

DE BEERS GROUP

UK
MODERN SLAVERY ACT
STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

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“Modern slavery is still a reality for millions of people around the world. As a company that prides itself on meeting the highest ethical standards, De Beers Group is committed to ensuring that every effort is undertaken to prevent modern slavery in our business and in our value chain. We expect our customers, suppliers and contractors to behave in the same way as part of a broader effort to halt modern slavery in all of its forms.”

Bruce Cleaver
CEO, De Beers Group

INTRODUCTION

This statement¹ is made by De Beers plc, the holding company of the De Beers group of companies, and its relevant subsidiaries and managed joint ventures, pursuant to section 54 of the Modern Slavery Act 2015 (the Act)². In accordance with Government guidance, De Beers has produced a group statement that these entities can use to meet section 54 of the Act.

The statement encompasses GemFair UK Limited, an artisanal and small scale (ASM) sourcing business; Forevermark, Tracr™, Lightbox Jewelry Limited, De Beers Jewellers (DBJ) and Element Six, a synthetic diamond and supermaterials business.

This statement sets out the steps that De Beers has taken to identify and mitigate potential risks of modern slavery occurring in its business and supply chains during the financial year ending 31 December 2018. It includes an update on progress during 2018 and our commitments for 2019. Our first and second statements were published in July 2017 and July 2018 and are available [here](#).

De Beers prohibits, and has a zero-tolerance policy in respect of, all forms of modern slavery in its organisation, its supply chains and diamond value chains.

De Beers' ultimate parent company is Anglo American plc (Anglo American), which owns 85 per cent of De Beers. A separate statement is being made on behalf of Anglo American pursuant to section 54 of the Act, which can be found [here](#). The remaining 15 per cent of De Beers is held by the Government of the Republic of Botswana.

¹ In this statement, references to “De Beers”, “De Beers Group”, the “Group”, “we”, “us”, and “our” are used to refer to either De Beers plc and its subsidiaries and/or those who work for them generally or where it is not necessary to refer to a particular entity or person. The use of those generic terms in this statement is for convenience only, and is in no way indicative of how De Beers Group or any entity within it is structured, managed or controlled. De Beers Group comprises separate legal entities. “Subsidiaries” are entities over which De Beers Group directly or indirectly is able to exercise control, and entities over which De Beers Group has joint control are referred to as “joint ventures”. “Managed joint ventures” are entities where De Beers Group has management control or an ability to direct day to day activities. This statement covers De Beers plc, its subsidiaries and its managed joint ventures; it does not include independently managed operations nor does it cover non-managed joint ventures.

² The entities that we consider are subject to section 54 of the Act are: De Beers UK Limited, Forevermark UK Limited, De Beers Industry Services Limited, De Beers Jewellers Limited, Element Six Holdings Limited, Element Six Technologies Limited, Element Six Abrasives Holdings Limited and Element Six (UK) Limited. Each of the above entities has approved this statement.

KEY CHANGES TO OUR BUSINESS IN 2018

In April 2018, De Beers announced its pilot programme, called GemFair, to create a secure and transparent route to market for ethically-sourced artisanal and small-scale mined (ASM) diamonds. GemFair uses dedicated technology to record ASM production at mine sites that meet demonstrable ethical standards, with the aim of purchasing rough diamonds from approved locations while helping improve working conditions and livelihoods for those working in this sector. GemFair is based in the UK and has an operating presence and offices in Sierra Leone, where the pilot is being implemented.

In May 2018, De Beers announced the launch of a newly-established business called Lightbox that sells and markets laboratory-grown diamond jewellery through its online platform to consumers in the United States of America. It is the only jewellery brand to source laboratory-grown diamonds from De Beers' Element Six business.

Also in 2018, De Beers established a new digital platform, Tracr™, which offers an immutable and secure digital platform for diamond businesses to track and trace diamonds across the value chain from rough through to polished, and ultimately to consumers. In 2018, the platform was being developed and undertook a series of pilot initiatives with partner organisations to test its solution.

In September 2018, De Beers completed its acquisition of Peregrine Diamonds Limited. The acquisition includes the high quality Chidliak diamond resource located in Canada's Nunavut Territory, as well as other properties in the Nunavut and Northwest Territories in Canada.

