ROSY BLUE

MORE THAN DIAMONDS

REPORT
2021

2021 again has been an unbelievable year.

Starting with a hard lockdown and fearing for our loved ones, to quickly adapting to the "new normal" – masks, hygiene measures, changing policies, vaccinations, and corona alerts – it all happened so fast. We've managed our families under these strange circumstances, and even missed countless precious moments with loved ones, who often live far away, and out of reach.

We also faced tremendous disruption in our work lives. From a complete closure during the first lockdown, to slowly trying to stabilize business, and running the company under constantly changing circumstances, with new daily challenges to resolve, and of course keeping everyone's health and safety as a top priority.

> Through our teamwork and resilience, we have met and exceeded the expectations of our clients, suppliers, financial partners, auditors, and shareholders"

We are truly proud of the team we have. Every member of our company rose to the challenge, supported each other, and showed a great deal of flexibility and understanding, as well as an attitude of getting the job done no matter what. And through our teamwork and resilience, we have met and exceeded the expectations of our clients, suppliers, financial partners, auditors, and shareholders.

As the old Rosy Blue line goes: Together We Sparkle!

Ravi Bhansali
MANAGING DIRECTOR
ROSY BLUE NV

Russell Mehta
MANAGING DIRECTOR
ROSY BLUE INDIA PVT. LTD.

CONTENT

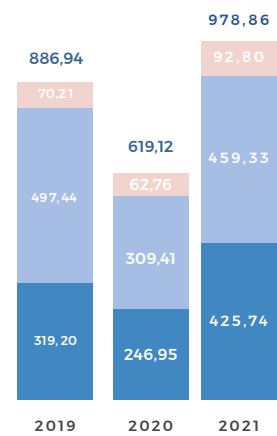# Position within the diamond pipeline

Rosy Blue began trading as B Arunkumar more than 50 years ago and continues to be a leading, trusted and successful player in the global diamond industry. **Today Rosy Blue is a big brand, comprising of 2 independent global groups operating in 11 countries around the world through several entities.**
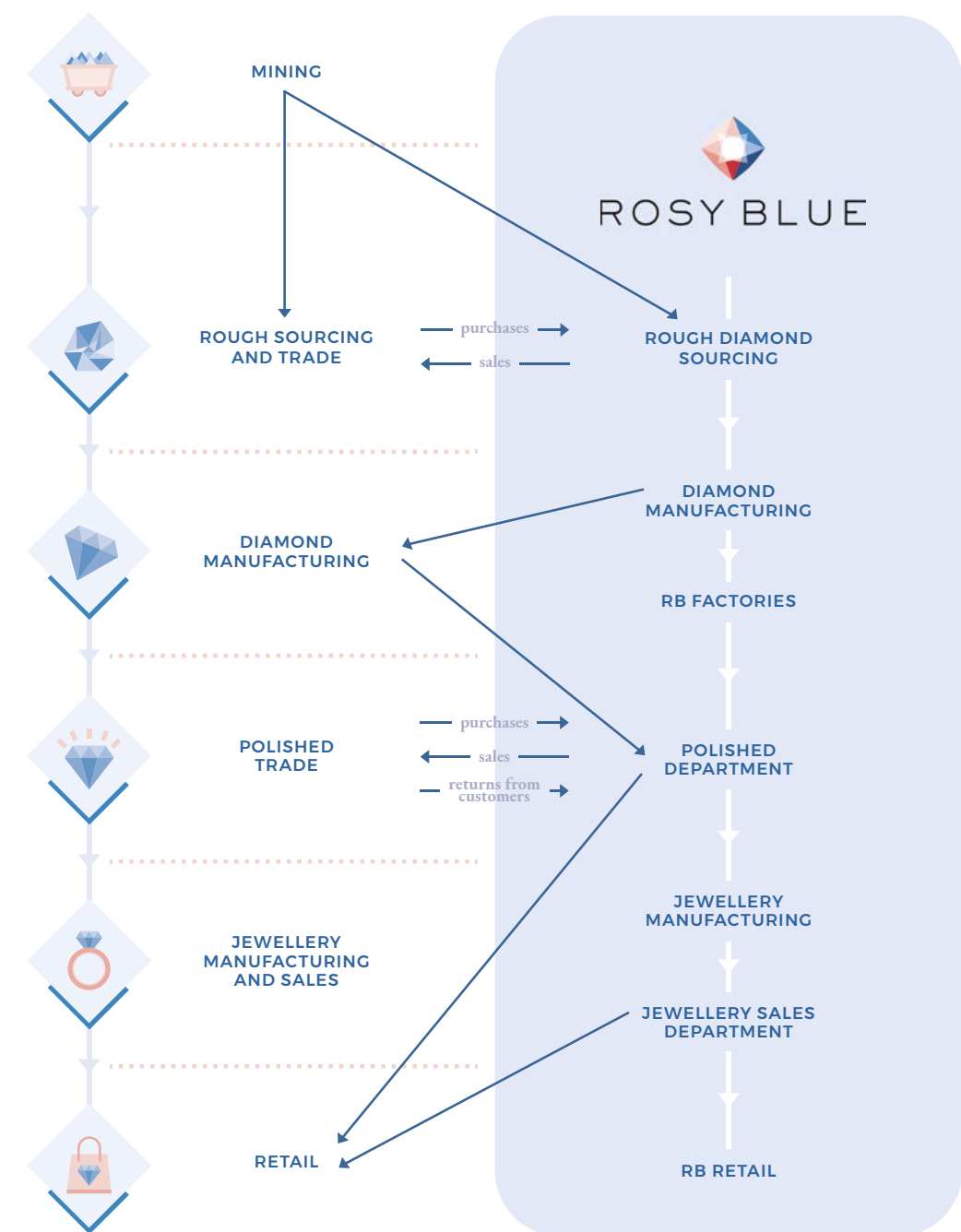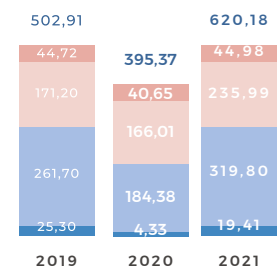
Rough sourcing and trade

Turnover

Non India

886,94
70,21
497,44
319,20

619,12
62,76
309,41
246,95

978,86
92,80
459,33
425,74

2019   2020   2021

'in million dollars'

India

502,91
44,72
171,20
261,70
25,30

395,37
40,65
166,01
184,38
4,33

620,18
44,98
235,99
319,80
19,41

2019   2020   2021

◆ ROUGH   ◆ POLISHED
♥ JEWELLERY   ♥ RETAIL

'in million dollars'

Our relationship with the world's premier diamond mining companies enables us to assure our client 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 centers and across a full range of goods of the finest quality, but only from **known and trusted suppliers.** We are extremely careful with every rough diamond that we buy, from conflict-free and human rights abuse-free sources. Depending on our own needs in polished stones, we trade the rough diamonds that will not be sent for manufacturing.

Supply of Rough Diamonds

45% Primary Source Contractual Supplies	35% Primary Source Tender and Auction Supplies	20% Open market Supplies
De Beers GROUP OF COMPANIES ALROSA	De Beers GROUP OF COMPANIES ALROSA OKAVANGO DIAMOND COMPANY BRAÛNA ARCTIC CANADIAN DIAMOND COMPANY LUCARA stornoway Petra Diamonds GEM DIAMONDS Rio Tinto MOUNTAIN DIAMONDS	• Secondary goods • Sourced from rough diamond dealers

Our core business: 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. Our production ranges from rounds (from 0.005pts to 10cts+) to calibrated princess diamonds (from 0.03pts to 10cts+) as well as a wide variety of fancy shapes.

RB India Manufacturing RB China Manufacturing	All sizes Melee sizes	719 people 336 people 1,055 people
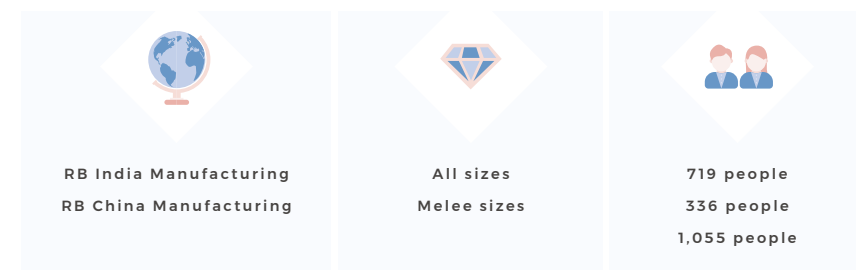
Manufacturing in India

When we started expanding our product assortment to include everything from the world's premier ideal cuts to small commercial goods, we opened or acquired new manufacturing facilities in different parts of the world. This was partly because of readily available talent suitable for a given product profile.

