

GEMFIELDS

Modern Slavery and Human Trafficking Statement

Year ending 31st December 2022

This Statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the “Act”) and covers the financial year ending 31st December 2022. It provides an explanation of the steps that Gemfields Group Limited and its subsidiaries (“Gemfields”, “we”, “Group”) take to combat the potential for modern slavery and human trafficking in its business and supply chains.

Public Commitment

Gemfields has a zero-tolerance policy with regards to slavery, human trafficking and any similar abuses across its operations and supply chains. We are committed to a range of procedures introduced to mitigate the likelihood of such abuses occurring and will continue to make improvements to these procedures.

Our understanding of modern slavery and human trafficking

We take our understanding of modern slavery and human trafficking from the offences set out in the Act and we refer to the UN Universal Declaration of Human Rights and “human rights” more generally in our Human Rights Policy as well as a range of other Group policies that address, inter alia, communities, employees, security and grievance systems. We understand that forced, bonded or indentured labour is a form of slavery and includes debt bondage and the restriction of a person’s freedom of movement, whether that be physical, non-physical or, for example, by the withholding of personal documents such as passports or identity cards.

Overview of our business model

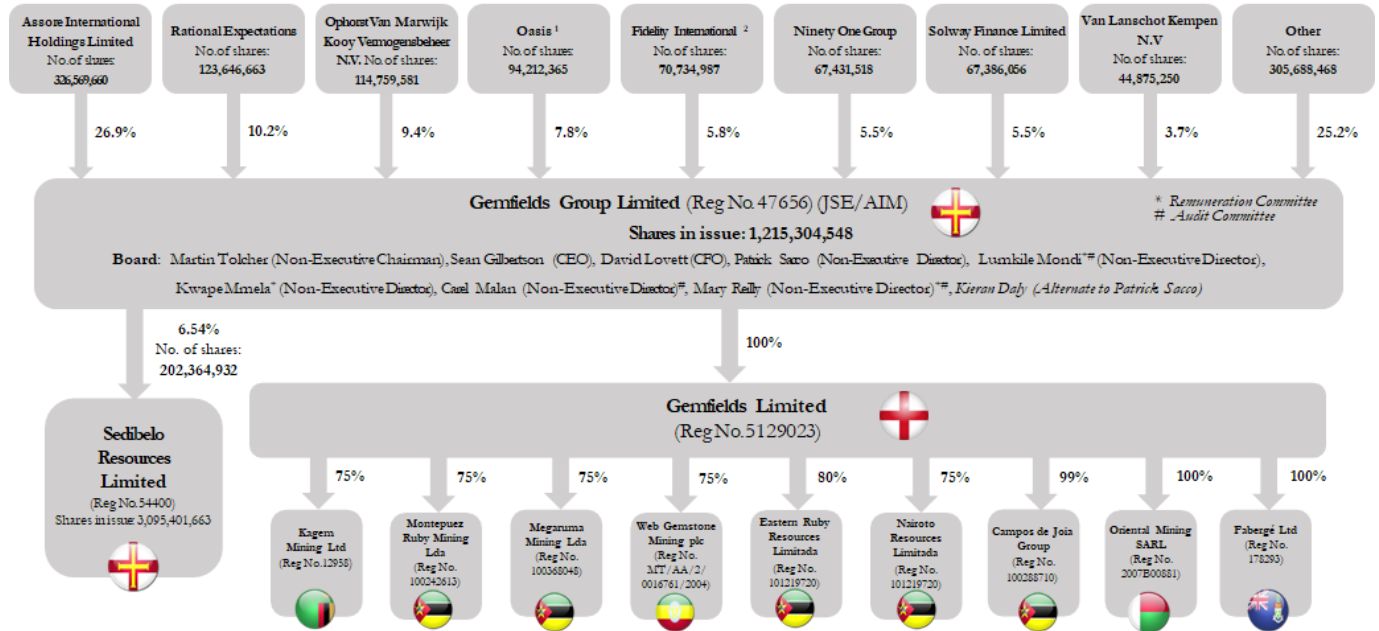
Company structure and operations

Gemfields is principally a mining company with its primary listing on the Johannesburg Stock Exchange (“JSE”) and secondary listing on the UK’s Alternative Investment Market (“AIM”). Gemfields’s core business is the mining and sale by auction of rough coloured gemstones; emeralds from the Kagem mine in Zambia and rubies from the Montepuez mine in Mozambique. Gemfields also holds majority ownership in currently operational but non-producing exploration and mining joint venture operations in Mozambique and non-operational licences in Ethiopia and Madagascar. Gemfields’ main subsidiary, Gemfields Limited, is also the 100% owner of the Fabergé jewellery brand. Gemfields also has a minority stake in a platinum mine, Sedibelo. A structure diagram is provided below.

