

GEMFIELDS

Modern Slavery and Human Trafficking Statement

Year ending 31st December 2023

This Statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the “Act”) and covers the financial year ending 31st December 2023. 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

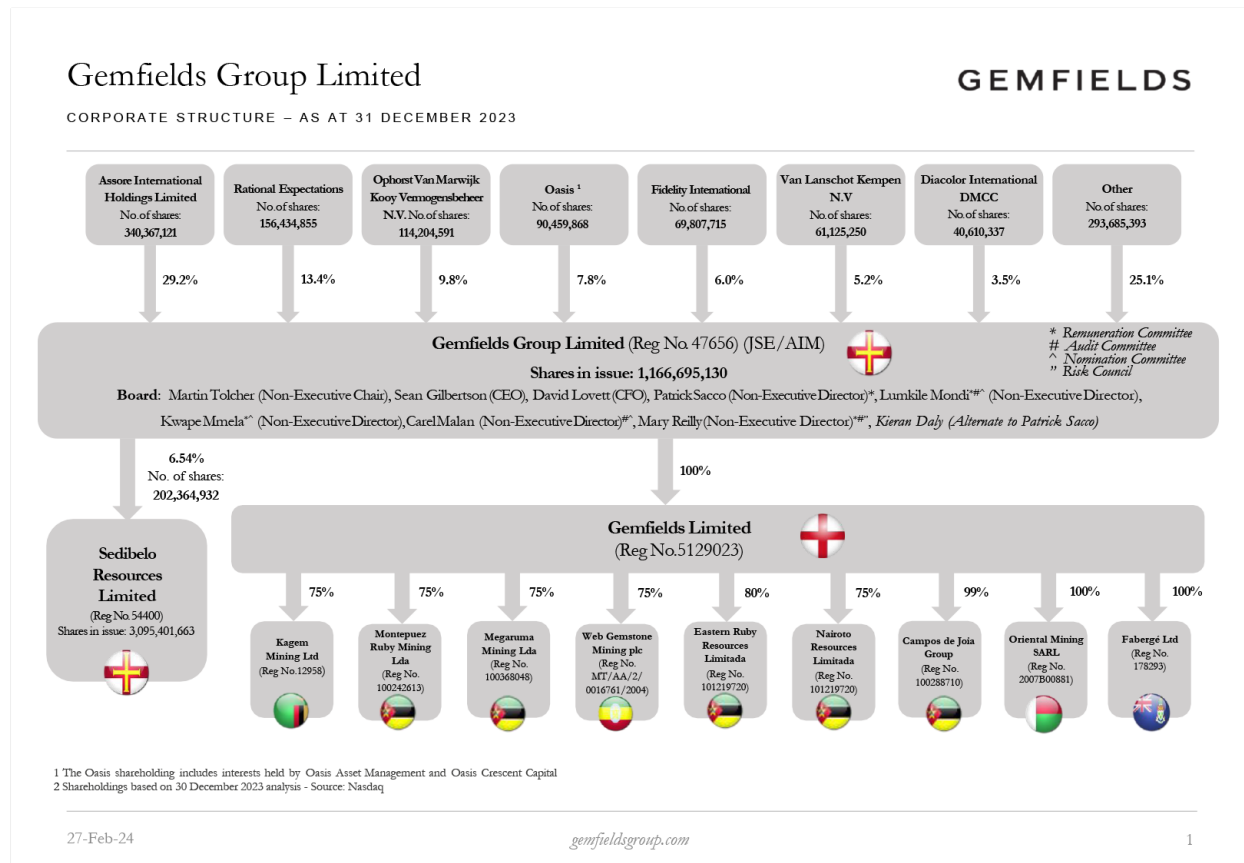
We take our understanding of modern slavery and human trafficking from the offences set out in the Act and we refer to the UN Universal Declaration of Human Rights and “human rights” more generally in our Human Rights Policy as well as a range of other Group policies that address, inter alia, communities, 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’ corporate headquarters are in London, and it 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

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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 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. Fabergé has no suppliers, wholesale customers or operations in Russia.