UPDATE ON PROGRESS

SUMMARY OF ACTIONS TAKEN DURING FINANCIAL YEAR ENDING 31 DECEMBER 2018

The following is an update against the commitments we made in our 2017 statement to address the risk of modern slavery within the group's business, within its supply chain and within its value chain, as committed to in the previous year's statement.

Within our organisation:

- Undertaken a review of the Human Rights section of the De Beers Best Practice Principles (BPP) and undertaken a complete re-write of the requirements and the questions in the BPP self-assessment workbook. The review was undertaken to ensure that the BPP requirements meet best practice as well as establish clearer questions in the workbook that require more detail than previously to enable all the participants in the BPP Assurance Programme (BPP Programme) to demonstrate the human rights due diligence activities they are undertaking.
- Started the process of reviewing the salient human rights risks across De Beers Group with the support of an independent third party. This work continues into 2019 to agree next steps with the De Beers Human Rights Working Group.
- Shared lessons learned in addressing common human rights risks through the cross-functional De Beers Human Rights Working Group and with the Social Performance peer group.
- De Beers Group Code of Conduct workshops were held for all DBJ employees in all applicable countries. The interactive face-to-face workshops were designed to support employees in ethical decision-making through scenario-based activities, which included scenarios relating to respect for human rights.

- A De Beers Group Responsible Sourcing Policy for Diamonds was established in collaboration with all relevant business units within the De Beers Group. The policy outlines key fundamental principles that each De Beers Group business unit must comply with when sourcing diamonds and these include ongoing human rights due diligence that verifies that there are no severe human rights risks or impacts with any existing or potential sources, including checks for the potential of forced labour.

Within our Supply Chain:

Further to commitments made in 2017, the De Beers Group Supply Chain function has implemented the following in 2018:

- During 2018, supplier self-assessments were requested from our 'Top 20' spend with South African suppliers. This sample included multi-national suppliers, on-site contractors and security providers. These supplier self-assessments confirmed that most of the group's large spend suppliers understand responsible sourcing risk areas and have typically established practices to manage the key risks, including those related to human rights and modern slavery.
- De Beers Group has adopted the Anglo American Supplier Life-cycle standard and therefore De Beers Group's associated policies and procedures have been updated to align with this standard and rolled out to all applicable third parties.
- De Beers Group Supply Chain has provided extensive input into the update of the Anglo Social Way Policy, including sharing of best practice, defining critical points within supplier selection criteria and enhancements to the reporting processes. The revised Social Way Policy is due for publication in Q2 2019, at which point De Beers will integrate key elements into the current De Beers Contractor Social Management Framework.
- All upstream on-site contractors received Code of Conduct training in 2018.

For further information on the Responsible Sourcing Standard and Anglo Social Way, please see the Anglo American Modern Slavery statement for the financial year ending 31 December 2018

Within our Value Chain:

- The newly revised Human Rights section of the De Beers Best Practice Principles (BPP) will be applicable to all Sightholders, Accredited Buyers and their on-site and/or substantial contractors for the 2019 BPP cycle and therefore implemented across De Beers' diamond value chain. The new requirements compel more detailed approaches to human rights due diligence across their organisations and their supply chains.

OVERVIEW OF DE BEERS GROUP AND OUR SUPPLY AND VALUE CHAINS

De Beers Group is the world's leading diamond company with expertise in the exploration, mining, sales and marketing of diamonds, as well as the manufacture of synthetic diamond and supermaterials. Our principal activities are noted below:

Exploration: De Beers Group has diamond prospecting activities in Botswana, Canada, Namibia and South Africa.

Production: Through wholly-owned and joint venture operations, De Beers Group mines for rough diamonds in Botswana, Canada, Namibia and South Africa.

Sales: The vast majority of De Beers Group's rough diamond production mined from each of Botswana, Canada, Namibia and South Africa is aggregated by De Beers Global Sightholder Sales (GSS) in Botswana and sold primarily by way of term contract by GSS. A proportion of aggregated production is sold by way of auction by De Beers Auctions in Singapore.

GemFair: GemFair creates a secure and transparent route to market for ethically-sourced artisanal and small-scale mined (ASM) diamonds through implementing a digital solution for mine sites that meet demonstrable ethical standards.

Technologies: De Beers Group Technologies has operations in South Africa and the UK, working on varying technologies that impact mine life expansion, identify new methods for verifying and sorting diamonds and producing technology that ensures all synthetic (laboratory-grown) diamonds and treatments can be detected.

