

DE BEERS GROUP

DE BEERS PLC  
UK MODERN SLAVERY ACT  
STATEMENT

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FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

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*“The risks relating to modern slavery remain significant in an uncertain world, particularly as a result of the Covid-19 pandemic which has led to an increase in inequality and economic hardship. We at De Beers Group are committed to playing our part in fighting this scourge on global society, and we encourage all businesses to do everything they can to address this continuing challenge and to protect the most vulnerable among us.”*

**Bruce Cleaver**  
CEO, De Beers Group

## INTRODUCTION

This statement<sup>1</sup> is 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>. In accordance with [government guidance](#), De Beers Group has produced a group statement on behalf of the Act reporting entities.

The statement sets out the steps that De Beers Group has undertaken to identify and mitigate potential risks of modern slavery in its business and supply chains during the financial year ending 31 December 2021. It includes an update on progress during 2021 and our commitments for 2022. Our other statements have been published annually since 2017 and are available [here](#).

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

The following diagram (next page) shows a simplified overview of De Beers Group business units<sup>3</sup>. The purpose of this diagram is to assist the reader in understanding this statement; it is not intended to be a complete representation of the De Beers Group corporate structure.

<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 entities that we consider are subject to section 54 of the Act are: De Beers UK Limited, Forevermark UK Limited, Element Six Technologies Limited, Element Six (UK) Limited, and Charterhouse CAP Limited and the boards of each of these entities have approved the statement as applicable. Importantly, this statement also reports on our full Group, including our global operations and the following additional UK-based entities: De Beers Jewellers Limited, Element Six Holdings Limited, Element Six Abrasives Holdings Limited. Each of these entities has approved this statement.

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



<p><b>Global Exploration</b></p> <p>De Beers Group's prospecting and exploration unit. Explores for rough diamond deposits around the world.</p>	<p><b>Managed Operations</b></p> <p>De Beers Group's mining operation unit. Recovers rough diamonds from Gahcho Kué mine in Canada and Venetia mine in South Africa.</p>	<p><b>Diamond Trading</b></p> <p>De Beers Group's rough diamond sales and distribution function, comprised of Sightholder Sales and Auctions.</p>	<p><b>Ignite</b></p> <p>De Beers Group's innovation and technology function. Develops diamond mining, sorting and detection technology for the diamond industry.</p>	<p><b>De Beers Jewellers</b></p> <p>Represents the pinnacle of luxury diamond jewellery, present in approximately 30 of the most exclusive locations around the world.</p>	<p><b>Element Six</b></p> <p>Develops synthetic diamonds and supermaterials for use in technological and abrasive applications across a number of industries.</p>
<p><b>Debswana</b></p> <p>A 50/50 joint venture partnership with the Government of the Republic of Botswana. Recovers rough diamonds from the Jwaneng, Orapa and Letlhakane mines in Botswana.</p>	<p><b>Sightholder Sales</b></p> <p>Selling via term contracts to customers known as Sightholders through Global Sightholder Sales, as well as in-country selling businesses to support the development of local cutting and polishing operations.</p>	<p><b>De Beers Institute of Diamonds</b></p> <p>Provides grading services to the diamond industry via specialist facilities in the UK, India and Belgium, along with industry education and training services.</p>	<p><b>De Beers Forevermark</b></p> <p>Offers premium, contemporary diamond jewellery, largely available through a wholesale model, in more than 2,400 retail jewellers worldwide.</p>	<p><b>Lightbox</b></p> <p>Our laboratory-grown diamond jewellery brand, providing consumers with high-quality fashion jewellery designs for everyday, casual occasions.</p>	
<p><b>Namdeb Holdings</b></p> <p>A 50/50 joint venture partnership with the Government of the Republic of Namibia. Recovers rough diamonds on land in Namibia through Namdeb, as well as off the coast of Namibia through Debmarmine Namibia.</p>	<p><b>Auctions</b></p> <p>Sells approximately 10 per cent of De Beers Group's rough diamonds, by value, via online auctions.</p>				

## KEY DEVELOPMENTS WITHIN OUR BUSINESS IN 2021

In 2021, Covid-19 continued to represent a challenge across the world, including in the countries where we operate, even with the successful rollout of vaccinations across the world.

As a leader in the diamond industry and one of the largest employers in many of our partner countries, we take seriously our responsibility to pioneer paths through the pandemic and support longer term recovery. Across the Group, we have continued to take all necessary precautions and to follow government and public health directives and regulations to prioritise the safety and human rights of our workforce. Throughout 2021, we have also continued providing support to our people, our partners and the communities and countries we operate in, including:

- We pledged US\$6.8 million to support national vaccine procurement and roll-out programmes in Botswana and Namibia, and US\$270,000 to support Covid-19 response efforts for India's gem and jewellery industry, as the country was battling the second wave of the virus. The pledge built on the more than US\$10 million De Beers Group and its joint ventures have already contributed in both financial and in-kind support to assist diamond producing partner countries of Botswana, Canada, Namibia and South Africa respond to the pandemic.
- Together with Debswana and DTC Botswana, we assisted the Government of the Republic of Botswana to secure half a million doses of Moderna vaccine, by funding 40% of the cost of the vaccines. This enabled an acceleration of Botswana's national vaccination programme, in times of extremely high level of global demand for Covid-19 vaccines across the world.
- In total, De Beers Group and our joint venture partners have contributed US\$17 million through community response efforts to date, split between national relief funds and community and logistical support.

There were no substantial changes to our operations, with the only update related to the extension of Namdeb's mine life for land operations by up to 20 years. Namdeb is De Beers Group's joint venture with the Government of the Republic of Namibia. A series of positive engagements between the Namdeb management team and the Namibian Government have enabled the creation of a mutually beneficial new business plan, which seeks to deliver positive outcomes for the Namibian economy, the Namdeb business, employees, community partners and the wider diamond industry.

Finally, in 2021 the supply agreement for the new contracting period was finalised with Sightholders, which continued to require compliance with our proprietary Best Practice Principles programme (including strict human rights and modern slavery requirements) as a contractual requirement for all Sightholders. More details can be found in the “Programmes to Support Risk Assessment and Due Diligence” section.

### **Building Forever™**

De Beers Group recognises the role it 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 De Beers Group has set out to achieve by 2030. These goals concentrate on four clear pillars where we believe De Beers Group can make a meaningful impact: Leading Ethical Practices Across Industry, Partnering for Thriving Communities, Accelerating Equal Opportunity and Protecting the Natural World. Human rights are a critical foundation underpinning all Building Forever goals, in recognition of the importance De Beers Group places on maintaining its position as a human rights leader across the value chain.

