nicotiana glauca Graham*, and *Verbesina encelioides*.



Kudu antelope at KDM

IUCN Red List and Botswana Red Data Book Species Identified at KDM and associated infrastructure.

Conservation Status	IUCN Red List	Botswana Red Data Book
Critically Endangered	1 ¹⁸	1
Endangered	1 ¹⁹	1
Threatened	0	2 ²⁰
Vulnerable	4 ²¹	4

Biodiversity Partnerships

As part of our partnership approach, described in the [Community Engagement & Partnerships](#) section, we also actively engage with conservation agencies, government bodies, local communities, and NGOs on biodiversity initiatives. Following the 2023 signing of a Memorandum of Understanding (MoU) with Birdlife Botswana, a (NGO) whose aim and objectives are to encourage and promote an interest and knowledge of birds and to undertake and assist ornithological fieldwork, research, and recording within Botswana. In 2024, we conducted a biodiversity assessment focused on further enhancing our understanding of the richness and composition of local plant and mammal species within the KDM lease area.

The assessment revealed that the KDM lease area hosts at least 22 tree species, 12 grass species, and a minimum of 10 mammal species, including large carnivores such as the brown hyena (*Hyaena brunnea*) and African leopard (*Panthera pardus*). Further, despite below-average rainfall during the 2023/2024 rainy season, the assessment also found that the area showed no significant signs of degradation. This resilience is owed to the abundance of perennial grass species, which are key indicators of healthy rangelands.

²⁰ Devils claw (*Harpagophytum procumbens*) and Hoodia (*Hoodia currorii*) have been seen in the mine license area.
²¹ Ground pangolin (*Smutsia temminckii*), Lion (*Panthera leo*), Cheetah (*Acinonyx jubatus*), Small Spotted Cat (*Felis nigripes*), Leopard (*Panthera pardus*), rarely seen within or near licensed area.

¹⁸ Nests of White-backed vulture (*Gyps africanus*) were last observed in 2021, 1.6 km from the new Transmission Line. The range of the endangered vulture extends across large portions of the African continent. The footprint area of the transmission line does not represent critical habitat.

¹⁹ African Elephant (*Loxodonta Africana*) Rarely observed within the mine license area, with the last recorded sightings in 2012 and 2020.

Notably, 81% of the recorded grass species are classified as palatable, indicating that the area remains suitable for supporting a reasonable population of small to medium-sized wildlife. However, the area's carrying capacity is limited due to its small size and the harsh climatic conditions of low rainfall. Distinct distribution patterns of mammalian species were observed, influenced primarily by the threat of illegal hunting, and variations in vegetation composition.

Building on our collaboration with Birdlife Botswana, in 2024 we expanded our efforts to also involve local communities and employees in biodiversity conservation through specialized training programs. The training equipped participants with skills in bird monitoring and migration pattern tracking, enhancing our collective ability to preserve local biodiversity and protect ecosystems. Internally, the training was delivered to 15 employees and at the community level, we reached approximately 10 to 12 participants per village across six villages (ensuring a minimum of five attendees in each location).

Mine Closure & Rehabilitation

Lucara takes a proactive approach to mine closure planning, grounded in scientific research, environmental protection, and sustained engagement with stakeholders. The Mining License for KDM was extended in December 2020 for 25 years and provides for both open pit and underground mining activities until January 2046. Open pit mining is expected to continue until the end of 2025, with the UGP expected to extend the mine life until at least 2040.

As of December 31, 2024, the estimated reclamation liability is approximately \$39.4 million on an undiscounted basis (\$34.2 million in fiscal 2023).

Following the closure of Slimes Dam 1, we completed both laboratory-based erosion testing and long-term landform erosion modeling of the Tailings Storage Facility. The results were used for the closure and rehabilitation study.

Soil Remediation and Pollution Management



Soil Treatment Facility

Our new onsite soil treatment facility was a proud land management highlight of 2024. Commissioned in 2024 and operated by a specialized third party, the facility tackles hydrocarbon contamination specifically. Regular soil monitoring and inspections are conducted across operational areas to identify any pollution. Where hydrocarbon contamination is detected, such as a spill, the affected soil is excavated and transported to the “soil clinic” for treatment.

The remediation process at the new facility utilizes bioremediation techniques, using enzymes to break down hydrocarbons. The process takes approximately 3 to 6 months, depending on the concentration of contaminants. During the year, the facility received 44.87 cubic meters of contaminated soil, of which 83.2% had been successfully treated by the end of the year.

While these plans are not yet ready for implementation, they represent a step toward future rehabilitation. We also continue to align our operations with the GISTM, further details on which are discussed in the [Tailings Management](#) section.

Additionally, we submitted a closure design plan for Landfill Cell 1, which was approved by regulatory authorities by the end of the year. Implementation of this plan will commence in the near future.

There were no land rehabilitation activities or land handover during the reporting period. We expect to initiate a Five-Year Closure schedule to kick-start progressive rehabilitation.

Land Disturbance

In 2024, the disturbed land within the mine lease area increased by 14.5 hectares, bringing the total disturbed area to 902 hectares. This increase was primarily due to the expansion of the coarse tailings stockpile and the commencement of construction for an evaporation pond as part of the UGP. Further information on this construction is discussed in [Water Management](#).