India specialises in manufacturing of cut and polished diamonds and hence the quality of diamonds coming out of India is constantly improving. Furthermore, India remains competitive in terms of cost relative to other manufacturing centers.

Rosy Blue units in India have benefited from our long-term process and quality improvement initiatives. We have committed to take the next strategic step in manufacturing better quality, larger sizes at our units in Mumbai. These units have been included in the compliance scope of our Alliance company since 2013 and we will continue to meet the highest compliance requirements in this location.

Polished trade

By combining our own manufactured diamonds with polished stones sourced from the open market, we ensure a consistent depth of inventory.

Our clients for polished stones are a diverse group, ranging from the world's most prestigious international brands to large chain retailers catering to every price point, as well as small speciality jewellers.

We have teams of key account managers across the world buying and selling specific weights and qualities of polished stones. These specialists are in continuous, open communication with our rough diamond procurement operations, to quickly pass on details of a customer's requirements. This is how we tailor our rough procurement as tightly as possible to the real-time demands of our customers, creating a responsive and client-centred pipeline.

Jewellery manufacturing and sales

Intergold is the jewellery manufacturing arm of Rosy Blue India. Our marketing and distribution network spreads across the globe, with special expertise in the United States, Europe, Japan and Asia Pacific. Each zone is backed by a local service desk.

ORRA
BRIDAL JEWELLERY
— 1888 —

Our retail brand ORRA in India

ORRA is one of India's finest jewellery retail chains, having spread its glow with 58 stores across 25 cities.

Over the years, the brand has been able to create a niche for diamond and platinum jewellery in a market that was otherwise dominated by a strong preference for gold.
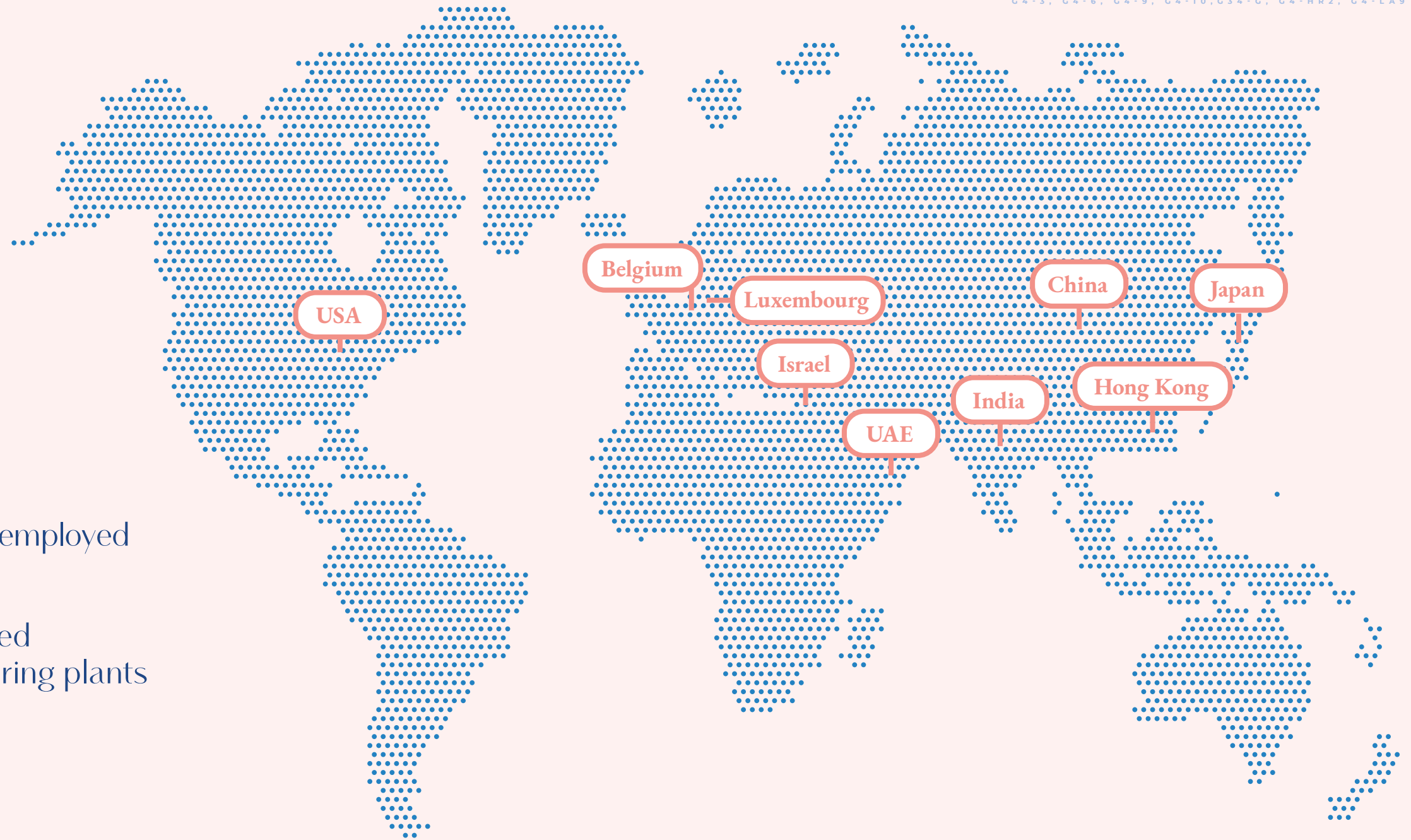
Our global presence
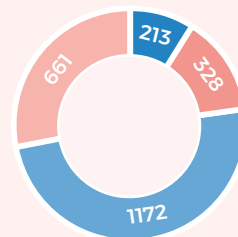
9 countries

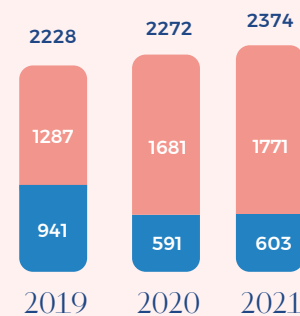**2374** people, directly employed

2 consolidated manufacturing plants

People by country

	Blue Collar		White Collar		Total
	♂	♀	♂	♀	
Belgium	0	5	30	22	57
China	45	246	5	40	336
Hong Kong	1	1	15	54	71
India	160	69	1053	489	1771
Israel	0	3	3	5	11
Japan	0	0	25	17	42
UAE	7	4	20	7	38
USA	0	0	21	27	48
					2374

Donut chart values: 661, 213, 328, 1172

Workforce evolution

- Rosy Blue India
- Rosy Blue Non-India

	2019	2020	2021
Total	2228	2272	2374
Rosy Blue India	1287	1681	1771
Rosy Blue Non-India	941	591	603

Activities by country

Legend: Rosy Blue India (blue), Rosy Blue Non-India (orange)

	Rough sourcing & trade	Diamond manufacturing	Polished trade	Jewellery manufacturing	Jewellery sales	Retail	Holding company	Administration
Belgium	Non-India		Non-India		India			Non-India, India
China		India	Non-India	India				Non-India
Hong Kong	Non-India, India	India	Non-India, India	Non-India	Non-India		Non-India	Non-India
India	India	Non-India, India	India	India	India	India	India	India
Israel	Non-India		Non-India					Non-India
Japan			Non-India		Non-India			Non-India
Luxembourg							Non-India	
UAE	Non-India		Non-India		Non-India			Non-India
USA			Non-India		Non-India, India			Non-India, India

Sustainability approach

Rosy Blue has engaged in a sustainability journey since many years. In fact our sustainability vision as a family business has always been based on a model of collaboration and stakeholder engagement- it is the philosophy at the heart of the founding fathers of our company late Mr. Arun Mehta and late Mr. Bhanuchandra Bhansali.

