



ROSY BLUE

MORE THAN DIAMONDS

2022

REPORT

GOVERNANCE
& COMPLIANCE

SOCIAL FAIRNESS
& EQUALITY

ENVIRONMENTAL
SUSTAINABILITY

VALUE CHAIN
RESPONSIBILITY

A GOOD YEAR FOR DIAMONDS

2022 continued to see robust global demand for diamonds, jewellery and luxury goods in general. We witnessed a continued desire to celebrate life's special moments and express love and joy. The desire to gift natural diamond jewellery was kindled with an unforgettable sparkle.

At Rosy Blue we have continued to strengthen our bonds with key stakeholders. Our core focus continues to be built around understanding and delivering on the needs and goals of our wonderful customers. To sustain this vision, we are deeply grateful to have the trust and support of our upstream mining partners, with whom we have developed stronger collaborative strategies. We also continue to enjoy sound relationships with our various industry partners, from financial operators to machinery and technology providers, and the various service providers, each carefully selected for being the leaders in their respective roles.



Ravi Bhansali
MANAGING DIRECTOR
ROSY BLUE NV

“We are proud to share that our vision has been embraced by all of the men and women of Rosy Blue, and through their aligned efforts we continue to see a bright future.”

We are proud to share that our vision has been embraced by all of the men and women of Rosy Blue, and through their aligned efforts we continue to see a bright future. Finally, all of this has been underpinned by various audits, awards and our representation in multiple renowned trade organisations and initiatives.

In this report, we are proud to take you through our company's profile, sustainability strategy and the various levels of responsible compliance standards. We have also compiled information and highlighted last year's achievements regarding our efforts in social matters and engagements, environmental sustainability and value-chain responsibility.

Crafted with the same care and passion that goes into our manufacturing operations, this report embodies the raison d'être of our company: to deliver beautiful diamonds & jewellery that are responsibly sourced and processed, all while making a positive impact on society and our planet, and thereby making those special moments of celebration sparkle with love.



Russell Mehta
Managing Director
ROSY BLUE (INDIA) PVT. LTD.

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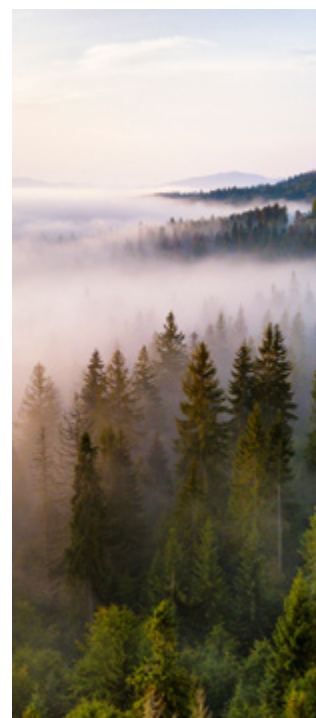
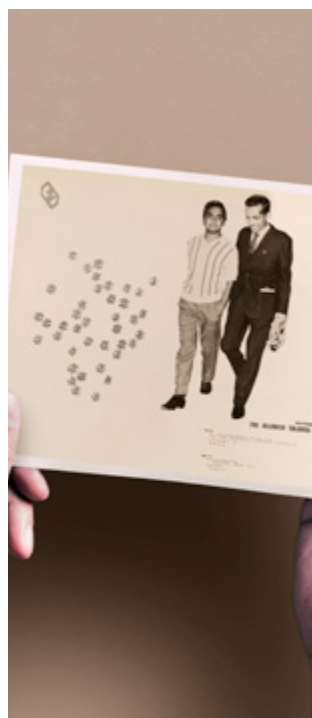
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The Forest Stewardship Council® (FSC®) is an international certification system for forest management. Ten globally valid principles guarantee that wood and paper products with the FSC® seal come from responsibly managed forests.



OUR HERITAGE

Our business was founded in 1960 by Arunkumar Mehta and his uncle Bhanuchandra Bhansali. Since then, Rosy Blue has grown exponentially, as has our passion and personal engagement, which makes us a leading, trusted and successful player in the global diamond industry.

As a family business, we have succeeded in amplifying the solid foundations laid by our originators by engaging with the leading experts in our industry and developing our company via efficient entities whose boards consist of both family members and independent professionals.

Today, Rosy Blue is a major brand comprising 2 independent global groups operating in 10 countries around the world through several entities. The third generation of the Mehta and Bhansali family, along with their colleagues, keeps the company's family spirit and work ethics alive, using a model of alliance and stakeholder engagement.

DID YOU KNOW ... WHERE ROSY BLUE'S NAME COMES FROM?

To understand the significance of our brand and company name, let's look back to when the first iteration of Rosy Blue was born. Originally established as B Arunkumar & Co in 1960, our business required a cable address because back then, there was no telex, fax or email. We settled on the name "Rosy Blue" and registered it accordingly. The name itself was not chosen lightly: it references two of the rarest and most prized coloured diamonds in our industry.

"Rosy Blue" would then gain even more importance on an international scale. When our former CEO, Mr. Dilip Mehta, founded our Antwerp branch, he decided to register Rosy Blue as a company name. We changed our telegraphic address in India to "BlueRose", maintaining a connection to those sought-after natural stones that demonstrates the excellence in our industry lying at the heart of our mission and vision.

OUR OPERATIONS AND POSITION IN THE SUPPLY CHAIN

Rosy Blue's business is divided into five key operations: rough diamond procurement, diamond manufacturing, polished distribution, jewellery sales, and retail.

Although independent, these operations are united by a customer-centric approach and underpinned by strong, long-standing relationships.”

Raj Mehta
DIRECTOR
ROSY BLUE NV





MINING

We start by ethically sourcing rough diamonds, mainly through our partnerships with long term suppliers, namely, the world’s premier and trusted diamond mining companies.



ROUGH DIAMOND SOURCING AND TRADE

PURCHASE ⇌ SALES

After selecting and purchasing rough diamonds, our rough department proceeds to mapping and analysing in order to identify each diamond’s potential, in close collaboration with our colleagues from the production unit and polished department. Depending on our own needs in polished stones, we trade any rough diamonds that will not be sent for manufacturing.



**RB FACTORIES
DIAMOND
MANUFACTURING**

Our manufacturing centres combine the traditions of diamond craftsmanship with the most advanced polishing technology and highest technical standards. We manage our production with an advanced series of internal control mechanisms to drive quality and maintain the integrity of the pipeline. Production in the Rosy Blue factories ranges from rounds (from 0.005 to 10 cts+) to calibrated princess diamonds (from 0.03pts to 10 cts+) as well as a wide variety of fancy shapes.



**POLISHED
DEPARTMENT**
PURCHASES ⇌ SALES
↑↓
RETURNS FROM CUSTOMERS

By combining our own manufactured diamonds with polished stones sourced from the open market, we ensure a consistent depth of inventory and a responsive, client-centred pipeline. We market our polished diamonds to a diverse clientele, from prestigious international luxury brands to renowned jewellery retailers as well as smaller, independent specialist jewellers and designers.



**JEWELLERY
MANUFACTURING**

Intergold is the jewellery manufacturing arm of Rosy Blue India. We manufacture jewellery for our clients’ designs, providing an extensive design bank and variety of diamond setting techniques to deliver a broad range of Rosy Blue jewellery styles for our clients’ retail channels and our own brands.



**JEWELLERY
SALES DEPARTMENT**
RETAIL

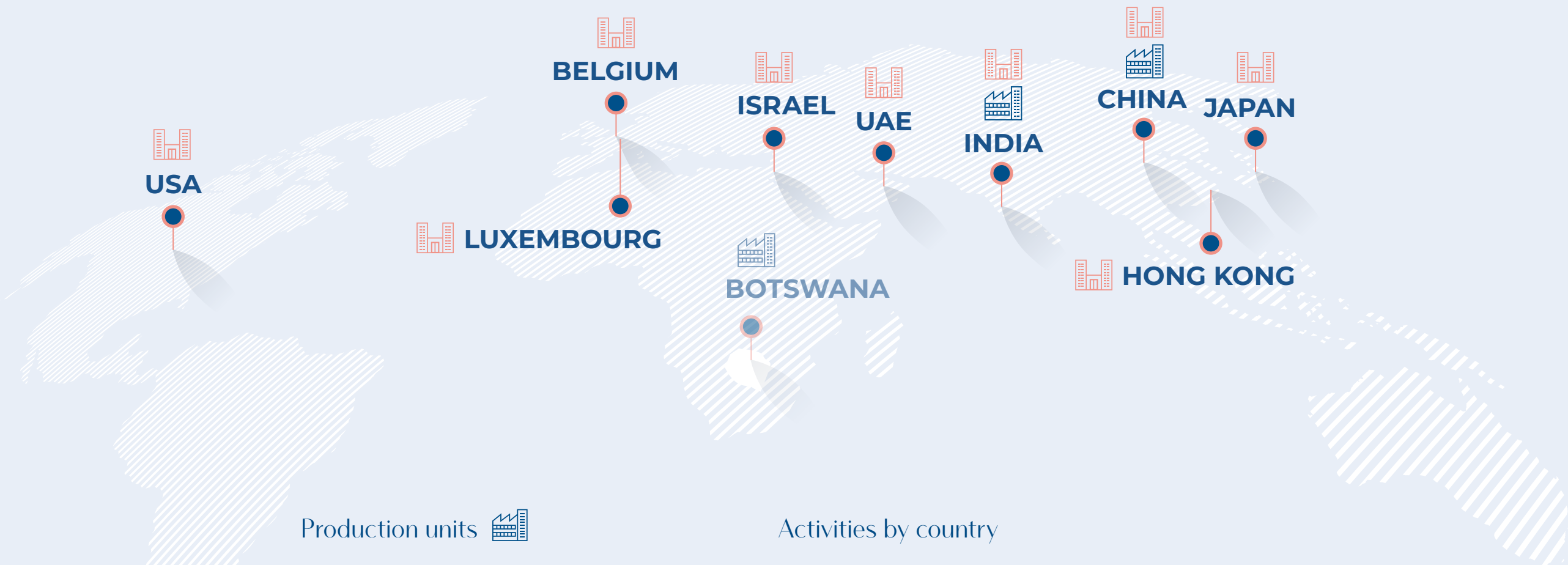
Our jewellery marketing and distribution network extends across the globe, backed by local service desks. And with Orra as a leading example, we have our own jewellery collections as well.

GLOBAL PRESENCE

ROOTED LOCALLY,
OPERATING GLOBALLY

“In each country, we combine the scope and strength of an international business alliance with our local teams’ in-depth knowledge of their particular market. Our dynamic international structure allows us to identify and capitalise on opportunities wherever and whenever they arise.”

Ravi Bhansali
MANAGING DIRECTOR
ROSY BLUE NV



People by country

	Male	Female	Total	White collar	Blue Collar	Total
Belgium	32	27	59	55	4	59
China	62	305	367	86	281	367
Hong Kong	18	22	40	40	0	40
India	2,181	732	2,913	1,826	1,087	2,913
Israel	2	7	9	8	1	9
Japan	17	25	42	42	0	42
Botswana	43	76	119	7	112	119
UAE	24	12	36	36	0	36
USA	40	23	63	63	0	63
	2,419	1,229	3,648	2,163	1485	3,648

Production units 

INDIA - RB CUTTERS (MUMBAI): UP TO 1.7 cts
INDIA - SPARKLE DIAMOND (SURAT): 1+ cts
INDIA - INTERGOLD (MUMBAI): JEWELLERY
CHINA - LINYI (HUAXING): MELEE DIAMONDS < 0.3 cts
BOTSWANA - FACETS (MOLEPOLOLE)*: > 1.8 cts

* Rosy Blue's newest production unit in Botswana was announced in Q4 2022 and will be fully operational and audited in 2023. Hence no further details on these activities are included in our 2022 Report.