As part of our Building Forever programme, in 2021 De Beers Group extended its global partnership with UN Women for a further five years, in pursuit of its mission to achieve gender parity by 2030. Within this extended partnership, we will also invest an additional US\$3 million to extend the AWOME (Accelerating Women-Owned Micro-Enterprises) programme in southern Africa, which was launched in 2017. The scheme has provided tailored business training and mentorship to more than 1,000 women entrepreneurs in Botswana, Namibia and South Africa to date, as well as qualifying over 50 local trainers to ensure its sustainable future.

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

### **Other Key Developments within our Business**

In 2021, De Beers Group applied to conduct exploration activities in north-eastern Angola following substantive and consistent reforms implemented by the Government enabling the country’s diamond endowment to underpin transformative socio-economic growth for local communities. This process will be carried out in line 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 De Beers Group has been following at its other operations, with the commitment to drive social change in countries working to reform their economies.

In addition, De Beers Group’s two jewellery brands, De Beers Forevermark and De Beers Jewellers™, have come together under a united leadership and business strategy to shape a coordinated offering focused on beautiful diamonds connecting consumers to De Beers’ Building Forever mission.

## UPDATE ON PROGRESS

### **Summary of actions taken during financial year ending 31 December 2021**

The following is an update against the commitments we made in our [2020 statement](#) to address the risk of modern slavery within the De Beers Group business, within its supply chain and within its diamond value chain.

## WITHIN OUR BUSINESS

### **ACROSS OUR GROUP**

The De Beers Best Practice Principles (BPP) Assurance Programme (BPP programme) applies to all diamond-related businesses across De Beers Group, from our rough diamond mines and sales entities through to our diamond jewellery retail entities. In 2021, key updates included:

- Strengthening, updating and making more visible our requirements on employment preparedness to identify, prevent and mitigate risks of adverse impact on workers' rights as a consequence of the Covid-19 pandemic, in accordance with applicable local law requirements. This allowed us to better embed the learnings of Covid-19 specific issues identified as a result of a review that was undertaken in 2020 of the Employment, Health & Safety and Human Rights sections of the BPP Programme. Enhancements included:
  - » Workers' compensation to always be above minimum wage, including when related to absence for reasons outside their control (such as government imposed self-isolation) or to changes to wages due to reduced onsite shifts.
  - » Policies and procedures in place to ensure workers' rights are respected during unforeseen times of crisis.
  - » Measures in place to identify and mitigate issues related to health and wellbeing, employment status and rights, privacy rights in so far as they relate to health surveillance, and equal treatment and the principles of non-discrimination.
  - » Measures to protect vulnerable workers from the virus.
  - » Redundancies or lay-offs undertaken in accordance with applicable law and in full respect of the human rights of the workers.

Throughout 2021 and into 2022, Anglo American, our parent company, has been working to achieve Living Wage employer status as certified by the Fair Wage Network. 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. This accreditation would cover all De Beers Group employees globally, including in our joint venture operations, and is expected to be awarded in 2022.

## AT OUR UPSTREAM OPERATIONS

[Social Way 3.0](#), our updated social performance management framework for our land-based mining operations, was launched in January 2020. The target is for our managed operations in South Africa and Canada to achieve full compliance with its requirements by the end of 2022 and for Debswana (our 50/50 joint venture with the Government of the Republic of Botswana) to achieve full compliance by the end of 2023. Following the life of mine extension of Namdeb's operations during 2021, the company is now in the process of adopting Social Way 3.0.

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. Namdeb's marine operations in Namibia also commenced the implementation of these two specific requirements during 2021.

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 Voluntary Principles on Security and Human Rights (VPSHR) and contractor social management, amongst others. In addition to this, 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

All requirements were assessed by external assurers at the end of 2021 and their findings will be incorporated into the sites' updated transition plans in Q1 2022. None of the findings identified related to modern slavery risks.

## AT OUR MINING OPERATIONS IN CLOSURE

During 2021, Voorspoed, Victor and Snap Lake mines, which have all ceased production, 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.

## AT OUR MIDSTREAM OPERATIONS

### Auctions

Auctions continues to be bound by the De Beers Group Responsible and Ethical Sourcing Policy for Diamonds (Responsible Sourcing Policy for Diamonds), which is aligned to the OECD Guidance. A revised version of the Responsible Sourcing Policy for Diamonds was [published](#) in Q2 2021. This ensures that whilst the majority of rough diamonds sold by Auctions are from our own managed or joint venture operations in Botswana, Canada, Namibia and South Africa, where third-party rough sourcing does take place, this is done so only from producers and sellers that meet strict ESG requirements as articulated in the Policy. More information on the Responsible Sourcing Policy for Diamonds is provided below under the "Governance, Policies, Programmes and Assurance for Human Rights" section of this statement.

### GemFair™

In 2021, GemFair continued to take steps to address the risk of modern slavery within its operations and the operations of its artisanal diamond mining (ASM) suppliers. These steps have included:

- GemFair further scaled the reach of its programme to include a further 85 mine sites during the year. Representatives from each participating mine site receive a suite of training and guidance on GemFair requirements for participation which include, among others, the prohibition of child labour, forced labour, violence and fair and transparent work agreements for everyone onsite.
- GemFair rolled out in-person training again, after a brief hiatus during the first wave of the Covid-19 pandemic. During 2021, 563 people were trained on human rights, fair labour practices and many other standards that help artisanal miners align with international best practice.
- GemFair also scaled its [Forward Purchase Agreement Programme](#), a fair and transparent way for eligible miners to receive financing for their operations. GemFair staff monitor participating mine sites on a weekly basis and after three years of progress, the participating mine sites exhibit a noticeable difference in their standards around health and safety, wages and environmental impact.
- At the end of 2021, GemFair commissioned a livelihoods follow-up assessment to the baseline conducted at the launch of the programme. The researchers carried out a survey with over 200 participants in the Kono District, where GemFair operates. There were no reported incidents of child labour or forced labour reported in the surveys. In addition, GemFair staff visit participating mine sites throughout the year to carry out announced and unannounced spot checks to verify that all the workers on site are there of their own free will and their rights are being respected by management.

