

DE BEERS GROUP

DE BEERS PLC  
UK MODERN SLAVERY ACT  
STATEMENT

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FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

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## STATEMENT BY CEO

This is the seventh Modern Slavery Statement<sup>1</sup> made by De Beers plc, the holding company of De Beers Group and its relevant subsidiaries and managed joint ventures, pursuant to section 54 of the Modern Slavery Act 2015 (the Act)<sup>2</sup>. A separate Modern Slavery Statement is being made by Anglo American and its relevant owned and controlled entities, available [here](#).

At De Beers Group respect for human rights is embedded at all our operations and in our culture. It is one of the five Critical Foundations of our Building Forever sustainability framework and it is also a commitment we make in our Code of Conduct along with all our principal policies and programmes. Our policies set strict requirements relating to the respect of human rights, including labour rights, non-discrimination, and the prohibition of the use of child and forced labour, enabling us to comply with local legislation and follow international best practice. We also take a zero-tolerance approach to the use of all forms of modern slavery, whether that be in our organisation, our supply chains or the wider diamond value chain.

We recognise that within our value chain - involving more than 340,000 people in 77 countries - we have the potential to both directly and indirectly have an impact on people's human rights. We seek to address this by working closely with our partners throughout the diamond pipeline and supported by third-party assurance to verify compliance with our requirements. In turn, we build the trust of our stakeholders, including consumers, governments, host countries, customers and wider industry members in the face of growing expectations on businesses, including their impacts on people.

We at De Beers Group are committed to playing our part in preventing modern slavery, and we encourage all businesses to do everything they can to address this continuing challenge and to protect the most vulnerable among us.

Our Modern Slavery Statement sets out the steps that we have undertaken to identify and mitigate potential risks of modern slavery in our business and supply chains during the financial year ending 31 December 2022. It includes an update on progress during 2022 and our commitments for 2023. Our other Modern Slavery Statements have been published annually since 2017 and are available [here](#).

This Statement was approved by the Board of De Beers plc on 19 July 2023.



**Al Cook**

**Chief Executive Officer**

A handwritten signature in blue ink, appearing to read 'Al Cook', positioned below the name and title.

<sup>1</sup> For ease of reading, in this Statement we use generic language to describe the group. 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, entities or persons. 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 subsidiaries, and their management, are responsible for their own day-to-day operations, including (but not limited to) securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. De Beers produces group-wide policies and procedures to ensure best uniform practices and standardisation across De Beers Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions (where appropriate) and for implementation, oversight and monitoring within their specific businesses.

<sup>2</sup> The De Beers Group entities that we have assessed as being subject to section 54 of the Act are: De Beers UK Limited, Lightbox Jewelry Ltd, Element Six (UK) Limited and Charterhouse CAP Limited. The board of each of these entities has approved this Statement. This Statement also reports on relevant activities across De Beers Group, including our global operations and the following additional UK-based entities: Forevermark UK Ltd, De Beers Jewellers Limited, Element Six Holdings Limited, Element Six Abrasives Holdings Limited and IIDGR (UK) Limited. The board of each of these entities has approved this Statement.

# OVERVIEW OF OUR GROUP

Established in 1888, De Beers Group is a leading global diamond company with expertise in the exploration, mining, sales and marketing of diamonds, as well as the manufacture of synthetic diamond and supermaterials. Together with our joint venture partners, we employ around 20,000 people across the diamond pipeline.

Our ultimate parent company is Anglo American plc (Anglo American), which owns 85% of De Beers Group. The remaining 15% shareholding is held by the Government of the Republic of Botswana.

Innovation sits at the heart of our strategy allowing us to offer a portfolio of businesses that includes our jewellery houses, De Beers Jewellers™ and De Beers Forevermark™, and pioneering industry services, such as diamond sourcing and traceability initiatives GemFair™ and Tracr™<sup>3</sup>.

The diagram below shows a simplified overview of our group's business units. The purpose of this diagram is to assist the reader in understanding this statement; it is not intended to be a complete representation of our group corporate structure.

For more information on De Beers Group, please visit: [www.debeersgroup.com](http://www.debeersgroup.com).



<sup>3</sup> Forevermark™, DE BEERS JEWELLERS™, Building Forever™, Tracr™ and Gemfair™ are Trade Marks of De Beers Group. Lightbox™ is a Trade Mark of Lightbox Jewelry Ltd.

# OVERVIEW OF OUR BUSINESS

## Exploration

We have diamond prospecting activities in Angola, Botswana, Canada, Namibia and South Africa.

## Production

Through wholly owned and joint venture operations, we mine for rough diamonds in Botswana, Canada, Namibia and South Africa.

## Sales

The vast majority of our rough diamond production mined from 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 offers a secure and transparent route to market for ethically sourced artisanal and small-scale mined diamonds through implementing a digital solution for mine sites that meet demonstrable ethical standards.

- For more information on GemFair, please visit: [www.gemfair.com](http://www.gemfair.com).

## Ignite

De Beers Group Ignite has operations in South Africa and the UK, researching, developing and providing varying technologies that support mine life expansion, identify new methods for verifying and sorting diamonds and produce technology that helps to ensure that all synthetic (laboratory-grown) diamonds and treatments (enhancements to diamonds) can be detected.

- For more information on De Beers Group Ignite, please visit: <https://ignite.debeersgroup.com/>.

## De Beers Institute of Diamonds

The Institute of Diamonds (IoD) provides diamond grading and inscription services for natural and untreated diamonds and diamond testing services, using De Beers Group proprietary technology deployed within our own laboratories. Services are offered through laboratories in Antwerp in Belgium, Surat in India and Maidenhead in the UK.

- For more information on the IoD, please visit <https://institute.debeers.com/en-gb/>.

## Brands

We have two diamond brands: De Beers Forevermark (which includes Libert'aire by De Beers Forevermark and Forevermark-operated retail stores in China) and De Beers Jewellers (DBJ).

DBJ is a global diamond jewellery retailer, with 22 managed retail stores in 6 consumer markets around the world. De Beers Forevermark also offers an inscription, grading and branding service to diamantaires and retailers for eligible polished diamonds across 30 countries.

- For more information on DBJ, please visit <https://www.debeers.co.uk/en-gb/home>.
- For more information on De Beers Forevermark, please visit <https://www.forevermark.com/>.

## 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 primarily for industrial purposes. It is made up of two businesses: Technologies (wholly-owned by De Beers Group); and Abrasives (approximately 60% owned by De Beers Group, with Umicore, a global materials technology and recycling group, owning the remaining share). Element Six has manufacturing facilities in Germany, Ireland, South Africa, the UK, and the USA.

- For more information on Element Six, please visit: [www.e6.com](http://www.e6.com).

## **Lightbox™**

A wholly-owned De Beers Group business selling laboratory-grown diamond jewellery wholesale and online to consumers.

- For more information on Lightbox, please visit: [www.lightboxjewelry.com](http://www.lightboxjewelry.com).

