

GEMFIELDS



Voluntary Principles on Security and Human Rights

CORPORATE PILLAR MEMBER ANNUAL REPORT 2023

INTRODUCTION

Gemfields is pleased to set out in this Annual Report its efforts to implement the Voluntary Principles on Security and Human Rights during 2023, thereby updating the Voluntary Principles Initiative and its Corporate Pillar Members of key events, initiatives and actions taken by Gemfields in this important area. This report will also cover, for completeness, material events in early 2024.

This is Gemfields' first report to the VPI since being admitted as a full member of the Corporate Pillar of the VPI in May 2023, and Gemfields is pleased to have joined this community of companies, civil society organisations and governments seeking to advance the Voluntary Principles on Security and Human Rights (“**VPSHR**”) in often challenging circumstances.

Gemfields' two key operations are its ruby mine in Montepuez, Mozambique (known as Montepuez Ruby Mining Limitada or “**MRM**”), and its emerald mine in the Zambian Copper Belt (known as Kagem Mining Limited, or “**Kagem**”). For a more in-depth look at Gemfields' corporate structure and other exploratory licences, please see Gemfields' VPI Engaged Company Report 2021.

COMMITMENT TO THE VOLUNTARY PRINCIPLES

Gemfields' statement of commitment

Senior management at Gemfields – comprising Sean Gilbertson (CEO), David Lovett (CFO), the Mozambique and Zambia Country Managing Directors, Toby Hewitt (Group General Counsel and Company Secretary), Edward Johnson (Corporate Responsibility Director), Magnus Van Der Merwe (Group Director, Protection Services), among many others – are both aware of and committed to the VPSHRs, their implementation and Gemfields' ongoing work with the VPI. There is a top-down approach in this regard, and we seek to have this commitment replicated throughout the operations.

We reiterate our core three principles in relation to the implementation of security and human rights:

1. To respect human rights by promoting compliance and transparency.
2. To take a human rights-focussed approach to risk at the operations and in the communities where Gemfields operates; and provide access to remedy where required.
3. To provide appropriate and proportional security at the operations without adversely impacting the human rights of our personnel or of the communities surrounding our operations.

Gemfields is committed to complying with the overarching principles of the Universal Declaration on Human Rights (“**UDHR**”), the VPSHR and United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”). Gemfields's commitment extends to raising awareness of human rights, and to sharing its knowledge and experiences with interested parties and stakeholders, as well as disseminating this commitment throughout its operations.

In addition, membership of the VPI and promotion of the VPSHRs were incorporated as part of Gemfields' key performance indicators as part of its overall ESG strategy, allowing Gemfields to continually strive to ingrain the VPSHRs in its overall business journey. A public statement of this commitment, including with reference to the VPSHR, can be found on Gemfields' website at: <https://gemfields.com/sustainability/our-approach/>

Gemfields further communicates its commitment to the VPI and the VPSHRs in both its public communications in open forums such as workshops, as well as in private communications with various stakeholders. Stakeholder initiatives and industry standards which Gemfields participates in such as VPI are included in slide decks when engaging with new and existing stakeholders.

Sean Gilbertson regularly attends gem and jewellery industry conferences, such as the International Coloured Gemstone Association (ICA) Congress in Dubai from 14-17 February 2023 and the World Jewellery Confederation (CIBJO) Congress Jaipur from 3-6 October 2023 as the keynote speaker, where membership and the importance of the VPI was highlighted.

Gemfields also engages with customers, such as leading luxury watch and jewellery retailers, where VPI membership is highlighted.

David Lovett (CFO) and Gemfields' Corporate Responsibility Director, Edward Johnson, met with Zambian Finance Minister Dr Situmbeko Musokotwane on 11 May 2023 and our commitment to the VPSHRs was emphasised.

Edward Johnson was a panellist at a Chatham House Africa Programme event on 29 June 2023 titled "*Voluntary initiatives and soft law governance of extractive industries in Africa*", where VPI membership was a central theme in his responses. Attendance at this event has led to increased engagement with the Zambian High Commissioner to London, Her Excellency Ms. Macenje Mazoka, including an opportunity on 15 September 2023 to present to High Commission staff on the benefits Gemfields' operations bring to Zambia and Mozambique, including our commitment to the VPSHR.