Activities by country

	Rough sourcing	Diamond manufacturing	Polished distribution	Jewellery manufacturing	Jewellery distribution	Retail	Holding company	Administration
Belgium	◆		◆		◆			◆ ◆
China		◆	◆	◆				◆
Hong Kong	◆		◆	◆	◆		◆	◆ ◆
India	◆	◆ ◆	◆	◆	◆	◆	◆	◆
Israel	◆		◆					◆
Japan			◆		◆			◆
Luxembourg							◆	
UAE	◆		◆		◆			◆
USA			◆		◆ ◆			◆ ◆

◆ Rosy Blue India ◆ Rosy Blue Non-India

PROUD TO REVEAL OUR NEW MANUFACTURING UNIT IN SURAT, INDIA



Suresh Lalan
PROPRIETOR,
SPARKLE DIAMOND

In 2022 “Sparkle Diamond”, our third diamond manufacturing unit in Surat, has been set up.

Sparkle has also been identified as a participant entity under a separate De Beers protocol called “Pipeline Integrity (PI)” the manufacturing of Forevermark diamonds, DTC Melee diamonds and the DTC Code of Origin (COO) programme. In all of these PI programmes, what they essentially look for is the entity’s capability to segregate DTC eligible diamonds (Forevermark – COO – Melee) from any other non-eligible stones during the entire manufacturing process, from beginning to end.

“We are very proud that the factory passed the BPP compliance audits and reached the RJC certification in 2022.”

ACTIVITY

CUTTING
AND POLISHING
DIAMONDS



ROUGH

4 grn to 10 cts
and above



POLISHED

from 0.18 cts
and up



NUMBER
OF EMPLOYEES

202



FACTS & FIGURES 2022

TURNOVER MIL. \$

	NON INDIA		
	2020	2021	2022
ROUGH	246.95	425.74	407.38
POLISHED	309.41	459.33	600.1
JEWELLERY	62.76	92.8	90.03
RETAIL	-	-	-
TOTAL	619.12	977.87	1,097.51

	INDIA		
	2020	2021	2022
ROUGH	4.33	19.41	23.31
POLISHED	184.38	319.8	413.67
JEWELLERY	166.01	235.99	209.04
RETAIL	40.65	44.98	110.63
TOTAL	-	620.18	756.65

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COUNTRIES

3

DIAMOND
PRODUCTION
UNITS

3,327

PEOPLE
DIRECTLY
EMPLOYED

3,334,181

CARATS OF ROUGH DIAMONDS PURCHASED

100%

on individual diamonds of 0.18 cts and above -
based on origin (source – mining company – country)

on mixed parcels of diamonds weighing less than 0.18 cts -
based on input mix ratios (source – mining company – country)

TRACEABILITY ON MANUFACTURED DIAMONDS

722,410

NUMBER OF STONES POLISHED

184,005

CARATS OF POLISHED DIAMONDS
PRODUCED

LINKEDIN



14,020

FACEBOOK



5,044

INSTAGRAM



3,113

FOLLOWERS ON SOCIAL MEDIA

OUR SUSTAINABILITY FRAMEWORK & STRATEGY

Rosy Blue has been engaged in a sustainability journey for many years. In fact, its sustainability vision as a family business has always been based on a model of collaboration and stakeholder engagement. In the Rosy Blue team's expert hands, all diamonds take an ethical journey driven by a fair supply chain and a process underpinned by diversity, equity, inclusion and compliance. Valerie Michel, our Sustainability & Compliance Manager, tells us more about Rosy Blue's sustainability journey.



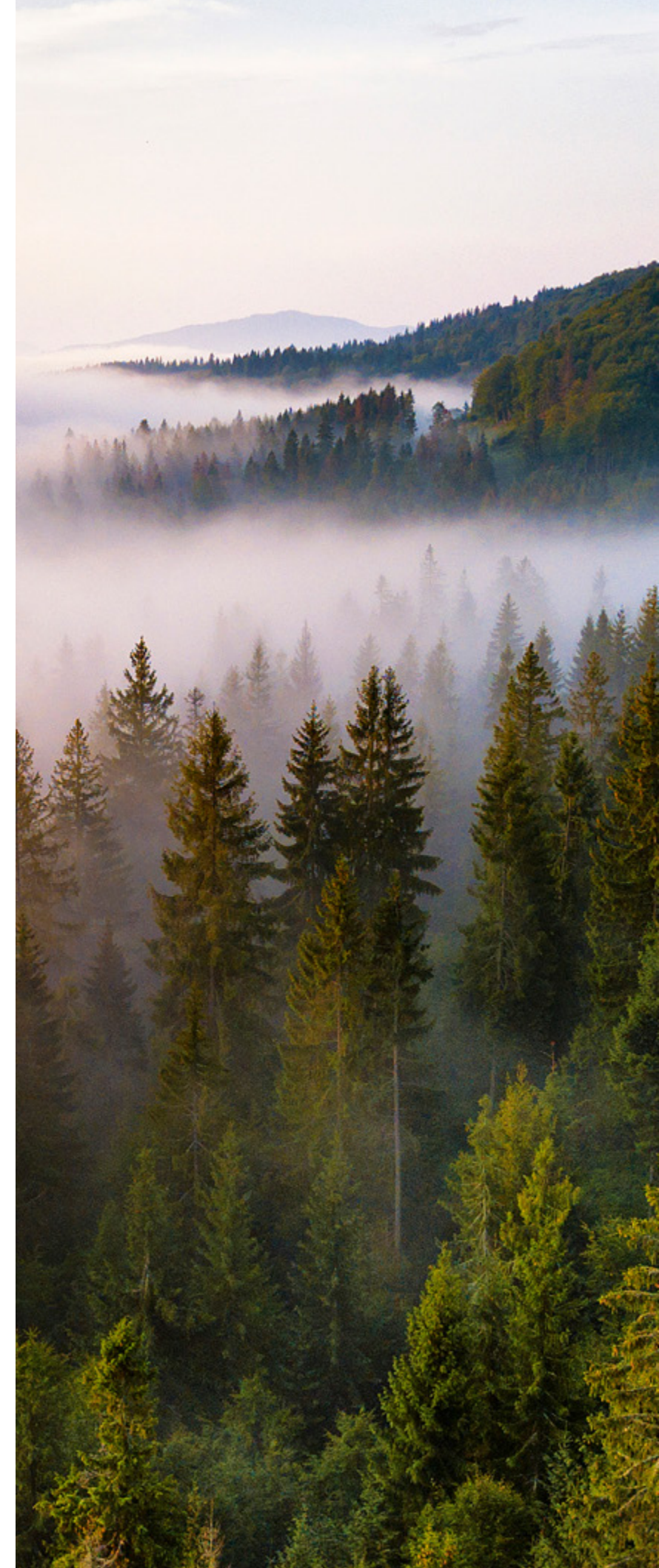
Valerie Michel
MANAGER SUSTAINABILITY
ROSY BLUE NV

MATERIALITY EXERCISING

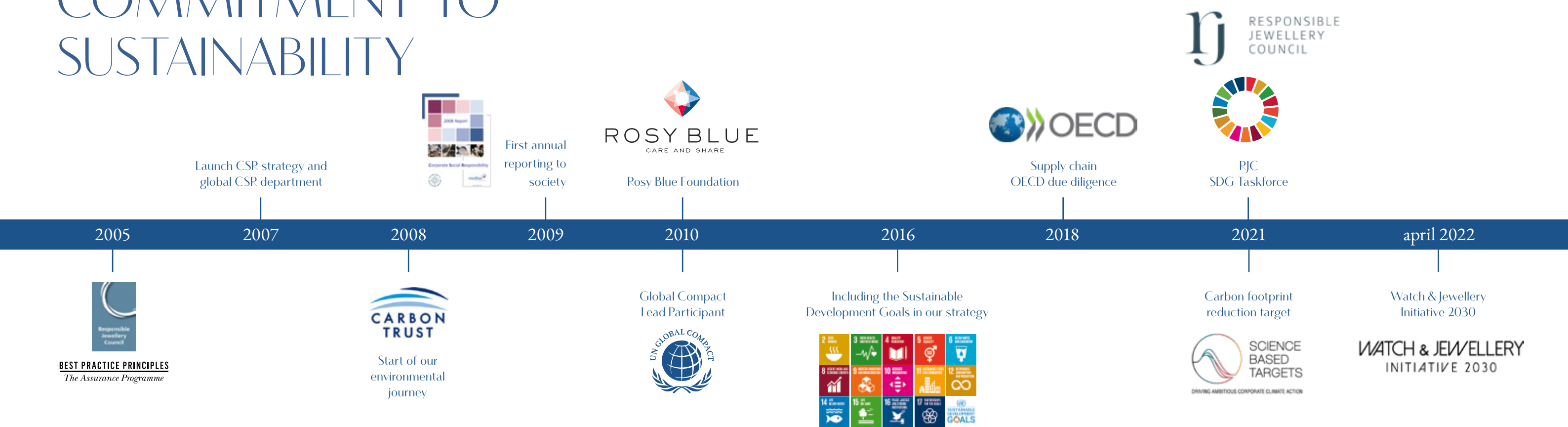
Rosy Blue's commitment to sustainability - and how the group witnesses the impact of these actions being taken - makes the company proud to be part of today's natural diamond industry. Yet embedding sustainability into its operations takes time and is a process of continuous improvement. That's why materiality exercising has an important role to play. "Rosy Blue was an early adopter of doing the materiality assessment from the start of the CSR journey. We internally identified issues that were important to our business or that could affect our business, and these issues define our company strategy, our CSR targets and our CSR report", says Michel.

"Rosy Blue's aim is to create value for its stakeholders, the environment and society as a whole. Social, environmental and ethical criteria have always been an integral part of our corporate culture but today, they've become core business."

Rosy Blue's sustainability efforts have gradually evolved over the years. From social, through environmental to business and product-related challenges, these efforts are still increasing year after year. Michel: "First we started by focusing on social matters and labour rights—achieving the highest possible standards. Afterwards, we focused on environmental matters on top of social ones. We calculated our global emissions, did energy audits, setting goals to lower emissions where possible and so we reduced our carbon footprint significantly. The next step was business and product-related challenges. Our focus shifted more towards naturality testing, responsible sourcing, supply chain traceability, and Know Your Supplier requirements. We have now reached the stage where we have taken responsible sourcing and traceability to the highest possible level, while keeping it sustainable and commercially viable."



A LONG-STANDING COMMITMENT TO SUSTAINABILITY



“Proud to be the first international midstream diamond company to join the Watch & Jewellery Initiative 2030.”

Rosy Blue has been an official member of the Watch & Jewellery Initiative 2030 since its foundation in 2021. We firmly believe the global jewellery and watch industry have unique opportunities to work together to make a positive impact on the planet and its people. Our ambitious goals combined with our collective influence of maisons, suppliers and business partners will help drive a sea-change in the sector.