We were pioneers when Rosy Blue became one of the 14 founding members of RJC in 2005 and our participation in the Global Compact in 2008 also reflects the commitment to take leadership and embed responsible business practices into our operations.

Embedding sustainability into our operations takes time and it is a process of continuous improvement.
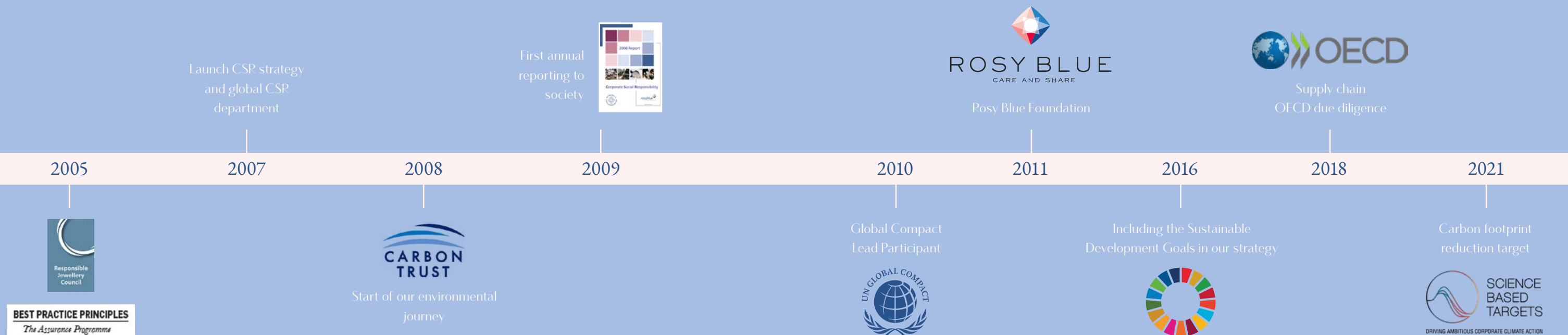
Materiality exercising: defining what's important

We indeed were early **embarking on doing the materiality assessment** from the start of our 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.

This was gradually evolving throughout the years, so to showcase this evolution for you:

1 First we started focusing on **social matters and labor rights–** achieving the highest possible standards like SA800 and RJC Code of Practices.

2 Afterwards we focused on **environmental matters** on top of social. We calculated our global emissions, did energy audits, made goals to lower emissions where possible and so we reduced our carbon footprint significantly.

3 The next step were **business and product related challenges.** Our focus shifted more on naturality testing, responsible sourcing, supply chain traceability, 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 longstanding commitment to sustainability

2005 — Responsible Jewellery Council — BEST PRACTICE PRINCIPLES — *The Assurance Programme*

2007 — Launch CSP strategy and global CSP department

2008 — CARBON TRUST — Start of our environmental journey

2009 — First annual reporting to society

2010 — Global Compact Lead Participant — UN GLOBAL COMPACT

2011 — ROSY BLUE — CARE AND SHARE — Rosy Blue Foundation

2016 — Including the Sustainable Development Goals in our strategy

2018 — OECD — Supply chain OECD due diligence

2021 — Carbon footprint reduction target — SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Fostering socio-economic development

In 2016 we started including the Sustainable Development Goals in our strategy. First we used the SDG's as a framework for defining materiality, but now we are moving towards a more transformational approach.

We conduct an annual impact assessment: assess the impacts we have or can have in every goal, in our own operations or in our sphere of influence.

More information on detailed methodology can be found in our 2019 report.

We need to raise more awareness on SDG's in our industry, so that more (smaller) entities understand what it means and that they also have an impact. If we share best practices, the threshold to participate will become lower. We believe there is an enormous opportunity to educate all players in the supply chain on the SDGs.

Read more at: undp.org/content/undp/en/home/sustainable-development-goals.html

The RJC has played and can continue to play a leading role in this area. You have a variety of concrete compliance programs on one hand and global sustainability goals like the SDG's on the other hand. Which makes it difficult especially for smaller players to understand how they can impact the bigger picture such as the SDG's. We look forward to sharing best practices- challenges and opportunities in the RJC SDG Task-force and work closely with the UN Global Compact on accelerating the 2030 agenda.

> "We're delighted to join the SDG taskforce, a strategic leadership group. Looking forward to join forces to drive the sustainability agenda forward in the global jewellery and watch industry.
>
> – Paj Mehta –
> Director Rosy Blue NV

Stakeholder consultation

Stakeholder mapping

We map our stakeholders to be able to consult them about their key concerns and expectations. Informally through the networks that we attend or participate in and annually through a formal stakeholders consultation. With our stakeholders we refer to anyone that's affected by us or affects us in any possible way.

Methodology

In 2015, we started surveys and qualitative interviews about their key concerns and expectations. We worked with Antwerp Management School as an independent third party academic partner.

Practically, we ask our stakeholders to give a score on a list of topics, on how important they believe each topic to be for Rosy Blue (importance) and how advanced they perceive us on each topic (maturity). This results in a materiality matrix which is very interesting for us to see the topics where we should focus most on.

Maturity Matrix

Once an organization has assessed the significance of its impacts, it needs to decide on which to report. To do this, it needs to prioritize the impacts. Grouping the impacts into topics.

Employee wellbeing

• Adopting fair and ethical working conditions (health, safety, working hours, wage,...) for all employees in our supply chain.

• Ensuring the well-being of all Rosy Blue's employees through workplace policies and initiatives for equality, inclusion, health and safety.

• Contributing to economic development, through decent jobs and livelihoods, infrastructure investments and building the skills of employees.

Craftmanship and education

• Improving technical skills (direct and indirect through scholarships, gifts to schools, grants...), literacy, reinforcing and sharing know-how.

• Fostering talent by training programmes Safeguarding the culture and craftmanship of diamond polishing.

Community engagement and partnerships

• Supporting non-profit organizations and partners linked to our sector or operations like RJC, Unicef, community initiatives,... enhance global partnerships for sustainable development sharing knowledge and expertise.
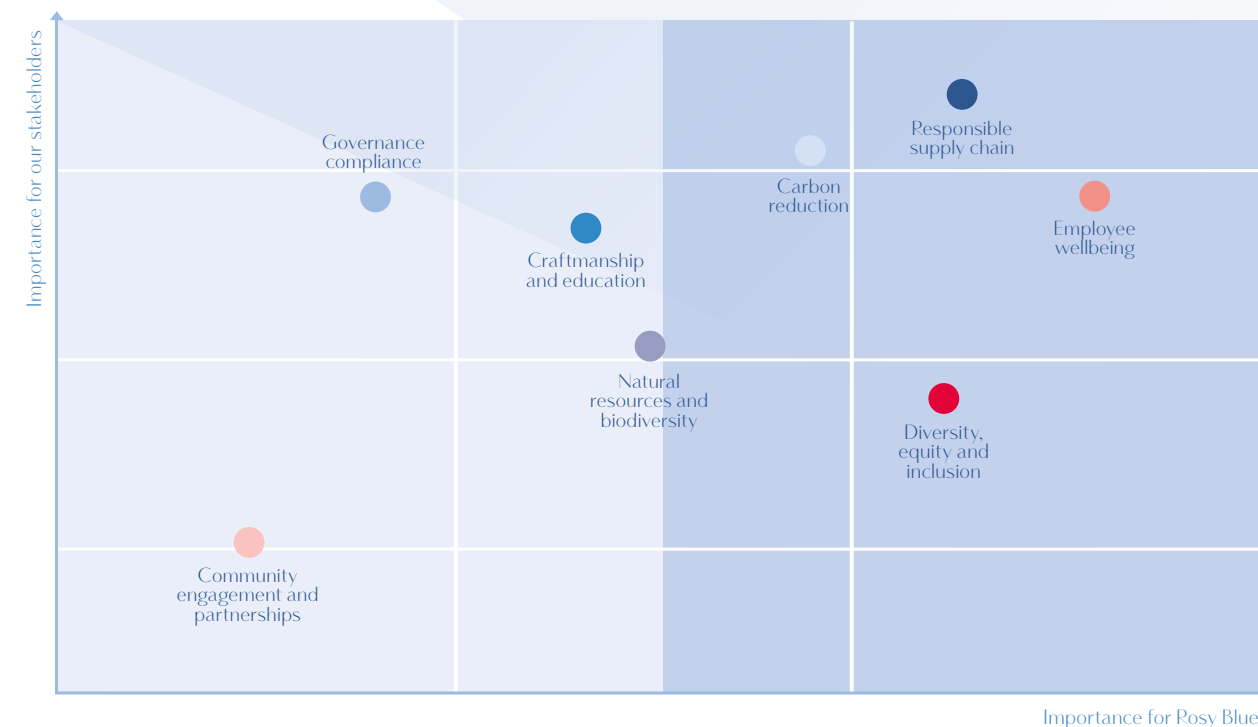
Responsible supply chain

• Ensuring the integrity of our products and practices.