Lucara employees at closed waste management site

Leslie Baleki, Waste Management Supervisor

Leslie Baleki began his career at Lucara as a Waste Management Operative from 2015 to 2018. He then transitioned to the role of Maintenance Artisan Assistant from 2019 to 2021. Since 2021, he has been serving as the Waste Management Supervisor. He completed his National Craft Certificate in Plumbing and Certificate in Waste and Water Treatment Technologies.



Leslie developed an interest in wastewater treatment over the years.

Today, he supervises waste management contractor companies at the mine, overseeing tasks like waste collection from the mine facilities to the landfill and salvage yard, transporting scrap metal from the site to Gaborone, and collecting sewage water from homes to the mine and sewage plant. He also manages the licensing for waste management facilities, including the landfill, incinerator, wastewater treatment plant, and salvage yard.

Leslie's dedication and professionalism has led him to leading a team of eight Waste Management Operatives and being responsible for guiding the daily operations of Lucara's waste management facilities.

NOISE & AIR QUALITY

HIGHLIGHTS

-  Acquired noise monitoring instruments to implement frequent in-house environmental monitoring.
-  Conducted incinerator emissions source monitoring and results are compliant.



KDM Operations

Our Approach

Operational activities such as fuel combustion, blasting, drilling, material hauling, and handling are essential to our mining processes, but they can have significant impacts on air and noise quality, affecting both our workforce and the nearby communities. Lucara is dedicated to minimizing these impacts through technological advancements, PPE, and continuous process improvements. We focus on reducing dust emissions and we monitor noise levels to ensure we protect the health and well-being of our employees and communities. Lucara complies with air quality standards and we are guided by our Environmental Policy and Environmental Management Plan, which reflect our commitment to responsible environmental stewardship.

Dust & Air Quality

At KDM, some operational activities generate non-GHG air emissions, including particulate matter, sulphur dioxide (SOx), and nitrogen oxides (NOx). To mitigate dust generation, we employ dust filtering and extraction technology at material transfer points in our process plant and conduct daily watering of haul roads for dust suppression.

Our monitoring program at Lucara enables us to ensure air quality compliance. Monthly dust level assessments are conducted around KDM and along the 15 km access road to Letlhakane village. We also employ PM2.5 and PM10 air quality monitors within the mine lease area to measure fine particulate matter. In 2024, we expanded our monitoring capabilities by installing five new stations, bringing the total to sixteen. Monitoring results consistently show dust deposition rates well below Botswana’s residential and industrial limits of 1200 mg/m² per day, as well as compliance with local non-residential standards.

Some SASB air quality metrics, such as mercury (Hg), lead (Pb), and volatile organic compounds (VOCs), are not material to our diamond mining operations, and so they are not measured. Lucara already uses low-SOx diesel fuel, but we are exploring possible methodologies to estimate NOx and SOx emissions in future. Our 2023 study to measure SO₂, NO, and CO emissions from earth-moving vehicles (EMVs) and light-duty vehicles (LDVs) confirmed compliance with Botswana regulations and the stringent Euro 6 Diesel Emissions Limits.

In 2024, no community concerns or grievances related to dust or air quality were reported. Moving forward, our focus remains on exploring NOx and SOx estimation options and maintaining our monitoring efforts to uphold our environmental performance and community relations commitments.

Noise & Vibration

In diamond mining, workers can be exposed to elevated noise levels generated by equipment such as drills, trucks, loaders, crushers, mills, and screens. To manage this potential workplace impact, Lucara has implemented a hearing conservation program, which includes occupational noise assessments, evaluation of noise control measures, noise zoning, and awareness initiatives to promote effective noise management. This program is detailed in our [Health, Safety & Wellness](#) section.

Lucara’s environmental procedures restrict tree removal to requirements of designated working areas, preserving mature shrubs and trees that serve as natural barriers where possible. This reduces both dust and noise propagation at the mine and surrounding areas. Additionally, to further mitigate noise pollution, key facilities such as the Recovery Plant, XRT Sort House, and MDR Screening Plant are enclosed with corrugated iron sheeting, and anti-vibration springs are installed on all screens.

Ambient noise monitoring is conducted every two years in accordance with Botswana standards (BOS 575: 2013). The most recent monitoring in 2023 revealed that background noise levels at the plant, when non-operational, remained within both daytime (70dBA) and nighttime (60dBA) limits. However, operational noise levels slightly exceeded these thresholds. To mitigate this risk, we have mandated the use of personal noise protection earplugs for all KDM employees and contractors.

In 2024, we invested in additional noise monitoring instruments, which are scheduled for commissioning in 2025. This initiative aims to transition environmental noise monitoring in-house, enabling more frequent assessments beyond the current biennial schedule. The monitoring will be conducted at the Mine Lease perimeter fence and the nearest sensitive receptors.

No cases of noise-induced workplace hearing loss were reported among our workforce in 2024.