## **Tracr™**

Tracr is an innovative Connected Value Chain platform developed by De Beers Group. Using advanced technology including the internet of things, artificial intelligence, blockchain and state-of-the-art security and privacy, it is able to connect the entire diamond value chain and helps to ensure provenance, traceability and authenticity of natural diamonds.

- For more information on Tracr, please visit: [www.tracr.com](http://www.tracr.com).

## **Internal Function - De Beers Group Supply Chain**

The De Beers Group Supply Chain function is responsible for the procurement of ancillary goods and services to support our Group's upstream activities.

# KEY UPDATES TO OUR BUSINESS

## UPDATE ON OUR MINING OPERATIONS IN CLOSURE

During 2022, our Snap Lake, Voorspoed and Victor mines, which ceased production in 2015, 2018 and 2019 respectively, continued with the implementation of their closure plans that are aligned with the Social Way 3.0 as well as Anglo American's Mine Closure Toolbox.

For more information, please see our 2022 "[Building Forever: Our Sustainability Report](#)".

## ANGOLA DEVELOPMENT

In April 2022, we [signed](#) two Mineral Investment Contracts (MICs) with the Government of Angola for diamond resource development. The MICs covers all stages of diamond resource development, from exploration to mining, spanning a period of 35 years, and include future establishment of a new joint venture company by De Beers Group and Endiama, Angola's state-owned diamond company.

We intend to develop these resources in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and the social and ethical frameworks, including Building Forever, that we follow at our other operations, with the commitment to support positive change in countries working to reform their economies.

## LIVING WAGE CERTIFICATION

Through Anglo American, De Beers Group has been recognised as a global Living Wage employer, having secured accreditation from the Fair Wage Network, which undertakes international analysis and research. The Fair Wage Network awarded the accreditation after reviewing employee data across all wholly-owned De Beers Group entities and joint venture partners, including operations, smaller offices and corporate centres.

This certification is valid for one year, until December 2023.

# GOVERNANCE, POLICIES, PROGRAMMES AND ASSURANCE FOR HUMAN RIGHTS

## GOVERNANCE

Accountability for sustainability at our Group rests with the Board of Directors of De Beers plc, supported by the Sustainability Committee (which is chaired by the CEO, Al Cook), as well as several other subcommittees and working groups. A summary of our governance approach in 2022 is shown in the below diagram.

### HUMAN RIGHTS WORKING GROUP

The Human Rights Working Group reports into the Sustainability Committee, which in turn reports into the De Beers plc board, and it has oversight of how impacts to human rights are considered and managed within our operations and our value chain.

The mandate of our cross-functional Human Rights Working Group was reviewed in 2022 and will be implemented more formally throughout 2023. It serves as a central point in our governance structure to identify and establish mitigation strategies of our potential human rights impacts and salient human rights issues, and ensures that our management systems, approaches, policies and actions address these, while seeking to prevent and mitigate human rights impacts. It is also responsible for the ongoing identification of potential or actual adverse impacts on human rights, including modern slavery risks, across the business.

### THE BUSINESS, ETHICS, RISK AND CONDUCT COMMITTEE (BERC CO)

BERC Co (formerly known as Best Practice Principles Committee) is mandated to investigate potential non-compliance with the Best Practice Principles (BPP) Assurance Programme (BPP Programme) and Pipeline Integrity (PI) Programme and oversee the implementation of the De Beers Group Sourcing Policies for Diamonds and for Metals, Minerals and Gemstones. This includes being responsible for addressing and ensuring that any allegations, reports or confirmations of non-compliance that might have a human rights impact are duly considered.

Any material breaches of the BPP Programme by a Sightholder including those related to non-compliance with applicable human rights requirements, constitutes a breach of the Sightholder Supply Agreement, and will be addressed accordingly by BERC Co.

<b>DE BEERS PLC</b>	
<b>EXECUTIVE COMMITTEE</b> Executes strategy as set by the Board.	<b>SUSTAINABILITY COMMITTEE</b> Reviews, oversees and advises on significant sustainability strategies, policies and activities. Ensures that De Beers Group's sustainability strategy delivers shared value.

<b>BUILDING FOREVER STEERING COMMITTEE</b>  Responsible for guiding and overseeing the delivery of Building Forever and ensuring that it delivers business value aligned with stakeholder expectations.	<b>CORPORATE AFFAIRS &amp; SUSTAINABLE IMPACT COUNCIL</b>  A forum for Corporate Affairs and Sustainable Impact colleagues to set direction for their disciplines and share best practice and learning.	<b>BUSINESS, ETHICS, RISKS, AND CONDUCT COMMITTEE (BERC CO)</b>  Ensures that the BPP Programme requirements, Pipeline Integrity standard and related responsible sourcing policies are maintained, and takes action to address the key risks and issues affecting De Beers Group's diamond value chain.	<b>S&amp;SD AND RISK COUNCIL</b>  Provides a platform for sharing and engaging on the delivery of S&SD and risk strategies, improvement plans and objectives.	<b>CARBON NEUTRAL STEERING COMMITTEE</b>  Building Forever goal-specific. Ensures effective implementation of the carbon neutral goal.
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<b>BUILDING FOREVER WORKING GROUP</b>  Cross-functional group-wide working group that collaborates to progress the Building Forever framework across the organisation and share best practice and learning.	<b>SOCIAL PERFORMANCE PEER GROUP</b>  Discipline-specific working group that shares best practice and learning in delivery of social performance objectives and improvement plans.	<b>HUMAN RIGHTS WORKING GROUP</b>  Cross-functional and multidisciplinary working group that identifies, assesses, manages and reviews relevant human rights issues. Mandate and structure reviewed in 2022 and implementation planned for 2023.	<b>SAFETY, HEALTH, ENVIRONMENTAL, AND RISK PEER GROUPS</b>  Discipline-specific working groups that develop standards and set direction for their discipline and share best practice and learning.	<b>CARBON NEUTRAL WORKING GROUP</b>  Discipline-specific working group that manages goal implementation and risk focus and shares best practice and learning.
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**PEER AND WORKING GROUPS FOR THE BUILDING FOREVER GOALS**  
Goal-specific working groups that manage goal implementation and risk focus, and share best practice and learning.

**FORUMS, CROSS-FUNCTIONAL WORKING GROUPS AND DISCIPLINE PEER GROUPS**  
Develop technical / practical standards, ways of work, discipline / goal management, risk focus, and share best practice and learning.

# POLICIES, PROCEDURES, STANDARDS AND PROGRAMMES

## OUR GUIDING PRINCIPLES

We hold ourselves and those we work with accountable for respecting human rights and conducting human rights due diligence aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

To ensure this, respect for human rights is enshrined in our BPP Programme (see page 10 for more details). This strict set of ethical, social, and environmental standards, launched in 2005, helps to ensure we adhere to international human rights frameworks and applicable labour regulations.

The BPP Programme sets mandatory requirements for our own operations as well as all those doing business with us in the natural diamond supply and value chains, currently 2,690 entities employing 341,369 people, including Sightholders and their relevant contractors and also applicable retailers. The BPP Programme is fully aligned to the UNGPs, the International Labour Organisation (ILO) Standards and the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), among others. These principles and standards are also reflected in the Responsible Jewellery Council (RJC) Code of Practices, of which De Beers Group is a founding and certified member.