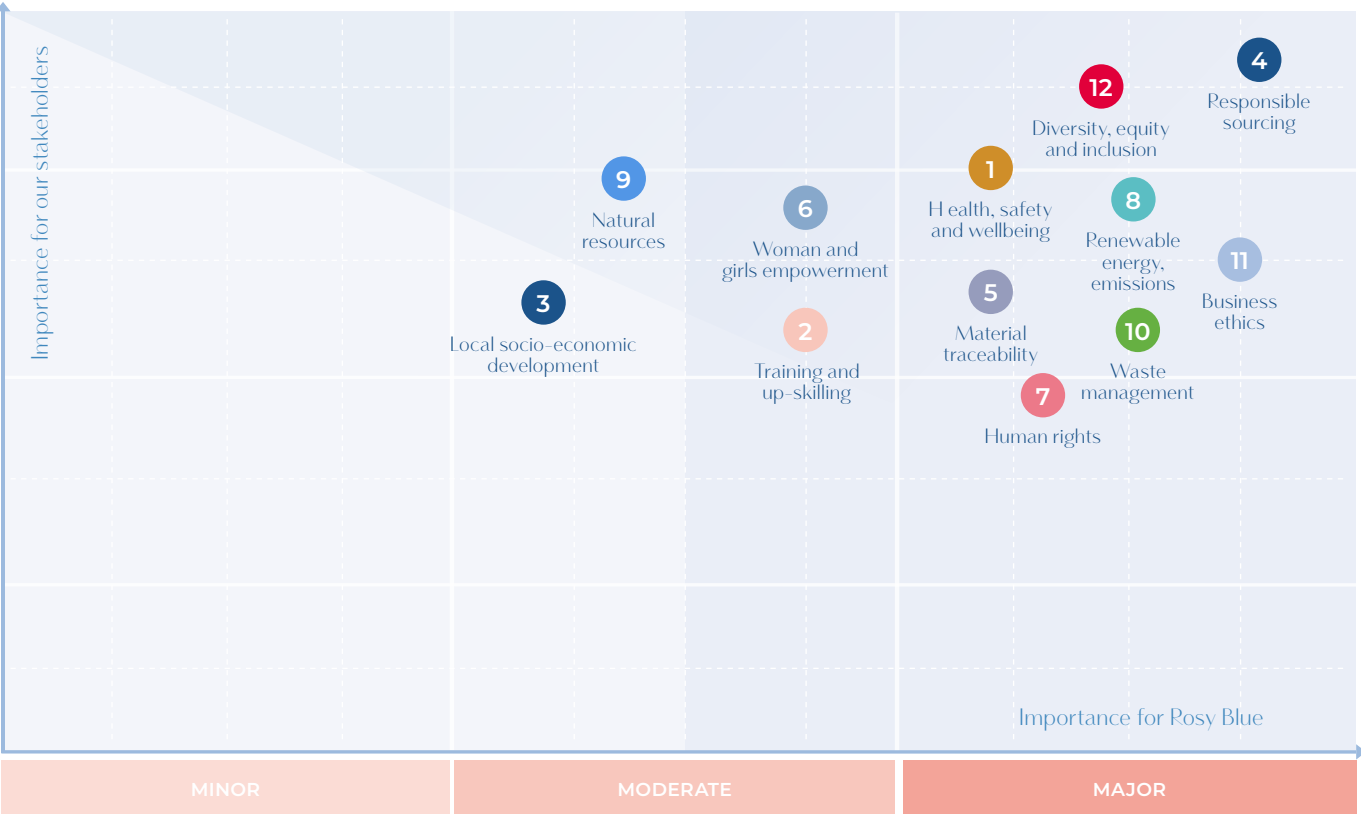
Founded by Kering and Cartier, Watch and Jewellery Initiative 2030 is guided by the Ten Principles of the United Nations Global Compact and the 17 SDGs. They unite companies and key stakeholders under one movement to accelerate positive impact in three areas: building climate resilience, preserving resources, and fostering inclusiveness.

STAKEHOLDER MAPPING & CONSULTATION

Rosy Blue is mapping its stakeholders to be able to consult them about their key concerns and expectations, informally through the networks that they attend or participate in, and annually through a stakeholder consultation.

By stakeholders, Rosy Blue is referring to anyone that's affected by us or affects us in any possible way. This stakeholder consultation then results in a maturity matrix.

In practice, we ask our stakeholders to give a score on a list of topics, based on how important they believe each topic to be for Rosy Blue (importance) and how advanced they perceive us to be on each topic (maturity). This way we can see which topics we should focus on the most.



MATURITY MATRIX

Once an organisation has assessed the significance of its impacts, it needs to decide which of these to report on. To do this, it needs to prioritise the impacts. For 2022, Rosy Blue is grouping the impacts into a set of topics.

1. HEALTH, SAFETY AND WELLBEING FOR EMPLOYEES AND COMMUNITIES

- Promote and enable health, safety, and wellbeing of employees, workers and communities throughout the value chain (including pollution reduction).
- Provide training, tools and practices to address these issues.

2. TRAINING AND UP-SKILLING EMPLOYEES AND COMMUNITIES

- Improving technical skills (direct and indirect through scholarships, gifts to schools, grants...), literacy, reinforcing and sharing know-how.
- Fostering talent through training programmes.
- Safeguarding the culture and craftsmanship of diamond polishing

3. LOCAL SOCIO-ECONOMIC AND COMMUNITY DEVELOPMENT

- Implement programmes and practices that assess and manage impact on communities throughout the value chain.
- Efforts to improve social infrastructure (e.g. schools, health care).
- Improve economic diversification and livelihoods (including consideration of artisanal/small-scale miners).

4. RESPONSIBLE SOURCING

- Ensuring each diamond / raw material has an ethical and responsible origin, free from conflict and illicit trade.
- Ensure the highest industry standards are adhered to throughout the value chain.

5. MATERIAL TRACEABILITY

- Ability to trace and view the source, origin and production conditions of every diamond sold, to be transparent on social and environmental impact.

6. WOMEN AND GIRLS' EMPOWERMENT

- Promoting and enabling gender equity across the value chain, communities where we operate, and broader society.
- Actively contribute to the empowerment of women and girls.
- Combat gender stereotypes.
- Identifying and addressing issues linked to gender such as gender-based violence.

7. HUMAN RIGHTS & LABOUR RIGHTS IN THE WORKFORCE

- Identifying and addressing risks linked to modern slavery, child or forced labour.
- Protecting the rights and labour conditions of formal, informal, temporary/contract and migrant workers across the value chain through training, policies and procedures.

8. GREENHOUSE GAS EMISSIONS AND RENEWABLE ENERGY

- Reducing greenhouse gas emissions in our own operations and value chain (scope 1, 2, 3)
- Reducing energy use and improving energy efficiency.
- Increasing use of renewable energy throughout operations and value chain.

9. NATURAL RESOURCES AND BIODIVERSITY

- Sustainable use of natural resources & decoupling production with natural resources used.
- Map impacts on biodiversity and water across sourcing of key raw materials, using a credible science-based framework for measuring and prioritising our impacts.
- Sourcing where we can generate an extra positive impact.

10. WASTE MANAGEMENT AND CIRCULARITY

- Waste management in operations and along the value chain from exploration to retail packaging.
- Responsible tailings and hazardous waste management.
- Establishing circular (closed loop) processes to eliminate waste and continually re-use resources.

11. BUSINESS ETHICS, GOVERNANCE & TRANSPARENCY

- Ensuring ethical business practices.
- Transparent corporate behaviour.
- Compliance with public disclosure requirements and other industry regulations and standards.

12. DIVERSITY, EQUITY AND INCLUSION

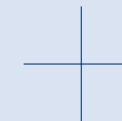
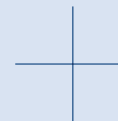
- Fair treatment, compensation, and access to opportunity for all employees and workers along the value chain.
- Diverse workforce, Board and executive management team.
- A culture of inclusion.



GOVERNANCE AND COMPLIANCE

Rosy Blue has rolled out best practice in business ethics. The group is committed to ensuring ethical business practices, transparent corporate behaviour, and compliance with industry regulations and standards. Fair treatment, compensation, and access to opportunities for all employees and workers along the value chain, a diverse workforce, the organisation of our Board and executive management team, and a culture of inclusion are key factors to our governance and compliance efforts.

CORE VALUES



INTEGRITY

We strive to uphold ourselves to moral and ethical standards.

ACCOUNTABILITY

Speak your mind and take full responsibility for your decisions and actions. Accountability is at the heart of our organisation's culture and starts at the very top with our management.

DIVERSITY

We embrace the diverse characteristics of everyone who works with us and respect their dignity.

CORPORATE GOVERNANCE



Russell Mehta
MANAGING DIRECTOR
ROSY BLUE (INDIA) PVT. LTD.

BRAND COUNCIL AND LOCAL MANAGEMENT BOARDS

Rosy Blue recognises the importance of good governance to prevent business and social risks within the company. Russell Mehta, Managing Director of Rosy Blue (India) Pvt. Ltd., tells us more about corporate governance at Rosy Blue.

How is ‘good governance’ implemented and controlled in a global organisation like Rosy Blue?

Russell Mehta: To achieve good governance, Rosy Blue has increased management efficiency and transparency by improving the internal control system. A number of corporate bodies have been established to create a sound balance of reporting.

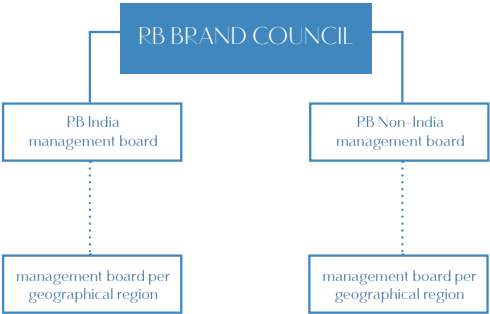
What is the role of the Rosy Blue Brand Council?

Mehta: Since Rosy Blue NI and Rosy Blue I are two independent legal entities, a Rosy Blue Brand Board has the main function of managing growth and overseeing the Rosy Blue Brand. Their task is also to maintain ethics and core values across our operations.

How can you ensure your vision is also implemented at a local level?

Mehta: Each Rosy Blue entity is governed by a Local Management Board and covers a certain geographical region with its own profit and loss responsibility, within the wider framework of the Rosy Blue brand. They define long-term goals and strategies, coordinate and monitor the most important activities, develop and deploy managerial staff, allocate resources and decide on its financial steering and reporting.

The Management Board is kept constantly informed of developments in business policy, corporate planning and strategy. It also approves the financial statements, taking auditor reports into account. Their task is also to maintain ethics and core values across our operations.



“We’re committed to promoting transparency regarding our own governance structure and practices, inclusive decision making, and promoting equal opportunities at all levels.”



SUSTAINABILITY GOVERNANCE

GLOBAL, YET LOCAL

Two central CSR departments in India and Belgium are at the core of the leadership structure at Rosy Blue. They hold responsibility for the alignment and steering of our global sustainability strategy. Some of their tasks include: communicating externally, collecting data, developing policies and procedures, and monitoring their implementation.

INTERNAL REPORTING AND AUDITING

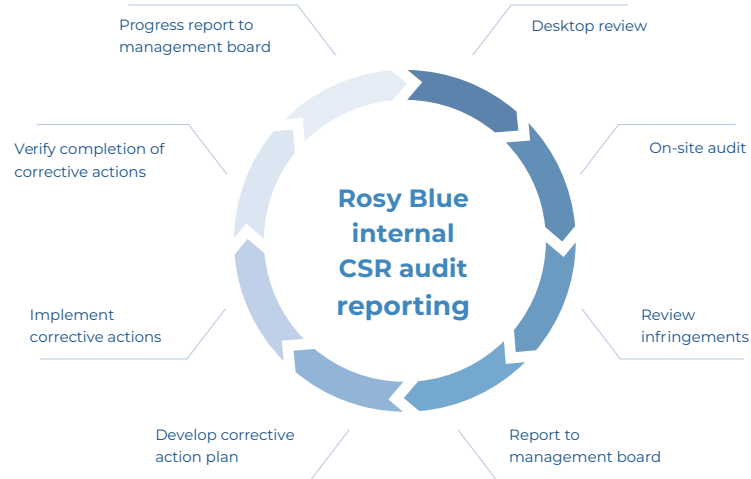
The two central CSR departments evaluate compliance through an internal audit system and work proactively with our people to drive change. Every entity has appointed a local CSR compliance officer who is responsible for implementing compliance and tailoring global, all-encompassing directives to local, national, and cultural needs.