WATER MANAGEMENT

HIGHLIGHTS

-  No freshwater²² used in processing
-  No effluents discharged to the environment
-  No significant reportable spills
-  **884,043 m³** water recycled in 2024
-  **60,390 m³** water surplus delivered to Orapa Mine in 2024

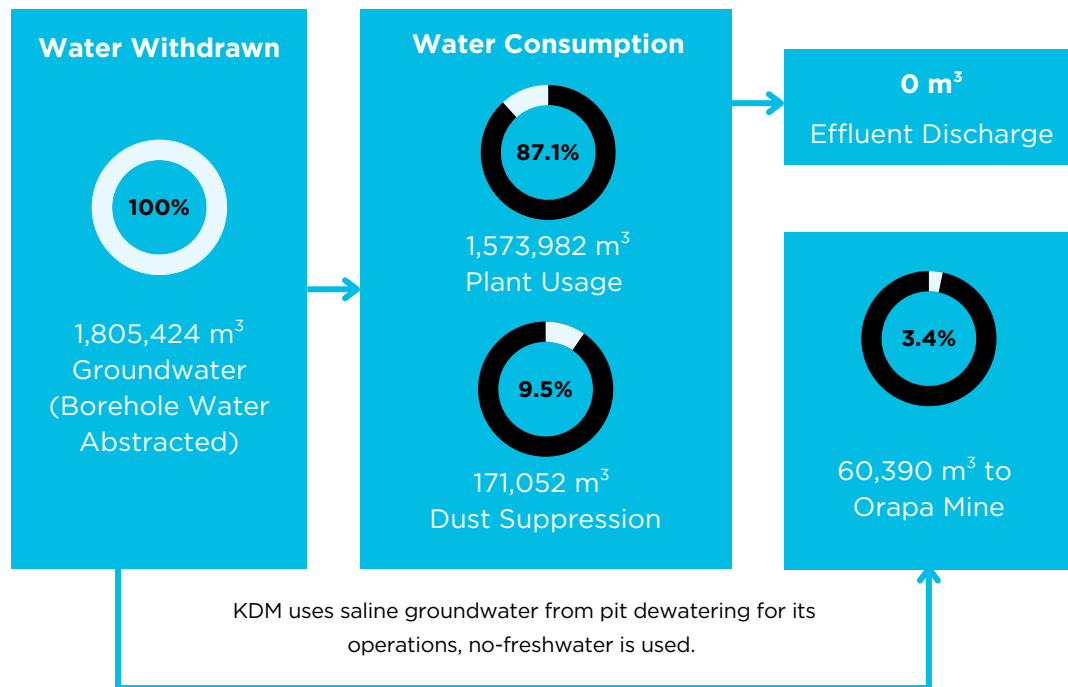
²²Water with concentration of total dissolved solids equal to or below 1,000 mg/L.



Water Quality Inspections

Our Approach

Water is an essential common public resource for people and the environment, as well as being crucial to our operations. Lucara recognizes the importance of responsible water stewardship and is deeply committed to minimizing and mitigating any potential impacts on water quantity or quality. At KDM, we prioritize using saline groundwater extracted from pit dewatering processes, which allows us to avoid freshwater use where possible, and recycle water within our operations. We regularly monitor groundwater quality and engage with nearby communities and local authorities to support sustainable water management. Our approach is guided by our Responsible Mining Policy, Environmental Policy, Environmental Management Plan, and the MAC TSM Water Stewardship Protocol.



Water Risk at Karowe Diamond Mine

The Boteti District in Botswana, where KDM operates, has a semi-arid to arid climate with hot, wet summers and cold, dry winters. The region is characterized by “Medium-high” baseline water stress²³, which drives us to prioritize minimizing our water footprint.

In 2024, we recorded an annual rainfall of 194.2mm, which was significantly lower than the 309.1mm recorded in 2023. In 2024, Botswana experienced El Niño conditions, leading to severe rain deficits in most parts of the country. The highest rainfall event was 88mm in December, while February received the least amount of rainfall at 20.5mm. The months from May to November saw little to no rain.

²³ According to the World Resources Institute's Aqueduct water risk tool, which identifies and evaluates water risks around the world.

Rainfall captured within our operational area, though usually insignificant, is stored as runoff and pumped to the plant for processing. Our climate risk assessment, described in the [Energy and Climate Change](#) section highlights water scarcity as an important physical risk.

Near KDM, there are no permanent water bodies, and local communities rely on shallow aquifers (approximately 50 to 100 meters deep) for domestic, agricultural, and livestock needs. The mine's pit dewatering activities extract water from deeper aquifers (>100 meters depth), which are abundant in central Botswana, to stabilize the mine's open pit slopes.

Responsible Water Use

Using the deeper aquifer water from our pit dewatering for operational needs at KDM helps us avoid impacts on community freshwater sources, particularly nearby farm wells. This is because the water exhibits high salinity, with total dissolved solids (TDS) ranging from 2,000 mg/l to over 15,000 mg/l—far exceeding the 1,000 mg/l threshold for freshwater. This salinity makes it unsuitable for other water users, ensuring our operations do not compete with local freshwater resources.

Most of KDM's water use supports processing activities, with additional consumption for the 200-person mine camp. Municipal water use in our Gaborone and Vancouver offices, along with approximately 120 Company-sponsored houses in Letlhakane and nearby villages, accounts for less than one percent of our total water footprint and is not routinely monitored. In 2024, there were no incidents of non-compliance with water quality permits, standards, or regulations, and no grievances related to water management were reported.

No water-related policies were reviewed in 2024. Botswana's *Water Act 1967* has been under review since 2021, and is expected to be finalized in 2025, which may prompt a review of our relevant environmental management system components at Lucara.

Water Monitoring

Lucara’s water monitoring assesses potential impacts of mine activities around the mine area as well as on nearby privately-owned farm wells, against a baseline of natural groundwater levels. All boreholes, including near the pit and regional boreholes, are subject to regular water level and quality monitoring.