Engagement in the VPI

Gemfields has participated in the following VPI events:

- Edward Johnson attended the VPI Plenary in London from 25-26 May 2023, including attending a lunch with the delegation from the Ministry of Justice, Constitutional Affairs and Religious Affairs in Mozambique to hear from the Government and other stakeholders about the situation in Mozambique and any updates relating to the implementation of the VPSHRs and the possible candidacy of Mozambique in the VPI.
- On 21 November 2023, David Finlay, Gemfields' Corporate Responsibility Manager, attended an in-person UK VPI Working Group meeting at the UK's Foreign, Commonwealth and Development Office ("FCDO") to relaunch the UK working group. Gemfields supported aims to grow VPI membership, strengthen existing in-country working groups, including in Mozambique, and alignment of the VPI with wider multi-stakeholder initiatives such as the UNGPs.
- This led to an online meeting on 8 December 2023 with Edward Johnson, Paul Smith, Head of Responsible Extractives, Security and Technology, and Joan Fontaine, Security

and Human Rights Adviser, from the FCDO. Gemfields updated the FCDO on our activities focusing on VPI membership and security risks around human rights.

- Gemfields attended the IV Meeting of the Provincial Technical Working Group on the VPSHR of Cabo Delgado on 3 March 2023 at Wimba Sun Hotel, Pemba, Cabo Delgado. Magnus Van Der Merwe (Group Director, Protection Services) and Ernesto Macamo (Aerial Surveillance Manager, MRM) attended on behalf of MRM. On 6 March 2023, Ernesto Macamo attended the VI meeting of the VPSHR National Working Group in Maputo. On 7 May 2023, Ernesto Macamo attended the VII VPSHR National Working Group Meeting, in Maputo. On 26 July 2023, Ernesto Macamo attended the V Provincial Meeting of the Cabo Delgado Technical Working Group. On 13 October 2023, Magnus Van Der Merwe attended the VPSHR VIII meeting of the National Working Group in Maputo.
- On 30 May 2023, the VPSHR Mozambique Working Group / UNGPs by Mozambican companies was attended by Antonio Madure (Senior Legal Advisor, MRM).
- On 27 July 2023, Frank Bruyns (HOD, Protection Services) attended a conference on private security companies and human rights in Cabo Delgado, hosted by the Centre for Democracy and Human Rights (“**CDD**”) and Geneva Centre for Security Sector Governance (“**DCAF**”) in Pemba.
- On 7 December 2023, Ernesto Macamo attended the UNGPs Second National Meeting.
- Gemfields attended the meetings in early 2024 organised by the VPI with Corporate Pillar Members to discuss the Mozambican Government’s application to become a Government Member of the VPI, as well as the meeting with the Members and the Mozambican Government regarding the same. Gemfields found these meetings to be very helpful in understanding the challenges facing other businesses with operations in Mozambique and how they, in conjunction with the Government, propose to address them. Gemfields welcomes the Government’s application to the VPI and hopes that the Government’s commitment to implementing the VPSHRs will provide a further opportunity for constructive engagement in relation to the country’s most pressing challenges.
- Gemfields has also engaged bilaterally with other Corporate Pillar Members with operations in Mozambique to share knowledge and information on how best to respond to such key challenges, not least the ongoing insurgency. MRM has had other companies visit the mine to allow for the exchange of tips on best practice in areas such as body cameras, the use of drones and human rights, amongst many others. Gemfields is committed to working with other VPI members to share such information (where possible) to foster greater understanding and shared experience as it relates to the VPSHRs.