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"), which are housed in a Group Policy Manual, 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, including extensive identification and reference verification at the point of onboarding new staff, the risk of slavery occurring related directly to our operational activity is low, and modern slavery is not currently a separately registered risk in the ERM, although there are related registered risks, including risk to juveniles and minors, and risk of sub-optimal recruitment practices and procedures. The inclusion of a standalone risk related to modern slavery 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

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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.

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, see *Due Diligence Processes* below.

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 2023. 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

Gemfields expects that international human rights and ethical standards of behaviour are observed at all times at its operations and in its supply chains.

Due diligence to identify and verify identity as well as identify red flags is conducted on all suppliers, including those supplying materials to Fabergé for jewellery manufacturing, and customers, including Auction Customers. As part of the due diligence process:

- suppliers are required to give assurances that they will comply with Gemfields's human rights and labour standards as well as Gemfields's Anti-Bribery & Corruption Policy and Code of Ethics and Gemfields' Anti-Money Laundering & Counter Terrorist Financing Policy;
- Gemfields reserves the right to conduct spot-check audits and compliance reviews (to ensure that direct suppliers of cut & polished stones and manufactured jewellery adhere to its policies and standards);
- Gemfields reserves the right to terminate relationships with any business partner suspected or found to be in breach of its policies, including any supplier suspected of being involved in the trade of raw materials linked directly to conflict, human rights abuses, modern slavery, fraud, money laundering or the funding of terrorism.

In addition, and in line with Gemfields Group Product Integrity & Stewardship Policy, Gemfields will never knowingly sell, trade in, or use raw materials that have originated from sources involved in conflict, human rights abuses, fraud, money laundering or the funding of terrorism, and ensure that its sales or purchase documentation disclose this commitment.

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Furthermore, Gemfields raises awareness of its policies and standards within the wider gemstone and jewellery industry and will only trade in cut & polished gemstones with companies that agree with its policies and share the same values and aspirations around product stewardship.

Fabergé achieved certified member status of the Responsible Jewellery Council (“RJC”) Code of Practices Standard (“COP Standard”), the highest jewellery, gemstone and watch industry sustainability standard, in February 2020. Fabergé successfully completed re-certification in 2023, following a third-party audit against the COP Standard, which is comprised of 30 different ‘Codes of Practice’; several of which are concerned directly with supplier due diligence, material sourcing and manufacturing conditions.

To ensure Fabergé’s ongoing alignment with the COP Standard, all existing and prospective Fabergé suppliers are required to comply with Fabergé’s [‘Responsible Sourcing Policy’](#) and are subject to a rigorous and on-going due-diligence process. Example conditions include commitments to:

- protect human and labour rights at all points in the supply chain;
- avoid direct or indirect support to non-state armed groups;
- avoid 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;
- avoid bribery and fraudulent misrepresentation of the origin of minerals; and
- avoid money laundering and non-payment of taxes and royalties due to governments.

The review of Fabergé suppliers informs a risk-based score from “Low Risk” to “Critical Risk”, with all suppliers required to enact corrective measures calibrated to the profile of risk identified. In line with Fabergé’s [‘Annual Sustainability Statement’](#), no suppliers exhibiting Critical Risk status have been identified and efforts are ongoing to close-out any medium and low-risk issues identified. The risk-status of suppliers is updated on a continuous basis in line with changes to their material sourcing and supply chain practices.

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.

Our operational Corporate Responsibility and Community Engagement teams 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 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:

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- 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.

The ground-breaking Operational Grievance Mechanism at MRM (“MRM OGM”) in Mozambique has recently undergone a re-structure following a review of the functioning of the OGM and the roles of various stakeholders within it, 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. The re-structured OGM takes a mediation-based approach with all claims sought to be resolved through dialogue and mediation.

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. Internal Audit (as part of the Gemfields’s Risk and Assurance function) is responsible for verifying/auditing to ensure that Gemfields does not do business with suppliers or customers who do not comply with the due diligence process.

Supplier audits, including site visits, will become an increasingly important function of internal compliance, led by our Risk and Assurance, and will adopt a risk-based approach.

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 and MRM met expectations.

Gemfields does not currently have key performance indicators that relate directly to slavery or human trafficking. Furthermore, whilst we do not currently 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.

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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
1 July 2024