Quarterly monitoring is conducted at two locations: the pit perimeter and regional boreholes over one kilometre away. Additionally, a centralized control room system, SCADA (Supervisory Control and Data Acquisition system), remotely collects data from the processing plant, pit dewatering boreholes, and wellfield production boreholes.

It tracks real-time groundwater abstraction to ensure compliance with water rights granted by the Water Apportionment Board. Our withdrawal continues to be substantially below the volumes we are permitted to extract.

Our water level monitoring data reveals stable water levels in regional boreholes, while those closer to the pit show a localized drop of approximately two meters. This drop aligns with a confined cone of depression around dewatering boreholes, confirming minimal to no impact on private boreholes near the mine. Dolerite dykes south and east of the mine lease area also act as natural barriers, limiting water movement and further reducing the mine’s influence on surrounding aquifers.

In terms of water quality, as we mine through deeper water systems for the UGP, the average TDS in 2024 has been logged at approximately 4,000 mg/l. This is similar to the previous reporting period and consistent with the high salinity range we have become accustomed to. We also have not noted any major changes to groundwater chemistry. However, monitoring has shown rising groundwater levels near the Slimes Dams since 2012, indicating seepage into the subsurface.

Groundwater levels around the landfill site have shown a steady increase in recent years, but water chemistry testing confirms no contamination from the facility, which is lined and contains only domestic waste.

Currently, some gaps exist in our quarterly water level and quality monitoring of regional boreholes, as some neighbouring farm boreholes are not constructed in a manner that allows for complete water level measuring.

In 2024, we conducted our second MAC TSM external verification of the Water Stewardship Protocol, achieving a AAA rating in both Watershed-scale Planning and Water Reporting and Performance. Looking ahead, we are focused on improving our practices to elevate our AA rating in Water Governance and our A rating in Operational Water Management. We also hope to explore more options for automated water level monitoring.



Water monitoring procedure

Underground Project Water Planning

As we progress with the UGP, we expect to intersect increasing levels of saline water. This water should not be discharged into the environment and so we initiated a project in 2024 to manage the saline water through a combination of lined evaporation ponds and blending tanks. In time, as water volumes grow, we will also introduce mechanical evaporators as needed.

The blending tanks are currently used to mix high-salinity underground water with low-TDS shallow aquifer water to reduce the concentration of dissolved solids to an acceptable level for operational use. The treated water will then be transferred to Debswana’s Orapa Diamond Mine to be used in processing.

A project brief on the planned process was submitted to the Botswana government in 2023, resulting in a request to update our Environmental Impact Statement (EIS). The updated EIS was approved in August 2024. Construction of the evaporation ponds began in December 2024, with completion anticipated by mid-2025.

Recycling & Water Loss

The volume of groundwater withdrawn for pit dewatering varies depending on mining activity and hydrogeological conditions. Our primary water losses occur through evaporation and water trapped in tailings. We do not actively measure precise volumes lost due to process inefficiencies and evaporation, as the amounts are considered negligible.

We actively decant water from our Fine Residue Deposits and return it to the processing plant for reuse. This has the benefit of helping us to minimize seepage into the subsurface around the tailings facilities, thereby maintaining groundwater quality. In 2024, we increased this water recycling volume to bolster our seepage reduction efforts.

During the calendar year, we recycled 884,043 m³ of water, surpassing the 845,251 m³ recycled in 2023.

In line with previous years, we continued our collaboration with the Water Utilities Corporation and Debswana to supply our surplus water to Debswana’s Orapa Diamond Mine for their operational use. Groundwater from pit dewatering supplied from Karowe Mine to Orapa Mine decreased significantly in 2024 compared to 2023, from 351,348 m³ in 2023 to 60,390 m³, representing an 82.81% reduction. This decline is attributed to reduced overall water pumping, increased water demand for processing weathered ore at KDM, and declining efficiency of boreholes around the site.

Additionally, 171,052 m³ of water was used for dust suppression on the KDM access road, supporting our efforts to reduce dust pollution.



Wetlands wastewater treatment

Wastewater Treatment Plant

Central to our domestic wastewater management is our activated sludge treatment plant, which processes sewage from all operational areas, including the underground project camp. The system is complemented by a constructed wetland, originally commissioned in late 2021 and now fully operational, serving as a natural polishing phase after initial treatment. Utilizing natural organisms and filtration processes, the wetland ensures that effluent meets surface water discharge standards. This innovative approach not only supports a consistent and compliant sewage treatment process but has also delivered cost savings for the Company.



Environmental Waste Management Team

The final treated effluent is reused onsite for irrigating lawns and gardens, eliminating the need for offsite discharge. Solid waste from the treatment process is either incinerated or stored for use as fertilizer in future land restoration projects. During the reporting period, we acquired a multimeter for the wastewater treatment plant, which will enable daily water quality monitoring starting in 2025.

In 2024, we secured licenses for our facility renewals, including the wastewater treatment plant. Additionally, ten members of the environmental waste management team completed intermediate wastewater treatment training, further strengthening our capacity to manage wastewater effectively.

Opelo Patella, Hydrogeologist

Opelo Patella has been a hydrogeologist in Lucara's Mineral Resources Department since 2022. She holds an MSc in Hydrogeology and Water Management from Newcastle University in the UK and she completed a Management Development Programme, a leadership development program sponsored by Lucara at Stellenbosch University. Opelo's interest in hydrogeology stems from the complexity of groundwater systems and their challenges, such as water shortages, surpluses, and pollution.