Promotion of the VPSHRs

Gemfields is keen to take the opportunity to promote the VPSHRs and raise awareness of the same both internally and externally. For example:

- Gemfields works with various NGOs and civil society organisations to promote the VPSHRs, such as the CDD, which is an organisation headquartered in Maputo, Mozambique, working to promote human rights advocacy including defending justice, equality, and dignity for everyone. On 28 February 2023, Dr Adriano Nuvunga and Abdul Gafar Monteiro Tavares from the CDD and the DCAF were invited to visit MRM. The purpose of the visit was to enable them to get to know the company and operations better and learn about the mechanisms that MRM uses to ensure compliance with human rights, and in preparation for the IV Provincial Technical Working Group in Pemba. The visitors congratulated MRM on the work and asked for more to be done for the community.
- Gemfields supported CDD on 22 March 2023 by attending the launch of their book titled “*Extractive Sector Governance and Violent Conflict in Mozambique*”, in Maputo.
- Similarly, Gemfields works with DCAF which aims to provide medium- to long-term support to local, national and regional stakeholders in sub-Saharan Africa for the development of effective security institutions that are accountable to the state and its citizens. Sebastien Caldana joined the visit to MRM on 28 February and the 4th meeting of the Provincial Technical Working Group in Maputo on 3 March.
- Magnus Van Der Merwe attended a “*Socially Responsible Security in Fragile States*” meeting in Maputo on 1 March 2023. Magnus presented the challenges experienced at MRM and shared solutions, and progress made, to the wider audience.
- In October 2023, MRM’s Legal Counsel, Antonio Madure, attended a workshop organised by the Democracy and Human Rights Centre to discuss the existing legal framework in Mozambique concerning the implementation of the UNGPs. This included consideration of access to remedy, which is an important aspect of Gemfields’ ongoing work on its Operational Grievance Mechanisms (see further below), which seek to provide remedy for, and prevent the recurrence of, any alleged breaches of human rights.

POLICIES, PROCEDURES AND RELATED ACTIVITIES

Policies and procedures

At a corporate level, the VPSHRs are enshrined into the Gemfields Group Policy Manual and Standard Operating Procedures (the “**GPM**”), which is the Group-wide document setting out the policies and procedures applicable to the whole business. In order to make the GPM more accessible and navigable, during 2023 Gemfields undertook a review and streamlining exercise of the previous version of the GPM, launching the new version in early 2024. This was communicated to all Gemfields Group employees (which includes those at the Mozambican, Zambian and other operations) and Gemfields expects that this will maximise awareness of and compliance with the GPM, including in relation to VPSHR.

Within the GPM, the Gemfields Group Human Rights Policy sets out the key obligations in relation to respecting the UDHR and security being appropriate and proportionate to threat. Underscoring Gemfields’ commitment to promoting compliance with the VPSHR throughout the organisation, one of the primary policy obligations is to:

“Promote respect and understanding for human rights across the entire organisation by providing training to employees, trainees, interns and public security force personnel on human rights and the Voluntary Principles on Security and Human Rights (“VPSHR”).”

The GPM includes the Gemfields Group Human Rights Incident Reporting & Investigations Policy, which clearly sets out that all protection service officers and contractors are responsible for the mandatory reporting of allegations of human rights violations immediately through their chain of command, and that failure to report a violation or suspected violation will result in disciplinary action.

The policy sets out the reporting chain of command and timeline. Reports are to be made immediately from patrol or security personnel, and can be made verbally, or via Gemfields’ QUORI reporting system, SMS, mobile, or radio. The immediate report must be submitted as soon as it is safe to do so, or at the latest by the end of a patrol/shift. Within no more than 12 hours, the immediate report must be made into a formal initial written report (email or standard project incident report format) and sent to the Project Head Protection Services, who will submit an initial report on Gemfields’ internal “G-Trac” system. The Project Head Protection Services will request an investigation into any alleged incident involving, among other things, the use of force, the discharge of a weapon, or any violations of human rights. An investigation then needs to be conducted in accordance with procedure.

Other key policies in the “*Security and Human Rights*” section include:

- Gemfields Group Artisanal Mining Policy
- Gemfields Group Protection Services Policy
- MRM Guard Posting Procedure
- Gemfields Group Patrols, Apprehension & Detention Policy
- Gemfields Group Use of Force Policy & Graduated Force Response
- Kagem Safe Handling and Storage of Company Firearms
- Kagem Use of Firearms and Live Ammunition Procedure
- Gemfields Group Use of Canines (K9) Policy
- Gemfields Group Body-Worn Security Recording Devices (Bodycams) Policy

Security structure

Gemfields operates the following levels of security as its main operations:

- Internal security, who are employed under a contract of employment (referred to as “*Protection Services*”).
- Private security contractors, who are contracted to assist Protection Services with security operations (currently GardaWorld).
- Public security forces, provided by the relevant Government to support the operations.