Industry Services: De Beers Group Industry Services offers polished diamond grading services and uses proprietary technology to develop equipment for the identification of synthetic (laboratory-grown) diamonds. Services are offered through laboratories in Antwerp in Belgium, Surat in India and Maidenhead in the UK. It is supported by De Beers' diamond research and development business, De Beers Technologies.

Brands: De Beers Group has two diamond brands: Forevermark and DBJ.

DBJ is a world leading diamond jewellery retailer, with 33 stores in 16 consumer markets around the world. Forevermark offers an inscription, grading and branding service to diamantaires and retailers for eligible polished diamonds across 25 countries.

Synthetic Diamonds and Supermaterials: Element Six is a global leader in the design, development and production of synthetic diamonds and tungsten carbide material (or 'supermaterials') used for industrial purposes. It is made up of two businesses: Technologies (wholly-owned by De Beers Group); and Abrasives (approximately 60 per cent owned by De Beers Group, with Umicore, a major materials group, owning the remaining share). Element Six has manufacturing facilities in China, Germany, Ireland, South Africa, the UK, and the USA.

Lightbox: A wholly-owned business of De Beers Group and is a consumer-facing laboratory-grown diamond jewellery brand selling through an online platform.

Tracr™: An end-to-end diamond industry blockchain pilot initiative being developed by De Beers Group in collaboration with industry stakeholders to track and trace diamonds across the diamond value chain.

International Institute for Diamond Valuation: established to purchase and recycle diamond jewelry from consumers.

Internal Function - De Beers Group Supply Chain: De Beers' supply chain function is responsible for the procurement of ancillary goods and services to support the above principal activities.

For more information on De Beers, please visit www.debeersgroup.com.

For more information on Element Six, please visit www.e6.com.

Our Supply Chain

For the purposes of this statement, we report on the steps taken during 2018 to ensure that modern slavery is not occurring within the group and in its supply chains, by which we mean those suppliers with which we deal directly to explore, mine, produce, sell, manufacture, design and market our products and services.

We also report on the steps that we require relevant rough diamond customers to take to identify and mitigate the risk of modern slavery in the diamond value chain. The Supply Chain function at De Beers is primarily responsible for central, group-wide procurement of direct, raw and ancillary goods, labour and services that support the exploration, planning and building, mining, transportation and processing required for our rough diamond operations. Certain procurement is also undertaken on a decentralised basis.

Our supplier base is wide and diverse, comprising a growing number of small and medium sized localised suppliers in the countries in which we have operations. Procurement of goods, labour and services available in our countries of operation is of strategic importance to De Beers because it plays a key role in developing thriving and healthy host communities.

Sourcing diamonds from ASM sources for GemFair is conducted and governed through the GemFair Sourcing from ASM Standard and Policy.

GOVERNANCE, POLICIES, PROGRAMMES AND ASSURANCE FOR HUMAN RIGHTS

Our long-term success depends on a strong ethical foundation, which is why we took a proactive, zero tolerance approach to forced labour and modern slavery prior to entry into force of the MSA. This approach continues and has never been stronger.

Diamonds symbolise precious moments in people's lives – and we know our actions must live up to the values and emotions ascribed to diamonds. Protecting consumer confidence in diamonds is critical in supporting demand and securing the most value from the diamonds we sell for our producer country partners. That is why we hold ourselves to high ethical standards and work with suppliers and customers, and through industry bodies, to drive and maintain ever higher standards both within our own organisation and across the diamond industry as a whole.

Our approach to managing modern slavery risks is an integral part of our approach to respecting human rights. De Beers, through Anglo American, is a member of the United Nations Global Compact and has integrated the United Nations Guiding Principles on Business and Human Rights into our Best Practice Principles (BPP) Assurance Programme - a set of ethical standards developed by De Beers to promote responsible business practices, including human rights, both within De Beers' own operations³ (including its on-site contractors) and in the diamond pipeline. It has also implemented the Anglo American Social Way, a social performance management framework for mining sites. De Beers believes in taking a holistic approach to addressing the risks of modern slavery within De Beers' operations and its supply and value chains.

Any responsible sourcing standard in De Beers, for diamonds and/or other minerals, must apply robust responsible sourcing practices that cover human rights due diligence.