## AT OUR DOWNSTREAM DIAMOND OPERATIONS

### De Beers Forevermark and De Beers Jewellers

As articulated in the revised [Responsible Sourcing Policy for Diamonds](#), De Beers Group's downstream brands adhere to a strict set of Fundamental Principles, aligned to the OECD Guidance, when undertaking any sourcing activities. This has been further strengthened by the publication our first [De Beers Responsible Sourcing Policy for Precious Metals, Minerals and Gemstones \(excluding Diamonds\) for Use in Jewellery Products](#) (Responsible Sourcing Policy for Metals and Minerals) which was published in September 2021 and sets strict criteria that our downstream brands must adhere to when sourcing metals and minerals other than diamonds, and the ethical credentials jewellery manufacturer counterparties must abide by. These two Policies combined reflect the significance and importance De Beers Group places on its downstream diamond operations managing and mitigating risks related to the sourcing of diamonds and other precious metals and minerals. In light of the publication of these Policies, further progress has been made by both brands:

## De Beers Jewellers (DBJ)

- 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 and jewellery manufacturers continue to be compliant with either the BPP programme and/or certified against the Responsible Jewellery Council's Code of Practices.

As per the requirements of the Responsible Sourcing Policy, new jewellery manufacturers are onboarded to the BPP programme and are provided with bespoke and tailored support on the applicable requirements. In 2021, this resulted in Major Infringements being identified at a newly added jewellery manufacturer's site. These infringements did not relate to forced labour or modern slavery issues and were not unusual for a participant's first year of participation. In the spirit of continuous improvement and driving best practice, support was offered to ensure the manufacturer established adequate documented corrective action plans, all of which were deemed acceptable by our independent third-party auditor. The manufacturer will be audited again in 2022 to ensure they are implementing demonstrating the corrective action plans.
- In addition, DBJ are sourcing all materials in accordance with the Responsible Sourcing Policies. Sourcing requirements are aligned to the OECD Guidance and mean that all approved sources have to meet robust ESG requirements, including those relating to human rights, forced labour and risks of modern slavery.
- In terms of its metal sourcing (gold and platinum) over the course of 2021, 100% of DBJ's newly mined platinum was sourced from Anglo American Platinum. The majority of the remainder of DBJ's sourcing of platinum and gold is from recycled sources, verified through chain of custody certification.

## De Beers Forevermark

- All De Beers Forevermark Diamantaires are Sightholders and therefore comply with the BPP programme. They are also required to participate in the De Beers Pipeline Integrity (PI) Programme.
  - » PI is a third-party assured programme focused on the implementation of rigorous management systems, controls, training, documentation, procedures and policies that demonstrate that the pipeline is segregated fully, is tracked and traced, and contains only eligible materials.
  - » Eligible materials are defined in the Responsible Sourcing Policy for Diamonds and therefore must meet the same strict and robust ESG requirements to be classified as eligible for the PI programme.
  - » In 2021, the PI programme was expanded to accommodate De Beers Code of Origin, a provenance programme providing greater sourcing transparency and assurance that the eligible diamond is natural and untreated. De Beers Code of Origin provides assurance that diamonds are discovered by De Beers Group's managed or joint venture mines in one of four sourcing countries: Botswana, Canada, Namibia or South Africa. Evidence of how eligible diamonds are tracked through the value chain from rough to polished until the point of inscription is underpinned by the Diamond Pipeline Integrity Specification (DPIS), a proprietary standard that verifies, through third-party assurance, the tracking and tracing of eligible diamonds across both physical and digital assets. Therefore, De Beers Code of Origin participants must disclose all entities, including contractors, within their group handling eligible goods on the De Beers SMART System and are subject to an annual PI third-party verification.
- De Beers Code of Origin Diamantaires are also required to participate and comply with the BPP programme.
- As well as this, throughout 2021, De Beers Forevermark continued with its pilot initiatives in the key De Beers Forevermark markets of USA, Japan and China where the business units were directly buying Forevermark-inscribed diamonds from De Beers Forevermark Diamantaires. As well as ensuring that all of the diamonds have been sourced in accordance with criteria stipulated by De Beers Forevermark, the Diamantaires also underwent third-party verification through both the BPP and PI programmes. A focus for 2021 has been on ensuring the De Beers Forevermark jewellery manufacturers also meet the strict ethical credentials stipulated within our Responsible Sourcing Policy for Metals and Minerals, and this is expected to be completed by the end of 2022.

## AT OUR OTHER BUSINESSES

### Tracr™

Tracr continued working with platform participants that are active in various stages of the diamond industry value chain, with De Beers Group currently being the only producer on the platform, and therefore subject to all of the assurance processes in place to identify and respond to human rights risks. Similarly, across the



midstream, all Tracr platform participants are De Beers Group Sightholders, and therefore fall under existing due diligence and assurance processes.

### **Element Six**

At the end of 2020, Element Six subscribed to a third-party platform to review third-party vendors and their shareholders, directors and beneficial owners. This information is then screened for sanctions as well as human rights and trafficking risks. Once the vendor information is uploaded on to the platform, Element Six is notified if there are any new sanctions or violations associated with the vendor or their stakeholder information. Throughout 2021, the process of uploading existing suppliers on to the platform took place. Up until October 2021, there had been no alerts in the modern slavery category.

### **Lightbox™**

Lightbox continued 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 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.

Throughout 2021, the due diligence performed on prospective business partners resulted in one new jewellery manufacturer being onboarded to the annual third-party assurance programme, and one new cutting and polishing contractor. 100% of Lightbox's core contractors (cutting and polishing and jewellery manufacturing) are assessed annually to ensure they meet strict ethical social and business requirements.

### **Institute of Diamonds**

The Institute of Diamonds (IoD) provides diamond grading and inscription services for natural and untreated diamonds and diamond testing services, using our own proprietary technology within our own laboratories. The process it adopts for managing modern slavery risks remains unchanged. These 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 in place, which seek to identify and respond to any modern slavery or human rights risks.

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

## **BEYOND OUR BUSINESS**

### **Within our Supply Chain**

Further to commitments made in 2020 and amidst the ongoing challenges of the Covid-19 pandemic, De Beers Group's Supply Chain has implemented the following in 2021:

- A transition to the Informed365 platform, which enhances the Self Assessment Questionnaire (SAQ) functionality, was extended to 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 2022. Based on this analysis, and where applicable, Corrective Action Plans (CAPs) will be requested from suppliers with realistic timeframes for monitoring and close out purposes. 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 De Beers 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.