Police lead Protection Services and GardaWorld on joint patrols inside of the concessions. Police, being representatives of the state, act on the state’s behalf and do not take instructions from MRM, Kagem (or the relevant Group entity, as appropriate) or GardaWorld. The police are responsible for making any arrests they deem fit, and we are there to support as required.

Generally, at Gemfields' exploration sites, limited numbers of private security contractors are used in a static guarding capacity only. Protection Services may provide ad-hoc additional support to exploration sites but largely, exploration sites do not have dedicated contracted Protection Services personnel. Management oversight from the main operations is provided to exploration sites via private security contracting arrangements.

Risk management and assessment

Gemfields continues to use the Enterprise Risk Management System (“**ERM**”), based on the ISO31000 international risk management standard, which is set out in more detail in Gemfields' Engaged Company Implementation Plan Report. This involves the use of a register in which various risks are categorised and overseen by a specific individual, such as HOD Protection Services, Group Director Protection Services, Head of Risk and Assurance, and others. The ERM is stored on Gemfields' internal “G-Trac” system, and key risks are reported to the Gemfields Group Risk Council which monitors the Group's overall risks. The Risk Council reports into the Gemfields Group Audit Committee and thence to the full Gemfields Group Board.

Anuera, a third-party risk management organisation who provides training, investigatory and advisory services to the Group, assists Gemfields in its assessment of risks as part of Anuera's overall engagement with Gemfields' operations in Mozambique and Zambia. Anuera plays a key role in Gemfields' implementation of the VPSHRs, conducting, where required, independent investigations into sensitive VPSHR matters arising, engaging with Protection Services teams on security issues and advising both the operations and at the Group level as needed.

In recent months, Gemfields has begun a review exercise to update and develop its human rights due diligence (“**HRDD**”). This is part of a continual journey to ensure that its processes and procedures are commensurate to the evolving risks it faces as a business and in light of evolving operational circumstances, the changing regulatory landscape and changing expectations in the sector. While HRDD has already been an expectation of the UNGPs and is an important part of implementing the VPSHRs, Gemfields is aware that in recent years, there has been a rise in legislation requiring HRDD, particularly in Europe, which adopt the approach to HRDD set out in the UNGPs. This includes the Corporate Sustainability Due Diligence Directive (“**CSDDD**”) which will apply to certain companies incorporated in or operating in the EU. Even if Gemfields is not caught directly within the scope of such legislation, many of Gemfields' downstream customers will be. Companies that fall within the scope of CSDDD will be required to identify actual and potential adverse human rights impacts not only in their own operations but also in upstream and downstream business partners.

Additionally, HRDD is a key part of MRM's efforts towards aligning with the responsible mining standard promoted by the Initiative for Responsible Mining Assurance (“**IRMA**”). The standard is divided in 24 thematic ‘chapters’, including a dedicated chapter for HRDD work, and intersecting HRDD related requirements across a host of parallel chapters – including security, conflict-affected and high-risk areas (“**CAHRA**”), grievance mechanisms, community engagement and beyond. At its core, across these criteria and chapters, IRMA seeks to support the establishment of a robust HRDD risk management system including, amongst others, proactive human rights risk assessments and annual risk-management plans. Gemfields and MRM are working towards an independent audit by IRMA-accredited auditors to enable verification against IRMA's Responsible Mining Standard within 2024 or early 2025.

Engagement with Security Forces

Reporting security incidents with human rights implications

Gemfields' clear and consistent policy, as set out in the GPM mentioned above, is that:

“all security personnel (in-house, private or public) are required to report human rights violations in accordance with the Group’s Grievance, Incident & Near Miss reporting Policy. This includes both human rights violations that have been witnessed first-hand, and credible and evidenced allegations of human rights violations.”

All “Grievances, Incidents, Near-Misses and Accidents” (“GINAs”) are uploaded to Gemfields’ internal system “G-Trac” to be reviewed and addressed by the relevant individual.

In terms of public security, in both Zambia and Mozambique, Gemfields has open lines of communication with the relevant commissioners, police forces, and military officials such that should any issues arise, reports can be made accordingly.