³ Excludes Element Six and Tracr™

GemFair, which sources diamonds from artisanal and small-scale miners has established its own GemFair ASM Standard for responsible sourcing, which draws its structure, scope and intent from the:

- OECD’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- De Beers Best Practice Principles Assurance Programme;
- Alliance for Responsible Mining and RESOLVE’s CRAFT Code; and
- the Diamond Development Initiative’s Maendeleo Diamond Standards™.

The GemFair ASM standard includes in the concept of entry-level requirement for the ASM miner to sell to GemFair, which would then enable GemFair to build the miner’s capacity to improve business and working practices through long-term engagement, corrective action, remedial training and user-friendly reporting.

Governance:

Accountability for sustainability at De Beers rests with the Board of Directors of De Beers plc, supported by the Sustainability Committee, which is chaired by the CEO, Bruce Cleaver, as well as several other sub committees and working groups.

As part of our commitment to continuous improvement, we have also established a Human Rights Working Group to better understand the human rights risks posed by our business, our supply chain and our value chain (both directly and indirectly) and, in turn, to review and enhance the ways in which we manage those risks.

A summary of De Beers’ governance approach in 2018 is shown in diagram 1:

GOVERNANCE STRUCTURE



Governance at De Beers diagram 1

Policies:

In 2018, the following policies and standards underpinned our approach to managing modern slavery risk:

- [The De Beers Best Practice Principles and Assurance Programme](#)
- [De Beers](#) and [Element Six](#) Codes of Conduct
- [GemFair Artisanal and Small-Scale Mining Standard](#)
- GemFair Supplementary Criteria for Programme Participation (2018)
- GemFair Policy for Sourcing from Conflict-Affected and High-Risk Areas
- [Anglo American Business Integrity Policy](#)
- Employee Human Rights Policy
- [Element Six Human Rights Policy](#)
- [Element Six Policy on Responsible Global Supply Chain of Minerals and Metals from Conflict-Affected and High Risk Areas](#)
- [Security Forces and Human Rights Policy](#)
- [Social Performance Policy](#)
- De Beers Consolidated Mines Contractor Compliance Benchmark Standard
- [Anglo American Responsible Sourcing Standard for Suppliers](#)
- [Forevermark Pipeline Integrity](#)

PROGRAMMES TO SUPPORT RISK ASSESSMENT AND DUE DILIGENCE

De Beers takes a risk-based approach to ensuring that high standards of business integrity are upheld. De Beers has a number of programmes that support its ability to identify and mitigate risks in its own businesses and its supply chains, and in the value chain, including the risks of modern slavery. These programmes are as follows:

The Best Practice Principles (BPP) Assurance Programme

The BPP Programme consists of a set of mandatory environmental, social (including human rights) and ethical standards that we apply to all our own operations⁴, as well as to our Sightholders and Accredited Buyers (the businesses that purchase the vast majority of De Beers' rough diamonds) and their relevant diamond contractors. This includes undertaking Know Your Customer (KYC) due diligence processes prior to becoming a Sightholder or Accredited Buyer that include enquiries relating to forced labour and human trafficking violations.

The use of child labour or forced labour and the abuse of human rights are a material breach of the BPP Programme. If serious human rights abuses, including modern slavery, are identified in our business or in our supply or value chains, De Beers takes measures to ensure it is eradicated in a rights-compatible manner, and takes appropriate commercial actions and potentially imposes sanctions in parallel until corrective actions are implemented.

The BPP Programme requires that each relevant entity has policies and procedures in place to ensure respect for human rights and to prevent modern slavery. Where relevant, due diligence, risk assessments and training are required to implement these policies and procedures.

All entities in the De Beers Group and all De Beers' on-site and substantial⁵ contractors are required to participate in the BPP Programme. The BPP Programme consists of an annual, three-step assessment process:

1. All relevant entities are required to complete a self-assessment workbook, recording their level of compliance against each BPP requirement.
2. An independent third party verifier, SGS, is employed to conduct on-site verification visits. They annually visit up to 10% of all entities in scope per organisation.
3. One third of all self-assessment workbooks are assessed through a desktop audit.

During the 2018 BPP cycle, which ran from 30 March 2018 to 31 March 2019, the BPP Programme covered approximately 353,000 employees in 2,805 entities in 78 countries⁶. 120 on-site verification visits took place and 263 desktop reviews were conducted by SGS at De Beers, Sightholder and Accredited Buyer entities, and their relevant contractors.