• Increasing our synthetic proof processes to ensure that synthetic diamonds are not mixed with natural ones.

• Safeguarding a known, ethical, conflict free origin of all our diamonds.

• Ensuring every step the diamond travels is tracked and undertaken with transparent and responsible practices.

Carbon reduction

• Minimising the impacts of Rosy Blue's operations on the environment by investing in technologies that reduce emissions, energy and water use.

Natural resources and biodiversity

• Sustainable use of natural resources and 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 prioritizing our impacts. Sourcing where we can generate an extra positive impact.

• Linking company success to overall growth and positive impact along the supply chain, creating an added-value of diamond manufacturing for society.

Governance and compliance

• Ensuring effective and transparent governance structures and inclusive decision making, promoting equal gender opportunities, at all levels.

• Eliminating all corruption and money laundering risks.

• Compliance with legal and regulatory standards.

Diversity, equity and inclusion

• Equality of opportunity and broad-based progress of outcomes for all—especially sufficiency of living standards—and the narrowing of inequalities among genders, ages, ethnicities, racism, family backgrounds, and places of residence.

Governance and compliance

Promoting transparency regarding our own governance structure and practices, and inclusive decision making, promoting equal gender opportunities, at all levels.

Ensuring effective policies and procedures to prevent bribery, money-laundering and corruption.

Corporate Governance as risk mitigation

We recognize the importance of good governance to prevent business and social risks within our company. To achieve this goal, we have increased management efficiency and transparency by improving our internal control system. A number of corporate bodies have been established to create a sound balance of reporting.
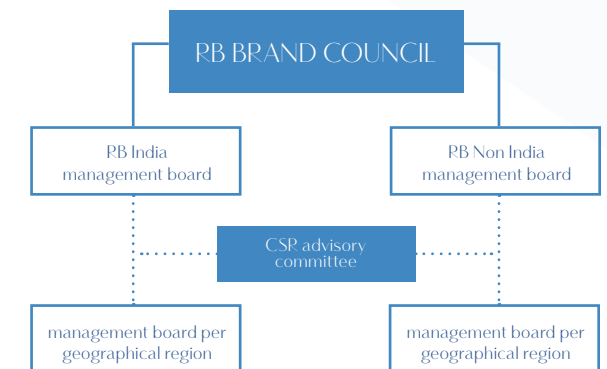
Our core values

Integrity:
we strive to uphold ourselves to moral and ethical standards.

Accountability:
we are keen to deliver the same promise of trust and craftmanship to all our stakeholders around the world.

Diversity:
we embrace the diverse characteristics of all people who work with us and respect their dignity.

Rosy Blue Brand Council

Since Rosy Blue NI and Rosy Blue I are two independent legal entities, a Rosy Blue Brand council has been established with the main function to manage growth and oversee the Rosy Blue Brand. Their task is also to maintain ethics and core values across our operations.

Local Management Boards

Each Rosy Blue entity is governed by a 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.

Each Management Board coordinates meetings and a Chairman presides over it. Through regular discussions with its board members, the Management Board is kept constantly informed of developments in business policy, corporate planning and strategy.

It also approves the financial statements taking into account the reports by the auditor. Their task is also to maintain ethics and core values across our operations.

CSR Advisory Committee

The main objective of the CSR advisory committee is to review and make appropriate strategic recommendations regarding Rosy Blue's CSR management and to monitor the conduct of business in accordance with the different compliance standards. The committee members come from different operational departments and complement each other in terms of their diverse professional expertise and excellent knowledge of the complex supply chain we work in.

Compliance: a very demanding operating environment

Compliance with international rules and regulations is a minimum responsibility for every organisation. There are several initiatives in the diamond industry that seek to help organisations improve their impact on society and to enhance consumer confidence. We also adhere to codes of different suppliers and customers, which for confidentiality reasons we have not individually and specifically mentioned here. On top, 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.

UN Global Compact

Rosy Blue is committed to the 10 principles of the United Nations Global Compact since 2008, annually reporting on our progress. In 2011 Rosy Blue became member of Global Compact LEAD. This platform is designed to challenge highly engaged companies in the UNGC to reach further.

- 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**

De Beers 'Best Practice Principles'

As a client of De Beers Global Sightholder Sales, we are contractually obliged to abide by their Best Practice Principles. The BPP Assurance Programme provides evidence to supply chain partners, consumers and other interested stakeholders that the exploration, extraction, sorting, cutting and polishing owned or controlled by the De Beers Group of Companies or by Sightholders, are undertaken in a professional, ethical and environmentally friendly and accountable way. External audits are selected annually by third party independent auditor SGS.

- Compliance since 2006 (inception of BPP)

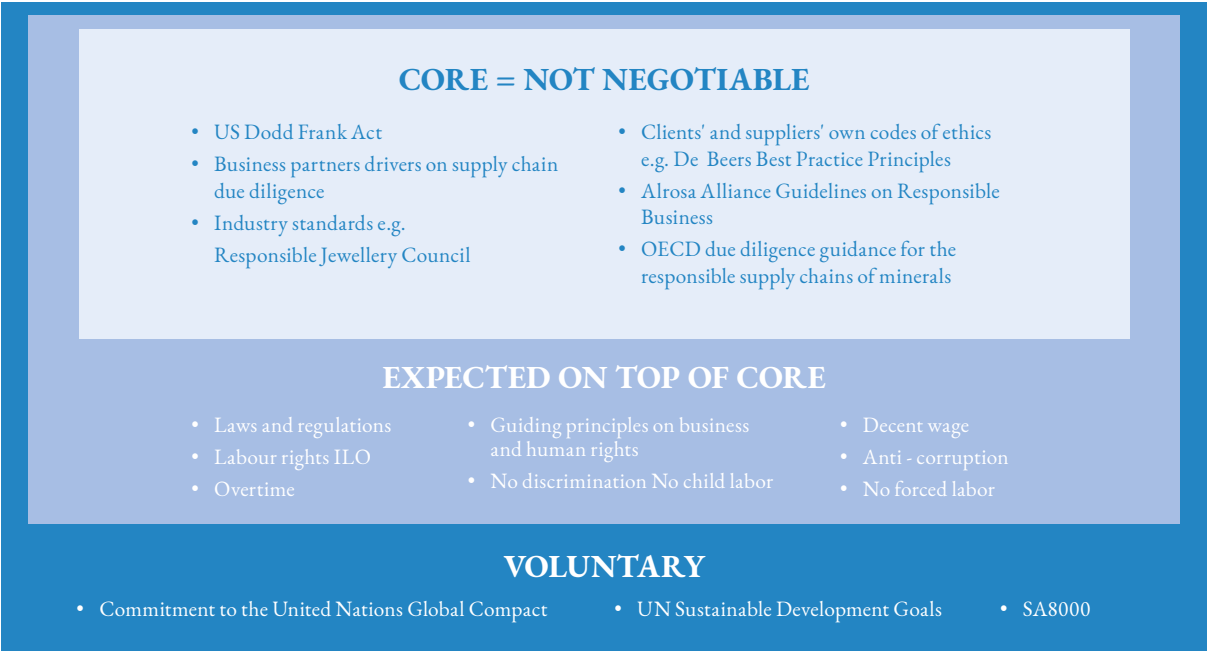More info on **debeersgroup.com**

Responsible Jewellery Council

The Responsible Jewellery Council (RJC) is an international not-for-profit organisation, cofounded by Rosy Blue (NI) in 2005. RJC members are committed to promoting business practices in a transparent and accountable manner throughout the diamond, gold and platinum jewellery supply chains. Our RJC certification requires us to be audited every 3 years by third-party independent auditors to verify our conformity with the RJC's Code of Practices.