In Mozambique, these are highlighted to the Provincial Police Commander in Pemba. In Zambia, these are highlighted to the Kanfinsa Commander, or, if needed, the Police Commissioner in Ndola. Once referred, they will take the necessary disciplinary actions as Gemfields does not have jurisdiction over public security forces. As police forces are on site and open lines of communication are established in regular meetings where commanders are present, cases are discussed in person and followed up. For example, there is a daily morning meeting at both Kagem and MRM attended by internal security, the commanders of the public security forces and the managers of private security contractors, to discuss any incidents from the prior 24 hours and any possible or expected risks in the coming 24 hours, including specifically in relation to VPSHR risks.

Additionally, when MRM requested military assistance and resource from the FADM in Mozambique to assist in protecting against the insurgency, MRM provided VPSHR training to FADM personnel immediately upon their arrival on site. Similarly, when special police operations are required at MRM, additional VPSHR training is then provided to the police forces prior to the operation. Kagem has not yet had instances where this has been necessary, but would follow the same protocol should that arise.

Procedure for incorporating VPSHRs into relationship with security providers

GardaWorld have been providing private security services to MRM since 2020 and Kagem since 2022 (as well as other Gemfields Group concession areas), and there have been no material changes to the procedure for engaging private security services during that time. Gemfields requires GardaWorld’s compliance with, amongst many others, the VPSHRs, the UDHR, and the Rules for the Use of Force, and to provide regular training to its personnel on the same. GardaWorld is a member of the VPI.

Gemfields also seeks to take appropriate steps in its relationship with private security providers in response to the evolving threats and risks it faces. For example, as a result of the worrying escalation of the insurgency throughout 2023, MRM needed to request that GardaWorld station

additional armed guards on site. The guards were specifically selected and, in addition to the usual criminal background checks, were subjected to polygraph examinations where the focus of questioning was on the involvement in human right abuses.

The Memoranda of Understanding between MRM and the Mozambican Police, and Kagem and the Zambian Police, respectively, contain clauses requiring VPSHR compliance.

Routine training on VPSHR, the UNGPs and human rights more generally is provided to employees at our operations, as well as to public security forces. Gemfields does not train GardaWorld employees, but requires GardaWorld to provide us with proof of training.

The below tables outline our training statistics at MRM and Kagem:

Montepuez Ruby Mining

HR/VPSHR	Mozambique												
	2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
General staff	23	27	9	10	48	46	14	61	42	17	64	39	400
Protection Services	2	0	0	40	0	16	0	0	2	47	0	0	107
Public security	29	20	63	31	37	28	38	20	48	0	63	62	439
Total training contact points	54	47	72	81	85	90	52	81	92	64	127	101	946

Kagem Mining Limited

HR/VPSHR	Zambia												
	2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
General staff	1	0	0	0	13	7	4	2	1	9	5	1	43
Protection Services	0	84	0	86	0	53	1	2	17	48	11	33	335
Public security	0	0	0	0	0	0	0	15	0	0	10	0	25
Total training contact points	1	84	0	86	13	60	5	19	18	57	26	34	403

To give some context to the wider intervals between VPSHR training provided to public security forces at Kagem as compared with MRM, public security force engagements were more frequent at MRM than at Kagem and so training levels provided followed accordingly.

Training includes clear messaging on the VPSHRs and the UNGPs. Additionally, employees and others working at the operations are also aware of the purpose of the OGMs, namely to provide remedy to communities for any negative human rights impacts caused by Gemfields' operations. One of the perhaps unintended consequences of Gemfields' strong messaging on this is that security forces have in some instances reported that they are hesitant to use force in response to often very significant violence shown to them by, for example, illegal miners. This is because of the extensive training on the need to respect the human rights of the illegal miners and for fear of being found to be in breach of human rights policies. Gemfields has provided training on the appropriate use of force, per the Gemfields Group Use of Force & Graduated Force Response Policy, but additional training was provided by Human Level (the human rights consultancy, led by the pre-eminent Anna Triponel) in light of this concern.