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Gemfields Group Limited

CORPORATE STRUCTURE



¹ The Oasis shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital
² Fidelity International's interest includes a Contract for Difference (CFD) over 831,381 shares, totalling 0.07%
³ Shareholdings accurate as of 31 March 2023 other than any direct shareholder updates since - Source: Nasdaq

Gemfields' corporate headquarters are in London and has sales and support offices in South Africa, India, Thailand and Mauritius. In total, we employ approximately 2,300 staff globally and this is made up of employees and contractors, as well as the occasional use of outsourced, seasonal manual labour, when demand requires it. All employment and related corporate policies, globally and locally, apply to full time equivalent ("FTE") employees and contractors (collectively "staff") alike, but specific terms and conditions are set by the prevailing local laws in the countries of operation and individuals employment terms.

Source of revenues

The majority of Gemfields' revenue is derived from the sale of rough coloured gemstones mined solely from our own mines. We do not acquire any rough gemstones from other sources, be they artisanal miners or supply chain traders. After mining, our gemstones are sold via an auction process directly in their natural form without further enhancement, alteration or processing. The selling process is via an invitation-only auction where assorted jewellery manufacturers, gemstone processors and rough gemstone traders (collectively called "Auction Customers") are presented with a range of rough stones which they inspect and bid on over the course of typically a one-week period.

Fabergé is a luxury brand specialising in high-end jewellery, accessories and watches. Fabergé has a small number of "own brand" retail outlets which directly employ a small number of people, and an e-commerce website through which it retails to customers. Fabergé also has a wholesale business selling goods to third-party multi-brand retailers such as department stores. These points of sale are staffed exclusively by employees of

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those retailers. Fabergé outsources the manufacture of its jewellery to artisan suppliers in the UK and Europe who commission the sourcing of stones and precious metals.

All Relevant Policies and Procedures (set out below), including this Statement, apply to the mining operations, joint-venture businesses and Fabergé. Given the size of Gemfields's investment in the Sedibelo platinum mine, at only 6.54%, the Company has no oversight of Sedibelo's policies or processes.

Our supply chains

Gemfields has a number of roles in the coloured gemstone and jewellery supply chain:

- principally as a miner of coloured gemstones from producing mining sites under its operational control (Gemfields also has non-producing exploration licences);
- as a limited trader of cut & polished rubies and emeralds; and
- as the owner of the Fabergé jewellery brand.

As a mining company, Gemfields is a point of origin for coloured gemstones in the jewellery supply chain. Gemfields own the direct means of production of approximately 30% - 50% of the world supply of rough rubies and emeralds.

Gemfields buys back a small number of cut & polished gemstones from Auction Customers on behalf of retail jewellery brands (not more than 1% of revenues). Fabergé sources platinum group metals as well as gemstones such as diamonds, rubies and emeralds for the production of jewellery and watches.

For the purposes of this Statement, we report on the steps taken within the primary and direct supply chains (the mining and sale to Auction Customers of rough coloured gemstones and the very limited trading of cut & polished gemstones). We also refer to the steps taken at our mining operations and at Fabergé.

Relevant policies and process

Integrity and transparency are central to our corporate commitment. We have a variety of policies and procedures ("Policies and Procedures") that are relevant to identifying and combatting modern slavery. These include:

- Modern Slavery Policy;
- Anti Bribery & Corruption and Code of Ethics Policy;
- Group Code of Ethics;
- Anti Money-Laundering & Counter Terrorist Financing Policy;
- Enterprise Risk Management Policy & Procedure;
- Whistleblowing Policy & Procedure;
- HSE & Grievance, Incident & Accident Reporting Procedures;

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- Employment rules & relevant non-contractual employment policies;
- Product Integrity & Stewardship Policy;
- Diamond Sourcing Policy (in reference to the Kimberley Process)
- System of Warranties Policy (in reference to the Kimberley Process)
- Human Rights Policy;
- Health, Safety & Well-being policies;
- Know your Customer Policy & Procedure;
- Procurement standard operating procedures.