YEARLY AUDITS

Each year, the 2 Central CSR Departments - in close coordination with the local CSR officers - audit a number of entities based on various risk criteria including geographic sensitivities, past audit performances and the nature of the facility’s work. In 2022, all our internal audits were conducted remotely or in person as required.

“Our compliance structure is decentralised for speedy and effective compliance.”

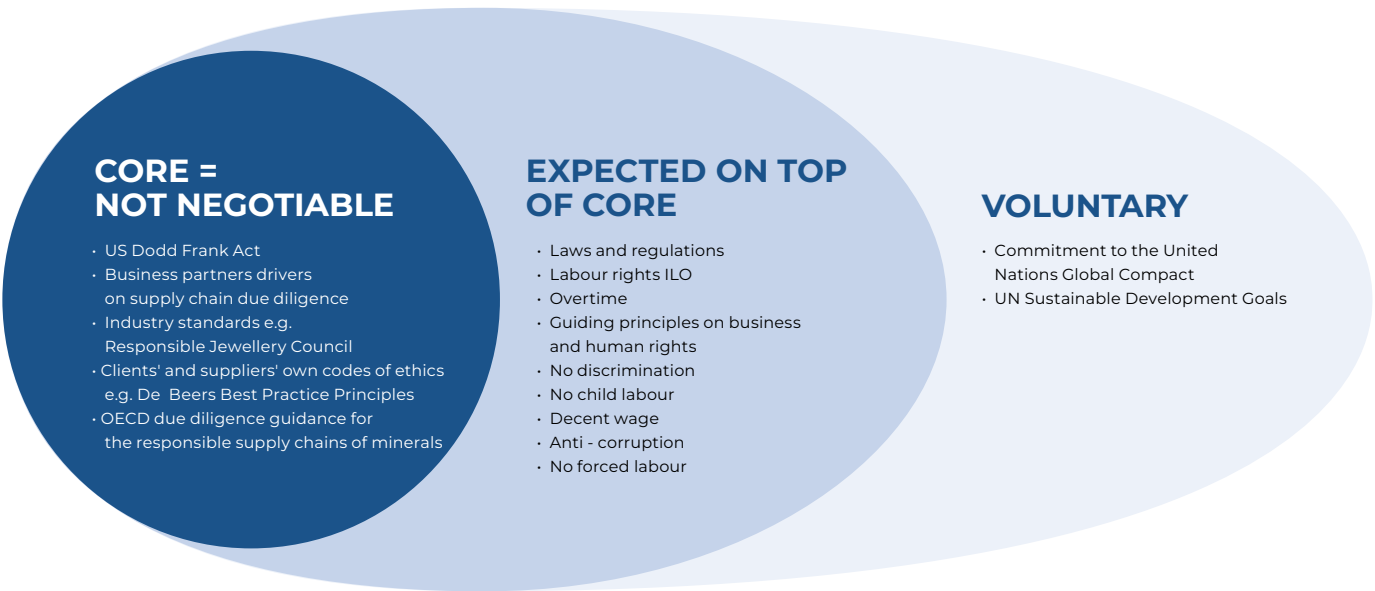
Ashish Mandloi
HEAD OF HR, ADMIN AND COMPLIANCE & AUDITS
ROSY BLUE INDIA



INDUSTRY COMPLIANCE STANDARDS

Compliance with international rules and regulations is a minimum responsibility for every organisation. There are several initiatives within the diamond industry that seek to help organisations improve their impact on society and to enhance consumer confidence. Rosy Blue also adheres to the codes of different suppliers and customers, which for con-

fidentiality reasons we have not individually or specifically mentioned here. Moreover, we also engage explicitly in a series of initiatives which we believe help us to consistently improve business and operating practices across the value chain and our markets.



RESPONSIBLE JEWELLERY COUNCIL

The Responsible Jewellery Council (RJC) RJC is the world's leading sustainability standard-setting organisation for the jewellery and watch industry, co-founded by Rosy Blue (NI) in 2005.

- Full certification since: 2011 (Non-India) and 2013 (India) of all entities

More info on responsiblejewellery.com



DE BEERS 'BEST PRACTICE PRINCIPLES' ASSURANCE PROGRAMME

A set of leading ethical, social and environmental standards covering nearly 350,000 people.

- Compliance since 2006 (inception of BPP)

More info on debeersgroup.com



UN GLOBAL COMPACT

The United Nations Global Compact is a call to companies to align their strategies and operations with universal principles on human rights, labour, the environment, and anti-corruption.

- Commitment since 2008
- LEAD member since 2011 with leadership in Children's Rights and Business Principles forum in Belgium
- Commitment to SDG's since 2016

More info on unglobalcompact.com

RESPONSIBLE BUSINESS CONDUCT

Rosy Blue aims to achieve outstanding results, but not at any cost. We do not tolerate unethical business practices or inappropriate behaviour that violates fundamental human rights. We maintain high ethical standards, with zero tolerance for corruption or bribery.

Respect for all human beings is of high importance to us. In order to prevent unethical behaviour, Rosy Blue has developed various codes, procedures and policies for its organisation and the entire value chain.

EMPLOYEE CODE OF CONDUCT

Rosy Blue has created an extensive Code of Conduct to guide our employees in making ethical and legal decisions. All our employees are made familiar with these rules from the moment they start their careers with us. It provides all our people with clear and unambiguous guidelines for ethical and moral conduct in business. Self-interest should never prevail over the interests of the company. We expect our employees to exercise reasonable judgement when conducting our business, and encourage them to regularly refer to our Code.



Conflicts of interest

These occur when the personal interest of an employee conflicts with the interests of the company. Employees should avoid any activity or circumstance in which their personal interest (or that of a colleague or immediate superior) may benefit from a Rosy Blue action over which they have control. Any transaction or relationship that could be expected to give rise to a conflict of interest must be immediately reported.

Fair dealing

Fair business relationships are key to long-term success. We expect our employees to deal with customers, suppliers, competitors and colleagues in an ethical and lawful manner. Misuse of privileged or confidential information, and improper manipulation, concealment or misrepresentation of material facts will not be tolerated.

Bribes and kickbacks

Rosy Blue does not allow bribes, kickbacks or other improper payments. No employee may offer or receive money or other items of value to obtain or direct business, or to grant or receive favourable treatment.

Human rights and labour standards

We respect human rights and do not allow discrimination based on race, colour, religion, creed, gender, pregnancy, age, social status, origin, physical or mental disability or sexual orientation. Any other type of human rights violation is equally forbidden. We make every effort to be fully aware of human rights issues and to promote respect and equality for all. Employees of Rosy Blue enjoy freedom of association. They work on a voluntary basis (i.e., there is a ban on forced labour) and receive a fair salary.

Whistleblowing procedure

The confidential reporting of incorrect behaviour. If an employee believes that the Code (or any other rule or regulation) has been – or is about to be – violated, they should immediately report this through the standard reporting structures, following procedures for the confidential reporting of incorrect behaviour. Nobody should fear retaliation: any associate who reports a violation will receive fair treatment, and their concerns will be properly investigated.

“For our BPP audit in 2022, we assessed all our suppliers again. One supplier was not willing to comply with our supplier code of conduct. We decided not to do business with them anymore.”

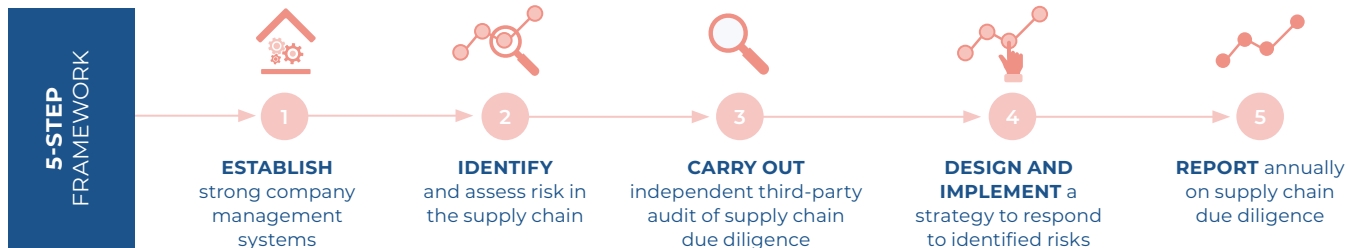


Daisy Chan
COMPLIANCE MANAGER
ROSY BLU E HONG KONG

SUPPLIER CODE OF CONDUCT

We have also established a Supplier Code of Conduct, to ensure responsible conduct on ethical, social and environmental issues. This Code summarises the rules that all our suppliers must adhere to. The regulations have been established in accordance with the 10 principles of the UN Global Compact, the world’s largest corporate sustainability initiative.

- 1 Business must be conducted lawfully and with integrity.
- 2 Working environments and social conditions must comply with international frameworks.
- 3 All workers will enjoy freedom of association.
- 4 Work is conducted on a voluntary basis.
- 5 All workers are of an appropriate age.
- 6 Working hours for all workers are reasonable.
- 7 All workers are paid fair wages.
- 8 All workers are treated equally, with respect and dignity.
- 9 The health and safety of workers is protected.
- 10 Business is conducted in a manner that reduces its environmental impact.



ENHANCED SUPPLIER ENGAGEMENT

We require our suppliers to adhere to our Business Partner Code of Conduct and to complete our Supplier Due Diligence form as part of our supply chain risk assessment. While we can report on our procedure and management system to perform this due diligence, the outcome of this risk assessment is confidential.

How was this implemented in 2022?

- STEP 1 Structuring our business internally**
- **We defined** and communicated a supply chain policy for acknowledgments by our business partners and suppliers.
 - **We assigned** a person responsible for supply chain due diligence, who was trained intensely.
 - **We collected** supplier details.
 - **We engaged** with our supplier on the origin of diamonds (origin disclosure request).
- STEP 2 Identifying and assessing risks in our diamond supply chain**
- **We verify** the information obtained from our suppliers.
 - **We check** if the origin is a CAHRA country (Conflict-Affected and High Risk Country).
- STEP 3 Mitigate identified risks (if any)**
- **We contact** our supplier for more info.
 - **We end** the business relationship.

OECD DUE DILIGENCE

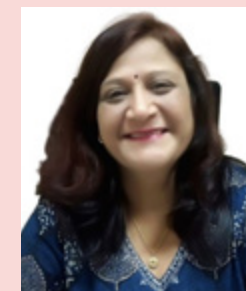
The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas clarifies how companies can identify and better manage risks throughout the entire mineral supply chain, from miners, local exporters and mineral processors to the manufacturing and brand-name companies that use these minerals in their products. OECD Due Diligence Guidance provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices.



SOCIAL FAIRNESS & EQUALITY



“Our employees are our most valuable capital. We want to make our people feel valued and involved.”



Sangita Mehrotra
HR & ADMINISTRATION
MANAGER
RB CUTTERS



For many years now, social matters have played a central role in Rosy Blue’s sustainability efforts. Ensuring the health, safety and well-being of all our employees through workplace policies and initiatives for equality, inclusion and occupational health and safety are of the utmost importance to us. Through decent jobs and livelihoods, infrastructure investments, and building the skills of employees, we can contribute to economic development.

Sangita Mehrotra tells us more about our key activities in this field: first, how we promote and enable the health, safety, and wellbeing of employees; second, what providing a diverse and inclusive workplace means; and third, what positive social impact we can make.



EMPLOYEE WELLBEING

“Our employees are our most valuable capital. We want to make our people feel valued and involved”, Sangita begins. At Rosy Blue people are encouraged to develop and empower themselves, enhancing their sense of motivation and job satisfaction. The company’s leaders encourage and monitor motivation, building up mutual trust. This positive people- and performance-oriented culture has a ripple effect across wider team morale and, as a consequence, is also good for the profitability of the company.

hours in a certain country may exceed or fall short of actual decent living standards, we are committed to going beyond the minimum regulations as stipulated by local law. As we operate in some of the world’s most complex economic, political and social environments, due diligence and continuous monitoring (and where appropriate remediation) is key to implementing our commitment”, Sangita says.