- Founding member in 2005
- Full certification since 2011 (Non India) and 2013 (India) of all entities

More info on **responsiblejewellery.com**

CORE = NOT NEGOTIABLE

- US Dodd Frank Act
- Business partners drivers on supply chain due diligence
- Industry standards e.g. Responsible Jewellery Council

- Clients' and suppliers' own codes of ethics e.g. De Beers Best Practice Principles
- Alrosa Alliance Guidelines on Responsible Business
- OECD due diligence guidance for the responsible supply chains of minerals

EXPECTED ON TOP OF CORE

- Laws and regulations
- Labour rights ILO
- Overtime

- Guiding principles on business and human rights
- No discrimination No child labor

- Decent wage
- Anti - corruption
- No forced labor

VOLUNTARY

- Commitment to the United Nations Global Compact
- UN Sustainable Development Goals
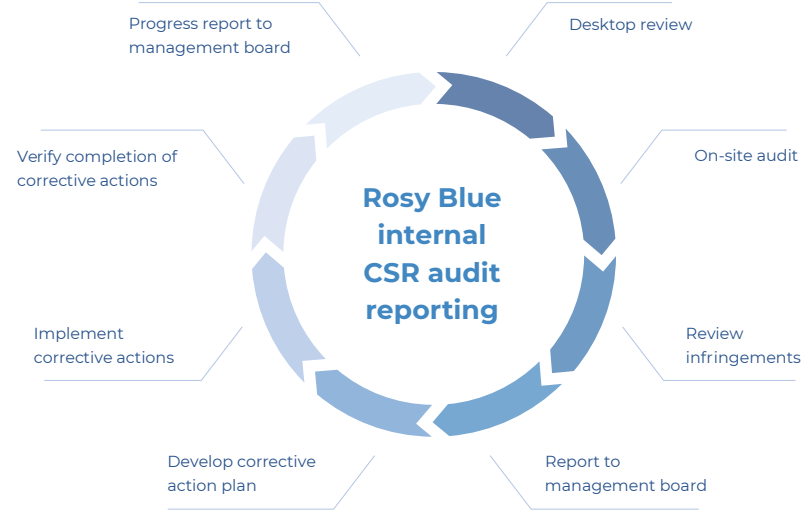- SA8000

Our compliance structure: decentralised for speedy and effective compliance

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

Belgium — Valérie Michel

China and Hong Kong — Liu Yuhang, Daisy Chan

UAE — Lalitch Engineedu

USA — Kirat Mehta

Japan — Vinay Mohan, ... Banerji

Israel — Paul Horn

India — Ashish Mandhre, Kishor Kirnalkar, Alston Dsouza, Dennis Belloro, Sangita Mehrotra, Sulekha Sule

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.

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 facility's work. In 2020 all internal audits were done remotely.

Rosy Blue internal CSR audit reporting

- Desktop review
- On-site audit
- Review infringements
- Report to management board
- Develop corrective action plan
- Implement corrective actions
- Verify completion of corrective actions
- Progress report to management board

Product veracity and pipeline integrity

Our supply chain must comply with stringent quality criteria and regulations with a view to transitioning towards an increasingly more responsible supply chain model: one that respects people, communities and the environment. Gaining a deeper knowledge of its supply chains with the aim to guarantee the highest level of quality, the best traceability and the careful selection of our sources.

Ethical sourcing from primary mines and trusted suppliers

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 national legislation of the countries where 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 to prevent diamonds from potentially being used to finance armed conflicts by rebel movements from entering the market.

*www.kimberleyprocess.com

1 ▼

Ethical sourcing For us this means, ensuring our diamonds have not been used to fund armed conflicts nor have been sourced in a way that didn't respect human rights in any way.

2 ▼

Naturality testing It is our obligation to guarantee the authenticity of our diamonds and gold jewellery in all their physical characteristics. At Rosy Blue, a customer protection center of excellence will secure our supply chain 100% for our customers. We have created a 100% incoming quality control, to make sure our polished inventory is guaranteed natural.

3 ▼

Responsible practices Guaranteeing our diamonds have traveled a completely responsible and sustainable journey from our rough purchase to the end of the pipeline.

1. We have implemented the highest possible social standards in our operations.
2. We have been focusing on environmental matters, calculating our global emissions and reducing our carbon footprint significantly.

Conflict free origin

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. The SoW 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 jewelry set with diamonds to include a warranty statement on B2B invoices and memos each time a diamond changes hands, assuring 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 anti-corruption.

Origin disclosure request

As a basic principle, we request our market suppliers to disclose any information they may have on the rough diamonds' provenance and declare on the invoice the mining company where the rough was coming from. In case of polished purchases at Rosy Blue Non-India, we also request to declare the country of manufacturing and the guarantee the goods are ethically manufactured.

This way we can trace back all our stones back to an original origin, whether it is documented with an original invoice or declared on a suppliers' invoice.

Audited 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. Allied with human vigilance, this helps us monitor every diamond passing through our manufacturing and finishing process. These processes are also independently verified through our membership of the Forevermark Program in 3 of our operations: Belgium, China and India.

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 our entire global supply-chain, at every stage.

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 like a tight monitoring of all receivable and payables. It tracks each rough parcel from the time it is received till the completion of manufacturing process and the value addition made thereto.
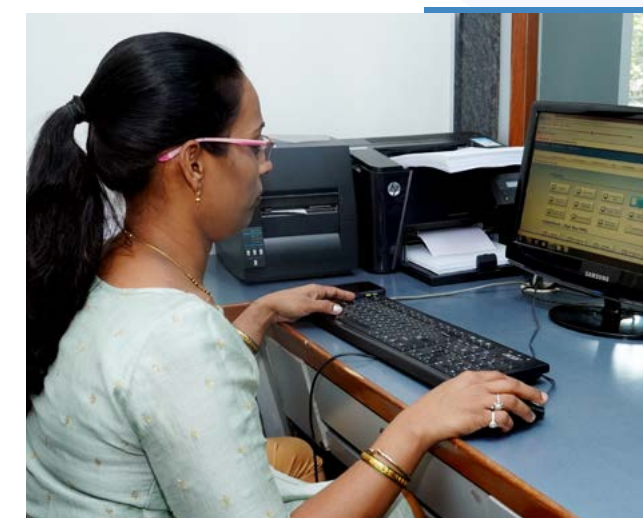
Provenance Claims

| **A** SRSP compliance (USA, India and Belgium)	**B** Non Zimbabwe Origin (global)	**C** Naturality (India)
By shipping goods pursuant to this invoice, we warrant that, to the best of our knowledge, the diamonds invoiced herein have not originated from the Marange region of Zimbabwe and we have received a similar assurance of non-Marange region from the supplier from whom we have obtained the diamonds herein invoiced.	The diamonds herein invoiced have not originated from Marange region of Zimbabwe based on personal knowledge and / or written guarantees provided by the supplier of these diamonds.	The diamonds herein invoiced are Diamonds from DTC and originated in (South Africa, Botswana, Namibia and Canada). For more information, please visit www.dtc.com Rosy Blue (India) Pvt. Ltd. makes the following statement (WFDB) about naturality: 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.