We regularly review and update our Policies and Procedures subject to latest evidence, any failures/breaches and/or identified risks.

Certain Policies and Procedures are incorporated by reference into supplier and employee contracts. Our FTE employees all enter employment agreements with Group companies through a contractual and, in relevant countries, via a union-based collective bargaining process. Any seasonal or contract labour is sourced via known recruitment agents or local labour providers and all contractors are vetted for their legitimacy to work in our countries of operation.

Gemfields works with international and local recruitment agents to identify hiring needs and applies employment practices in line with and, in certain aspects, exceeding the requirements of local legislation.

We recognise there is a risk of modern slavery, bonded/forced labour and human trafficking in the hiring of contractors at the mining operations (gardeners, cleaners, kitchen staff) although the use of this type of labour is limited to less than 10% of operational staff. Our local Human Resources teams, working with local and international recruitment agents, are responsible for implementing local legally compliant applicable processes involving vetting of labour providers, carrying out background checks on relevant workers where practically feasible and ensuring they have all the necessary identification and documentation to prove their eligibility and legitimacy to work. We do not, under any circumstances, withhold any documentation of either directly employed workforce or contracted staff.

Risk assessment and management

We recognise that we operate in a number of countries where human rights, modern slavery and trafficking are an issue of particular concern. Gemfields has an Enterprise Risk Management framework (“ERM”), which includes a risk register to determine and describe the major risks and uncertainties that could have a material impact. Due to our direct employment practices, the risk of slavery occurring on our operations relating directly to our operational activity is low, and modern slavery is not currently a separately registered risk in the ERM, though this will be kept under review.

We recognise that modern slavery or bonded/forced labour may occur outside and around the mining concessions, notably in relation to the criminal gangs that exploit artisanal miners to illegally extract gemstones. We address this risk through community engagement, grievance channels, and human-rights risk related security measures. Of particular concern to Gemfields is the increase in juveniles involved in illegal mining around its operations. Gemfields is working to raise awareness of the issue with relevant stakeholders.

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There is a supply chain risk in relation to the limited trading of gemstones and the procurement by Fabergé of materials for the jewellery manufacturing process. We mitigate this risk by conducting due diligence on all suppliers. Such due diligence requires suppliers to commit to complying with relevant Policies and Procedures.

Since 2017 there has been a well-publicised insurgency that has affected the Cabo Delgado province in which the Group's Montepuez Ruby Mine ("MRM") is situated. The escalation of this insurgency carried on throughout 2022. Whilst we are not aware of a specific escalation in risk related to modern slavery or bonded/forced labour, the conditions associated with the insurgency (c.700,000 internally displaced people, the forced 'recruitment' of primarily young men to the insurgency and the possibility that young women are forced to marry or become victims of sexual crime) are such that there is a general increased risk province-wide. The Group is aware of the wider security threat to its operations and its staff. Contingency planning for possible evacuation scenarios are updated as circumstances change, including in relation to the mandatory movement of staff away from danger. Staff will not be required to surrender their personal identification or passports, but their movement may be strictly limited and controlled should the operation and general safety be at risk.

Due Diligence Processes

Due diligence to identify and verify identity as well as identify red flags is conducted on all suppliers and customers, including Auction Customers.

Fabergé achieved certified member status of the Responsible Jewellery Council ("RJC"), the highest jewellery, gemstone and watch industry sustainability standard, in February 2020. The certification is valid for three years and Faberge is currently going through a certification renewal process. To comply, a third-party auditor conducted an audit of Fabergé's due diligence of suppliers to meet the RJC's supply chain requirements, including seeking clarity regarding:

- Serious abuses associated with the extraction, transport or trade of minerals;
- Direct or indirect support to non-state armed groups;
- Direct or indirect support to public or private security forces who illegally control, tax or extort money from mine sites, transportation routes and upstream actors;
- Bribery and fraudulent misrepresentation of the origin of minerals; and
- Money laundering and non-payment of taxes and royalties due to governments.