She is passionate about data-driven decision-making in geosciences, believing every piece of information makes a difference to the end decision. This drives her work, especially in groundwater modeling, which relies heavily on data analysis.

At Lucara, Opelo has played a key role in analyzing data for operational decision-making and planning, including designing the capacity of the evaporation dam. Her proactive involvement and expertise in managing water aspects of our Tailings Storage Facilities has been a highlight of her time at Lucara.

TAILINGS & WASTE MANAGEMENT

HIGHLIGHTS

	2,834,864 metric tonnes	Total weight of tailings produced
	944,082 metric tonnes	Total weight of waste rock mined
	640.5 metric tonnes	Total weight of non-mineral waste generated
	102.8 metric tonnes	Total weight of hazardous waste generated
	79 metric tonnes	Total weight of hazardous waste recycled

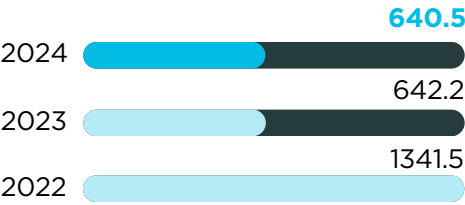


Tailings Facilities

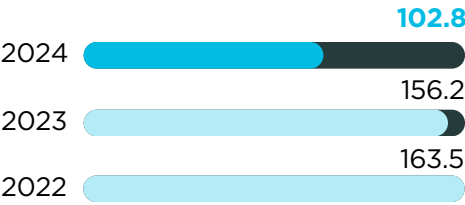
Our Approach

At Lucara, responsible waste management is a central part of upholding our commitment to environmental stewardship and ensuring the safety of our workforce and local communities. Our operations generate various types of waste, including tailings, waste rock, and non-mineral waste, including industrial and domestic waste. We minimize non-mineral waste by extending product lifecycles, promoting recycling, and seeking innovative waste reduction solutions. In cases where waste cannot be recovered or recycled, we ensure its disposal is conducted responsibly and in full compliance with local and international regulations. Our tailings management approach focuses on safe tailings management throughout all stages of the mining lifecycle, developed in accordance with the TSM Tailings Protocol and the GISTM. Our overall waste approach is further guided by our Environmental Policy, Environmental Management Plan, and Responsible Mining Policy.

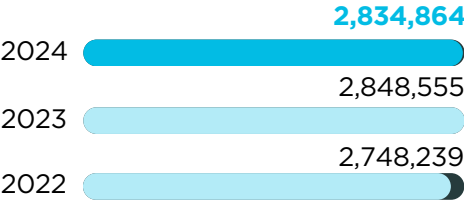
Total weight of non-mineral waste generated (metric tonnes)



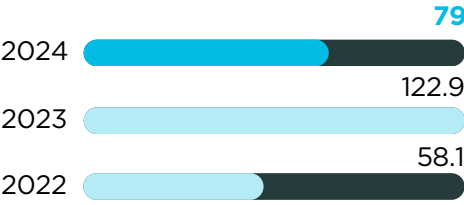
Total weight of hazardous waste generated (metric tonnes)



Total weight of tailings produced (metric tonnes)



Total weight of hazardous waste recycled (metric tonnes)



Tailings Governance

Lucara has established a robust governance structure to safely manage tailings, an important by-product of our mining activities, across the mining lifecycle. Our design, disclosure, and ongoing management approach has been developed to ensure we adhere to GISTM requirements. This integrates rigorous internal and independent oversight, including clear assigning of roles such as the Engineer of Record (EOR), Accountable Executive, Responsible Tailings Facility Engineer (RTFE) and the ITRB reviews.

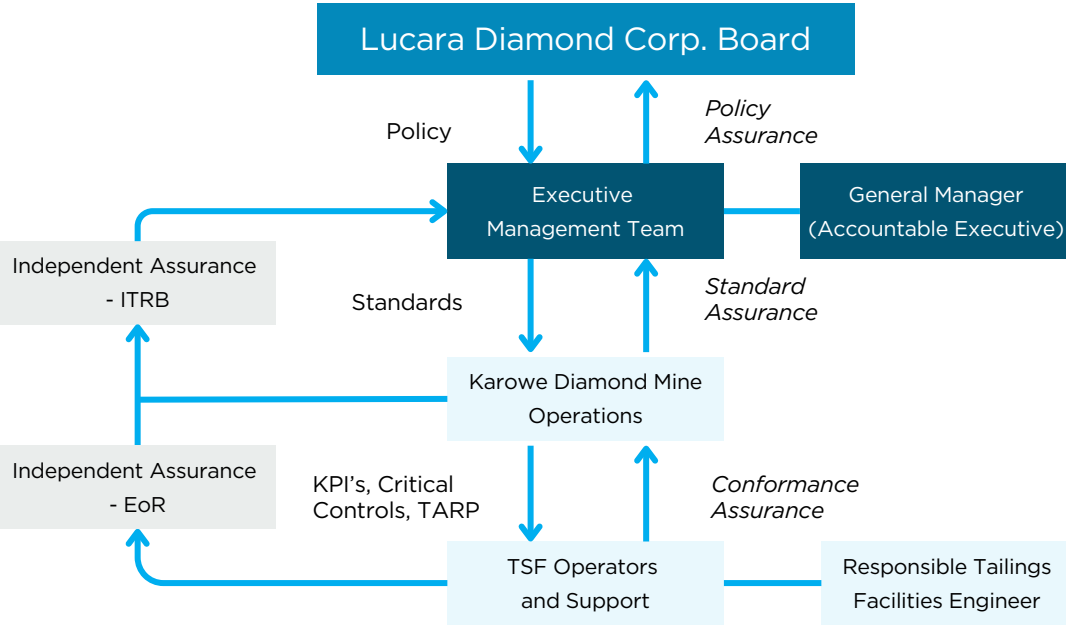
We are honoured to have been appointed by the Botswana Chamber of Mines as Chair of the Sub-committee on Tailings Management in 2024. Involvement in this Sub-committee is an important part of our efforts to support continuous improvement at an industry level nationwide.