Human rights provisions are stipulated in several of our internal policies, including our Employee Human Rights Policy, our Security Services and Human Rights Policy and both of our [Responsible Sourcing Policies for Diamonds](#) and for [Precious Metals, Minerals and Gemstones](#).

The Social Way Policy guides our upstream activities including employees, contractors and suppliers. This is applied at De Beers Group managed operations in South Africa and Canada, as well as mining operations in our joint ventures in Botswana and Namibia, throughout their lifecycle. The policy underscores our



human rights commitment and is underpinned by core social performance management principles based on international reference standards. It also sets out Anglo American's vision and principles for social performance, defines our system for social performance management through the Social Way Toolkit and provides a high-level overview of its requirements.

We measure our progress on implementing the UNGPs in several ways, including through our Social Way assessments, our BPP Programme on-site verification visits, security effectiveness reviews, and our RJC recertification process.

In 2022, the following policies and standards underpinned our approach to managing modern slavery risk:

### **Across our Group**

- [The De Beers Best Practice Principles Assurance Programme](#)
- [De Beers Responsible and Ethical Sourcing Policy for Diamonds](#)
- [De Beers Responsible Sourcing Policy for Precious Metals, Minerals and Gemstones \(excluding Diamonds\) for Use in Jewellery Products](#)
- [Employee Human Rights Policy](#)
- [Security Services and Human Rights Policy](#)
- [Social Performance Policy](#)
- [Whistleblowing Policy](#)
- [De Beers Code of Conduct](#)

### **Upstream Activities**

- [Anglo American Social Way 3.0](#)
- De Beers Consolidated Mines Contractor Compliance Benchmark Standard

### **GemFair:**

- [GemFair Responsible ASM Assurance Programme Standard Requirements, Manual and assessment surveys](#)
- [GemFair Policy for Sourcing from Conflict-Affected and High-Risk Areas](#)
- [GemFair Whistleblowing Policy and Procedures](#)

### **Element Six:**

- Element Six Human Rights Policy
- [Element Six Policy on Responsible Global Supply Chain of Minerals and Metals from Conflict-Affected and High Risk Areas](#)
- [Element Six Code of Conduct](#)

### **Lightbox:**

- Lightbox Business Integrity Standards
- Lightbox Minimum Requirements for Supplier Engagement

### **Supply chain Management:**

- [Anglo American Responsible Sourcing Standard for Suppliers](#)

## BUILDING FOREVER™

We are committed to driving the diamond industry forwards in everything we do – working to create a brighter future for our people, our planet and the communities around us.

We recognise the role we can play to improve the lives of people along a diamond's journey and to protect the natural world. This has inspired our "Building Forever" ambitions – our sustainability framework that aims to create a positive and sustainable impact that will endure well beyond the discovery of our last diamond.

At the heart of Building Forever, there are 12 ambitious goals that we have set out to achieve by 2030. These goals concentrate on four clear pillars where we believe we can make a meaningful impact:

- Leading Ethical Practices Across Industry
- Partnering for Thriving Communities
- Accelerating Equal Opportunity
- Protecting the Natural World.

Human rights are a critical foundation underpinning all Building Forever goals, in recognition of the importance we place on maintaining our position as a human rights leader across the value chain.

Learn more about the Building Forever goals [here](#).

## PROGRAMMES AND PROCESSES TO SUPPORT RISK ASSESSMENT AND DUE DILIGENCE

We take a risk-based approach to ensure that high standards of business integrity are upheld, and we have a number of programmes that support our ability to identify and mitigate risks (including modern slavery risks) in our own businesses and supply chains, as well as in our value chain.

### ACROSS OUR GROUP AND VALUE CHAIN

#### THE BEST PRACTICE PRINCIPLES 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 operations<sup>4</sup>, including entities and their relevant subsidiaries providing contracted services to our Group (including jewellery manufacturing contractors for our house brands), and Sightholders (our contract rough diamond customers) and their relevant diamond contractors. This includes undertaking Know Your Counterparty (KYC) due diligence processes prior to becoming a Sightholder, encompassing enquiries relating to forced labour and human trafficking violations.

The use of child labour or forced labour and the abuse of human rights are material breaches of the BPPs. If human rights abuses, including modern slavery, are identified or suspected in our business or in our supply or value chains, we take measures to help ensure that they are addressed in a rights-compatible manner, in addition to enforcing applicable contractual rights and potentially imposing sanctions, until corrective actions have been implemented.

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

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<sup>4</sup> Participation in the BPP Programme excludes the Tracr and Element Six businesses.

The BPP Programme consists of an annual, three-step assessment process:

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

The results of the BPP Programme assessment process are reported on an annual basis in our 'Building Forever: Our Journey' report, found [here](#). Further information on the BPP Programme can be found [here](#).

## Update on Progress

During FY 2022, key updates to the BPP Programme included:

- Expanding the BPP section focused on commitment to the Sustainable Development Goals (SDGs) to include a question relating to Living Wage<sup>5</sup> payments.
- Further aligning the BPP Programme to our Building Forever goals through the rolling out of a revised "Corporate Social Investment and Business Impact" section, which gathers insights on our Sightholders' commitments and measurement approaches to initiatives relating to the advancement of human rights and protection of the environment.

In addition, throughout 2022, we have been working with Shift, a leading centre of expertise on the UNGPs. Shift has provided support in undertaking a critical review of a number of our key human rights initiatives and assessing how we can improve and evolve our approaches to human rights across our key policies and programmes, including within the BPP Programme, and more generally our human rights due diligence approaches across our supply chain. This review has informed, revised and uplifted relevant BPP requirements on human rights which are expected to be rolled out in 2023. Our goal is for these requirements to align more closely with the UNGPs on how human rights risks and impacts are identified and mitigated. The new requirements will also entail greater scrutiny of the risks for vulnerable people, (including indigenous peoples, women, national/ethnic/religious minorities, children, LGBTQ+ people, people with disabilities, and migrant workers).

## Effectiveness and Key Performance Indicators (KPIs)

During the 2022 BPP cycle, which ran from 1 January 2022 to 31 December 2022, the BPP Programme covered 341,369 employees in 2,690 entities across 77 countries<sup>6</sup>. 123 verification visits took place, and 188 desktop reviews were conducted by SGS across all BPP Programme participants, including applicable parts of our Group.

In launching the 2022 cycle, we reverted to on-site BPP verification visits as much as possible, after the logistical and health and safety challenges caused by the Covid-19 pandemic that required an almost complete shift to remote verifications in 2020. This decision was taken in recognition of the importance of physical third-party verification as a fundamental aspect of the BPP Programme and was kept under close review, as whilst Covid-19 restrictions were lifted in many jurisdictions, the situation could change suddenly.

This review led to 89.5% of audits conducted on-site during the 2022 cycle. The remaining audits were conducted remotely by replicating on-site audits as far as possible, including document review, virtual site tours and interviews with subject matter experts. Worker interviews were only held where their confidentiality could be guaranteed, recognising the importance of privacy as a human right.