- As the challenges of the Covid-19 pandemic continued, the ongoing risk of impacts on suppliers remains, such as their ability to deliver due to national lockdowns and the economic and recession planning impacts. However, these continued to be mitigated by increasing supplier relationship management and instituting supplier relief efforts, such as payment terms adjustment.

To further mitigate the increased possibility of human rights violations as a result of Covid-19, we have continued with our additional human rights and security checks for supplier onboarding:

- De Beers Group adopted the Anglo American Supplier Life-Cycle standard in its upstream operations, and has 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.

### **Within our Value Chain:**

- As mentioned above, the requirements of the BPP programme were enhanced to identify, prevent and mitigate risks of adverse impact on workers' rights as a consequence of the Covid-19 pandemic, by benchmarking them against international best practice, including World Health Organisation (WHO) and ISO Standard general guidelines.
- Following from our learnings in 2020 on the effects that the pandemic could have not just on workers' health and safety, but also on their employment and human rights, we increased our focus on these requirements in 2021, asking our customers to demonstrate that their current policies and procedures were aligned to local law and were taking into consideration aspects such as the protection of workers' salaries, management of layoffs and redundancies and protection of workers' vulnerabilities during unforeseen circumstances.
- Where issues were identified within Sightholders' operations, these were thoroughly investigated by both the independent third-party auditor (SGS) and the relevant De Beers Group teams, to understand any breaches of the BPP requirements. Where required, issues were escalated to the BPP Committee, which is our executive-led governance and decision-making body, responsible for taking action where serious non-compliance with the BPP requirements are identified.
  - » In 2021, one serious issue was identified by SGS relating to Covid-19 employment risks in one of our Sightholder's operations. This issue was not related to risks of forced labour or modern slavery. However, the issue was fully investigated which led to full corrective action being taken by the Sightholder, of which the evidence was reviewed and accepted by the third-party auditor. This demonstrates the value the Covid-19 requirements have had, and continue to have, in ensuring workers' rights have been protected during this time of uncertainty.
- In addition, within our Corporate Social and Investment Section of the BPP programme, we introduced reference to the Living Wage standards in 2022. Whilst this section does not impact Sightholders' overall compliance status, it does provide us with the opportunity to lead ethical practices across the industry and drive best practice. Throughout 2021, we undertook research on a number of different Fair Wage initiatives to better inform our understanding. This led to us introducing a new question for the 2022 BPP cycle, which asks Sightholders whether or not they are paying the living wage across any or all of their operations and, if so, against which standard. We also provided supporting guidance, including reference to leading living wage standards such as Fair Wage Network, Ethical Trading Initiative Base Code, Social Accountability International SA8000 Standard, and the Global Living Wage Coalition Anker Methodology. This work allows us to undertake a review of progress in this area across our value chain and closely aligns to the efforts being taken by our own Group efforts to achieve Living Wage employer status as certified by the Fair Wage Network.

# OVERVIEW OF DE BEERS GROUP AND OUR SUPPLY & VALUE CHAINS

## OUR BUSINESS

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. 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 Botswana, Canada, Namibia and South Africa is aggregated by De Beers Group's 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 Group's Auctions in Singapore.

### GemFair

GemFair offers a secure and transparent route to market for ethically sourced ASM diamonds through implementing a digital solution for mine sites that meet demonstrable ethical standards.

### Ignite

De Beers Group's Ignite has operations in South Africa and the UK, researching and developing varying technologies that impact mine life expansion, identifying new methods for verifying and sorting diamonds and producing technology that ensures all synthetic (laboratory-grown) diamonds and treatments (enhancements to diamonds) can be detected.

### Institute of Diamonds

IoD offers polished diamond grading services and uses proprietary 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.

### Brands

De Beers Group has two natural diamond brands: De Beers Forevermark (which includes Libert'aire by Forevermark) and De Beers Jewellers (DBJ).

DBJ is a global diamond jewellery retailer, with 21 stores in 6 consumer markets around the world. De Beers Forevermark offers an inscription, grading and branding service to diamantaires and retailers for eligible polished diamonds across 30 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% 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 De Beers Group business selling laboratory-grown diamond jewellery wholesale and online to consumers.

## Tracr

Tracr is an innovative Connected Value Chain platform initiated by De Beers Group. Using advanced technology including the internet of things, artificial intelligence, blockchain and state-of-the-art security and privacy, it connects the diamond industry's entire value chain and ensures provenance, traceability and authenticity of natural diamonds.

## Internal Function - Supply Chain

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

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

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

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

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

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

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## OUR SUPPLY CHAIN

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.

De Beers Group's Supply Chain activities include the provision of goods, labour and services to support the exploration, mining, transportation, aggregation, processing and technology development required for our business.

De Beers Group is 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 De Beers Group because it plays a key role in developing thriving and healthy host communities. Spend behaviour supports inclusive procurement, which increased to 73% in 2021 from 64% of total addressable spend during 2020. This increase is attributable to increased volumes by Canada mines and De Beers Marine Namibia.

Sourcing diamonds from ASM sources for GemFair continues to be conducted and governed through the GemFair Responsible ASM Assurance Programme, which requires artisanal miner participants to abide by our standards that assure mining and business practices are carried out in an ethical manner, in alignment with the [OECD Guidance](#).

# 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 the entry into force of the Act. This approach continues and has never been stronger.

## Key Human Rights International Frameworks and/or Standards

As a member of the United Nations Global Compact through Anglo American, we are committed to the United Nations Guiding Principles on Business and Human Rights by holding ourselves and those we work with accountable to honouring industry-leading requirements set out by the Social Way (our standard for inclusive engagement and social impact assessment and management), the Kimberley Process, the VPSHR and our BPP programme.

## BPP Programme

We work in close partnership with our Sightholders and their contractors engaged in diamond cutting, polishing, jewellery manufacturing and diamond jewellery retail to build trust and confidence throughout the diamond pipeline, which is supported by third-party auditing to verify compliance with our requirements through their participation in the BPP programme.

## Responsible Sourcing

All diamonds and precious metals, minerals and other gemstones sourced by 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 ensure and give confidence that the diamonds have not been sourced in ways which give rise to concerns of human rights impacts, conflict and modern slavery.