Training and awareness

We provide training to operational and security employees at the mining operations on security and human rights, and on implementing the Voluntary Principles on Security and Human Rights ("VPSHR"), although training does not specifically address modern slavery.

From time to time, our operational Corporate Responsibility and Community Engagement teams will raise awareness of human rights and security risks within the communities, most significantly in relation to illegal mining. Such concerns are raised locally with relevant authorities if we witness such occurrences in the local communities. Our teams provide local grievance access points and publicly communicated procedures for the community to raise grievances in line with recommendations and guidance from the United Nations, IFC/World Bank and OECD. The engagement with the community may be verbal/face to face but also be

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provided via leaflets and posters placed around the community to warn of risks, as a well as by an MRM-funded local radio station in Namanhumbir, Mozambique.

We also provide training for all sales and support office staff on anti-money laundering, anti-bribery and corruption and business ethics.

Grievance procedures

We have a number of systems for both the internal and external raising of grievances. These include:

- Employment-related channels that employees may use to raise concerns (typically via their line manager or escalated to more senior staff if required);
- A third-party whistleblowing service which receives and investigates grievances (available in all our countries of operation);
- External grievance channels (including community offices, community grievance boxes and free hotlines) located close to our mining operations for local communities to raise grievances.

To date and to our knowledge, we have not received any grievances, internal or external, related to modern slavery, through our established reporting channels. However, we will continue to monitor and report as necessary.

The ground-breaking Operational Grievance Mechanism (at MRM (“MRM OGM”) in Mozambique recently completed its initial two years of operation. MRM is conducting a review of the functioning of the OGM and the roles of various stakeholders within it to define a structure for 2023 onwards, based on (i) the UNGPs, (ii) learning from the MRM OGM’s 2020-2022 experience, and (iii) lessons learned from other operational-level grievance mechanisms.

In 2022 Gemfields launched an OGM at Kagem (“Kagem OGM”) for communities nearby the Kagem Emerald Mine. It is established and run in accordance with the UNGPs. Its structure resulted from significant stakeholder engagement, including with local community members, learnings from other operational-level grievances mechanisms and input from human rights experts.

Reviewing compliance and performance

We outsource external audit services and have an internal audit team that is independent of any line-management responsibility, who undertake investigations. We work closely with service providers to ensure that controls exist and that we have the ability to provide evidence supporting claims made about such controls. This includes elements relating to security, community development, grievance and supplier performance. From time to time, depending on capacity, the internal audit function may be tasked with undertaking site visits for investigations, and this may include investigating the procurement process. Should any suspicions regarding supplier practices be raised, internal audit may be called upon to investigate by conducting site visits. However, the internal audit team is not qualified to carry out social & environmental audits or undertake audits relating specifically to human rights or modern slavery issues. At this point in time, the Group does not have a dedicated supply chain audit programme.

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An independent audit carried out in April 2022 by one of the leading audit companies, commissioned by a major luxury goods player in Switzerland, concluded that the ESG performance of Kagem Mining Limited and Montepuez Ruby Mining Limitada met expectations.

Gemfields does not currently have key performance indicators that relate directly to slavery or human trafficking. Furthermore, whilst we do not have the ability to physically inspect our supply chain's operations with regularity, we do have the ability to monitor grievance systems and channels for the reporting of any modern slavery or bonded/forced labour incidents that may be raised. We will therefore monitor:

- Number of employees who have completed human rights training (if available and undertaken);
- Number of modern slavery or bonded/forced labour grievances raised through grievance channels; and
- Number of modern slavery or bonded/forced labour reported incidences reported through our internal whistleblowing system.

Supplier audits will become an increasingly important function of our internal compliance, led by our Internal Audit team. In addition to monitoring modern slavery risk in our countries of operation, subject to the availability of resources, and wherever possible, further monitoring actions may include:

- Keeping a record of the adoption of third-party audit rights in our standard contractual terms whenever possible and the number of occasions Internal Audit has exercised these clauses when required.
- Number of local procurement site visits to suppliers considered a high-risk of modern slavery.

This statement was approved by Board of Directors of Gemfields Group Limited and signed by Sean Gilbertson in his capacity as a Director of Gemfields Limited and Gemfields Group Limited.



Sean Gilbertson
CEO
June 2023