The results of the assessment process are reported on an annual basis in our Report to Society, found [here](#). Further information on the BPP Programme can be found [here](#).

⁴ Participation in the BPP Programme excludes Tracr™ and Element Six businesses, except for Lightbox, which is consumer-facing

⁵ Substantial contractors are defined as those contractors that derive more than 75% of their diamond-related revenue (in value or volume) from a De Beers Group business.

⁶ 2018 data from the De Beers Report to Society.

GemFair Standards and Policies:

- GemFair Supplementary Criteria for Programme Participation (2018) supplements the Diamond Development Initiative's (DDI) Maendeleo Diamond Standard's implementation to support due diligence and tracing diamonds from production through to export.
- GemFair Policy for Sourcing from Conflict-Affected and High-Risk Areas demonstrates GemFair's commitment to following the five-step framework as articulated in the OECD Due Diligence Guidance. It details how GemFair addresses supply chain risks (including modern slavery risks) related to sourcing ASM diamonds from either a conflict-affected or high-risk area.

Social Way

The Social Way is our social performance management framework. It sets out the key activities and requirements each mining site needs to implement on an ongoing basis, in order to identify and address social performance impacts and issues. The Social Way explicitly links effective social performance with respect for human rights. This is embedded into its requirements, specifically those related to human rights risk assessment, stakeholder engagement, understanding and addressing concerns of vulnerable groups, addressing grievances, and in our work with contractors regarding our approach to security. Mining operations are assessed annually to determine compliance with and identify gaps in respect of the requirements of the Social Way.

Supply Chain Management

The products and services that are used to support our global rough diamond mining operations are predominantly sourced in Botswana, Canada, Namibia and South Africa. In 2018, supplier self-assessments were requested from our 'Top 20' spend with South African suppliers. This sample included multi-national suppliers, on-site contractors and security providers. These supplier self-assessments confirmed that most of our large spend suppliers understand responsible sourcing risk areas and typically have established practices to manage the key risks, including those related to human rights and modern slavery.

De Beers has adopted the Anglo Supplier Life-cycle standard and our associated policies and procedures have been updated to align with this standard and rolled out to all applicable parties.

- All upstream on-site contractors received Code of Conduct training in 2018. For 2019, the contractor induction programme for short term/ad hoc on-site contractors will be extended to include the provisions of the Code of Conduct.

All on-site contractors involved in the provision of mining services, including the extraction of rough diamonds, are required to meet the requirements of the BPP Programme.

Voluntary Principles on Security and Human Rights

Cross-functional training and annual risk assessments in accordance with the Voluntary Principles on Security and Human Rights were completed in 2018, strengthening our management approach to identify and address security-related human rights risks and impacts across relevant De Beers operations. Security and human rights related risks are integrated into the risk registers at each of our mining operations.

Other Initiatives

In addition to the above, for the purposes of its other businesses, the following complementary initiatives are in place:

- **Forevermark Responsible Sourcing and Pipeline Integrity:** The Forevermark Integrity Requirements, which include an obligation on Authorised Forevermark Diamantaires to participate in the BPP Programme, set out what is expected of participants in the Forevermark programme. In order for a polished diamond to be eligible for Forevermark inscription, it must be from an approved rough diamond source. This includes supplier due diligence relating to modern slavery risks.
- **De Beers Auctions** started a new pilot initiative in 2018, sourcing third party rough diamonds from approved producers. This is undertaken in full alignment with the Responsible Sourcing policy defined above. Verification against the implementation of this policy and process is undertaken through third-party BPP audits. All procedures relating to the third party procurement are clearly defined in the Third-Party Supply Operating Model and training to relevant employees is provided.
- **DBJ:** All of DBJ's core strategic diamond suppliers, by value, are compliant with the requirements of the BPP Programme and/or are certified members of the Responsible Jewellery Council (RJC). Both the BPP and RJC requirements include third party audits as well as requirements relating to the identification, mitigation and prevention of human rights abuses, including modern slavery in the participant's business and supply chain. The majority of DBJ's main jewellery manufacturers are RJC certified members.
- **IIDV:** For the purposes of its diamond valuation service, IIDV implemented a stringent Know Your Customer/Know Your Supplier (KYC/KYS) protocol, which includes checks on potential human rights abuses.
- **Element Six:** the Element Six business sources tungsten carbide for some of its products and manufacturing processes. To ensure it maintains responsible sourcing of needed materials, Element Six has implemented a supplier register that it audits annually to ensure that it is responsibly sourcing tungsten carbide.