HEALTH & SAFETY

The main health and safety risks are: cuts to fingers, projection of parts of stones in the eyes, and inhalation of dust during polishing. All of our entities have appointed a Health and Safety Manager, responsible and accountable for ensuring compliance with our global policy and local regulations. They are supported by

a Health and Safety team. Sangita: “In 2022, all people were involved in preserving health and safety across our sites. In order to encourage COVID vaccination, a customised incentive programme was also implemented to facilitate vaccination of employees’ parents.”

Rosy Blue takes all practicable steps to eliminate, isolate and minimise the risk of injuries or illness from identified actual and potential hazards. Some locations have a clinic, and we monitor the health of employees at regular intervals. There is a focus on wearing personal protective equipment (PPE), which has a considerable impact on the occurrence of accidents. In 2022, 6 minor injuries took place. All accidents were subjected to a root cause analysis.

BEYOND LABOUR RIGHTS

Most of Rosy Blue’s operations and people are in manufacturing. Environmental and social standards for labour vary tremendously. “Since the national minimum wage or working



DIVERSITY, EQUITY & INCLUSION

ROSY BLUE IS A WEP SIGNATORY SINCE 2008!

We are proud to be part of a movers community on WEPs implementation focusing on gender responsive procurement. We promote and enable gender equity across the value chain, communities where we operate, and broader society; we actively contribute to the empowerment of women and girls, combat gender stereotypes, identify and address issues linked to gender such as gender-based violence.



Women’s Empowerment Principles (WEPs)

- Established by UN Women and UN Global Compact in 2010.
- A global network of 7,200 signatories from 153 countries.
- A movers' community on WEPs implementation focusing on gender responsive procurement.
- A holistic framework for companies to advance gender equality and women's empowerment in the workplace, marketplace and community, and drive positive outcomes for society and business.
- Companies join the WEPs community to make a public commitment to gender equality and women's empowerment on a global platform.

GENDER RESPONSIVE PROCUREMENT (GRP)

Rosy Blue is piloting Gender Responsive Procurement (GRP): a sustainable selection of services, goods or civil works that considers the impact on gender equality and women's empowerment. When WEPs signatories purchase from other WEPs signatories and from women-owned businesses, they enhance their supplier diversity, but also contribute to reducing systemic discrimination.

Transforming a company's procurement process needs to be consistently carried out. And a good way to start is through a series of pilots to learn what works and what doesn't, and that can inform scalable practices. In doing so, people, policy, practice, communication, knowledge and stakeholder management are important factors that need to be considered within an enterprise and across departments.



EDUCATION & SKILL DEVELOPMENT

Improving technical skills (directly and indirectly through scholarships, gifts to schools, grants, etc.), literacy, reinforcing and sharing know-how, is crucial for Rosy Blue as polishing diamonds is a very specific and respected craftsmanship.

We communicate our global policies and procedures covering the subjects of compliance. Regarding CSR and compliance knowledge, the training materials and toolkits can be adjusted by the local CSR expert as per the local context and language.

In 2022, Rosy Blue logged a total of 6,215 hours of training mainly on compliances, human rights and environmental scope 3 data collection. Health and Safety, and fire evacuation training is delivered in all entities.

“We provide a variety of mandatory and voluntary internal and external training opportunities for our employees to help them develop technical skills in the workplace, and gain the competencies specific to their roles.”



HOURS OF TRAINING

6,215

SOCIAL IMPACT & LOCAL COMMUNITY DEVELOPMENT



Rosy Blue wants to have a positive impact on society and to take responsibility for this, not only in our own company but throughout our entire supply chain. We require our suppliers to adhere to our **Supplier Code of Conduct**. In conjunction with local communities, we provide on-the-ground support to projects that improve the living and working conditions of local people.

HUMAN RIGHTS IN OUR SUPPLY CHAIN

For Rosy Blue, human rights include labour rights as stated in the International Labour Organisation (ILO’s) core conventions and the Declaration on Fundamental Principles and Rights at Work. We focus our efforts on those rights that are within our sphere of influence and our working environment. We respect human rights primarily by providing safe and healthy working conditions for our employees and ensuring non-discrimination in human resource practices.

Human rights are critical topics in the industry, whereby vulnerable communities and workers are still victims of abuses such as violence, slavery, or denial of property rights. Scandals weaken stakeholder and consumer confidence from mine to retail. Exerting due diligence is the foundation of a decent supply chain, and critical to protect the reputation of any organisation. NGOs such as Human Rights Watch continuously assess what industry actors are doing to identify, prevent and mitigate risks, and offer remediation as needed.

ROSY BLUE FOUNDATION & CONNECTFOR

Founded in 2010, the Rosy Blue Foundation is our best relay inside the surrounding communities of Rosy Blue. The SDGs pinpoint a series of urgencies that the foundation can help address by supporting the right non-profit organisations. Over and above the 2% of the average net profits of the company as suggested by the authorities, we spend more as and when required.

The Rosy Blue Foundation incubated ConnectFor, which is a platform to connect NGOs, volunteers and corporates. Shloka Ambani and Maniti Modi are the driving force in the organisation.

What’s the idea behind ConnectFor?

Shloka: ConnectFor began in 2015 with the intent of understanding the skills gaps and needs of NGOs across India that could be fulfilled by volunteers. This homegrown RBF programme is a technology platform that seeks to demonstrate the value of human resources. With over 25,000 volunteers, more than 500 NGO partners and over 54 corporates involved, ConnectFor acts as an intermediary between volunteers and NGOs, and helps to create value-added matches by finding the right volunteer for the right opportunity.

How are other partner-sponsors engaging in the project?

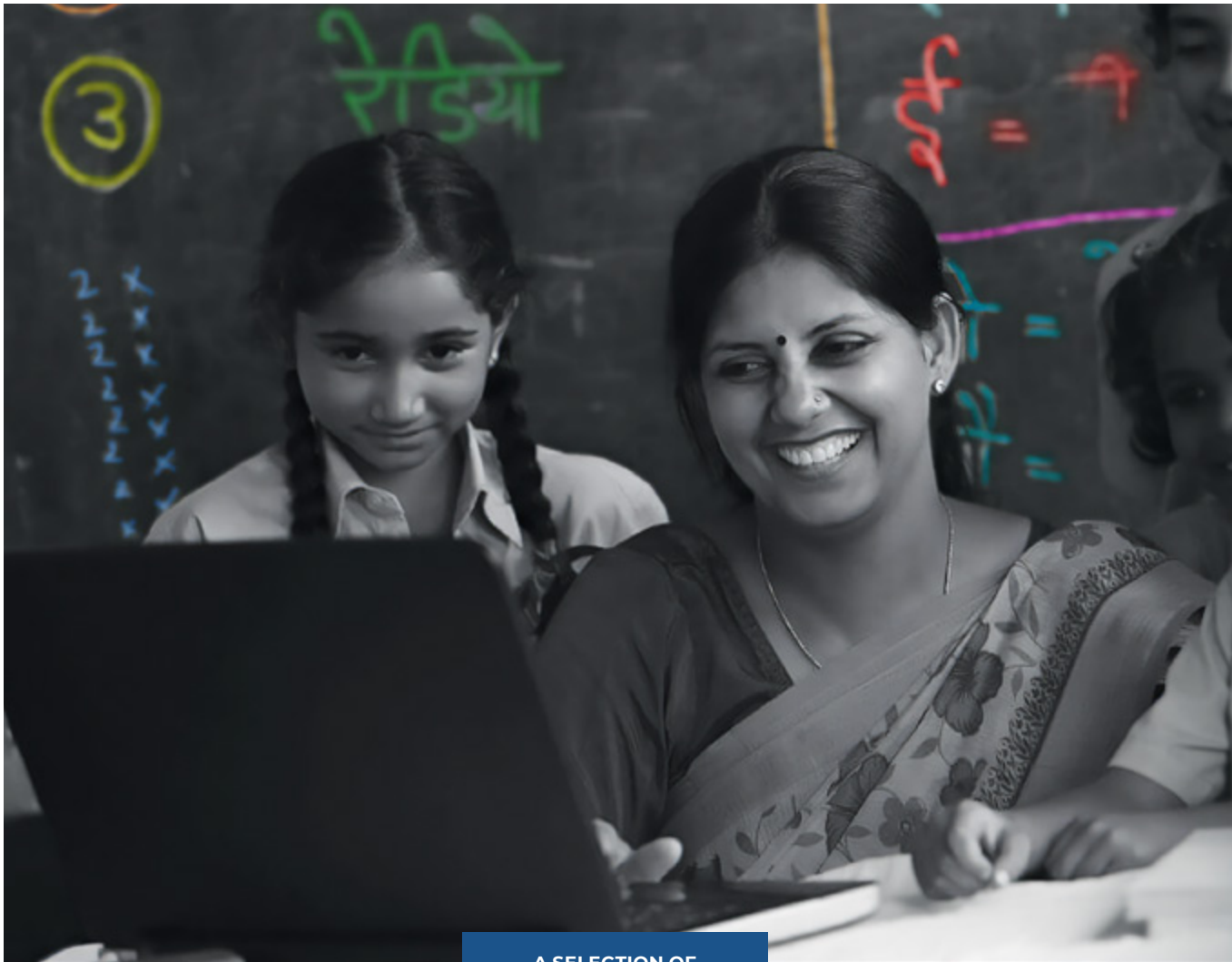
Shloka: Through our work, we continue to demonstrate how NGOs can grow and create impact without relying on direct donations. We are creating solutions for many cash strapped and under-resourced non-profits by building strong collaborations between NGOs, volunteer groups and corporate organisations.

What other achievements are you proud of?

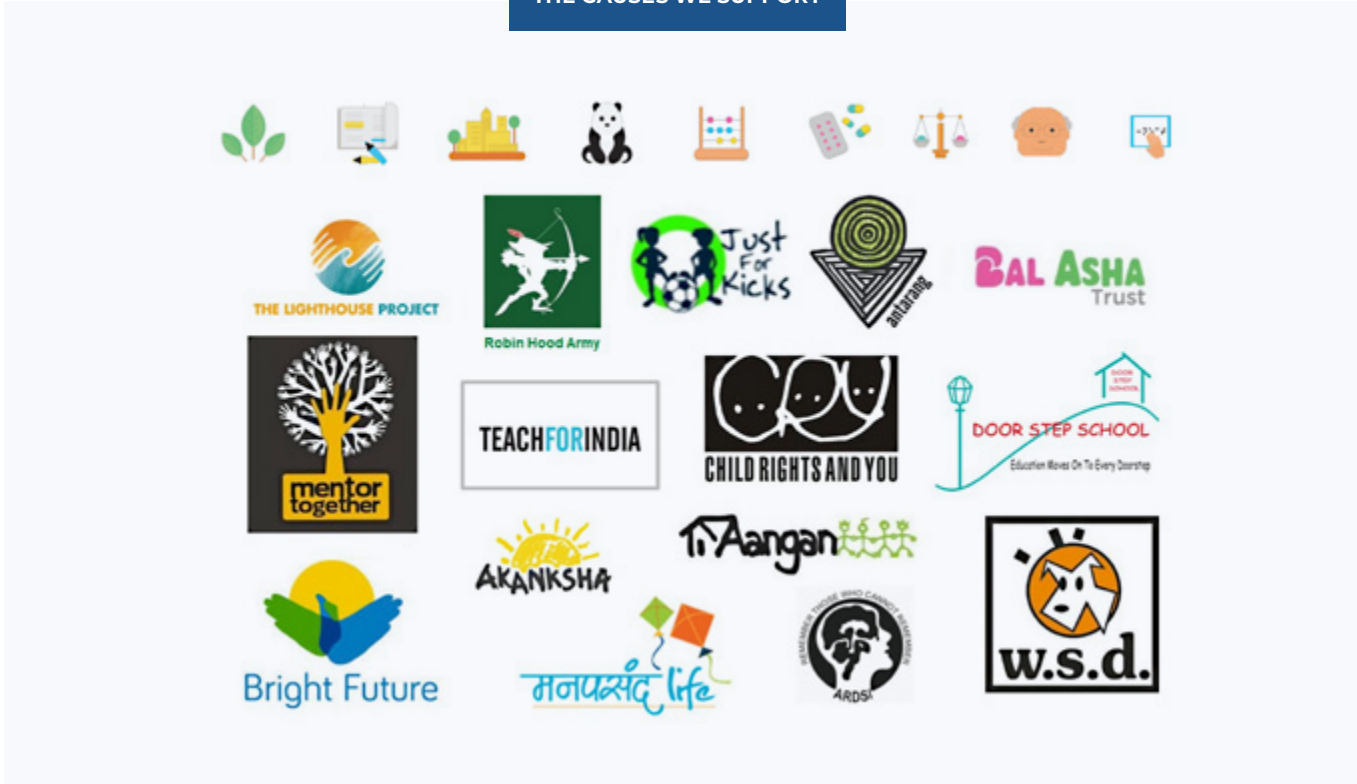
Shloka: Children’s education is one of our focal points. we are setting up a scholarship for meritorious students for undergraduate and post graduate studies, taking inspiration from ‘Rhode’s Scholarship’ programme with a corpus of \$15-\$20 million over time. That’s why we award school building grants. We have also donated more than \$350,000 to COVID relief activities. And we are very proud of “Art Shala”, a project to revamp and repaint schools and classrooms across India.