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<sup>5</sup> The Living Wage is a wage sufficient to provide the necessities essential to an acceptable standard of living and can be defined as pay which covers the basic needs of workers and their families, including food, water, housing, healthcare, education, transport and clothing, as well as discretionary income to cover unforeseen circumstances. These standards exist for every country in the world and are updated annually.

<sup>6</sup> 2022 data from the De Beers Building Forever Report: Our Journey.

## Within our business

A total of 54 self-assessment workbooks were submitted across our Group and 13 desktop reviews were conducted during the 2022 BPP cycle. These have been rated in accordance with the BPP Programme requirements and resulted in no infringements being identified.

Our Group is also certified against the revised 2019 RJC Code of Practices standard, with re-certification achieved in 2021. The 2019 Code of Practices, as well as the BPPs, include requirements on responsible sourcing aligned to the OECD Guidance as well as on modern slavery, and therefore our re-certification importantly means we demonstrated full compliance with these requirements. More details on our responsible sourcing practices can be found at page 14 of this Statement.

During 2022, a Major Infringement was identified at one of our operations concerning the BPP requirements on non-discrimination and disciplinary procedures. Following the identification of the issue, this was escalated to BERC Co and senior executives in our business. An independent investigation was commissioned to examine the issue and assist in the development of an appropriate and effective corrective action plan. We have since been working diligently with the affected entity, including through dedicated training and follow-up audits to ensure the correct remedial action is undertaken. This work will be progressing throughout 2023.

## Within our value chain

All entities that are owned or are under the management control of Sightholders are required to participate in full in the BPP Programme.<sup>7</sup> In addition, substantial contractors (those that derive more than 75% of their revenue from a Sightholder) are required to participate in the Contractor BPP Programme, and all non-substantial contractors must be declared to us.

During the 2022 BPP cycle, 175 workbooks were reviewed and rated in accordance with the BPP Programme requirements. In addition, 113 verification visits were completed based on the sampling requirements defined above. These included audits undertaken at the non-substantial contractor sites involved in manufacturing melee diamonds.

Non-compliance with the BPP Programme requirements within our value chain (Sightholders and relevant contractors) relating to human rights, of which modern slavery and human trafficking are key elements, are listed below:

Human Rights Indicators	2022	2021	2020
Total number of Improvement Opportunities <sup>8</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing)	<b>29</b>	<b>13</b>	<b>11</b>
Total number of Minor Infringements <sup>9</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing)	<b>24</b>	<b>24</b>	<b>5</b>
Total number of Major Infringements <sup>10</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing)	<b>11</b>	<b>6</b>	<b>3</b>

<sup>7</sup> Contractors deriving less than 75% of their revenue from a Sightholder.

<sup>8</sup> An Improvement Opportunity is not a compliance issue if a satisfactory solution is found and implemented during the course of an annual assessment cycle. They are also identified as areas of continuous improvement that go beyond best practice.

<sup>9</sup> A Minor Infringement is any compliance issue that (a) can be rectified within a short period and (b), if managed responsibly, is not deemed by the assessors or independent verifiers to result in any adverse impact.

<sup>10</sup> A Major Infringement is any compliance issue that (a) can be rectified within a reasonable period and (b), if managed responsibly, is not deemed by the assessors or independent verifiers to result in significant adverse impact. This is in contrast to a Material Breach which relates to any serious non-compliance issue that contravenes the core BPP Programme (including adverse impact on human rights and the use of child labour or forced labour). No Material Breaches have been identified within these human rights indicators to date.

One of the key aspects of both our [Responsible Sourcing Policy for Diamonds](#) and [Responsible Sourcing Policy for Metals and Minerals](#) is to ensure that all suppliers and/or jewellery manufacturers for our downstream brands either participate in the BPP Programme or certify against the RJC's Code of Practices. Throughout 2022, this engagement continued to take place which resulted in seven new manufacturers and one cutting and polishing contractor being onboarded to the BPP Programme.

The increase in Major Infringements during the 2022 cycle is therefore mainly linked to this being the first year of participation for these newly onboarded participants. This is not unusual for new participants, as our BPP requirements are one of the strictest sets of ethical standards in the industry, and the first year of participation is normally an opportunity for groups to familiarise themselves with the requirements and understanding and fixing main gap areas.

Of these infringements, five related to our section on responsible sourcing, specifically regarding a sourcing policy not being in place at the audited entity and a lack of appropriate due diligence and record keeping procedures in line with the requirements of the OECD Guidance.

The 2022 cycle also showed a small increase in the number of identified Major Infringements linked to the lack of formal, documented human rights policies in place at the assessed jewellery manufacturers, although no evidence of adverse human rights practices or other risks to the workers were identified during the on-site visits. We take seriously our requirements that relevant business partners across our value chain adhere to high ethical (including human rights) standards and we continue to provide support to these participants in their journey towards continuous improvement. Therefore, we are working closely with the affected participants to ensure the Major Infringements are addressed and closed through the provision of an acceptable, evidence-based corrective action plan and active follow-up of its implementation.

The below table lists the overall number of Major and Minor Infringements<sup>11</sup> identified at our Sightholder operations (including their applicable contractors) across all our BPP requirements (including human rights):

Overall number of Major and Minor Infringements (consolidated) identified at Sightholder (and their applicable contractors) operations	2022	2021	2020
Business Responsibilities	<b>58</b>	<b>38</b>	<b>32</b>
Social Responsibilities	<b>93</b>	<b>113</b>	<b>32</b>
Environmental Responsibilities	<b>7</b>	<b>2</b>	<b>0</b>

## PIPELINE INTEGRITY PROGRAMME

Pipeline Integrity (PI) is our third-party assured programme focused on the implementation of vigorous management systems, controls, training, documentation, procedures and policies that help to demonstrate that the relevant pipeline is segregated fully, is tracked and traced, and contains only eligible materials.

Evidence of how eligible diamonds are tracked through the value chain from rough to polished until the point of inscription is underpinned by the De Beers Diamond Pipeline Integrity Specification 001:2022. Only participants who have been assessed against the Diamond Pipeline Integrity Specification 001:2022 and who clearly demonstrate compliance with the BPPs are eligible to participate in De Beers Code of Origin and/or De Beers Forevermark activities.

<sup>11</sup> Infringements can be either Major or Minor and indicate where an issue has been identified that does not meet the BPP requirements and Corrective Action is required. Minor Infringements are where Corrective Action can be taken within a reasonably short time period. Major Infringements are imposed for more serious compliance issues and require Corrective Action to be taken within the BPP Cycle.

While PI is predominantly an assurance programme focused on the segregation of eligible and non-eligible diamonds, the audit framework sits alongside, and requires participants to comply with the BPPs, meaning during PI only audits the auditors will also verify that entities consistently uphold the BPP requirements relating to child labour, forced labour, human rights, employment, and health and safety. The standard includes an obligation on Authorised De Beers Forevermark and De Beers Code of Origin Diamantaires to participate in the BPP Programme, in addition to requirements from a responsible business practices perspective, including supplier due diligence relating to modern slavery risks. In order for a polished diamond to be eligible for De Beers Forevermark and/or De Beers Code of Origin inscription, it must be from an approved rough diamond source and must be tracked and traced throughout the pipeline from rough purchase, through manufacturing to inscription.