These practices are governed by both 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 diamond sourcing activities 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 sourcing business units. These include, but are not limited to, De Beers Group's 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 to the above, De Beers Group is further committed to transparency efforts that help to ensure, and evidence, confidence in its diamond and metal 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 2021 'Building Forever, our 2021 Sustainability Report', available [here](#). This report reflects on our 2021 approach to ethical sourcing and demonstrates how we have promoted responsible business practices both in our own business and in the wider value chain.

## Building Forever Framework

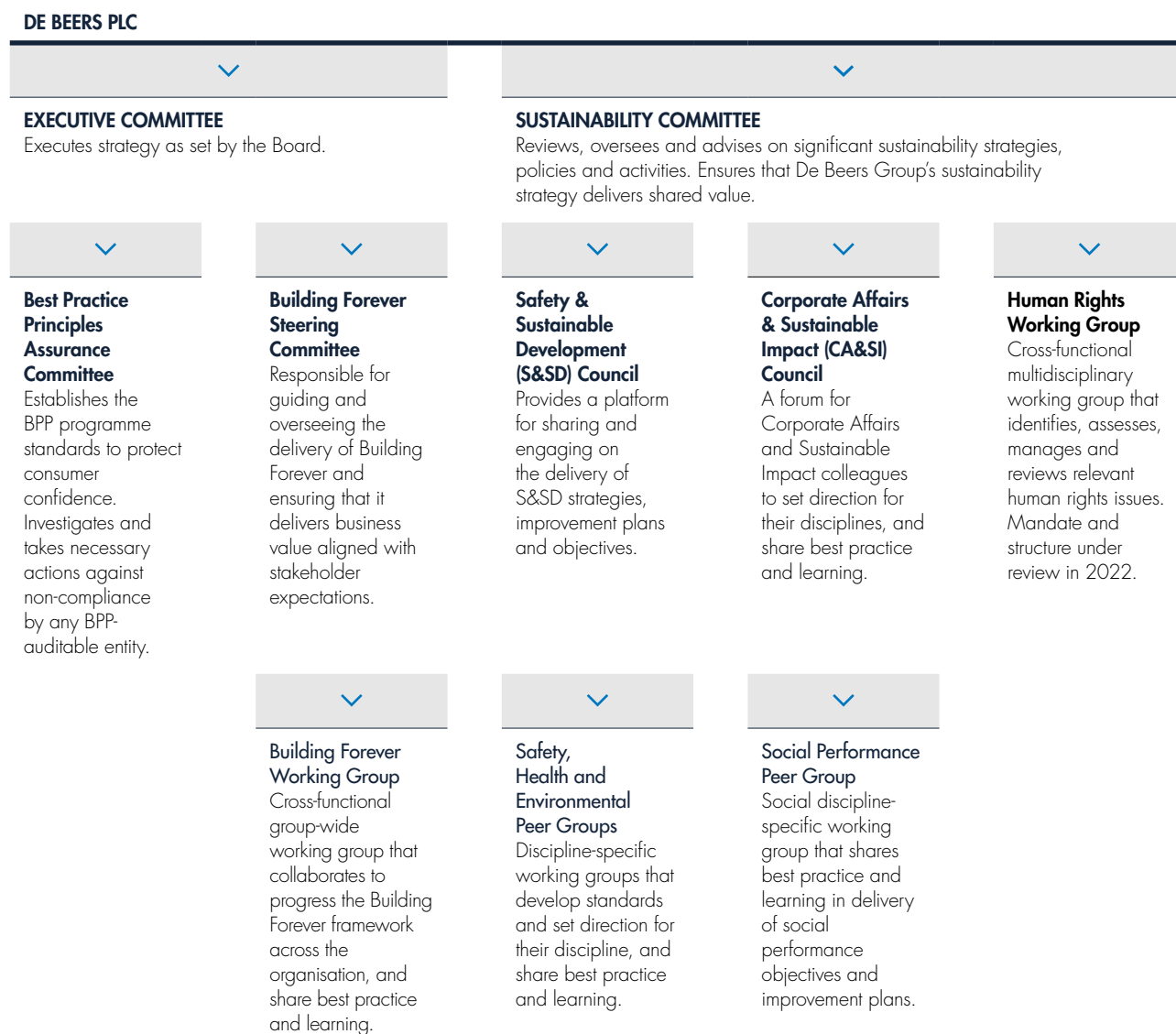
As mentioned above, Building Forever is our blueprint for a more positive and sustainable world. We have set 12 ambitious [goals](#) that we are determined to achieve by 2030. Respect for human rights and ethical integrity are critical foundations to the Building Forever framework and at the heart of our operating model of seeking to drive best practice across the diamond value chain.

## Governance

Accountability for sustainability at De Beers Group 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, our Human Rights Working Group seeks 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. The mandate and structure of the Human Rights Working Group will be under review in 2022.

A summary of De Beers Group's governance approach in 2021 is shown in here:



*Governance at De Beers Group (diagram 1)*

## **Policies, Procedures, Standards and/or Programmes**

In 2021, the following policies and standards underpinned our approach to managing modern slavery risk:

- [The De Beers Best Practice Principles and Assurance Programme](#)
- [De Beers Group](#) and [Element Six](#) Codes of Conduct
- [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](#)
- 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](#)
- [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](#)
- Lightbox Business Integrity Standards
- Lightbox Minimum Requirements for Supplier Engagement
- [Security Forces and Human Rights Policy](#)
- [Social Performance Policy](#)
- [Anglo American Social Way 3.0](#)
- De Beers Consolidated Mines Contractor Compliance Benchmark Standard
- [Anglo American Responsible Sourcing Standard for Suppliers](#)

## PROGRAMMES TO SUPPORT RISK ASSESSMENT AND DUE DILIGENCE

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

### 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 operations<sup>4</sup>, as well as to our Sightholders (the businesses that purchase the vast majority of De Beers Group rough diamonds) 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 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 Group would take measures to ensure they are eradicated in a rights-compatible manner, take appropriate commercial action and potentially impose sanctions in parallel until corrective actions are implemented.

The BPP programme requires that each relevant entity has policies and procedures in place to help 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 De Beers Group and all De Beers Group's on-site and substantial<sup>5</sup> 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. SGS annually visits 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 2021 BPP cycle, which ran from 1 January 2021 to 31 December 2021, the BPP programme covered 282,400 employees in 2,283 entities across 75 countries<sup>6</sup>. 119 verification visits took place, and 196 desktop reviews were conducted by SGS at De Beers Group, Sightholder entities and their relevant contractors.