The inaugural meeting was held in September 2024 and we are committed to the journey ahead, advancing responsible tailings management practices through this group across Botswana’s mining industry.

Tailings were included in our climate scenario analysis and risk assessment, which was conducted fully for the first time in 2024. Please see the [Energy and Climate Change](#) section of the report.

Tailings Governance Structure

The following governance framework outlines the lines of accountability for tailings throughout the Company, from Lucara Botswana management at the site level up to the Lucara Diamond executive leadership team and Board of Directors.

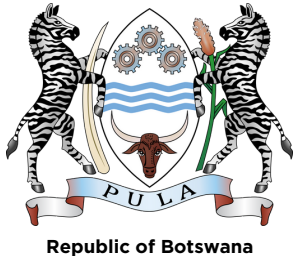


Lucara's Independent Tailings Review Board

Our ITRB conducted its second annual review in November 2024, concluding that Lucara continued to make strong progress in increasing its compliance levels with the GISTM. While identifying some progress on Lucara's GISTM adoption, the ITRB highlighted some minor areas for improvement, which we will address. The next ITRB review is scheduled for November 2025.

Tailings Management at KDM

Located in a flat, semi-arid to arid region with high evaporation rates and minimal precipitation, our tailings facilities at KDM are assessed as posing no risk to permanent surface water bodies or nearby communities. We manage two types of tailings at the site: coarse and fine. Coarse tailings, in the form of dry gravel, are dry-stacked at the Coarse Residue Deposit (CRD) without the need for impoundment walls or dams. Fine tailings, or “slimes”, are pumped as a slurry to our Fine Residue Deposit (FRD) facilities, where deposition is optimised to maximize water capture and recycling back to the process plant. KDM operates one CRD and two FRD facilities. The design for a third FRD was completed in September 2024, with construction expected to be finalized by the end of 2028. Additionally, plans for a fourth FRD are currently in the design stage. Further information about our tailings facilities can be found on our [website](#).



In 2024, there were no incidents related to our tailings facilities, including any related to non-compliance with permits, standards, or regulations, and no grievances related to tailings management were reported.

Tailings Management System

In 2024 we drafted a framework for an integrated Tailings Management System (TMS) with interlinkages to our [Environmental and Social Management System](#). The TMS is designed to align with the MAC TSM Tailings Protocol, the GISTM, and *Botswana's Mines, Quarries, Works, and Machinery Act* CAP 44:02. In 2024, in our third-party TSM verification, we achieved triple AAA scores on four of the five indicators under the MAC TSM Tailings Protocol.

In 2025, we intend to complete the TMS framework development, and implement recommendations to improve our TSM AA scores in our operation, maintenance, and surveillance (OMS) documentation.



Dewatered tailings at Fine Residue Deposit (FRD) Tailings Facility at Karowe Diamond Mine

Tailings Training and Professional Development

In 2024, the EOR delivered specialized training to their twelve operators, including supervisors and shift foremen on tailings management. This included elements of the OMS, facility operations, legal requirements, and the GISTM requirements. Additionally, Lucara Botswana's Tailings Superintendent completed a new professional certification on Tailings Management with the Australasian Institute of Mining and Metallurgy. We also introduced the EPRP theme into our "SHE Hour" sessions in Q1 2024, with weekly topics covered every Wednesday, designed to enhance workforce awareness and readiness.

Monitoring

We employ advanced techniques and technologies to conduct regular inspections and monitoring of our tailings facilities at KDM. Our facilities are equipped with vibrating wire piezometers, monitoring boreholes for static water level tracking, and Interferometric Synthetic Aperture Radar (InSAR) to assess facility stability on a monthly basis. Additionally, we utilize cone penetration testing (CPTU) analysis and virtual inspections to ensure comprehensive oversight. We also introduced a new radar system to monitor the stability of external tailings pool slopes, complementing our existing InSAR technology.

Inspections are conducted daily at two-hour intervals by KDM's operations team, while the EOR performs monthly and quarterly inspections. On a monthly basis, we also map our readiness for a 1 in 10,000 year storm event scenario.

In 2024, we expanded our monitoring capabilities by installing four new piezometers in FRD 2, supplementing the three existing piezometers in FRD 1, which have been operational since 2021. Efforts are ongoing to develop a method for continuous pool depth monitoring and to optimize stormwater capacity planning.

Fine Residue Deposit (FRD) Management at KDM

Slimes Dam 1:

Slimes Dam 1 was designed prior to the publication of the GISTM. Its design criteria were based on the *South African National Standards (SANS 10286)*. After reaching full capacity in April 2023, a closure and rehabilitation plan for Slimes Dam 1 was completed by October 2024, in alignment with GISTM requirements. Inspections continue to be conducted in compliance with Botswana's *Mines, Quarries, Works, and Machinery Act*, including internal and independent external reviews.