PI participants must disclose to us all entities, including contractors, within their group handling eligible goods and are subject to an annual PI third-party verification.

In 2022, no instances of forced labour or issues relating to modern slavery were identified through the PI Programme.

## RESPONSIBLE SOURCING OF DIAMONDS, PRECIOUS METALS, MINERALS AND GEMSTONES

All diamonds and precious metals, minerals and other gemstones sourced by the De Beers Group's business units must meet our robust responsible sourcing practices, which require human rights due diligence to be undertaken on suppliers. This is to provide assurance that the diamonds, metals, minerals and gemstones used in our jewellery have not been sourced in ways which give rise to concerns of human rights impacts, conflict and modern slavery.

These practices are governed by our [Responsible and Ethical Sourcing Policy for Diamonds](#) and our [Responsible Sourcing Policy for Metals and Minerals](#) which are fully aligned to the OECD Guidance. Both policies are designed to ensure that risk-based due diligence is undertaken for all sourcing activities of diamonds and other metals, minerals and gemstones to identify, mitigate and address key risks, including on human rights (including modern slavery), as they have been identified in the OECD Guidance. The policies set out fundamental principles which are applicable to all our diamond-sourcing business units. These include, but are not limited to, our position that we will not tolerate any form of torture, cruel, inhuman and degrading treatment, compulsory or forced labour, including child labour, and gross human rights violations in the sourcing of our diamonds, precious metals, minerals and other gemstones.

In addition, our Group is further committed to transparency efforts that help to ensure, and evidence, confidence in our diamond, metal, mineral and gemstone sourcing across the diamond and jewellery value chains. Therefore, we published our progress on the implementation of our policies across the relevant parts of the Group in the 2022 'Building Forever, our Sustainability Report', available [here](#). This report reflects on our 2022 approach to ethical sourcing and demonstrates how we have promoted responsible business practices both in our own business and in the wider value chain.

A key focus area in 2022 has been a critical human rights review, supported by Shift, of both our sourcing policies to further refine and strengthen them which led to the adoption of Shift's recommendations for areas of improvement. We also continued to:

- Implement our policies as part of the specific 'Responsible Sourcing' goal within the Building Forever framework.
- Working closely with our applicable business units to ensure their sourcing practices are implemented in accordance with our policies and engaging with our downstream brands to ensure their jewellery manufacturing business partners meet our strict ethical and sourcing criteria. In particular, we undertook a wholesale review of our contractual agreements to embed compliance with these policies as a contractual obligation.

## VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

Security is critical to our business, in particular because of the high value of diamonds. We are signatories to the Voluntary Principles on Security and Human Rights (VPSHR), ensuring that we follow human rights best practice when addressing any security-related issues. All security personnel and external security contractors receive training in how to respect human rights. Our security and human rights training curriculum, developed jointly with Anglo American and the NGO International Alert, which is one of the world's leading peacebuilding organisations, covers all aspects of the VPSHR. It is delivered to our relevant contractors and employees via e-learning modules that have been rolled out across our Group. All private contract security entities are required to pledge their support to the VPSHR, and their personnel are subject to the same in-house training as our own security personnel. Regular interaction with public security occurs in line of our stakeholder engagement plans and discussions in support of the VPSHR is noted.

The Social Way Policy requires that security-related risks and impacts be assessed and managed in accordance with the VPSHR, and IFC Performance Standard 4 on Community Health, Safety and Security.

### Update on Progress

We maintained our strong human rights due diligence process during 2022 to comply with the VPSHR. This included promoting awareness through cross-functional training and conducting robust risk assessments to identify and address security-related human rights risks at our relevant operations.

As part of the [Social Way](#) 3.0 framework, our mine sites undertook annual Social and Human Rights Impacts and Risks Assessment (SHIRA) workshops that further expanded on human rights matters across the upstream natural diamond pipeline, with concerted, cross-functional efforts to identify data gaps with regards to impacts and risks, including in the security sphere. The application of a human rights lens continues to strengthen our governance process across our business.

## AT OUR UPSTREAM OPERATIONS

### SOCIAL WAY 3.0

The Social Way is our social performance management framework for our land-based mining operations. It sets out the requirements each mining site needs to implement on an ongoing basis 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 social and human rights risks and impact assessment, stakeholder engagement, understanding and addressing concerns of vulnerable groups and addressing grievances) and in our work with contractors, including our approach to security.

The Social Way Toolkit contains detailed guidance on the standards, processes and procedures required for effective social performance and implementation of the Social Way Policy. It provides guidance on how to conduct a SHIRA, which incorporates the 'principles and objectives' of human rights due diligence as set out in the UNGPs. One of the categories of impacts that are included in the SHIRA process is impacts on personal and political security, which includes impacts on the right to freedom from slavery and forced and child labour.

Community engagement and local accountability are central to the Social Way. It sets out requirements for stakeholder engagement in support of SHIRA and the management of grievances and incidents, in human-rights related matters including community health and safety, livelihoods and job creation, access to education and land access, displacement and resettlement.

During 2022, our Snap Lake, Voorspoed and Victor mines, which ceased production in 2015, 2018 and 2019 respectively, continued with the implementation of their closure plans that are aligned with the Social Way 3.0 as well as Anglo American's Mine Closure Toolbox.

## Update on Progress

Our updated social performance management framework, [Social Way 3.0](#), for our land-based mining operations, was launched in January 2020. Operations are assessed annually to determine compliance with, and identify gaps in respect of, the requirements of the Social Way. We are aiming for all our mining operations to achieve full compliance with its requirements by the end of 2025.

The framework is made up of a number of foundational requirements which are compulsory for all active land-based mining operations. The foundational requirements set standards on topics such as human rights risk and impact analysis, and incident and grievance management, amongst others.

Sites are required to implement grievance management procedures, and all grievances must be screened. As stated in the Social Way Toolkit, site-level mechanisms should follow the effectiveness criteria for operational-level grievance mechanisms in the UNGPs. External stakeholders, including contractors, can report grievances and incidents that have a social consequence through a site-level mechanism. One of the categories of incidents that can be reported is personal and political security, which includes incidents related to the right to freedom from slavery, forced and child labour, and debt bondage. Grievances and incidents of a higher social consequence level must be investigated and closed-out.

As well as the foundational requirements, there are certain risk-based requirements that are compulsory for all active land-based mining operations. These include full adherence to the VPSHR and contractor social management, amongst others. In addition, there are a number of context-specific requirements, for example, those relating to indigenous peoples, conflict management and site-induced migration.