EFFECTIVENESS AND KEY PERFORMANCE INDICATORS (KPIs)

The procedures adopted by De Beers that are associated with mitigation of modern slavery risks have internal performance measures. In relation to our own employment practices, supply chain and diamond value chain, we monitor and review:

Social Way Results

In 2018, all De Beers sites were assessed as, at least, complying with the Social Way requirements on human rights due diligence, and grievance mechanisms. All sites completed security and human rights risk assessments and updated management plans. At one site an improvement opportunity was identified relating to types of information considered as part of the Voluntary Principles risk assessments.

Outcome of BPP Programme visits within our business and within our value chain

Within our business:

A total of 52 self-assessment workbooks were submitted across De Beers and 15 workbook reviews were conducted during the 2018 cycle. These have been rated in accordance with the BPP Programme requirements and resulted in two Minor Infringements being identified, which did not relate to human rights impacts, and for which corrective action plans have been developed. 27 Improvement Opportunities were self-declared across a number of topics in the Business Practices and Employment sections, of which none related to the human rights or forced labour requirements

In 2018, De Beers underwent a combined BPP/RJC assessment to renew its RJC certification for the October 2018 deadline. Seven on-site verification visits were made for this purpose, including three mining entities and two sales operations. The recertification activity was completed successfully with no infringements raised, and a three-year recertification recommendation was made. Only 19 Improvement Opportunities were recommended to highlight areas where these entities could seek to further improve their performance. Of these 19 improvement opportunities, only one related to a potential human rights matter, specifically, where one entity was encouraged to be more proactive in improving the familiarity and understanding of the whistleblowing hotline.

Within our value chain:

All entities that are owned or under the management control of Sightholders and Accredited Buyers are required to participate in the full BPP Programme. In addition, substantial contractors - those that derive more than 75% of their revenue from a Sightholder or Accredited Buyer - are required to participate in the Contractor BPP Programme; and all non-substantial contractors must be disclosed on the BPP SMART System.

In addition, Sightholders and Accredited Buyers are required to declare that all owned entities and contractors that manufacture melee⁷ diamonds must enable reviews to be undertaken to cover the new BPP Melee Assurance Protocol requirements.

During the 2018 cycle, 263 workbooks were reviewed and rated in accordance with the BPP Programme requirements. In addition, 120 on-site verification visits were completed based on the sampling requirements defined above. This included the audits undertaken at the non-substantial contractor sites involved in manufacturing melee diamonds.

Non-compliance of BPP Programme requirements relating to human rights, of which modern slavery and human trafficking are key elements, within our value chain:

Human Rights Indicators	2018	2017	2016
Total number of Improvement Opportunities identified under Child Labour/Forced Labour/Human Rights:	36	4	12
Total number of Minor Infringements identified under Child Labour/Forced Labour/Human Rights:	5	3	4
Total number of Major Infringements identified under Child Labour/Forced Labour/Human Rights	1	0	6

⁷ For the purposes of the BPP Programme, melee diamonds are diamonds that are 0.01 cts or less.

2018 showed a large increase in the number of Improvement Opportunities relating to the sections covering broader human rights in our value chain. This was largely expected due to stronger emphasis placed on the human rights provision in 2018, which led De Beers Group and Sightholder entities to proactively self-disclose areas of improvement in their policies and procedures. This demonstrates the increased seriousness that our own business units and our customers are giving to these matters in constantly seeking ways to improve their operations.

Overall number of Major and Minor Infringements (consolidated) identified at client operations	2018	2017	2016
Business Responsibilities	31	39	35
Social Responsibilities	128	138	132
Environmental Responsibilities	3	10	8

GemFair:

30 ASM sites in Koidu, Sierra Leone were assessed for child/forced/human rights risks. Through observations and interviews carried out by GemFair staff and DDI, GemFair concluded that there were no reported or observed human rights abuses, including forced labour, on mine sites assessed or on transport routes.

Lightbox:

In addition to complying with the requirements of the BPP Programme and the RJC in 2018, Lightbox diamond contractors were also assessed through the BPP Programme, including against the human rights and human trafficking requirements and there were no infringements raised against these requirements during the audit process.

