

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 operate manufacturing facilities through our Sales and Marketing division in Antwerp. Throughout the Group we have 401 own 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 applicable to all Gem Diamonds 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 cycles.
- Goods are procured in respect of raw, direct and indirect materials and the various 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 our supply chains or in any part of our business.
- Policies such as our Sustainable Development and Human Rights policies 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 slavery and human trafficking is not taking place anywhere in our supply chains.

Due Diligence Processes for Slavery and Human Trafficking

- Our whistleblowing policy allows for anonymous reporting of any unethical activity in the workplace.
- We have zero tolerance to slavery and human trafficking.

- Project affected communities (PACs) are duly represented on our Corporate Social Responsibility (CSR) committees. This participation provides an avenue to receive direct feedback and reports of any slavery or human trafficking in our PACs.
- Procurement policies and rigorous vetting processes address potential risk areas in our supply chain and ensures that goods and services are only procured from reputable companies.

Assessment and Management of Risk

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

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 consultation sessions with employees.

Our Effectiveness in Combating Slavery and Human Trafficking

- We use the following key performance indicators (KPIs) to measure how effective we have been to ensure 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 improved our focus on eradicating the potential for modern slavery activities within our supply chain and procurement processes.
- Our focus remains on eradicating any potential for modern slavery and human trafficking through:
 - Modern slavery awareness campaigns for own and contractor employees;
 - Review of supplier policies as it relates to modern slavery; and
 - Continue to work with high-risk suppliers to minimise the opportunity for modern slavery activities.

This statement is made pursuant to section 54(1) of the United Kingdom Modern Slavery Act 2015. Approved by the Board of Gem Diamonds Limited it constitutes the Group's slavery and human trafficking statement for the financial year ending 31 December 2018.

Harry Kenyon- Slaney
Chairman
For and on behalf of Gem Diamonds Ltd