Investigation and remediation of security / human rights incidents by public and private security

The above notwithstanding, there have also regrettably been incidents where the conduct of security personnel has on occasion fallen short of that expected of them under their human rights obligations (including under the VPSHRs), in response to the alarming increase in violent and large-scale illegal miner intrusions on to the MRM concession. Typically in response to such an incident, Gemfields would instruct Anuera to conduct an independent investigation into any alleged misconduct, require the immediate removal of any offending personnel, and formally reiterate our standards and zero-tolerance approach whilst reviewing contractual arrangements. Gemfields would follow up on any lessons learned and implement any necessary enhanced training to prevent such incidents occurring again.

Operational Grievance Mechanisms

Both MRM and Kagem operate Operational Grievance Mechanisms (“**OGM**”) in order to investigate and remedy any alleged negative human rights impacts on local communities caused by the operations' activities.

MRM OGM

As outlined in previous reports, the MRM OGM launched on the 4 February 2021 following a public awareness campaign and the completion of a pilot phase. The OGM had an initial mandate of two years. This timeframe was built in to provide an opportunity for reflection on the effectiveness of the system. In February 2023, the OGM reached this two-year milestone and MRM has accordingly conducted a review of the functioning of the OGM in conjunction with external human rights expert advisory firm, Human Level. As part of the review, significant engagement was conducted with affected stakeholders, including gender specific groups, representatives of OGM 1.0, including the Secretariat, Fact Finding Team, Independent Panel, and the Independent Monitor. In addition, civil society organisations operating in the area and other relevant experts were consulted.

As part of this engagement, during the week commencing 29 May 2023, an independently mediated meeting took place between MRM and representatives of the communities. The objective was to reach agreement on the following:

1. to close out unresolved historical claims lodged with the OGM; and
2. to phase out the current OGM and replace it with a new simplified mechanism that can facilitate effective remediation for grievances raised by community members through a dialogue-based process.

These efforts resulted in agreement on the following:

- Closure of OGM 1.0: All outstanding grievances filed with OGM 1.0 that relate to alleged incidents occurring between 1 January 2012 and 31 December 2018 are closed.
- Symbolic payments: A fund of MZM 50 million established, to be distributed among claimants who have outstanding grievances, allocated based on the gravity of the alleged incident that gave rise to the grievance.
- Community remediation: MRM committed to implementing a collective approach to remedy focused on education and training, employment opportunities, livelihoods, health and wellness, infrastructure and land, collaboration and trust. In turn the community committed to obligations such as encouraging their children to attend school instead of going to the MRM concession.
- New re-modelled OGM: OGM 2.0 implemented to allow for a more flexible, more effective and less time-consuming complaint mechanism based on the principles of efficiency, direct communication and mediation. OGM 2.0 will accept grievances where the alleged harm occurred on or after 1 January 2019.

These measures are set out in a formal Community Remediation Agreement. The measures are intended to more effectively provide remedy for broader groups of affected community members (including and beyond those having filed specific claims, such as many women and children and other vulnerable groups, such as those experiencing physical and mental trauma). OGM 2.0 is intended to allow for a more flexible, more effective and less time-consuming complaint mechanism based on the principles of efficiency, direct communication and mediation. It is company run with recourse to independent experts as needed.

OGM 2.0 experienced a surge in cases since the signing of the Agreement, with a total of 1,243 cases received. However, only 48% of them fell within the defined scope. Among the 600 eligible cases, 41% (245 cases) were deemed unsubstantiated, indicating either false claims or insufficient information, leaving 355 eligible cases for investigation. An initial set of mediations under OGM 2.0 took place in early 2024.

Kagem OGM

The Kagem OGM was set up in November 2022 and formally launched in March 2023 with a public awareness campaign, for communities nearby the Kagem Emerald Mine. It is established and run in accordance with the UNGPs. Its structure results from significant stakeholder

engagement, including with local community members, learnings from other OGMs and input from human rights experts, in particular Human Level.