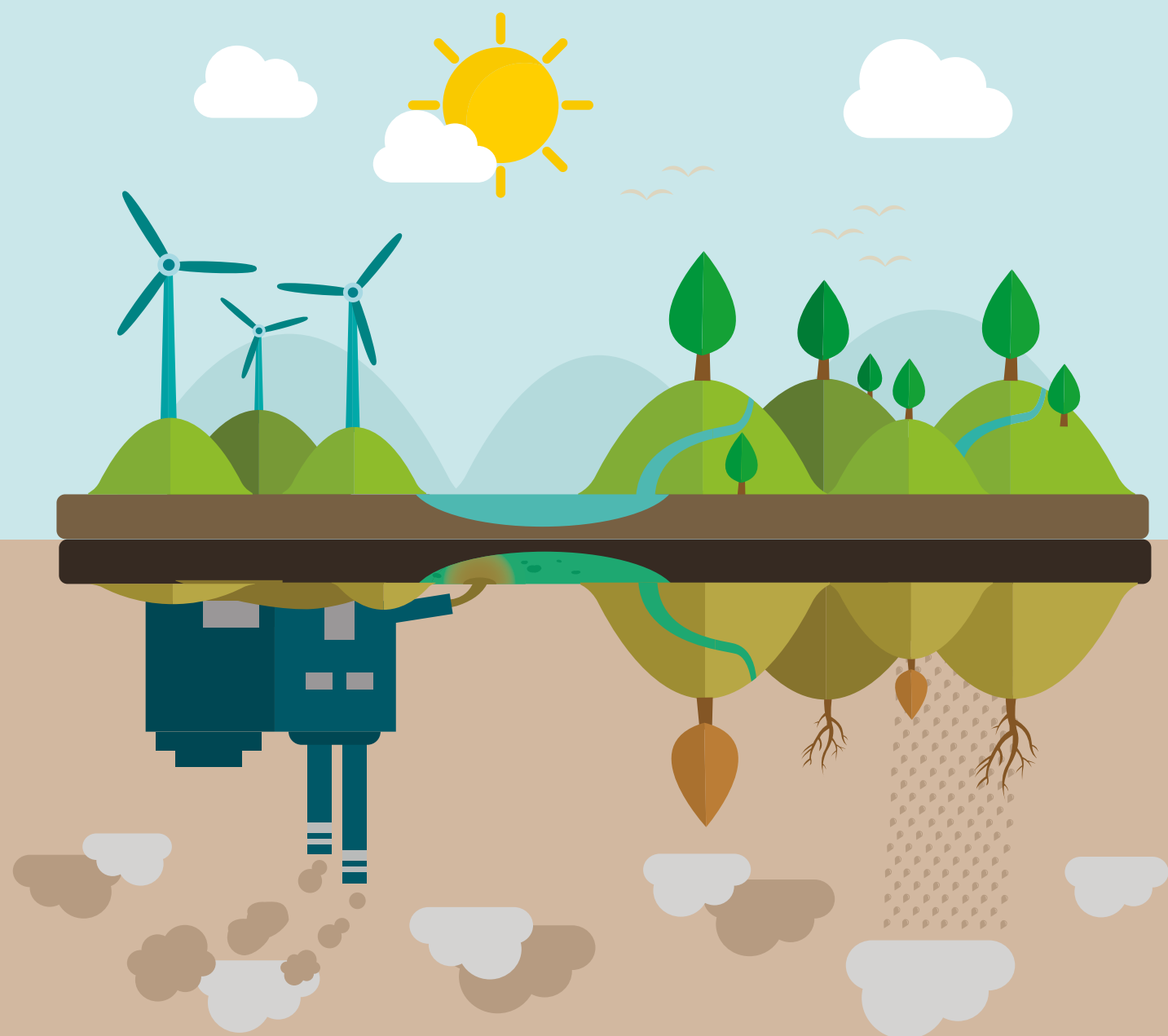


Shloka Ambani
**DIRECTOR ROSY BLUE FOUNDATION
FOUNDER CONNECTFOR**



**A SELECTION OF
THE CAUSES WE SUPPORT**





ENVIRON- MENTAL SUSTAINABILITY

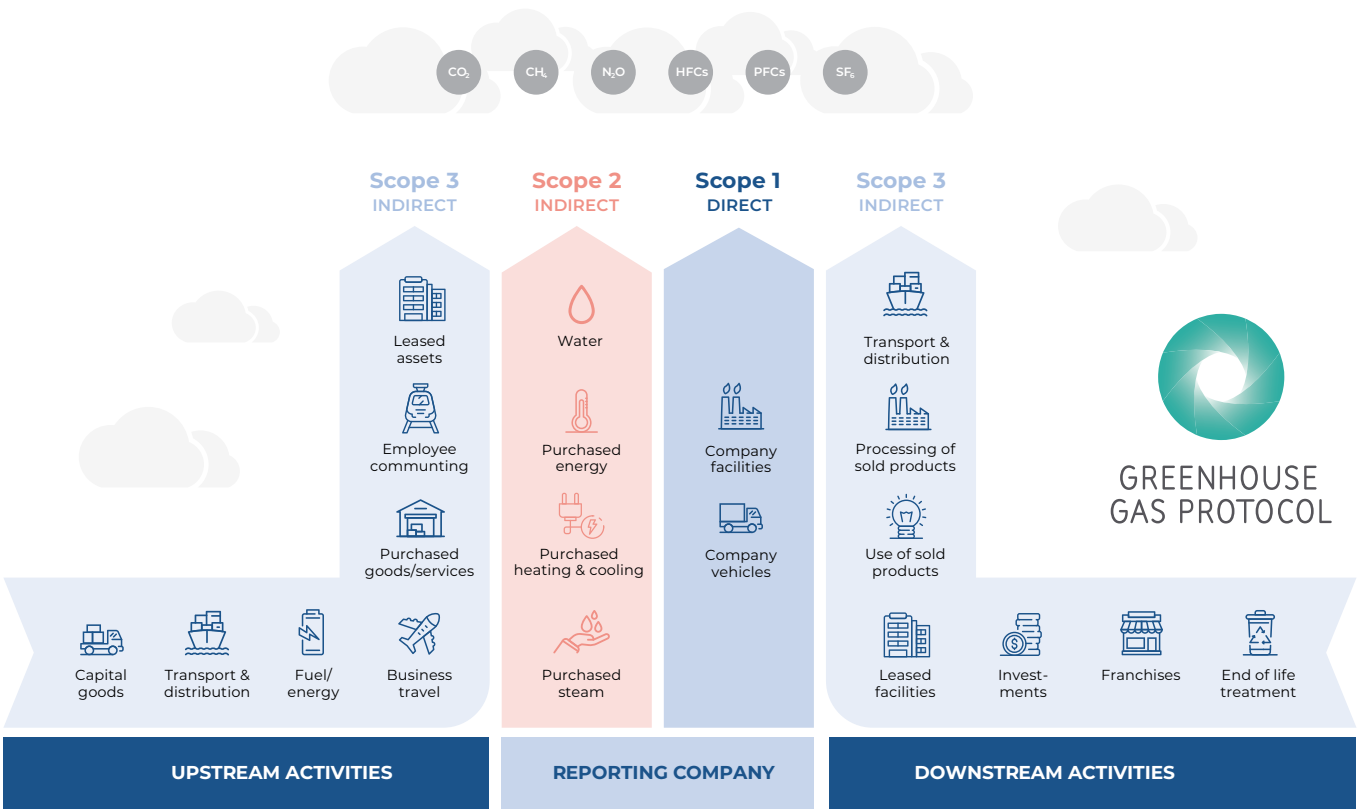
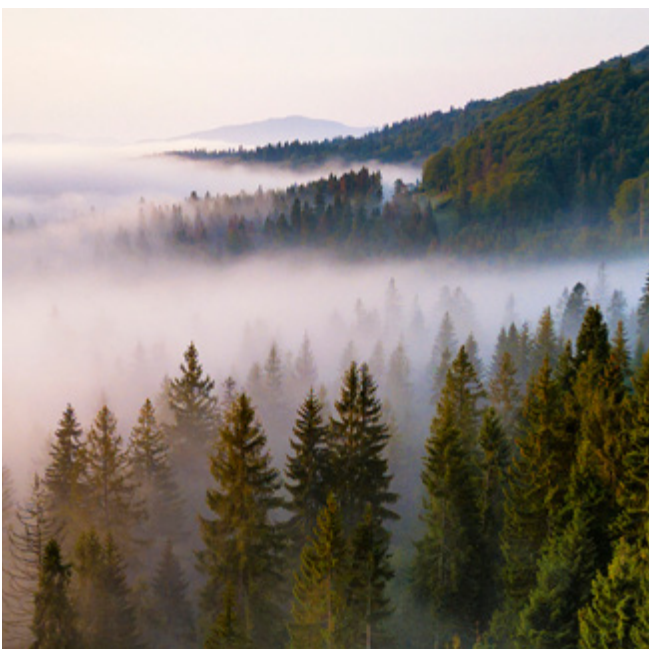
The diamond industry faces many environmental issues along its value chain. Examples include mining activities exploiting natural resources, disrupting natural habitats, energy-intensive manufacturing, commercial practices in the luxury sector, energy consumption, GHG emissions, waste management, resource scarcity, and soil and water contamination. RJC has made specific commitments towards SDGs 12 and 13. Rosy Blue has been committed for many years to measuring and reducing its environmental impact, emissions, energy and water use, through resource efficiency and energy efficient practices.



CARBON FOOTPRINT

For the first time, Rosy Blue has conducted a complete CO₂-footprinting of its activity. “Complete” means that we include not only Scope 1 and 2 – direct emissions and emissions through the purchase of energy – but also the far more complex Scope 3. Our environmental partner The Carbon Trust has supported us with our energy audits, calculations and reporting on the results.