Following the almost complete shift of on-site assessments to remote verifications in 2020 due to the unprecedented logistical and health and safety challenges caused by the Covid-19 pandemic, the Programme began to revert to its usual approach of conducting assessments on site in 2021, where possible. This was achieved by monitoring the situation in the key geographies where entities were selected for audits on an ongoing basis, to determine the ones where it would be safe to reinstate on-site verification.

Health and safety continued to remain our primary consideration, as we are committed to only running the Programme in ways which guarantee the safety of all participants and in accordance with any relevant government guidelines, policies or procedures. The above review led to the majority of audits (60%) still having to take place remotely to safeguard the health and safety of workers and auditors (more information is provided below).

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

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

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

<sup>6</sup> 2020 data from the De Beers Building Forever Report: Our Journey



## GEMFAIR RESPONSIBLE ASM ASSURANCE PROGRAMME

GemFair, which sources rough diamonds from 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, and
- 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 where required, including remedial training and action plans.
- Third-party audit of GemFair's due diligence management systems, as well as a sample of mine sites selling to GemFair. The first audit took place in 2019 and a subsequent audit took place in 2020. A third audit is scheduled for early 2022.

In addition to the Responsible ASM Assurance Programme, GemFair:

- Distributes a policy to miners which includes a section on forced labour and human trafficking and delivers 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 GemFair standards.

## SOCIAL WAY

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, addressing grievances) and in our work with contractors, including regarding 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 Social and Human Rights Impacts and Risks Assessment (SHIRA), which incorporates the 'principles and objectives' of human rights due diligence as set out in the UN Guiding Principles on Business and Human

Rights (UNGP). 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.

Mining operations are assessed annually to determine compliance with, and identify gaps in respect of, the requirements of the Social Way. During 2021, the mines were guided by transition plans with the target of having the managed operations (Venetia and Gahcho Kué) fully compliant by the end of 2022 and the Debswana operations (Jwaneng and Orapa) fully compliant by the end of 2023.

## SUPPLY CHAIN MANAGEMENT

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. Underpinning the delivery of these outcomes are our supplier partnerships: in 2021, we procured circa US\$2.4 billion of goods and services from more than 5,300 suppliers, of which 3,151 are South African and Canadian, 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, and
5. Conduct business fairly and with integrity.

The top suppliers by spend are the focus of the Anglo American Responsible Sourcing Standard and is applicable to both South African and Canadian suppliers. In 2021, 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 2022 to ensure we monitor and manage any changes within our 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, as part of Anglo American and De Beers Group's commitment to ensure fair and transparent business practices and to use our influence with suppliers to effectively manage those risks.

## VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS (VPSHR)

We maintained our strong human rights due diligence process across 2021 to ensure compliance with the VPSHR. This includes promoting awareness through cross-functional training and conducting robust risk assessments to identify and address security-related human rights risks at all of our operations.

As part of the [Social Way](#) 3.0 framework, mine sites undertook SHIRA workshops that further expanded on human rights across the upstream pipeline, with concerted, cross-functional efforts on identifying 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, cutting across our business.

## OTHER INITIATIVES

In addition to the above, for the purposes of the Group's other businesses, the following complementary initiatives continued to be in place during 2021:

- **Auctions** predominantly sells diamonds from De Beers Group's managed and joint venture operations, but is permitted to source third-party rough diamonds from approved producers, in line with the De Beers Group [Responsible Sourcing Policy for Diamonds](#) referred to above. Although in 2021, Auctions did not source any third-party rough diamonds, however, they did sell a small amount of existing third-party stock through their platform, in addition to the production from De Beers Group's managed and joint-venture operation goods, and GemFair goods. Third-party diamonds are always kept segregated from De Beers Group production and are sold as separate lots. This has been verified through a provenance claim we

had certified in 2021 as part of the Group's Responsible Jewellery Council (RJC) re-certification, as well as Auctions participation in the PI programme, which also began in 2021. When Auctions returns to third-party sourcing it will only do so in accordance with the Responsible Sourcing Policy for Diamonds, ensuring it only purchases diamonds from approved sources that meet our strict ESG criteria. Verification against the implementation of the Policy and its supporting processes is undertaken through independent third-party BPP audits and was also included in our recent RJC re-certification. 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 the Policy and any supporting documents.

- **DBJ** sources its diamonds in accordance with the Responsible Sourcing Policy for Diamonds. All DBJ's core diamond suppliers (which are determined by value) are compliant with the requirements of the BPP programme and/or are certified members of the RJC. Further information on DBJ's progress in these areas is included above under the "Update on Progress" section at our Downstream Diamond Operations.
- **Element Six** continues to annually audit tungsten carbide suppliers to ensure compliance with legal obligations. No issues have been highlighted to date.

## EFFECTIVENESS AND KEY PERFORMANCE INDICATORS (KPIs)

The procedures adopted by De Beers Group 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 as follows:

### SOCIAL WAY RESULTS

The implementation of the Venetia, Gahcho Kué, Jwaneng and Orapa mines' Social Way transition plans has been impacted by Covid-19 during 2020-2021, as the operations' Social Performance teams focused a lot on their activities to support their host communities in dealing with the consequences of the pandemic. The 2021 year-end Social Way assessments evaluated all of the applicable requirements of the Social Way 3.0 at each operation for the first time (only the five foundational requirements were assessed in 2020). The results of the assessments will be utilised to update the sites' transition plans during Q1 2022.

### OUTCOME OF BPP PROGRAMME VISITS WITHIN OUR BUSINESS AND WITHIN OUR VALUE CHAIN

In 2021, the BPP programme continued its usual twelve-month cycle (1 January to 31 December 2021). As mentioned above, despite the ongoing challenges of the Covid-19 pandemic, our primary focus was to ensure that the BPP programme could continue safely, whilst gradually starting to reintroduce on-site audits where possible, in recognition of physical third-party verification being a fundamental aspect of the Programme as well as its ability to evidence responsible business practices and commitments to human rights across the value chain.

Where it was not safe, possible or practical for the audit to take place physically, the audit was shifted to a Remote Assessment. As for the 2020 BPP cycle, Remote Assessments replicated on-site audits as far as possible, and included 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.