Slimes Dam 2:

Located south of and adjacent to Slimes Dam 1, Slimes Dam 2 was designed in accordance with the GISTM and construction completed in September 2022. This active facility was designed to accommodate fine tailings for the remaining life of the open pit. In 2024, we began developing the OMS manual for FRD 2, with completion expected in 2025. Additionally, the first buttress wall raise for FRD 2 was initiated using waste rock, adding to the initial calcrete construction. This approach enhances stability, reduces waste rock volume from dumps, and minimizes future land disturbance.

Slimes Dam 3:

Following the 2023 feasibility study for a third slimes dam, we completed site selection and designs in September 2024. This includes a detailed climate assessment during the design phase. Construction scheduling is underway, with early works planned to support operations from 2030 to 2040. Biodiversity and archaeological assessments are expected, and the facility development will also require the relocation of the explosives magazine.

Tailings Emergency Preparedness

As outlined in the [Emergency Preparedness and Response](#) section of this report, Lucara has developed an EPRP and a Crisis Management Plan, both of which consider tailings-related emergencies.

In addition to the full-scale mine-wide simulation, we carried out a desktop exercise in 2024, focused on defining evacuation routes and timelines for specific areas of the mine, including for a theoretical tailings facility breach scenario. Given the challenges of evacuating everyone from the site, the exercise emphasized moving personnel to safe zones within the mine. The exercise validated that the required evacuation timeline in the dam breach scenario is indeed feasible. Moving forward, we aim to conduct a similar test during a night shift or weekend to further refine our response capabilities.

In 2024, we completed a socio-economic assessment concentrating on employees and the secondary impacts on their dependents in the event of a dam breach. The inundation zone identified in our dam breach analysis is entirely within the mine lease area.

External engagement and collaboration has also been a significant focus in our tailings management efforts during this reporting period. Our tailings team participated in our year-end community consultation session with representatives from six villages in our area of influence.

The sessions covered topics such as the community grievance mechanisms, updates on the studies undertaken for FRD 1 closure, performance of our tailings storage facilities in line with GISTM, local regulations and the established emergency preparedness and response procedures.



View of KDM Tailings Management Facilities from above

Tailings Inventory Table

SASB Disclosure	Coarse Tailings Facility	Slimes Dams 1	Slimes Dams 2
(1) Facility name	KDM Coarse Tailings Facility (CRD)	Fine Residue Deposit (FRD) Facility: Slimes Dams 1	Fine Residue Deposit (FRD) Facility: Slimes Dams 2
(2) Location	- KDM Botswana Central District - Latitude- 21.50982323 - Longitude 25.48119270	- KDM Botswana Central District - Latitude - 21.51444556 - Longitude 25.47089352	- KDM Botswana Central District - Latitude- 21.5208336 - Longitude 25.470556 (South of and adjacent to Slimes Dam 1)
(3) Ownership status	- Lucara Botswana- Active 100% owned	- Lucara Botswana- Active 100% owned	- Lucara Botswana- Active 100% owned
(4) Operational status	Active	Inactive. Closure and Rehabilitation planning in progress.	Active
(5) Construction method	Drystack; material stands at natural angle of repose	Downstream; four cells known as “paddocks” were progressively raised to provide additional storage capacity over time	Downstream; two cells known as “paddocks”
(6) Maximum permitted storage capacity	14,333,824 m³ - Note: Estimated Life of Facility (LOF) is Life of Mine (LOM) (2040)	6,326,085 m³ - Note: Estimated LOF 2024; measures approximately 830m by 850m; constructed with an initial height of 3m; final height of 15m	20,290,617 m³ - Note: Estimated LOF is LOM (2040); measures approximately 500m by 1000m; constructed with an initial height of 3m; expected final height of 15m
(7) Current amount of tailings stored (metric Tonnes)	8,874,641 m ³	5,526,548 m ³ (No deposition was ongoing in 2024)	1,333,976 m ³
(8) Consequence classification (as per GISTM)	Medium Hazard Facility	Very High Hazard Facility	High Hazard Facility
(9) Date of most recent independent technical review	November 2024 by the ITRB	November 2024 by the ITRB	November 2024 by the ITRB
(10) Material findings ²⁴	No.	No.	No.
(11) Mitigation measures	No.	No.	No.
(12) Site-specific EPRP	Yes.	Yes.	Yes.

²⁴ Material change is defined as significant variations (increase or decrease) from expected production volumes, expected particle size distribution, expected material characterization, or the expected water-to-solid ratio of slimes.

Non-Mineral Waste

In alignment with our EMP, Lucara has implemented rigorous waste segregation practices at both KDM and our Gaborone offices. This ensures that all waste is disposed of in compliance with Botswana's environmental regulations. At the KDM site, we manage and maintain four licensed waste management facilities within the mine lease area: a landfill, a sewage treatment plant, a salvage yard, and a fixed incinerator primarily utilized for the safe disposal of clinical waste and oily rags.

Recycling Initiatives and Partnerships

At Lucara, we promote responsible waste management practices through strategic partnerships. Currently, we collaborate with a local recycling company to recycle print paper and cardboard. Additionally, we recycle hazardous waste materials, including batteries and waste oil, through specialized channels.. We did not report any incidents related to hazardous waste management during the year. Twenty-four participants, including waste management operators and cleaning staff, were trained in a hazardous waste management course during this period.