Two of the compulsory requirements outlined above relate specifically to human rights due diligence, and the [Social Way Toolkit](#) provides extensive guidance and templates to support operations with their implementation:

- [Requirement 3C](#). Social & Human Rights Risk and Impact Analysis
- [Requirement 4E](#). Voluntary Principles on Security and Human Rights

Given that our marine-based diamond recovery operations do not impact specific host communities in the same manner as land-based mining operations, the majority of the Social Way requirements are not applicable. However, during 2021, our joint venture marine diamond recovery operations in Namibia began implementing requirement 3B (Incident & Grievance Management) and 3C (Social & Human Rights Risk & Impact Analysis) as part of their existing risk assessment and due diligence processes. In 2022, the marine-based diamond recovery operations also began implementing requirement 3A (Stakeholder Engagement).

All requirements were assessed by external assurers at the end of 2022 and their findings will be incorporated into the sites' updated transition plans in Q1 2023. None of the findings identified related to modern slavery risks.

The 2022 year-end Social Way assessments evaluated all of the applicable requirements of the Social Way 3.0 at each mining operation. The results of the assessments will be utilised to update the sites' transition plans during Q1 2023.



## AT OUR MIDSTREAM OPERATIONS

### GEMFAIR RESPONSIBLE ARTISANAL AND SMALL-SCALE MINING ASSURANCE PROGRAMME

GemFair, which sources rough diamonds from artisanal and small-scale mining (ASM) miners, continues to use its own GemFair Responsible ASM Assurance Programme for responsible sourcing, which draws its structure, scope and intent predominantly from the:

- OECD Guidance
- BPP Programme
- Alliance for Responsible Mining and RESOLVE's CRAFT Code
- Diamond Development Initiative's (DDI) Maendeleo Diamond Standards™

The GemFair Responsible ASM Assurance Programme enables GemFair to work constructively with artisanal miners through an iterative process of training, monitoring progress and providing remedial training, which seeks to support miners' continuous improvement against its core requirements, including those related to safety, environment, and working standards.

GemFair's Responsible ASM Assurance Programme is a group of policies, procedures, standards and training fulfilling the OECD Guidance requirements for responsible sourcing in mineral supply chains. These include, but are not limited to, undertaking risk assessments for forced labour, human trafficking, human rights violations and child labour. Any observation or verified reports of the above material issues would lead to GemFair's disengagement from the individual or business. GemFair also undertakes KYC due diligence on potential and existing substantial suppliers (as determined by value). GemFair's assessment process with artisanal miners includes:

- Baseline risk assessment at their site and of GemFair's records to assess for any material risks.
- Corrective action measures implemented where required, including remedial training and action plans.

In addition to the Responsible ASM Assurance Programme, GemFair:

- Distributes our Fair Mining Policy to miners and includes a section on our stance on forced labour and human trafficking. In addition, miners receive training on these topics.
- Requires each of its suppliers to sign a self-declaration to adhere to GemFair's core requirements, which include human rights and forced labour standards.
- Has developed a policy on sourcing from conflict-affected and high-risk areas to demonstrate its commitment to following the five-step framework as articulated in the OECD Guidance. The policy 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.
- Monitors participating artisanal diamond mine sites on a regular basis and provides remedial training where miners are not meeting the relevant GemFair standards.

GemFair's programme is verifiable, and its due diligence management system is third-party assured by SGS, which includes auditing a sample of mine sites selling to GemFair. The first audit took place in 2019 and subsequent audits took place in 2020 and 2022.

## Update on Progress

In 2022, GemFair continued to take steps to address the risk of modern slavery within its operations and the operations of its ASM suppliers. These steps have included:

- Expansion of membership: As in previous years, GemFair continued to scale to include more artisanal diamond miners, a membership which reached 263 mine sites (compared to 221 at the end of 2021). This means that an approximate number of 3,933 workers were covered by the Programme at the end of the reporting period.
  - » Each participating miner and his or her site manager receives GemFair's core training, covering the GemFair ASM Standard, which includes standards on the protection of human rights, labour rights and the rights of the child. The GemFair ASM Standard is closely based on the OECD's Guidance, a key normative document for businesses seeking to protect human rights in the jurisdictions in which they operate. In addition, anti-money laundering and PEP due diligence was conducted on 121 individuals as part of the onboarding process.
- Mine site assessments: In 2022, GemFair undertook 970 mine site assessments (cuml. total of 2,479 since the inception of the programme).
- Training: During 2022, 27 classroom trainings were delivered to a total of 375 people on a range of topics, including the prevention of forced and child labour in the ASM sector, as well as key tenants for protecting human rights and the rights of workers at artisanal diamond mines.
- Growth of Forward Purchase Finance Programme: GemFair recognises that financing artisanal miners is of critical importance to drive the improvement of standards, raise worker incomes and build a commercially sustainable programme. This year, GemFair's fair access to finance programme, called the Forward Purchase Agreement programme (FPA), was the biggest yet. Throughout 2022, GemFair fully financed the operations of 49 mine sites across seven diamondiferous Chiefdoms in the Kono district. This programme enables GemFair to monitor participating mine sites closely and support the manager and the workers to work in a rights-abiding and safe environment.

## DE BEERS AUCTIONS

De Beers Auctions predominantly sells rough diamonds sourced from our managed and joint venture mining operations, but as part of its business model, it also sources third-party rough diamonds from approved producers, in line with our [Responsible Sourcing Policy for Diamonds](#). Diamonds from third-party producers are always kept segregated from our Group's production and are sold as separate lots. This has been verified through a provenance claim we had certified in 2021 as part of our Group's RJC re-certification and is underpinned through De Beers Auctions' participation in the PI Programme, which began in 2021 and expanded its scope to cover all De Beers Auctions' entities in 2022.

## Update on Progress

De Beers Auctions continues to be bound by our [Responsible Sourcing Policy for Diamonds](#).

When De Beers Auctions opts for third-party sourcing, it will continue to ensure that it only purchases diamonds from approved sources that meet our strict ESG criteria, as outlined in the above-mentioned policy. Verification against the implementation of the policy and its supporting processes is undertaken through independent third-party BPP audits. All procedures relating to third-party diamond procurement are clearly defined in a third-party Supply Operating Model, and training on the same is provided to relevant employees to ensure they are made aware of any updates or revisions to both our policy and any supporting documents.

In 2022, De Beers Auctions only sourced rough diamonds produced at De Beers' managed and joint venture mining operations and via GemFair.

# AT OUR DOWNSTREAM OPERATIONS

## (De Beers Forevermark and De Beers Jewellers)

As articulated in our [Responsible Sourcing Policy for Diamonds](#) and [Responsible Sourcing Policy for Metals and Minerals](#), our consumer brands, De Beers Jewellers (DBJ) and De Beers Forevermark, adhere to a strict set of Fundamental Principles, aligned to the OECD Guidance, when undertaking any sourcing activities. These two policies combined reflect the significance and importance we place on our downstream diamond operations managing and mitigating risks related to the sourcing of diamonds and other precious metals and minerals.