Another critical aspect of the BPP programme is the desktop review process, whereby SGS review one third of self-assessment workbooks submitted by a Sightholder group and De Beers Group. In 2020, a greater focus was placed on reviewing Corporate Headquarters (CHQ) entities, in recognition of the significant role they played in cascading Covid-19 safety measures across their entire organisation. However, in 2021 the desktop review process reverted to its usual approach, whereby a random and risk-based selection of workbooks are subject to review. This was in order to assess that the implementation of Covid-19 safety measures had indeed taken place and that employees across the value chain were protected against infringements to their rights.

## Within our business

A total of 54 self-assessment workbooks were submitted across De Beers Group and 11 workbook reviews were conducted during the 2021 BPP cycle. These have been rated in accordance with the BPP programme requirements and resulted in no infringements being identified. Two Improvement Opportunities were self-declared respectively in the 'Business Disclosure Practices' and 'Health and Safety' sections, of which none related to human rights requirements.

De Beers Group also successfully achieved re-certification against the revised 2019 RJC Code of Practices standard, with no non-conformances raised. The 2019 Code of Practices, as well as the BPP programme, include requirements on responsible sourcing aligned to the OECD Guidance, and therefore our re-certification importantly means De Beers Group demonstrated full compliance with these new requirements. More details on our responsible sourcing practices can be found in the 'Governance, Policies, Programmes and Assurance for Human Rights' section of this Statement.

In 2021, GemFair continued to participate in the BPP programme to demonstrate its compliance with the BPP requirements by undertaking a self-assessment and being on hand to respond to any questions or document requests from the auditor.

## 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. 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 disclosed on the BPP SMART System.

During the 2021 BPP cycle, 185 workbooks were reviewed and rated in accordance with the BPP programme requirements. In addition, 109 verification visits were completed based on the sampling requirements defined above. These included audits undertaken at the non-substantial contractor<sup>7</sup> 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	2021	2020	2019
Total number of Improvement Opportunities <sup>8</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing)	13	11	27
Total number of Minor Infringements <sup>9</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing)	24	5	13
Total number of Major Infringements <sup>10</sup> identified under Child Labour/Forced Labour/Human Rights (including Responsible Sourcing):	6	3	5

<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. 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 can be rectified within a short period and that, 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 can be rectified within a reasonable period and that, 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. No Material Breaches have been identified within these human rights indicators.

The 2021 cycle showed a considerable increase in the number of identified Minor Infringements, particularly relating to the section on responsible sourcing. The majority of the Major Infringements also identified were in relation to this section. This was largely expected due to both the full implementation of our responsible sourcing requirements, following their phased introduction in 2020 to familiarise Sightholders with these extensive new requirements and the fact that evidence of best practice in relation to responsible sourcing is increasingly receiving more scrutiny across the industry. As a leader in this area, De Beers Group takes seriously its responsibilities to ensure business partners across its value chain are adhering to our strict requirements as aligned to the OECD Guidance.

The higher number of infringements is also linked to the fact that more audits took place onsite during the 2021 BPP cycle, compared to 2020, which shows numbers more aligned to the 2018 and 2019 cycles as a result. Whilst there was undoubted value in conducting audits remotely, as a means of ensuring there was some level of verification undertaken without compromising health and safety, they cannot be a substitute to the increased ability to scrutinise responsible on-site business practices.

In addition, as mentioned above, 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 the downstream brands either participate in the BPP programme or certify against the RJC's Code of Practices. Therefore, throughout 2021 engagement has been taking place with suppliers which resulted in two new participants being onboarded to the BPP programme in 2021. This engagement is continuing in 2022.

A few infringements were identified for one of the two participants, which is not unusual for the first year of participation, and also explains the increase in numbers for the 2021 cycle. Of these, only one infringement (a Major) was identified related to human rights requirements, specifically linked to no evidence being available of any external human rights due diligence or risk assessment being conducted in relation to the entity's sourcing practices. By the start of 2022, the participant had provided acceptable corrective action plans to all Major Infringements. The implementation of these plans will be assessed during their 2022 audit.

Overall number of Major and Minor Infringements (consolidated) identified at client operations	2021	2020	2019
Business Responsibilities	<b>38</b>	<b>32</b>	<b>64</b>
Social Responsibilities	<b>113</b>	<b>32</b>	<b>147</b>
Environmental Responsibilities	<b>2</b>	<b>0</b>	<b>7</b>

### Pipeline Integrity

The De Beers Diamond Pipeline Integrity Specification 001:2022 forms the foundational standard for providing assurance that De Beers Code of Origin and De Beers Forevermark diamonds are tracked, traced and segregated from non-eligible diamonds. It was enhanced in 2021 to accommodate the De Beers Code of Origin programme. The standard includes an obligation on Authorised De Beers Forevermark and De Beers Code of Origin Diamantaires to participate in the BPP programme, and includes 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.

In 2021, a total of 151 PI audits were conducted. Eighty-one of these were De Beers Forevermark audits, 27 were De Beers Code of Origin audits and 43 were combined De Beers Forevermark and De Beers Code of Origin audits.

## Lightbox Contractor Participation

Lightbox's relevant contractors (1 cutting and polishing contractor and 2 jewellery manufacturing contractors) continued to be assessed against our ethical business, social and environmental practices, which include human rights and human trafficking requirements.

In terms of 2021 performance, no Major Infringements were identified for any of the three Lightbox's contractors. A new cutting and polishing contractor was identified at the end of 2021 and, having met our strict onboarding criteria, it will be assessed by an independent third party against applicable requirements from 2022 onwards.

## GEMFAIR MINE SITE ASSESSMENTS

In 2021, GemFair conducted 438 mine sites assessments of its 221 participating mine sites in Kono, Sierra Leone. Through observations and interviews carried out by GemFair staff, GemFair concluded that there were no reported or observed human rights abuses, including forced labour and child labour, on all the mine sites assessed or on transport routes.

GemFair's next assurance programme audit is set to be launched in Q1 2022.

## 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 2021 was 2,854 and the number of people trained in human rights was 5,838.
- **Best Practice Principles Training:** Online training was offered to existing BPP participants and new participants (Sightholders, their relevant contractors and relevant De Beers Group contractors). 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 which cover forced labour, child labour and human rights). 11 training sessions were offered to participants, of which six were new.
- **Training on Voluntary Principles on Security and Human Rights:** In 2021, a total of 654 (755 in 2020) employees, privately contracted security personnel and members of police services received training (conducted both in-class and e-learning) across all of our operations.
- **GemFair Training for ASM Miners:** GemFair rolled out 27 training sessions on responsible artisanal mining standards (such as human rights, child labour and forced labour prevention) and the GemFair traceability solution in 2021. Training in 2021 focused on identifying the key areas requiring improvement at all participating mine sites. The GemFair field team was then deployed to participating mine sites to carry out either a baseline site assessment — for newly onboarded sites — or a follow up visit to verify the member's progress in meeting the GemFair ASM Standard General Requirements with regards to labour, safety and environmental management standards. Additional hands-on training took place in situ, to help raise miners' standards on the spot.

