



MODERN SLAVERY STATEMENT

Gem Diamonds is a leading global producer of high-value diamonds, listed on the London Stock Exchange. We operate an open-pit operation in Lesotho, carry out care and maintenance at our previously operated underground mine in Botswana and analyse and market our diamonds through our Sales and Marketing division in Antwerp. The Group has a workforce of over 1 200 people, including contractor employees, with offices in the United Kingdom, South Africa, Belgium, Lesotho and Botswana. The Group's annual turnover is greater than £36m. Further information on our operations and people can be found at <https://www.gemdiamonds.com/>



Our Commitment

Gem Diamonds is committed to conducting its business in a responsible and ethical manner and in compliance with all relevant laws and regulations. This commitment forms the foundation of the Group's culture, which is embraced by the Board and Senior Management, and promotes a high standard of ethical behaviour throughout the Group.

Our Commitment to acting ethically and with integrity in all our business relationships is supported by effective systems and controls that have been implemented to identify and mitigate risks relating to modern slavery and human trafficking in our business and supply chains.

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 Code of Ethics, along with our Sustainability and Human Rights Policies, underpins this commitment.

We expect all our people to treat each other, and those with whom they deal while conducting company business, with respect, care, and integrity.

Human Rights and Responsible Business

Gem Diamonds has zero tolerance for harm to employees, human rights violations, modern slavery, and human trafficking. We encourage all stakeholders to raise any ethical or legal concerns, including any concerns relating to human rights issues, directly to our Board, Senior Management or through our whistleblowing policy. Our whistleblowing policy allows for anonymous reporting of any unethical behaviour or activity that may be occurring in the workplace.

We acknowledge that the risks of human rights violations, modern slavery and human trafficking are more pronounced in places where:

- Workers have less protection in respect of basic rights.
- There are high levels of poverty.
- There is widespread use of migrant workers.
- Certain high-risk industries operate.
- The supply chains are labour intensive.

Gem Diamonds has zero tolerance for retaliation against anyone who raises, in good faith, concerns relating to unethical behaviour in the workplace; and all potential human rights breaches are thoroughly investigated. We believe it is our duty to promote practices that protect human rights throughout our operations. To date, we have not received any complaints or reports of modern slavery, human trafficking, or child labour, either directly to the Board or Senior Management or through our anonymous whistleblowing reporting platform.

We engage regularly with local communities on matters of modern slavery, human trafficking and child labour in both formal and informal settings and these interactions provide a direct avenue for feedback and reports of any alleged slavery or human trafficking in the areas of our operations. A community grievance mechanism has been implemented that allows community stakeholders to report any grievances directly to our operation. Local communities are also represented on the Corporate Social Responsibility (CSR) committees that have been established at our mining operations.



Our Supply Chains

Gem Diamonds has a multi-million-pound procurement footprint and our business processes are supported by our supply chains which include a wide range of suppliers of goods and services.

Goods are procured in the form of raw, direct, and indirect materials whilst the services used range from technical, legal, administrative, and professional support to skilled and unskilled labour services to assist operational activities.

To ensure all those in our supply chain support our commitment to the abolishment of child or forced labour, slavery, and human trafficking we have established a comprehensive set of procurement policies that contain specific anti-slavery, child labour and human trafficking conditions which all our suppliers are required to adhere to. Our procurement policies also require rigorous vetting processes prior to the engagement of any suppliers.

Human rights and ethical risks are scrutinised, and goods and services are only procured from reputable companies. We actively engage with businesses in our supply chain to contribute meaningfully to the well-being of our communities, while meeting our business needs.

The Group's policies and relevant internal procurement committees constantly evaluate suppliers with regard to both the selection and subsequent monitoring and/or management of a specific supplier.

Our Employees

Our Code of Ethics applies to all our employees and provides the foundation for how we operate and engage with each other and all other stakeholders.

As part of our wider risk management process, we review and assess our employment practices annually. Stringent recruitment policies are in place and proof of identity is used to bolster screening processes. Recruitment is localised as far as possible and expatriate positions are reserved for specific skills that cannot be sourced in country.

We conduct an annual review of employee retention rates and employee salaries are benchmarked against industry standards. We remunerate all employees in line with market-related rates and employees in the same occupational grade are rewarded at the same level.

All employees are remunerated above the minimum wage of the host country, and we are committed to provide a living wage to our employees.

The workforce which includes contractor employees are engaged regularly through an Employee Engagement Forum where matters can be raised directly with a Board member.

No issues related to modern slavery or human rights have been raised since the inception of the survey and the establishment of the Employee Engagement Forum.

Similar processes were run in previous years and the Group remains committed to taking appropriate and immediate action as and when concerns are identified.



Our Training

Our commitment to Zero Harm demonstrates a culture of care and collaboration which is further entrenched through regular training and consultation sessions with our workforce and leadership.

Our workforce receives regular training and communication updates through which they are made aware of the content of various policies which underpin our ethics and values. Human rights training is included in our general operational safety inductions.

Whistleblowing training is also conducted for our workforce and a hotline is available to allow anyone with concerns to anonymously report any unethical behaviour or activity taking place in the workplace.

The Group aligns itself with the Voluntary Principles on Security and Human Rights and security personnel receive regular training on these principles.

Measuring our effectiveness in combating Modern Slavery and Human Trafficking

Gem Diamonds has always maintained a strong set of ethical principles that remain the firm foundation of everything we do. We insist on transparency and have zero tolerance for fraud, theft, modern slavery, child labour, bribery, or any other form of wrongdoing. To support our ethical principles, we maintain a rigorous system of internal controls, a comprehensive internal audit programme, and an anonymous whistleblowing facility.

We measure the effectiveness of our efforts in combating modern slavery and human trafficking by:

- Performing internal audits on organisational compliance with Group policies, such as procurement.
- Maintaining effective labour monitoring processes and payroll systems.
- Ensuring that our supply chain understand and comply with our policies aimed at combatting modern slavery and human trafficking.
- Monitoring and appropriately investigating all whistleblowing reports received through the whistleblowing reporting line.

Following the publication of our first Modern Slavery Statement in 2017, we have further increased our efforts to identify and eradicate the potential for modern slavery activities within our operations, supply chain and/or procurement processes. In 2023/2024 we will:

- Maintain on our established framework to combat Modern Slavery and Human Trafficking.
- Launch awareness campaigns to alert our workforce through our LetsGem communication platform.

This statement was approved by the Board of Gem Diamonds Limited and constitutes the Group's modern slavery and human trafficking statement for the financial year ending 31 December 2022.

Harry Kenyon-Slaney
Non-Executive Chairman
June 2023