



GROUP RESIDUE STORAGE FACILITY MANAGEMENT POLICY



Gem Diamonds Limited ("GDL") is committed to managing its residue storage facilities ("RSF") in a manner that protects the health and safety and livelihood of our employees and communities, and also to ensure the protection of property and the natural environment. GDL has adopted appropriate standards of practice that align with national and global good practices for health, safety and the preservation of the natural environment during all phases of the RSF lifecycle.

We have adopted and implemented appropriate standards to ensure the following objectives are met:

- The levels of safety management and environmental impact mitigation of our RSFs at the very least meets national and internationally recognized thresholds at all times.
- RSF management is continuously improved through the advancement and support of appropriate new technologies and management systems taking into consideration their impact on stakeholder perception of safety and the natural, social and economic environment.
- RSFs are managed through their full lifecycle that spans from their inception, site characterization, design, construction, operation, decommissioning and closure phases.
- Sound engineering practices are applied to all phases of the RSFs' lifecycle.
- Roles, responsibilities, accountabilities and levels of authority related to effective RSF management are explicitly defined and adequate resources are assigned at the operational and corporate levels.
- Risk management and assessments commensurate with the consequence of failure of each RSF facility is carried out routinely. The results of which are reviewed and overseen by independent third-party experts.

How we fulfil our commitment:

Our management standard requires that governance takes place within a formal management system, providing assurance that the following is implemented, maintained and reviewed within each of phase of the lifecycle of the RSF facilities:

- An assurance program providing, among other things, for the frequency and scope of the various levels of inspections, audits and reviews as well as the specification for the competence requirements for those undertaking the work.
- Independent reviews and rigorous assurance programs adopted in relation to the management of RSF facilities.

- A formal adaptive management process for the implementation of corrective action and changes is incorporated into the requisite elements of the management system and life of each RSF plan.

The Board of Directors and Executive Committee are regularly updated on the status of the RSFs providing confirmation of the following:

- All RSFs have been designed with a full understanding of the consequence of failure, any changes in site or reasonably-expected operating conditions.
- All RSFs are, and will be, constructed and operated in accordance with defined thresholds and performance indicators with particular reference to containment integrity and overtopping risk management.
- All RSFs are, and will be, managed in accordance with the GDL RSF Management Standard.
- Construction, operation, maintenance and surveillance of each RSF is undertaken in conformance to design intent, parameters and capacity.
- Non-conformances that may increase risk to the point where the design intent may not be achieved, are identified, reported and addressed. Compliance and performance is verified as part of the GDL assurance program, both internally and externally.
- An emergency response plan, based on a comprehensive understanding of the consequences of failure, has been developed, implemented, maintained and is regularly tested.

In alignment with the requirements of the recently published Global Industry Standard on Tailings Management ("GISTM"), the above items are independently verified by qualified professionals (external reviewers/engineer of record and an independent review board) at intervals determined by the consequence classification of each RSF facility. This policy is to be applied across the Group and should be read in conjunction with other relevant sustainability policies.

Harry Kenyon-Slaney
CHAIRMAN

Mike Brown
CHAIRMAN: SUSTAINABILITY COMMITTEE