KDM non-mineral waste



KDM Scrapyard

Additionally, we are sensitive to the growing challenge of electronic waste disposal. The Company is in the process of developing an electronic waste disposal policy in line with the guidelines of the Department of Environmental Protection and the *Waste Management Act 1998*. This will be undertaken as part of our ISO 14001 certification process.

Landfill Management

Our landfill is designed with an impermeable lining to prevent environmental contamination and is used exclusively for small volumes of domestic waste. In 2024, we secured the approval of the closure design plan for Landfill Cell 1, the implementation of which will commence in the near future. Additionally, we successfully renewed the operating licenses for our landfill, salvage yard, and wastewater treatment plant in 2024.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein and elsewhere constitute “forward-looking information” and “forward-looking statements” as defined in applicable securities laws. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and often (but not always) using forward-looking terminology such as “expects”, “assumes”, “anticipates”, “believes”, “budgets”, “forecasts”, “goals”, “intends”, “estimates”, “plans”, “projects”, “potential”, “possible”, “scheduled”, “strategy” and similar expressions, or statements that certain actions, events, conditions or results “will”, “may”, “could” or “should” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to several known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements, including risks related thereto. The Company believes that expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be accurate and such forward-looking information included herein should not be unduly relied upon.

In particular, this Sustainability Report may contain forward looking information pertaining to the following: the Company’s sustainability initiatives; long- and short-term sustainability goals and strategy; the expected benefits and outcomes of our innovative Safe Start® program; our expectations around the long-term impacts of our community investment projects; projects related to minimizing our ecological footprint and water stewardship; our ability to manage our tailings facilities in a safe and environmentally responsible way; possible outcomes of the Company’s decarbonization efforts; the estimates of the Company’s mineral reserves and resources; estimates of the Company’s production and sales volumes for KDM; estimated costs for capital expenditures related to KDM; production costs; the project schedule and capital costs for the KDM UGP; that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the Karowe UGP; expectations that the Karowe UGP will extend mine life; forecasts of additional revenues; future production activity; reclamation costs; the Company’s ability to meet its obligations under its financing and project financing facilities, including current and future funding requirements of the cost overrun account (“CORA”) balance, expectation of future demand for rough and polished diamonds, and the associated prices and expected top-up values payable under the supply agreement with HB; changes to foreign currency exchange rates; assumptions and expectations related to the development of an underground mining operation at KDM, including associated capital costs, financing strategies and timing; the profitability and continued use of the Clara Platform; expectations regarding the need to raise capital and its availability; possible impacts of disputes or litigation; the potential impacts of economic and geopolitical risks and the resulting indirect economic impacts that any strict economic sanctions may have; and other risks and uncertainties described under the heading “Risks and Uncertainties” section in the Company’s most recently filed management’s discussion and analysis (“MD&A”) and Annual Information Form for the year ended December 31, 2024, available on the SEDAR+ website at www.sedarplus.ca.

There can be no assurance that any forward looking statements will prove to be accurate, as the Company’s results and future events could differ materially from those anticipated in this forward-looking information as a result of those factors discussed in or referred to under the heading “Risks and Uncertainties” in the Company’s most recently filed MD&A and Annual Information Form available on the SEDAR+ website at www.sedarplus.ca. Risks and uncertainties that could influence actual results include, but are not limited to: changes in general business and economic conditions, changes in interest and foreign currency rates, the supply and demand for, deliveries of and the level and volatility of prices of rough and polished diamonds, the ability of the Company to maintain obligations or comply with its debt facilities agreements, the potential increase of capital costs relating to the development of the UGP and changes in the project parameters or schedule as plans continue to be refined, costs of power and diesel, acts of foreign governments, including changes in laws and delays in the receipt of government approvals, and the outcome of legal proceedings, risks associated with the consequence of climate change, natural disasters and adverse weather conditions, costs of compliance with environmental and other laws and regulations, inaccurate geological and recoverability assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), the future operation and financial performance of the Company generally, and unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalations, unavailability of materials and equipment, industrial disturbances or other job actions, and unanticipated events relating to health safety and environmental matters). Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive.

Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Accordingly, readers should not place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and the Company does not assume any obligations to update or revise them after the date of this document to reflect new events or circumstances, except as may be required under applicable securities laws.

All currencies mentioned in the Sustainability Report are in United States Dollars (“US\$”) unless otherwise mentioned. Qualified Persons: Dr. Herman Grütter (Ph.D., P.Geol.) of SRK Consulting is the independent Qualified Person as defined by NI 43-101 responsible for the KDM Mineral Resource Estimate, and Mr. Brandon Chambers of JDS Energy and Mining Inc. is the Independent Qualified Person as defined by NI 43-101 responsible for the KDM Mineral Reserve Estimate. The most recent Mineral Resource and Mineral Reserve estimations are set out in the 2024 Annual Information Form for the year ended December 31, 2024, dated March 31, 2025, which can be found on the Company’s website and under its profile on SEDAR+ at www.sedarplus.ca.

Technical Reports: For further details regarding the Karowe Underground Project and Qualified Persons as defined by NI 43-101, please refer to the technical report dated March 12, 2024 with an effective date of June 30, 2023, titled “Karowe Diamond Mine – 2023 Feasibility Study Technical Report”, posted to the Company’s website and under its profile on SEDAR+ at www.sedarplus.ca.



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