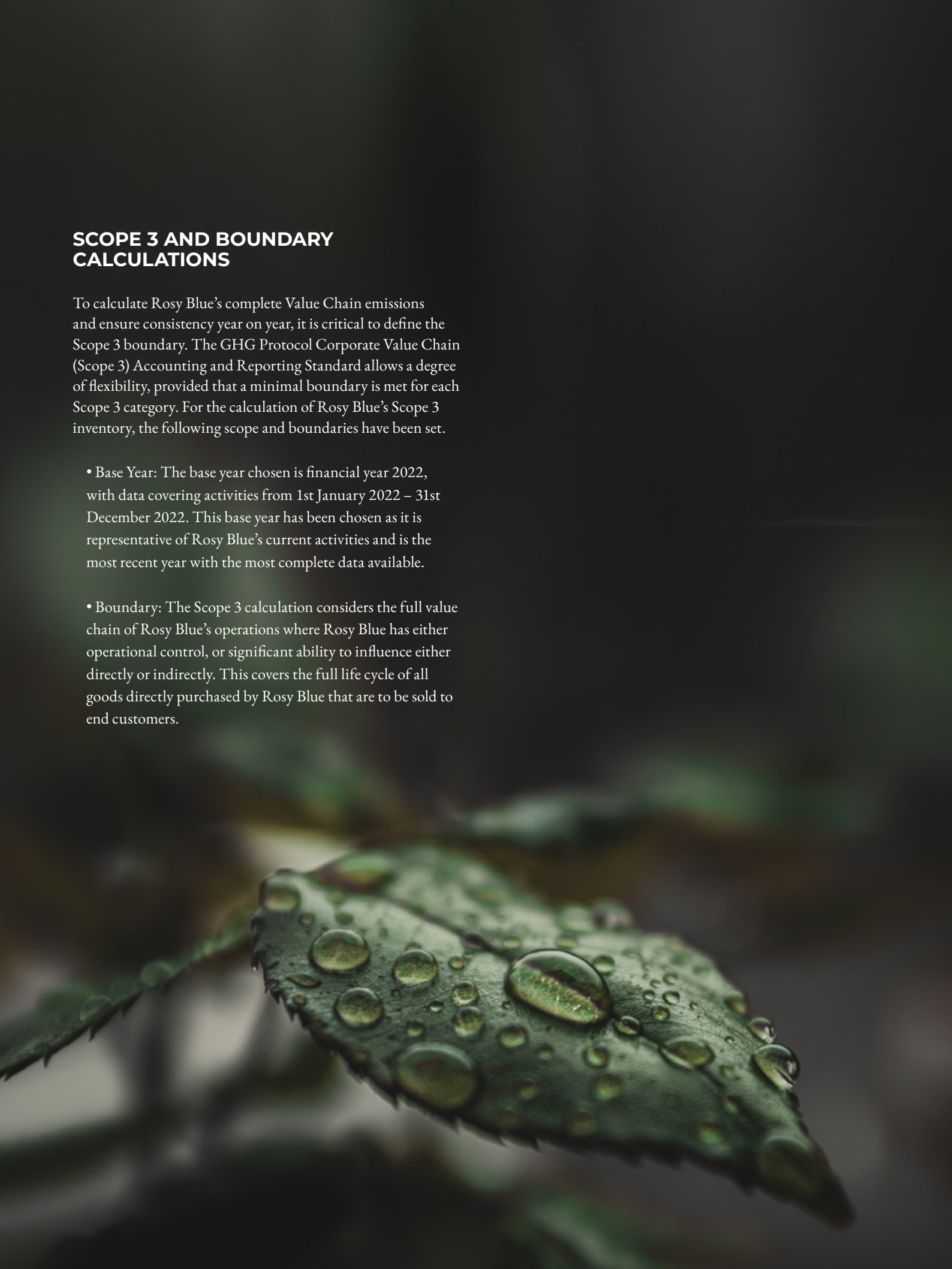
Scope 3 emissions cover the full end-to-end impact of a company’s activities. For Rosy Blue, this includes the impact from sourcing, transporting, and packaging of its products across its global operations. The goal of this new project was to calculate Rosy Blue’s Scope 3 emissions in accordance with the Greenhouse Gas Protocol Standard. The calculations were based on as much primary data as possible. However, secondary data and extrapolations of data have been used where necessary, maximising transparency of where data has come from within Rosy Blue, and how it has been interpreted and processed to calculate carbon emissions results.



SCOPE 3 AND BOUNDARY CALCULATIONS

To calculate Rosy Blue’s complete Value Chain emissions and ensure consistency year on year, it is critical to define the Scope 3 boundary. The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard allows a degree of flexibility, provided that a minimal boundary is met for each Scope 3 category. For the calculation of Rosy Blue’s Scope 3 inventory, the following scope and boundaries have been set.

- **Base Year:** The base year chosen is financial year 2022, with data covering activities from 1st January 2022 – 31st December 2022. This base year has been chosen as it is representative of Rosy Blue’s current activities and is the most recent year with the most complete data available.
- **Boundary:** The Scope 3 calculation considers the full value chain of Rosy Blue’s operations where Rosy Blue has either operational control, or significant ability to influence either directly or indirectly. This covers the full life cycle of all goods directly purchased by Rosy Blue that are to be sold to end customers.



SCOPE 3 CATEGORY SCREENING

To determine which Scope 3 categories fall within Rosy Blue’s reported Scope 3 inventory, a Scope 3 category-screening exercise was undertaken with the Carbon Trust and internal stakeholders from Rosy Blue. During this process, all 15 Scope 3 categories were assessed against the GHG Protocol’s principles of relevance, completeness, accuracy, consistency, and transparency. This exercise determined that the Scope 3 categories as described in Table 1 should be included or excluded* from the final Scope 3 inventory.

* Justification for exclusions:

- Upstream Leased Assets (cat. 8) are excluded because the company does not lease any assets from others.
- Processing of Sold Products (cat.10)is excluded because it is considered minimum. Rosy Blue has no insight into whether the diamonds it sells continue to be traded or sold onto other polishers and manufactures. As such, we exclude this category as we believe it will be too small to estimate.
- Use of sold products (Direct) (cat. 11) is excluded because the products do not have any use phase.
- Downstream Leased Assets (cat. 13) are excluded because Rosy Blue does not lease its assets to others.
- Franchises (cat. 14) are excluded because Rosy Blue does not operate a franchise model.
- Investments (cat. 15) are excluded because Rosy Blue does not hold any investments in other companies.

Rosy Blue has a solid long-term cooperation with UK environmental experts, The Carbon Trust. They have been guiding us in calculating our footprint and developing our environmental management systems. Alexander Johnson, associate at The Carbon Trust, clarifies this year’s results.

How does Rosy Blue’s evolution in Scope 1 and 2 compare to previous years?

Alex Johnson: Rosy Blue’s full footprint cannot be compared yet as this is the baseline year. In the year-on-year breakdown of the Scope 1 and 2 results, we notice that overall there has been little change, but individually Scope 1 has increased and Scope 2 has decreased. This is due to Linyi Rosy Blue Huaxing (D&J) Co. Ltd using a significantly larger amount of LPG this year, and less purchased electricity. The cause of the increase in LPG use is a result of the in-house meal preparations for Rosy Blue staff since 2022, whereas catering was provided by an external supplier in the past and therefore not part of Rosy Blue’s reported data.

The purchase of raw materials is Rosy Blue’s biggest Scope 3 output. Last year it was energy consumption in our factories, correct?

Alexander: Emissions from purchased goods and raw materials are the largest contributor to Rosy Blue’s overall emissions. This is expected in the diamond industry due to the large emissions that come from the extraction and processing of diamonds. It was not the same last year as this category was not calculated on previous footprints.



Alexander Johnson
ASSOCIATE
THE CARBON TRUST

What would be an action to reduce the purchased Scope 3 material category?

Alexander: We believe that Rosy Blue’s first step to making reductions in the purchased material categories is to substantially increase the quality of the data provided. Currently, significant amounts of estimations and assumptions have had to be made around the data, meaning there are high levels of uncertainty. As such, it makes it difficult to determine the areas to focus on. Once this has been improved, Rosy Blue can determine exactly which suppliers the emissions are coming from and engage with these suppliers to improve practices. We do know that polished and rough diamond purchases are the most significant part of the footprint, so the long-term goal will be working with suppliers to reduce the emissions from the extraction and processing of the diamonds.

GHG SCOPE	Category	Total Emissions (t CO2e)	% of total value chain	% of Scope 3
SCOPE 1	Scope 1	2,324	0,35%	-
SCOPE 2	Scope 2 - location based	2,039	0,31%	-
	Scope 2 - market based	-	0,00%	-
SCOPE 3	1a: Purchased goods and services (product)	650,186	97,84%	98,49%
	1b: Purchased goods and services (non-product)	1,891	0,28%	0,29%
	2: Capital goods	133	0,02%	0,02%
	3: Fuel and energy related activities	4,363	0,66%	0,66%
	4: Upstream transportation and distribution	367	0,06%	0,06%
	5: Waste generated in operations	195	0,03%	0,03%
	6: Business travel	506	0,08%	0,08%
	7: Employee commuting	1,875	0,28%	0,28%
	8: Upstream leading assets	-	-	-
	9: Downstream Transportation and Distribution	277	0,06%	0,06%
	10: Pocessing and sold products	-	-	-
	11a: use of sold prodcuts (Direct)	-	-	-
	11b: use of sold prodcuts (Indirt)	-	-	-
	12: End-of-life treatment of sold products	367	0,06%	0,06%
	13: Downstream Leased Assets	-	-	-
	14: Franchises	-	-	-
	15: Investments	-	-	-

Total Scope 3 emissions (t CO2e)	660,160
Total Scope 1, 2, 3 emissions - location based (t CO2e)	664,524

Category 1: Purchased Goods and Services: Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8.

Category 2: Capital Goods: Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.

Category 3: Fuel and Energy-Related Emissions: Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2.

Category 4: Upstream Transportation and Distribution: Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company).

Category 5: Waste Generated in Own Operations: Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company).

Category 6: Business Travel: Transportation of employees for busi-ness-related activities during the reporting year (in vehicles not owned or operated by the reporting company).

Category 7: Employee Commuting: Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).

Category 8: Upstream Leased Assets: Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee.

Category 9: Downstream Transportation and Distribution: Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company).

Category 10: Processing of Sold Products: Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers).

Category 11: Use of Sold Products: End-use of goods and services sold by the reporting company in the reporting year.

Category 12: End-of-life Treatment of Sold Products: Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

Category 13: Downstream Leased Assets: Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.

Category 14: Franchises: Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.

Category 15: Investments: Operation of investments (including equity and debt investments and project finance) in the reporting year not included in scope 1 or scope 2.

ENERGY EFFICIENCY

CARBON EMISSIONS

Carbon emissions accumulate in the atmosphere as a result of a variety of activities. As per the Intergovernmental Panel on Climate Change’s (IPCC) 6th Assessment Report, the increase in GHG emissions is expected to have an adverse impact on global warming. As a result, there is an onus on organisations to take immediate action on the emissions caused by their operations as well as value chain activities.

Rosy Blue aspires to align itself with the global commitments of restricting a rise in temperatures by reducing our GHG emissions footprint in the coming years. In this regard, we have established energy audits – together with our environmental partner The Carbon Trust – in our factories to lower our energy and electricity use and to contribute towards a low-carbon economy.

“We have a long-term perspective and the financial strength to invest in activities and to have a positive impact on people and the planet.”

Together with our business partners, we will take the necessary steps and contribute to limiting climate change to 1.5°C. Our aim is to purchase 100% renewable electricity. We are looking to provide local solutions to our entities, such as bundled framework agreements and Power Purchase Agreements to purchase renewable electricity from the grid, and consume 100% renewable electricity in our production. This can cover electricity demands, which cannot be generated on-site

SCIENCE-BASED TARGETS INITIATIVE

We are looking to take prioritised actions to reduce our GHG emissions in line with the 1.5°C pathway by 2030. To do so, we have engaged with the Science-Based Targets for Climate by 2025 with actions that include (but are not restricted to):

- Decarbonising across all Scopes 1, 2 and 3.
- Implementing renewable energy across own operations by 2025 and extending to the whole value chain with the engagement of suppliers and distribution partners by 2030.
- Implementing best practices for energy efficiency across operations and services. This includes a special focus on reducing the impact of digital communications, commerce and events, considering their growing prevalence.