Supply chain due diligence: our top priority

OECD due diligence

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and HighRisk 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. = due diligence for an ethical, integer pipeline.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
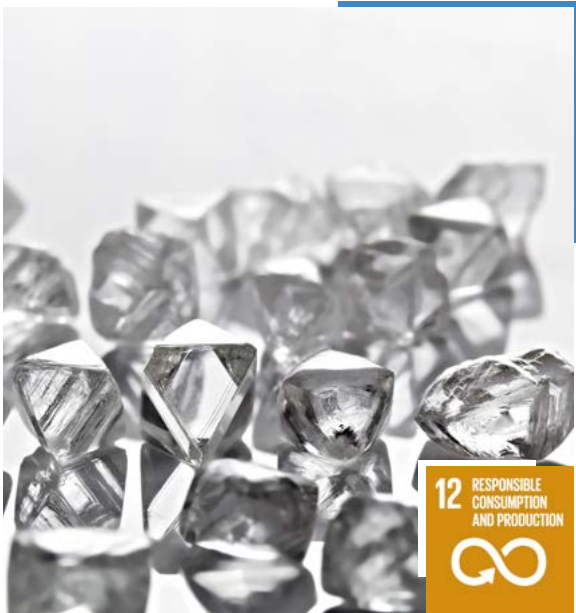
Evolution

→ UN Guiding Principles on Business and Human rights (2011)

→ EU CSR directive (2017)

→ OECD Due diligence guidance (2018)

→ RJC Code of Practices COP7

→ WDC System of Warranties

> *The time companies could just close their eyes to the behavior of their 'partners' in the supply and value chains seems to have long passed.*
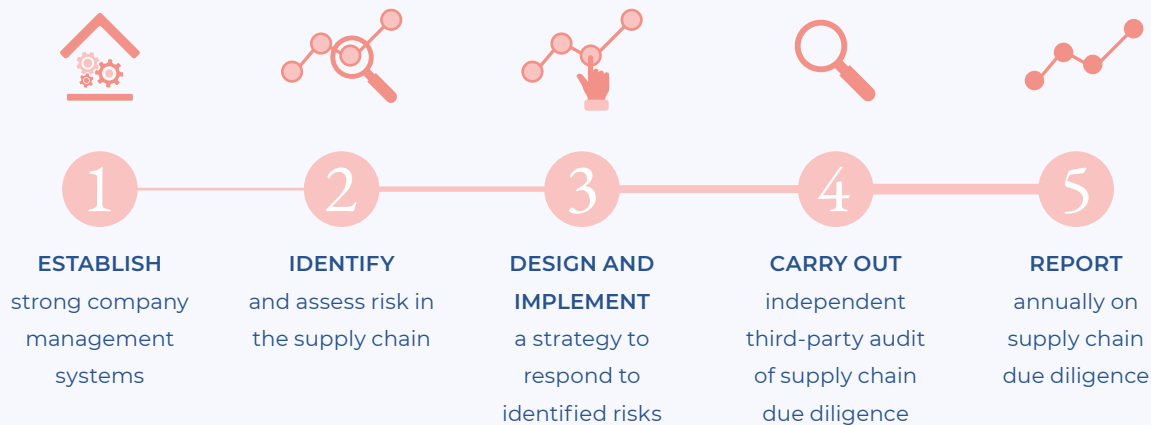
A proper due diligence done by diamond companies on their suppliers and other partners, is an adequate way to stem and remediate adverse human rights impacts.

This due diligence provision is included in the new RJC Code of Practices.

Performing due diligence remains a very complex and time-consuming process for many diamond companies.

A **5**-STEP FRAMEWORK

1 ESTABLISH strong company management systems

2 IDENTIFY and assess risk in the supply chain

3 DESIGN AND IMPLEMENT a strategy to respond to identified risks

4 CARRY OUT independent third-party audit of supply chain due diligence

5 REPORT annually on supply chain due diligence

More information on: mneguidelines.oecd.org/mining.htm

Enhanced supplier engagement

We are requiring 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 we implemented this in 2021?

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 responsible person for supply chain due diligence who was trained intensely.
- **we collect** supplier details.
- **we engage** with our supplier on the origin of diamonds (origin disclosure request).

STEP 2   Identifying and assessing risks in our diamond supply chain

- **verify** the information that we got from our suppliers.
- **we check** if the origin is from a cahra country (conflict affected and high risk country).

**STEP 3   Mitigate identified risks (if any)**

- **contact** our supplier for more info.
- **end** the business relationship.

Product integrity and authenticity

Full disclosure at all times

Full disclosure at all times is key throughout our processes. We acknowledge that in our sector, the non-disclosure of the potential treatment of natural diamonds, and the 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.
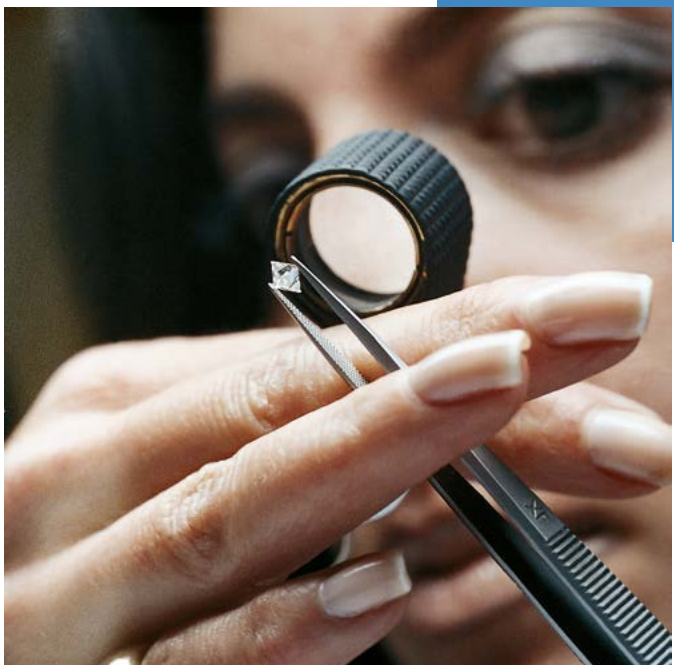
Global supply chain contamination control

What is a synthetic diamond?

A synthetic diamond is a diamond produced in an artificial process, as opposed to natural diamonds, which are created by geological processes. Synthetics are made from carbon, but crystal is formed through production methods that are, high-pressure high-temperature (HPHT) or chemical vapor deposition (CVD). While the costs of production are lower, cost of a synthetic diamond is about 40% lower than that of a natural diamond.

Rosy Blue's view on synthetics: Gem quality synthetic diamonds are a genuine product in their own right. If sold with the proper disclosures, it offers consumers an alternative to buying natural diamonds. What affects the natural diamond industry and the consumers is the undisclosed mixing of natural and synthetic diamonds. This is clearly a fraudulent practice, which is not acceptable to any respectable actor or player in the sector.

CATEGORY OF GOODS	INTERNALLY MANUFACTURED GOODS	PURCHASES
Below 0,9 mm	100% testing by lab	100% testing by lab
Melee goods	100% testing	100% testing
Pointers	Certified or 100% testing*	100% testing
1cts and up	Certified	Certified

*upon shipment

Detection procedure for rough

Buying rough diamond 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 eye. The rough team of Rosy Blue NI is formally trained in identifying differences between natural and synthetic rough diamonds. They received again an official HRD course on hard-to-detect rough synthetics and an IIDGR course on synthetics in general.

Detection procedure for polished

Rosy Blue anticipates the risk of mixing natural with synthetic diamonds by mapping, controlling and minimizing 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 100% testing is required and we have rolled out and implemented our integrity procedures across locations.

Rosy Blue Customer protection center of excellence

Inspection of 100% of melee goods, both coming from in house manufacturing and purchases, is done at the Center of Excellence before entering the polished inventory.

All the customer returns, sales returns and contractor returns will also be returned directly to the Center of Excellence. A system based lock will be activated to ensure these goods shall not be transferred between Rough – Polished department and vice versa. A system flow is maintained in the ERP system. All the stones with parcel id, location, and other technical details will be stored in the system.

Pointers and above will be tested as well for 100% as most of these are certified goods and the remaining part will be kept apart and tested upon order.

Detection equipment

Automated Melee Screening ('AMS2') : A fully automated instrument for screening volume melee diamonds to verify they are not synthetic or simulant.

Supplier: De Beers IIDGR
Scope: Round brilliant colorless diamonds in size range 0.003cts – 0.2 cts Fancy shapes (0.01-0.2cts)
Logs: Log of every tested parcel and the outcome.
Speed: up to 3600 stones an hour (AMS2).
Referrals: Separates: natural, HPHT and simulants; 4 bins: Pass – Refer – Refer Type II – non--diamond. All CVD is referred. Low referral rate.

Employee wellbeing

Ensuring the health, safety and well-being of all Posy Blue's employees through workplace policies and initiatives for equality, inclusion and occupational health and safety.

Contributing to economic development, through decent jobs and livelihoods, infrastructure investments, building the skills of employees.

Beyond labour rights in our own operations

For Rosy Blue Human rights include Labor 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.

Most of our operations and people are in manufacturing. Environmental and social standards for labour vary tremendously — for example, the national minimum wage, or working hours in a certain country may exceed or fall short of actual decent living standards.

