

## MODERN SLAVERY STATEMENT



Gem Diamonds is a leading global producer of high-value diamonds, listed on the London Stock Exchange. We own open-pit and underground operations in Lesotho and Botswana and analyse and market our diamonds through our Sales and Marketing division in Antwerp. Throughout the Group we have 496 employees and 1 490 contractor employees worldwide with offices in London, South Africa, Belgium, Lesotho and Botswana. The Group's annual turnover is greater than £36m.

### Scope

This statement is made by Gem Diamonds and all its subsidiaries. Subsidiaries may adapt this statement to include relevant local legislation and material stakeholder matters.

### Our Supply Chains

- Our business processes are supported by our supply chain which comprises suppliers of services and goods throughout the various business processes.
- Goods are procured in respect of raw, direct and indirect materials and the numerous procured services range from technical, legal, administrative and professional services to skilled labour services for operational purposes.

### Slavery and Human Trafficking

- We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains.

- Our Sustainability and Human Rights policies, among others, as well as our Code of Ethics reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our business or supply chains.

### Due Diligence Processes for Modern Slavery and Human Trafficking

- A part of our business strategy is to identify and mitigate risk we have a whistleblowing policy which allows for anonymous reporting of any unethical behaviour or activity taking place in the workplace.
- We have zero tolerance to slavery and human trafficking.
- Local communities are duly represented on our Corporate Social Responsibility (CSR) committees at our operation. This participation provides an avenue to receive direct

feedback and reports of any alleged slavery or human trafficking in the areas of our operations.

- To ensure all those in our supply chain support our commitment to the abolishment of slavery or human trafficking we have procurement policies in place which drives rigorous vetting processes. Potential risk areas are scrutinised and goods and services are only procured from reputable companies.

### Assessment and Management of Risk

- We understand that the risks of modern slavery and human trafficking are more pronounced in places where workers have less protection in respect of basic rights; where there are high levels of poverty; where there is widespread use of migrant workers; certain specific high risk industries (typically industries involving raw materials) and labour intensive stages of supply chains where the end product is cheap.



- Representatives from several divisions within our Group's operations are involved in the evaluation of suppliers and each has a part to play in the selection and subsequent monitoring and/or management of a specific supplier. Suppliers are required to adhere to all our policies and in particular those related to human rights, sustainability and ethics.

#### **Training**

- Employees receive regular training and communication updates through which they are made aware of the content of various policies which underpin our ethics and values.
- Our commitment to Zero Harm demonstrates a culture of care and collaboration which is further entrenched through regular training and consultation sessions with employees and leadership.

#### **Our Effectiveness in Combating Slavery and Human Trafficking**

- We use the following actions to measure our effectiveness in ensuring

that slavery and human trafficking is not taking place in any part of our business or supply chains:

- Performing internal audits on procurement and other business policies;
- Use of labour monitoring and payroll systems; and
- Personal contact with next link in the supply chain and their understanding of, and compliance with, our expectations.
- Following the first publication of our Modern Slavery statement in 2017, we have increased our focus on eradicating the potential for modern slavery activities within our supply chain and procurement processes.
- We intend to take the following further steps to combat slavery and human trafficking:
  - Modern slavery awareness campaigns for own and contractor employees
  - Incorporate the eradication of modern slavery into the Group Sustainability Framework.
  - Conduct supplier specific risk assessments to identify high risk suppliers, and work with these

suppliers to reduce the risk of modern slavery.

- This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. Approved by the Board of Gem Diamonds Limited and constitutes the Group's slavery and human trafficking statement for the financial year ending 31 December 2019.