### DE BEERS JEWELLERS

In alignment with both Responsible Sourcing Policies, DBJ's core diamond suppliers and jewellery manufacturers continue to comply with our strict ethical and sourcing criteria:

- All core diamond suppliers to DBJ are required to be compliant with the BPP Programme and PI Programme (more information on both programmes can be found above).
- In special circumstances, DBJ may source exceptional diamonds from other approved sources. All approved sources are selected based on robust ESG criteria, including those relating to human rights, forced labour and risks of modern slavery. Strict due diligence on the supplier's integrity and sourcing practices is also in place for approved sources, including due diligence aligned with the OECD due diligence framework.
- Our goal is to ensure that, by the end of 2023, all core diamonds and melee diamonds are sourced only from our Group's managed and joint venture operations, with provenance also supported through the implementation and verification of the PI standard.

#### Update on Progress

All jewellery manufacturers for DBJ are required to be compliant with either the BPP Programme or be certified against the RJC Code of Practices.

- In 2022, all jewellery manufacturing contractors for DBJ participating in the BPP Programme were assessed as compliant and no infringements were identified relating to human rights or modern slavery.

In terms of its platinum sourcing, over the course of 2022, DBJ aimed to source 100% of its newly mined platinum from Anglo American Platinum and the remainder of DBJ's sourcing of platinum from recycled sources. Work will continue in 2023 to support more robust data collection on manufacturers' platinum suppliers to better understand provenance and impact.

### DE BEERS FOREVERMARK

All De Beers Forevermark Diamantaires are Sightholders and therefore participate in the BPP Programme. They are also required to participate in the PI Programme.

From 1 January 2023, all De Beers Forevermark diamonds inscribed with the logo will only be sourced from our Group's managed or joint-venture diamond mining operations.

#### Update on Progress

Throughout 2022, De Beers Forevermark continued with its pilot initiatives in the key De Beers Forevermark markets of USA, Japan and China where the business units directly purchased Forevermark-inscribed diamonds from De Beers Forevermark Diamantaires. A focus for 2022 was to ensure new De Beers Forevermark jewellery manufacturers met the strict ethical credentials stipulated within our Responsible Sourcing Policy for Metals and Minerals, including participating in the BPP Programme where they are not RJC certified members.

- Seven new jewellery manufacturers for De Beers Forevermark were onboarded to our BPP Programme in 2022. For more details on the outcome of their first year of participation in the BPP Programme, please refer to page 13.

## AT OUR OTHER BUSINESSES

### ELEMENT SIX

Element Six continues to fulfil its obligations under the EU and US Conflict Mineral regulations, that seek to prevent the financing of armed groups, and sourcing of minerals tin, tantalum, tungsten and gold from mines using forced labour or engage in human rights abuses. Element Six's Conflict Minerals Policy can be viewed [here](#).

#### Update on Progress

Element Six continues to use an independent third party to annually audit tungsten carbide suppliers to ensure compliance with legal obligations, including those related to modern slavery. No issues were highlighted in 2022

Finally, Element Six continues to review and develop its supply chain due diligence. A digital new supplier form was implemented across the Element Six group in August 2022, to provide a consistent approach to supplier due diligence for all its sites, including in respect of compliance with relevant provisions of the UK Modern Slavery Act and similar legislation in other jurisdictions. This in turn allowed for a more comprehensive process to ensure all new suppliers are included in its third-party vendor due diligence tool. There have been no relevant modern slavery or human rights violation alerts on new suppliers since the new onboarding process was implemented.

### LIGHTBOX

Lightbox continues to apply its suite of procedures applicable to its significant contractors and suppliers, both before and after a business relationship is formed. Prior to the relationship being formed, contractors and suppliers must meet minimum due diligence requirements. These checks include ensuring no red flags are identified relating to risks such as modern slavery or human rights abuses, amongst other ethical social and business practices, across the suppliers' and contractors' operations. Once the relationship is formed, suppliers commit to participating in, and being compliant with, an annual third-party assurance programme which has robust requirements on business, environmental and ethical standards, including those which seek to mitigate the risks of modern slavery.

#### Update on Progress

Throughout 2022, Lightbox's core contractors (one cutting and polishing contractor and two jewellery manufacturers) continued to be assessed annually against our ethical business, social and environmental practices, which include human rights and human trafficking requirements. No Major Infringements were identified for any of Lightbox's contractors in 2022.

### TRACR

#### Update on Progress

Tracr continued working with platform participants that are active in various stages of the diamond value chain, to identify and respond to human rights risks. Similarly, across the midstream, all Tracr platform participants are Sightholders, and therefore fall under existing due diligence and assurance processes. De Beers Group is the only rough diamond producer on the platform and is therefore subject to the applicable assurance processes described above.

### DE BEERS INSTITUTE OF DIAMONDS

The De Beers Institute of Diamonds' (IoD) services are offered to diamantaires across the diamond industry, and whilst the IoD does not obtain ownership of any diamonds it receives, the majority of these customers are Sightholders who therefore fall within existing due diligence processes, which seek to identify and respond to modern slavery or human rights risks.

## Update on Progress

The process adopted by loD for managing modern slavery risks remains unchanged.

For customers who are not Sightholders, they are still required to provide the loD with relevant corporate information so that due diligence checks can be conducted. This information is input into third-party screening platforms which identify red flags, including those relating to modern slavery and human rights. Only upon these checks being completed will the loD offer its services to any prospective customer.

## BEYOND OUR BUSINESS

### 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 recognition of the importance we place on developing and maintaining thriving and healthy host communities.

We are committed to working with suppliers who comply with applicable laws, while striving for 'zero harm' to people, society and the environment. This commitment ensures that we work with responsible suppliers. We remain committed to support suppliers to identify and manage sustainability issues such as those relating to safety, human rights, modern slavery and workplace conditions.

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 us because it plays a key role in developing thriving and healthy host communities. Spend behaviour supports inclusive procurement, which decreased to 71% in 2022 from 73% of total addressable spend during 2021. This decrease is attributable to capex spend which is highly specialised for the Venetia underground project.

## Update on Progress

De Beers Group Supply Chain actively supports the Anglo American Supply Chain function's journey to 'Innovate Supply, Responsibly' which is being delivered through outcomes focusing on safety, people, sustainability, value delivery and digitisation.

Our supplier partnerships are crucial to delivering these outcomes. In 2022, we procured goods and services worth approximately \$1 billion from over 1,828 suppliers for South Africa and 561 suppliers for Canada, as part of the Anglo American Responsible Sourcing Standard.

Fundamental to this approach is the prioritisation of ethical decision-making when purchasing goods and services. This prioritisation is embedded within the Anglo American Responsible Sourcing Standard alongside five key expectations for suppliers:

1. Protect safety and health
2. Protect the environment
3. Respect labour and human rights
4. Increase social accountability
5. Conduct business fairly and with integrity

The top suppliers by spend are the focus of the Anglo American Responsible Sourcing Standard which is applicable to both South African and Canadian suppliers. In 2022, a total of 92 top-spend suppliers from South Africa and Canada were engaged as part of the Anglo American Responsible Sourcing Programme, which stems from the Anglo American Responsible Sourcing Standard. This engagement with suppliers will continue in 2023 to help ensure we monitor and manage any changes within our rough diamond mining supplier risk profile and identify any new risks that may emerge as a result of these changes.