We are willing to work towards achieving net zero GHG emissions by 2050 by balancing residual emissions with high-quality GHG removals. Invest in high-quality climate projects, including nature-based solutions, with a focus on the conservation and restoration of forest, coastal and marine ecosystems.



By 2025, we would like to define and implement action plans to reduce water and biodiversity impacts. Implementing sourcing standards that both protect natural ecosystems and the services they provide to local and indigenous peoples. We all need to work together to create a new industry mindset that is focused on sustainable innovation and mainstreaming circularity in materials, products and practices in the industry.

EMISSIONS & WASTE MANAGEMENT

CO₂ EMISSIONS

Raw materials are the most significant source of Rosy Blue’s emissions. Over the past ten years we have offset part of our emissions by working with an independent organisation that sets up tree planting projects in our supply chain. Contrary to ordinary offsetting, where organisations buy certificates in projects that reduce CO₂, the compensation of CO₂-emissions happens through direct action in our own supply chain.

PLASTIC REDUCTION

Plastics are an important material in our economy and daily lives. However, they can have serious negative effects on the environment and human health.

The EU adopted a European strategy for plastics in January 2018. This is part of the EU’s circular economy action plan, and builds on existing measures to reduce plastic waste.

The plastics strategy is a key element of Europe’s transition towards a carbon neutral and circular economy. It will contribute to reaching the 2030 Sustainable Development Goals, the Paris Climate Agreement objectives and the EU’s industrial policy objectives.

Making recycling profitable for business, improving the separate collection of plastic waste, and finding alternatives to our plastic zip locks are just a few examples of how Rosy Blue is committed to contributing to plastic reduction.



VALUE CHAIN RESPONSIBILITY



RESPONSIBLE SOURCING OF RAW MATERIALS

Our relationship with the world's premier diamond mining companies enables us to assure our clients a regular supply of rough diamonds well into the future. We participate in all major tenders and auctions. Our global sourcing team also buys from all rough trading centres and across a full range of diamonds of the finest quality, but only from known and trusted suppliers. We are extremely careful with every rough diamond that we buy, ensuring it is conflict-free and from human rights abuse-free sources. Depending on our own needs in polished stones, we trade any rough diamonds that will not be sent for manufacturing

RESPONSIBLE SOURCING POLICY

Conflict-free origins

All our diamonds are of conflict-free origin. We apply the rough diamond export and import verification system and controls as laid out by the **Kimberley Process Certification Scheme** and the national legislation of the countries in which we operate. We only supply diamonds that have been sourced from countries that are participants in the Kimberley Process and that have been legally exported under a relevant Kimberley Process certificate. Certifying their origin is done to prevent diamonds that are potentially being used by rebel movements to finance armed conflicts from entering the market.

We also fully comply with the **World Diamond Council System of Warranties**. The System of Warranties (SoW) is an industry self-regulation system that was created by the World Diamond Council (WDC) to support and strengthen the Kimberley Process Certification Scheme (KPCS) through the entire length of the diamond distribution chain. It also protects the integrity of the diamond supply chain in areas that are currently outside of the scope of the KPCS.

The SoW requires professional buyers and sellers of rough diamonds, polished diamonds and jewellery set with diamonds to include a warranty statement on B2B invoices and memos each time a diamond changes hands. It assures the next buyer that it originated from sources in compliance with the KPCS, confirming the conflict-free origin of the merchandise and also that it was handled in accordance with essential responsible business practices, including those relating to human and labor rights, anti-money laundering and anticorruption.

Non-Russian Origin

In the context of the conflict between Russia and Ukraine, Rosy Blue has decided to take appropriate measures to eliminate all diamonds of Russian or unknown mining origin from its supply chains as quickly as possible, in order to not participate, directly or indirectly, in financing this conflict. This restriction on origin is in addition to the existing restriction on Zimbabwe. For the first part of 2022, it was still possible to receive diamonds of Russian or mixed mining origin, provided that it can be demonstrated that the rough was originally purchased before 11 March 2022.

Before the invasion of Ukraine, 25% of rough diamonds passing through Antwerp came from Russia. Our flow of incoming goods has had to shift drastically to other key suppliers. This affected our proportion of in-house manufactured goods versus polished purchases ratio for a while, before balancing out once more.

Supply of rough diamonds



PROVENANCE TRACEABILITY

In all entities, integrated IT systems have been set up in order to guarantee full transparency on every stone that is manufactured in-house. These processes are also independently verified through our membership of the De Beers protocol called “Pipeline Integrity (PI)” for the manufacturing of Forevermark diamonds, DTC Melee diamonds and DTC Code of Origin (COO) programme.

The Diamond Pipeline Integrity Specification (DPIS) is a proprietary standard that sets out the requirements for

registered buyers and sellers of DTC Diamonds (Sightholders) to ensure the segregation and traceability of DTC Diamonds from other, non-eligible diamonds, where these Sightholders participate in one or more De Beers Provenance Programmes via a contractual arrangement.



“Allied with human vigilance, our integrated IT systems help us monitor every diamond passing through our manufacturing and finishing process.”



Mayur Gori
SOFTWARE ERP MANAGER
ROSY BLUE NV

FANTASY SYSTEM AT ROSY BLUE NON-INDIA

The Fantasy system allows for absolute tracking of every single stone, as well as entire lots - manufactured in-house - throughout every stage of our entire global supply-chain.

JD EDWARDS AT ROSY BLUE INDIA

JD Edwards is the integrated applications suite of resource planning software that offers databases, operating systems and hardware to develop IT solutions to meet business requirements such as the strict monitoring of all receivables and payables. It tracks each rough parcel from the moment it is received up to completion of the manufacturing process and the value addition made thereto.



PROVENANCE CLAIMS

Non-Zimbabwe Origin (global)

The diamonds herein invoiced have not originated from Zimbabwe based on personal knowledge and / or written guarantees provided by the supplier of these diamonds.

Naturality (Rosy Blue NV)

The diamonds herein invoiced are exclusively of natural origin and untreated, based on personal knowledge and/ or written guarantees provided by the supplier of these diamonds.

DTC Origin (global)

The diamonds herein invoiced are diamonds from DTC and originated in (South Africa, Botswana, Namibia and Canada).

MEASURES THE INDUSTRY IS TAKING TO IMPROVE TRACEABILITY AND TRANSPARENCY

- The industry is providing support and investment as well as facilitating market access for Artisanal and Small Scale Mining (ASM), which requires solutions that respect the rights of individuals and creates opportunities to be more involved in the formal economy.
- 100 million people work in the sector globally.
- The industry is leveraging new technologies, such as laser technology and blockchain, to improve the traceability of gemstones and provide more detailed information about origin.
- Chain of custody and due diligence remain crucial components of a traceable and transparent value chain to identify and prevent human rights risks.

PRODUCT INTEGRITY AND AUTHENTICITY

Full disclosure is always key throughout our processes. We acknowledge that in our sector, non-disclosure of the potential treatment of natural diamonds, and misrepresentation of simulants and synthetics as natural diamonds, undermines consumer confidence in the integrity of our product. Written disclosure is needed in each bill of sale, receipt, laboratory certificate or other documentation we give to our clients.

GLOBAL SUPPLY CHAIN CONTAMINATION CONTROL

What is a synthetic diamond (laboratory grown diamond)?

A synthetic diamond is a diamond produced in an artificial process mainly in laboratories, as opposed to natural diamonds, which are created by geological processes. Synthetics are made from carbon, but crystal is produced by two major processes: high-pressure high temperature (HPHT), and chemical vapour deposition (CVD). Given the costs of production are lower, the cost of a synthetic diamond is about 40% lower than that of a natural diamond. Laboratory grown diamonds have almost identical physical and optical properties as natural diamonds.

Rosy Blue’s view on synthetics is that gem-quality synthetic diamonds are a genuine product in their own right. If sold with the proper disclosures, they offer consumers an alternative to buying natural diamonds. What affects the natural diamond industry and consumers is the undisclosed mixing of natural and synthetic diamonds. This is clearly an act of fraud, which could discredit any respectable actor or player in the sector and could lead to a loss of confidence in the entire supply chain.

Detection procedure for rough diamonds

Buying rough diamonds from the market poses a medium risk for contamination. Since a simple visual distinction between unprocessed synthetic rough and natural rough is possible, all rough parcels are checked by the naked eye. The rough team

“At Rosy Blue we take the necessary precautions to eliminate risk and guarantee that our supply to our customers is 100% natural.”



Adele Van Coillie
**CENTER OF EXCELLENCE
MANAGER
ROSY BLUE NV**

at Rosy Blue is formally trained in identifying differences between natural and synthetic rough diamonds. In addition, they have also taken an official HRD course on hard-to-detect rough synthetics, as well as an IIDGR course on synthetics in general.

Detection procedure for polished diamonds

Rosy Blue anticipates the risk of mixing natural and synthetic diamonds by mapping, controlling and minimising all possible ‘contamination points’ in our pipeline. Each contamination point holds a different level of risk, and a different level of risk requires a different type of action. We have determined that 100% testing is required and have rolled out and implemented our integrity procedures across locations.

Rosy Blue Customer Protection Centre of Excellence

Rosy Blue is one of the companies to implement 100% naturality testing for melee diamonds. In 2018, our Centre of Excellence was created as an internal testing laboratory for authentication of melee diamonds coming from in-house manufacturing, purchases and returns. Our detection equipment is the AMS2 instrument from De Beers Group Ignite. All the “refer” diamonds are removed and only “pass” diamonds will enter the polished inventory. A system flow is maintained in the ERP system. All diamonds with parcel ID, location and other technical details will be stored in the system.

Pointers are either certified or will be tested 100% upon order and diamonds that are 1 carat and up are all certified.



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ABOUT THIS REPORT

REPORTING ON OUR PERFORMANCE

This is our report on responsible and sustainable initiatives, including the adoption of the Sustainable Development Goals (SDGs) and Environmental Social Governance (ESG) practices. The Global Reporting Initiative Standards are a modular system of interconnected standards. They allow organisations to publicly report the impacts of their activities in a structured way that is transparent to stakeholders and other interested parties.

This report has been prepared with reference to the GRI Standard. In addition this report serves as Communication On Progress for the UN Global Compact. We're aligned to the UNGC 10 principles through our commitment.

REPORTING PERIOD

The scope of this annual report covers a 12-month reporting cycle, from 01/01/2022 until 31/12/2022, except where specifically indicated. We believe it is important to only focus on relevant changes and core matters. Facts and practices that have remained the same are not specifically mentioned.

REPORTING SCOPE

In this report we cover the activities of the Rosy Blue Business Alliance, composed of:

- Rosy Blue (India) Pvt. Ltd. and its subsidiaries in 4 countries, covering 8 entities, are referred to as Rosy Blue (I) (Rosy Blue India), headquartered in Mumbai, India
- Rosy Blue Investments SARL and its subsidiaries in 8 countries, covering 15 entities, are referred to as Rosy Blue (NI) (Rosy Blue Non-India), headquartered in Antwerp, Belgium

Rosy Blue (I) and Rosy Blue (NI) are legally independent from one another and constitute the Rosy Blue Business Alliance. Rosy Blue is a common trade name used by the Business Alliance entities, which are distinct, privately owned and independently managed. In this report we refer to the Rosy Blue Business Alliance as 'Rosy Blue' for convenience reasons.

**The term "subsidiary" is used to cover all types of parent companies and affiliate organisational structures.*

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We welcome your feedback.





ROSY BLUE

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