TRAINING

Whenever possible, we aim to improve our performance through training and capacity building initiatives. Current initiatives available to our employees, contractors and relevant customers in the diamond and (where relevant) synthetic diamond and supermaterials value chains relating to the management of modern slavery risks are as follows:

- **Human Rights Training:** Overall, the number of training hours devoted to human rights in 2018 was 5,052 (5,052 in 2017) and the number of people trained in human rights was 2,288 (2,568 in 2017).
- **Code of Conduct:** Awareness workshops were held across DBJ locations and 100% of DBJ employees attended a Code of Conduct workshop in 2018. These workshops entailed discussing workplace scenarios that employees might encounter relating to impacts on the human rights of both employees and external stakeholders, such as those from communities in which we operate.
- **GemFair Training for ASM Miners:** In addition to DDI's MDS training and auditing activities, GemFair carried out two training sessions on responsible business and mine site business conduct. Training for ASM miners was conducted at both mine-site and in classrooms and included breakaway sessions and extensive solutions-oriented workshops. In particular, the training focused on GemFair's core requirements, which include no human rights violations, forced or child labour at any mine site's or business practices. Miners also had the ongoing opportunity to engage with GemFair staff on these topics during regular mine-site visits.
- **Element Six Human Rights Policy:** The Element Six Human Rights Policy was introduced at the same time as the Code of Conduct and training was started as part of employee induction in 2018.

Please see our annual [Building Forever publication](#) for further information.

PLANS TO STRENGTHEN OUR APPROACH IN THE FUTURE

Over the next 12 months we will look to raise awareness about modern slavery risks in the diamond industry through the BPP Programme. In addition, we intend to take the following actions to further strengthen our approach to managing human rights risks in the group, including modern slavery:

Within De Beers

- Implementation of the updated Human Rights section within the BPP Requirements which are applicable to De Beers Group entities, Sightholders, Accredited Buyers and their onsite/substantial contractors.
- Undertake a review of the BPP Programme to ensure alignment with best practice industry standards; in particular with a focus to align with the requirements of the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).
- The Human Rights Working Group will review salient human rights issues to identify where further support is required to manage risks to rightsholders.
- Code of Conduct rollout and implementation for GemFair and Lightbox staff.
- GemFair will make its full ASM standard publicly available and implemented through miner training and site monitoring in 2019.
- GemFair commits to an audit of its management systems by a third party to assess and address any human rights risks in its supply chain.
- Element Six is always looking at ways it can build upon its supply chain processes and is working on a Supplier Code of Conduct.

Upstream Supply Chain:

In 2019, we plan to enhance elements of the Anglo American Responsible Sourcing Standard for Suppliers as follows:

- Extend participation in the Anglo American Responsible Sourcing Standard for Suppliers programme to an addition top 70 South African suppliers by spend, focusing on step one - self-assessment via the self-assessment tool.
- For 2019 and 2020, third party audits will be undertaken on a sample base of suppliers to assess their compliance against the Responsible Standard for Suppliers.
- In 2019, the contractor induction programme for short term / ad hoc on-site contractors will be extended to include the provisions of the Code of Conduct.

For further information on the Responsible Sourcing Standard for Suppliers, the Anglo American Social Way and the 2018 Anglo American Modern Slavery Statement, please visit www.angloamerican.com.

Within our Diamond Supply Chain/Value Chain

- Implementation of the updated Human Rights section within the BPP Requirements which are applicable to De Beers Group entities, Sightholders, Accredited Buyers and their onsite/substantial contractors.
- Undertake a review of the Best Practice Principles Programme to ensure alignment with best practice industry standards; in particular with a focus to align with the requirements of the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).
- In 2019, the BPP Programme will run for a nine-month period, from April 2019 until December 2019, instead of the usual 12-month period (until April 2020) to align with the change to sales to Sightholders now being made on a calendar year basis. Despite this shorter timeframe, all requirements of the BPP programme, including up to 10% onsite verification by SGS and one third of self-assessments assigned for desktop review, will be maintained through more effective management of timeframes, and a shorter dedicated period for the self-assessment process and internal reporting periods to accommodate this change.



Bruce Cleaver
CEO, De Beers Group

17 July 2019

This statement was approved by the Board of De Beers plc on 17 July 2019.