The requirements contained in the Anglo American Responsible Sourcing Standard are non-negotiable and reflect our commitment to ensure fair and transparent business practices and to use our influence with suppliers to effectively manage those risks.

De Beers Group Supply Chain implemented the following in 2022:

- A transition to the Informed365 platform, which enhances the Self-Assessment Questionnaire (SAQ) functionality, was extended to De Beers Group upstream mining suppliers. Informed365 has the ability to score and rate supplier responses and apply risk filters to identify 'high risk' suppliers based on the information provided in the SAQ (which includes modern slavery risks), allowing us to further strengthen our processes.
- Currently, 92 suppliers have been engaged, 60 of these have responded and completed their SAQs and further risk analysis has been scheduled for 2023.
- Based on this analysis, and where applicable, Corrective Action Plans (CAPs) with realistic timeframes for monitoring and close out purposes will be requested from suppliers. This will help to ensure that potential risk events are managed and mitigated accordingly. The purpose of the CAPs is to ensure that any supplier non-conformances that may impact our Group are proactively remedied before a risk event can materialise.
- The results from completed SAQs confirmed that large spend suppliers understand responsible sourcing risk areas and have established practices to manage key risks, including those related to human rights and modern slavery. In addition, key findings showed that none of the suppliers concerned had any investigations for corrupt, illegal, unethical or anti-competitive practices over the last three years, meaning there were no modern slavery findings identified.

To further mitigate the increased possibility of human rights violations, we have continued with our additional human rights and security checks for supplier onboarding:

- We adopted the Anglo American Supplier Life-Cycle standard in our upstream operations, and have implemented trade sanctions and responsible sourcing checks, including child labour and modern slavery checks amongst others, through an independent third-party who conducts the screening and compliance verification for all new upstream mining suppliers. This means that all these potential new suppliers are adequately screened, and contracts will only be finalised upon the successful completion of these checks.

## 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

A total of 1,426 training hours were devoted to human rights in 2022 across the De Beers Group (2,854 in 2021). The number of people who received training in human rights policies and procedures in 2022 was 3,469 (5,766 in 2021).

### BEST PRACTICE PRINCIPLES TRAINING

Online live training was offered to existing and new BPP participants, including our own business units and our third-party auditors. This included refresher training to provide them with comprehensive guidance on how to implement new and existing (for new participants) requirements in the BPP Programme (covering also extensive requirements on compliance on forced labour, child labour and human rights). Nine training sessions were delivered in 2022.

## GEMFAIR TRAINING FOR ASM MINERS

In 2022, GemFair rolled out 27 training sessions on responsible artisanal mining standards (such as human rights, child labour and forced labour prevention), diamond valuation fundamentals and the GemFair traceability solution. Please see our annual [Building Forever publication](#) for further information.

## TRAINING ON VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

In 2022, a total of 1050 (654 in 2021) employees, privately contracted security personnel and members of police services received training (conducted both in-class and e-learning) across all of our operations.

## PLANS TO STRENGTHEN OUR APPROACH IN THE FUTURE

We intend to take the following actions to further strengthen our approach to managing human rights risks, including modern slavery, in our Group and across our value chain over the next 12 months through the following commitments and actions.

### ACROSS OUR GROUP AND VALUE CHAIN

- We expect to publish an updated De Beers Group Employee Human Rights Policy in 2023, to be accompanied by the launch of a new 'Introduction to Human Rights' course, helping our employees understand what we stand for as a business and our expectations. Initially, we will make this available through our e-learning training platform to 'connected' (desk-based) employees before considering how we can roll it out to the unconnected workforce.
- Our Human Rights Working Group will set a formal mandate of work priorities to be implemented throughout 2023. This will include bringing together subject matter experts within the De Beers Group to identify and mitigate any potential human rights impacts and work collaboratively to establish cross-functional linkages and solutions.
- We will continue to review our sourcing positions in light of emerging issues, and report publicly and annually on progress and implementation of our sourcing practices, in accordance with the OECD Guidance.
- Throughout 2023, we will also continue to implement the requirements of our Responsible [Sourcing Policy for Diamonds](#) and for [Metals, Minerals and Gemstones](#) as part of our 'Responsible Sourcing' goal within the Building Forever framework. We will continue to work closely with all our relevant business units to ensure their commercial practices are implemented in accordance with the policies.
- We will continue to evolve our BPP requirements for Sightholders and other BPP Programme participants. We aim to achieve this in the 2023 cycle through:
  - » Implementing our enhanced human rights requirements, as a result of the review done with Shift in 2022 (more information at page 11), to place greater focus on employees' human rights and the language of the UNGPs.
  - » Strengthening our requirements on provenance claims in recognition of greater focus and concern in this area from external stakeholders.
  - » Continuing to ensure this achieves cross-recognition with the RJC's Code of Practices.

### AT OUR UPSTREAM OPERATIONS

- We are aiming for our mining operations to achieve full compliance against the requirements of Social Way 3.0 by the end of 2025.

## AT OUR MIDSTREAM OPERATIONS

### GEMFAIR

- GemFair expects to identify feasible and responsible ways to build an even more inclusive GemFair programme that is accessible to a greater number of miners. We believe that engagement with artisanal miners, wherever they may be on their journey of continuous improvement, is the best way to raise standards in the sector and to support empowerment and a fair share for those working within it.

## AT OUR OTHER BUSINESSES

### ELEMENT SIX

- Element Six are currently in the process of finding a more user-friendly solution to provide vendor due diligence, which is due to be implemented within 2023. A formal process will subsequently be implemented for onboarding vendors and reviewing any alerts received about vendors once on-boarded.

### LIGHTBOX

- Lightbox will continue applying its robust ethical business and social requirements and formalising this process to clearly define roles, responsibilities, and processes for ensuring corrective actions identified by the third-party auditor are responded to appropriately.
- Lightbox will also continue ensuring that all metal sourced by its jewellery manufacturers is done in accordance with the [Responsible Sourcing Policy for Metals, Minerals and Gemstones](#) and is appropriately recorded.

## BEYOND OUR BUSINESS

### UPSTREAM SUPPLY CHAIN

The objectives for responsible sourcing have been strongly maintained with the existing De Beers Supply Chain governance processes. From the onboarding of our suppliers to the contracts negotiated, extensive reviews have been conducted on our suppliers to ensure compliance with the Anglo American Responsible Sourcing programme.

The following activities are expected to be undertaken in 2023, with ongoing consideration of continuing our current efforts to protect human rights and eliminate modern slavery in line with Building Forever goals:

- Continuing to work with Anglo American to facilitate and enable the delivery of the Responsible Sourcing Standard targets for their upstream suppliers in the 2023 Building Forever 5-year plans for Venetia and Gahcho Kué mines.
- Continue with our efforts to train members of our supply chain teams and relevant business unit stakeholders on responsible sourcing.
- Continue engagement with supply chain leaders in our own managed and joint venture operations in Botswana and Namibia.



DE BEERS GROUP