The Kagem OGM takes a mediation-based approach with all claims sought to be resolved through dialogue and mediation. This differs from the MRM OGM 1.0, which was an adjudication-based process, and is similar to what has been implemented in MRM OGM 2.0

As of 8 May 2023 the OGM has received 673 “contacts” via its various access points (the toll-free line, grievances boxes and walk-ins). However, the majority of the contacts relate to requests for employment, community support, financial and personal support, updates on current projects or non-OGM topics. All contacts are triaged and sent to the appropriate Kagem team to be handled. The Kagem OGM has received three grievances – that is, claims that relate to negative human rights impacts allegedly connected to Gemfields and its operations. Of those, one was out of scope of the OGM as it related to a claim for alleged conduct prior to Gemfields’ ownership of the Kagem mine. The remaining two grievances have been closed for inability to establish sustained contact with the claimants, despite several attempts, as per the process agreed with the Kagem OGM’s UNGPs expert, Lloyd Lipsett. Should the claimants choose to make contact with the Kagem OGM to progress their cases, they will be processed by the Kagem OGM in the usual way.

COUNTRY IMPLEMENTATION – MOZAMBIQUE AND ZAMBIA

Many of the topics covered in the Country Implementation section of the Reporting Guidelines have already been covered above where appropriate, but Gemfields wanted to take this opportunity to outline some of the country-specific challenges it has faced in Mozambique in particular. Such issues as outlined below have led to the formation of a Working Group comprising Gemfields and MRM representatives and representatives from the Mozambican Government.

First, the insurgency in Cabo Delgado has proved extremely challenging and a source of significant concern for all those at MRM, and Gemfields more widely, as the protection and safety of personnel and assets are paramount. It is hard to overstate the significance of the insurgency on Gemfields Group companies operating in Mozambique - indeed, on 14 February 2023, each of the Nairito Companies (which are part of the Gemfields Group) gave written notice to the Government of Mozambique declaring force majeure pursuant to Article 147.3 of the Mining Law Regulations. MRM deeply appreciates the presence of the Mozambican military (FADM) at MRM to assist in protecting against the risk posed by the insurgency, and is keen to ensure that protection is at all times sufficient. There is also significant concern that insurgents have and will seek to infiltrate the districts where we operate by posing as illegal miners or participating in illegal mining to finance the insurgency. Early on the morning of 2 February 2024, a suspected scout for the insurgents was apprehended by the FADM whilst trying to climb the hill where the FADM contingent was deployed.

Second, MRM has recently experienced an increase in illegal mining activity and increased aggression from intruders entering the MRM concession equipped to carry out illegal mining. For example, on 6 December 2023, MRM’s Protection Services department identified a group of over 80 intruders on the MRM concession. The incident resulted in eight members of the MRM security team sustaining injuries. Later that day, there was a separate incident in which MRM’s aerial surveillance identified a group of 22 individuals undertaking illegal mining activities on the MRM concession. Security personnel and the police were again dispatched to the location, where they

were met with aggression from and were advanced upon by the intruders. The incident resulted in three illegal miners sustaining injuries to the leg. As part of Gemfields' ongoing commitment to transparency in relation to major incidents, MRM sent media advisories to local media and Mozambican dignitaries to inform them of the incident.

These incidents were also brought to the attention of the authorities both at provincial and federal levels with the request that action be taken against those who are financing, facilitating and encouraging the illegal trade in Mozambican rubies. MRM has been pushing for urgent and effective measures to be taken to improve the civilian law enforcement apparatus in the area and have made a number of representations to the Government concerning our suggestion to reduce illegal mining and trading by amending the mining law to close the current loopholes which are being exploited by the often-foreign ruby smuggling syndicates and which currently make it lawful to export stolen and illegally mined rubies. MRM would like to see it be made illegal for any party to export a rough, uncut, ruby unless that party is the holder of a valid ruby mining concession under the terms of the Mining Law, promulgating clear advantages to the people of Mozambique of such a change of law.

Gemfields is conscious that much of this VPI Annual Report 2023 cover matters in Mozambique, with a lesser focus on operations in Zambia. The situation in Mozambique over the last year has proven much more complex and challenging for Gemfields than that in Zambia, particularly as it relates to VPSHR issues given the twin threats in Mozambique of the insurgency and increased illegal mining. However, Kagem is not without its challenges in respect of illegal mining and Kagem is pursuing a number of projects in the local communities aimed at addressing some of the underlying issues associated with it.

Gemfields plans to consider going forward how Kagem can participate more actively in the VPI process, including the promotion of the VPSHRs, in the Zambian context.