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 within the Group, including modern slavery:

### ACROSS OUR GROUP

- Throughout 2022, we are working with Shift, a leading centre of expertise on the UN Guiding Principles on Business and Human Rights, having recently re-joined their [Business Learning Program](#). Shift will be providing support on building capacity and undertaking a critical review of a number of our key human rights initiatives. This work, which focuses on human rights broadly, will include:
  - » Reviewing how we publicly report on our human rights performance within the 'Building Forever, our 2021 Sustainability Report'.
  - » Providing a critical review to our Responsible Sourcing policies and offering recommendations for areas of improvement.
  - » Supporting on 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.
- As a result of our support from Shift, we will endeavour to update and improve our human rights initiatives accordingly.
- We will continue to report publicly and annually on progress and implementation of our diamond sourcing practices, in accordance with the Responsible Sourcing Policy for Diamonds and the OECD Guidance.
- We will review the mandate and structure of the Human Rights Working Group to ensure it remains fit for purpose.
- Throughout 2022, we will continue to implement our Responsible Sourcing Policies as part of the specific 'Responsible Sourcing' goal within the Building Forever framework. We will continue to work closely with all business units sourcing diamonds to ensure their commercial practices are implemented in accordance with the Responsible Sourcing Policy for Diamonds, and of which progress will be reported in the 'Building Forever, our 2021 Sustainability Report' published in 2022. We will also be focussing on the ongoing implementation of the Responsible Sourcing Policy for Metals and Minerals and engaging with our downstream brands to ensure their jewellery manufacturing business partners meet our strict ethical and sourcing criteria.
- We will work on ensuring that our updated ethical and sourcing requirements are embedded into applicable legal contracts with our business partners.

### AT OUR UPSTREAM OPERATIONS

- All managed mining operations, Venetia and Gahcho Kué, to achieve full compliance against the requirements of Social Way 3.0 by the end of 2022.
- Debswana operations, Jwaneng and Orapa, are targeting full compliance with the Social Way 3.0 by the end of 2023.
- Following the life of mine extension of Namdeb's operations during 2021, the company is now in the process of adopting Social Way 3.0. Their transition plan and compliance deadline will be informed by the results of a baseline assessment that will be conducted in February 2022.



## AT OUR MIDSTREAM OPERATIONS

### **GemFair:**

- Continue to incorporate risk management into GemFair's digital solution to enable more seamless monitoring of mineral suppliers' standards and required areas of improvement.
- Scale both the membership of the GemFair programme and the on-site training offering to enable more stakeholders to benefit from guidance in safer and rights-based mining practices.

## AT OUR OTHER BUSINESSES

### **Element Six**

- Element Six is always looking for ways to improve transparency within its supply chain. Modern slavery risks are discussed formally several times a year as a reoccurring agenda item at its Values Committee meetings, as well as quarterly modern slavery working group meetings.
- In 2022, an updated Code of Conduct for the Element Six Group is being launched, which embraces De Beers Group's modern slavery statements, with associated training for relevant employees. Element Six also hopes to formalise the procedure for onboarding suppliers to further improve our supply chain transparency.

### **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.
- In light of the recent publication of the Responsible Sourcing Policy for Metals and Minerals, Lightbox will continue ensuring that all metal sourced by its jewellery manufacturers is in accordance with the Policy and appropriately recorded.

## BEYOND OUR BUSINESS

### **Upstream Supply Chain**

The objectives for Responsible Sourcing have been strongly maintained with the existing De Beers Group's Supply Chain governance processes during the past two years amidst the Covid-19 pandemic impact. 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 will be undertaken in 2022, with ongoing consideration of continuing our current efforts to protect human rights and eliminate modern slavery in line with Building Forever goals:

1. 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 five-year plans for Venetia and Gahcho Kué mines.
2. Continue with our efforts to train members of our supply chain teams and relevant business unit stakeholders on responsible sourcing.
3. Continue engagement with supply chain leaders in our own managed and joint venture operations in Botswana and Namibia regarding the work currently ongoing relating to the Anglo American Responsible Sourcing Standard for Suppliers.

For further information on the Anglo American Responsible Sourcing Standard for Suppliers, the Anglo American Social Way and the 2021 Anglo American Modern Slavery Statement, please visit [www.angloamerican.com](http://www.angloamerican.com).

## WITHIN OUR DIAMOND VALUE CHAIN

- A key focus for 2022 will be to undertake a review of the BPP requirements on business integrity, sanctions and anti-money laundering to ensure our Sightholders continue to live up to the high standards of compliance we expect within these areas.
- We will also seek to review our human rights approach within the BPP programme based on the support we receive from Shift on our broader human rights approach. We will use the outcome of their review to provide more tailored guidance to our Sightholders as part of our commitment to lead ethical practices across the industry.
- As usual, we will seek to ensure the BPP requirements meet best practice standards and, where required, ensure we continue to achieve cross-recognition with the RJC's Code of Practices.
- Another focus will be to use the 2021 BPP cycle as a baseline to align the BPP programme to the Building Forever 2030 goals through the rolling out of the revised Corporate Social Investment and Business Impact section, by gathering insights on Sightholders' commitments and measurement approaches to initiatives relating to the advancement of human rights and protection of the environment. This also includes reviewing the responses received by Sightholders to the new questions on Living Wage introduced in 2021.

## COVID-19

Although parts of the world begin to return to a sense of normality, we recognise that the immediate and long-term effects of the Covid-19 pandemic continue to be felt, and particularly impact the most vulnerable members of our societies. In the event that any of our priorities for 2022 are impacted by the ongoing and lasting effects of the Covid-19 pandemic, we will ensure that we continue to place human rights as the critical foundation of our decision-making. This is as part of our commitments to supporting our people and our communities, and to addressing the risks not only in our business, but also across the wider industry.



**Bruce Cleaver**  
CEO, De Beers Group

20 July 2022

This statement was approved by the Board of De Beers plc on 20 July 2022.