Because of this, we are committed to going beyond the minimum regulations as stipulated by local law. 23.5% of our total workforce is covered by collective bargaining agreements.

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. The fact that we are certified RJC member and SA8000 applicant enables us to claim that all practices throughout our own operations are conducted in an ethical and responsible way, without any human right abuse or conflict.

Health and Safety

Rosy Blue is committed to providing and maintaining a safe and healthy work environment for all employees, contractors and visiting members.

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. In 2021, 101 people were involved in preserving health and safety across our sites.

In order to encourage COVID vaccination, a customized incentive program was also implemented to facilitate vaccination of employees' parents.

Working accidents

We take 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 health of employees at regular intervals. We focus on wearing personal protective equipment (PPE) which makes a considerable impact in the occurence of accidents.

YEAR	MINOR INJURIES	MAJOR INJURIES
2018	8	2
2019	9	1
2020	6	0
2021	12	0

We consider a major injury when a doctor is called or the person is sent to the hospital, even if it is just for checkup.

Some of the risk factors we identified in our 'labor and working conditions' risk assessment

Risk factors	Potential negative impact	Probability of occurrence	Severity of impact	How to handle?
There is a difference in nationality, race or religion between workers and managers.	Discrimination, disciplinary abuse and harassment, communication barriers.	High	High	Open communication, grievance procedure, training.
Some of the workers in our factories are migrants from other areas.	Forced labor, discrimination.	Low	High	Employment contracts, open communication.
There are security guards at our companies due to high value goods.	Lack of freedom of movement, harassment.	Low	High	Contractual agreements on human rights with security agencies.
Our production activities involve workers routinely interacting with machinery.	Worker injuries and chronic conditions.	Low	High	Health protocol to be monitored and controlled.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Our social performance

During the social audits of our entities in 2021 the following infringements were found. You can read below how we addressed and corrected the findings.

Social audits: examples of how we addressed and corrected some findings.

COUNTRY	FINDING	CORRECTIVE ACTION	
China	The factory uses chemical glue as part of its process. However, the factory had not provided emergency eye-washing facilities for the chemical glue storage area in case of accident.	Eye washing stations were installed.	Closed
China	The first aid box was provided to each separate workshop. However, sampling checked first aid kits, it was noted that one medicine was expired.	The medicine was replaced.	Closed
India	The entity's fire No Objection Certificate expired on 2nd April 2020. The entity applied for a renewed certificate but due to the Covid-19 pandemic, there have been significant delays from the local authorities in providing the certificates.	The certificate was obtained.	Closed
India/ Belgium	The entity has started the due diligence process on its suppliers. However, as the entity is currently waiting for its suppliers to respond to its request for information, it is unable to complete the process.	The entities have initiated the process of risk assessment by sending out letters to its suppliers. Once the responses are received to at least 70% of the letters, the entity shall conduct a risk assessment.	Closed
India	The supply chain policy on our global website, was not referring to our Indian entities specifically.	The entity shall publicly report on its due diligence systems, practices and approaches at least annually. The supply chain policy that was specific for India has been communicated.	Closed
India	On some invoices the declarations were not in line with the WFDB requirements.	The ERP system has been adjusted so the correct statement would appear on every invoice.	Closed

Results of BPP/PJC external audits per country

COUNTRY	Belgium	China	Hong Kong	Israel	Japan	UAE	USA	India
2019	•				•	1 inf	3 inf	4 inf
2020	1 inf			3 inf				2 inf
2021	1 inf	2 inf						4 inf

INF= improvement opportunities and potential minor infringements. An infringement is a compliance issue that can be managed and rectified within a short or reasonable period.

# Human rights due diligence in our supply chain

Human rights are critical topics in the industry, whereby vulnerable communities and workers are still victims of abuses like violence, slavery, or denial of property rights. Scandals weaken stakeholders 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.

We carry out a risk assessment to review our responsibility with respect to human rights, as a requirement for the RJC code of practices. The exercise allows us to proactively manage the Human Rights related risks of our supply chain.

We have mapped any human rights impacts our company may cause or contribute to and how we can prevent or adverse these.

CRITERIA	IMPROVEMENT OPPORTUNITIES
Adoption and implementation of a robust supply chain policy— that is incorporated into all contracts with suppliers.	The code of conduct is not part of the company's contract with suppliers. The policy is also not yet publicly available.
Traceability or Chain of custody over diamonds, including efforts to trace these minerals to their mines of origin by requiring full supply chain documentation from all suppliers.	No chain of custody.
Assessment of all human rights risks throughout the supply chain, including evidence of human rights due diligence by upstream suppliers, such as on-the-ground mine assessments.	We have not physically visited our suppliers to assess any risks within our further supply chain.
Third-party audits of the company's and its suppliers' human rights due diligence by auditors qualified to assess human rights issues.	We do not audit our suppliers.
Annual public reporting on human rights due diligence, including steps to manage and mitigate risks.	Including audit results of our suppliers in our communication.
Support for artisanal and small-scale mining.	Financial support for the Diamond Development Initiative and the Institute for Environment and Development to help formalize and promote responsible artisanal mining in both the diamond and gold sectors.
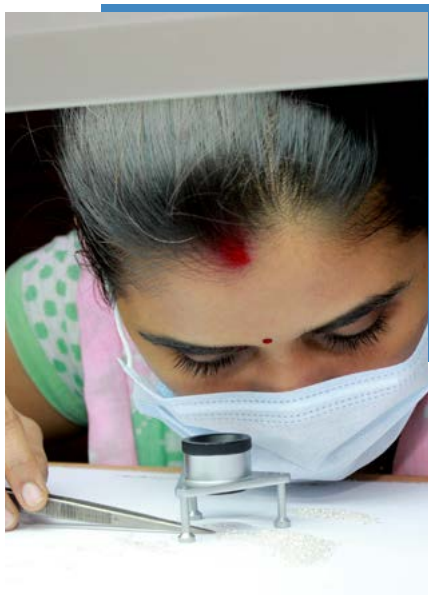
Gender Equality

Many disparities and inequalities exist within the jewellery supply chain which are detrimental to women. Our aim is to re-balance, and revaluing the position of women along the value chain. We believe all stakeholders have a shared responsibility to create more empowerment opportunities for women. Gender equality cannot be achieved when women do not have the resources needed to empower themselves.

Education is critical to embed a culture of diversity and inclusion in all organisations. We have started using the RJC's Gender Equality Toolkit to provide us with practical guidance on how to incorporate gender equality at the heart of our business strategy.

Building forward differently and better will require all of us placing women and girls at the centre of all aspects of response and recovery, including through gender-responsive policies that empower women throughout the value chain from mining to retail.

Craftmanship and education

Improving technical skills (direct and indirect through scholarships, gifts to schools, grants...), literacy, reinforcing and sharing know-how is crucial for Rosy Blue

Polishing diamonds is a very specific and respected crafts-manship. 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. We communicate our global policies and procedures covering the subjects of compliance on our CSR extranet. Regarding CSR and compliance knowledge, the training material and toolkits can be adjusted by the local CSR expert as per the local reality and language.

In 2021, Rosy Blue recorded a total of **5982.5 hours** of training mainly on compliances, human rights, social performance and management practices. In 2021 we distributed a new compliance training which all entities had to give to all staff. Health and safety and fire evacuation training is given in all entities.

In China we provided training on importance of working hours registration and how to clock in and out at the beginning and the end of the day.

A comprehensive training session was conducted for all staff members in Rosy Blue (India) Pvt. Ltd. about Prevention of Sexual Harassment of women at workplace.
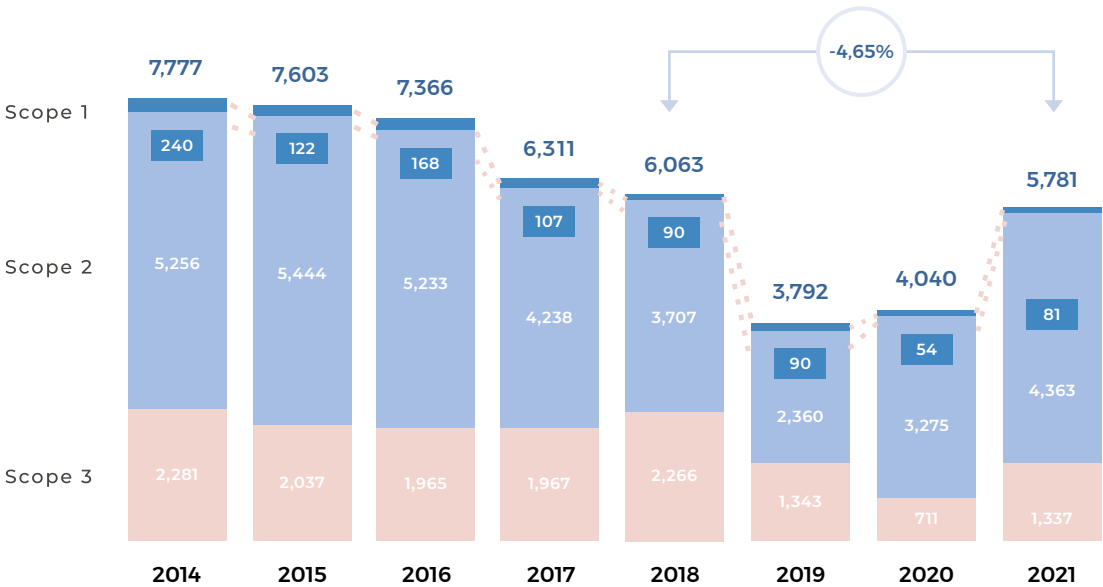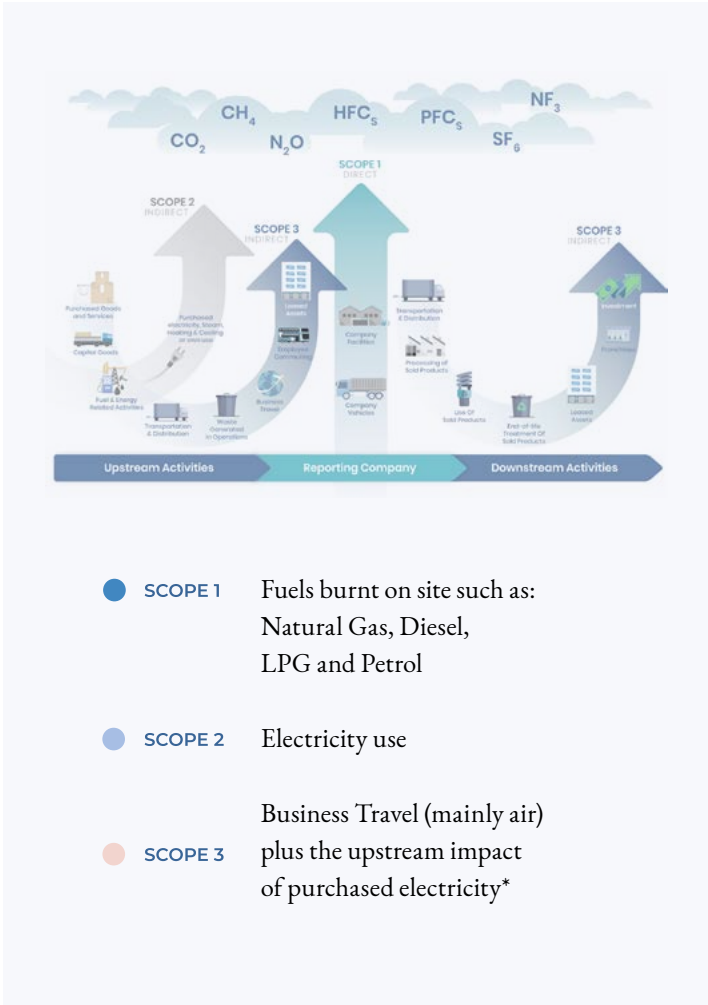
Environmental impact

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, or soil and water contamination. RJC has taken specific commitments towards SDGs 12 and 13. Rosy Blue has committed since many years to measure and reduce its environmental impacts, emissions, energy and water use, through resource efficiency and energy efficient practices.
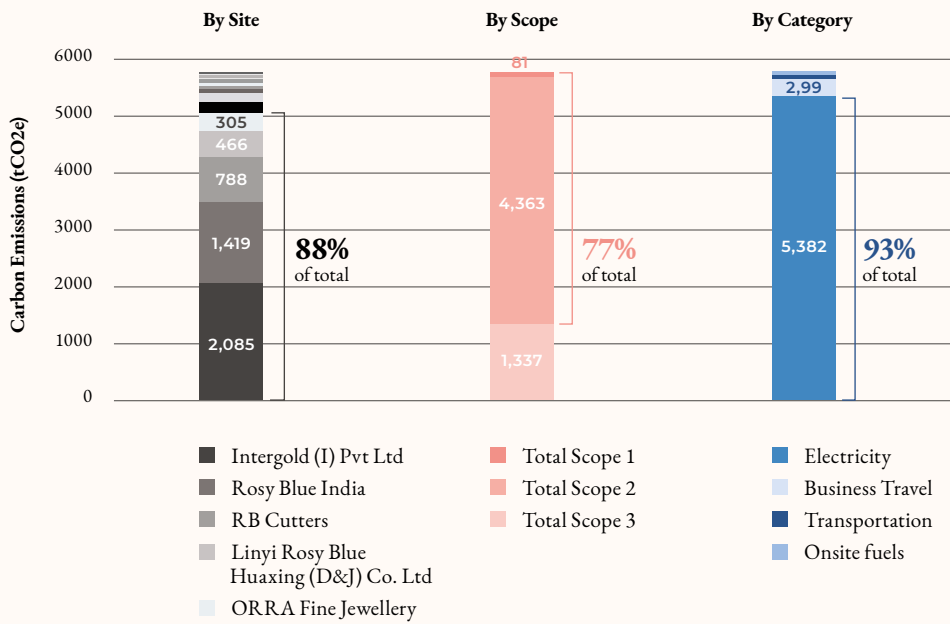
Evolution of our footprint

The 2021 footprint has shown a 4.25% decrease in emissions compared to 2018, defined as most comparable year, and continues Rosy Blue's downward trend since 2015 (23.96% since then). Improved and consistent data collection continues to be a priority for Rosy Blue and we have requested our environmental partner the Carbon Trust to conduct again training to our facilities in order to improve that process.

Municipal electricity is the key contributor to Rosy Blue's global footprint, responsible for 93% of emissions measured in tonnes CO²e

● SCOPE 1 — Fuels burnt on site such as: Natural Gas, Diesel, LPG and Petrol

● SCOPE 2 — Electricity use

● SCOPE 3 — Business Travel (mainly air) plus the upstream impact of purchased electricity*

-4,65%

	2014	2015	2016	2017	2018	2019	2020	2021
Total	7,777	7,603	7,366	6,311	6,063	3,792	4,040	5,781
Scope 1	240	122	168	107	90	90	54	81
Scope 2	5,256	5,444	5,233	4,238	3,707	2,360	3,275	4,363
Scope 3	2,281	2,037	1,965	1,967	2,266	1,343	711	1,337

CARBON TRUST

* Rosy Blue's Emissions

** Years considered less comparable due to disruption in operations measured in tonnes CO²e

Emission hotspots

CARBON TRUST

Carbon Emissions (tCO2e)

By Site
- 305
- 466
- 788
- 1,419
- 2,085

88% of total

By Scope
- 81
- 4,363
- 1,337

77% of total

By Category
- 2,99
- 5,382

93% of total

■ Intergold (I) Pvt Ltd
■ Rosy Blue India
■ RB Cutters
■ Linyi Rosy Blue Huaxing (D&J) Co. Ltd
■ ORRA Fine Jewellery

■ Total Scope 1
■ Total Scope 2
■ Total Scope 3

■ Electricity
■ Business Travel
■ Transportation
■ Onsite fuels

By Site:
88% of emissions are attributed to just 5 (of 16) sites

By Scopes:
77% of emissions are organizational and under direct or indirect control of Rosy Blue

By Categories:
93% of emissions come from municipal electricity, with Business Travel the second largest contributor at 5%

" 93% of Rosy Blue's emissions relate to electricity use. Renewable electricity procurement would significantly reduce the footprint under market-based reporting. "
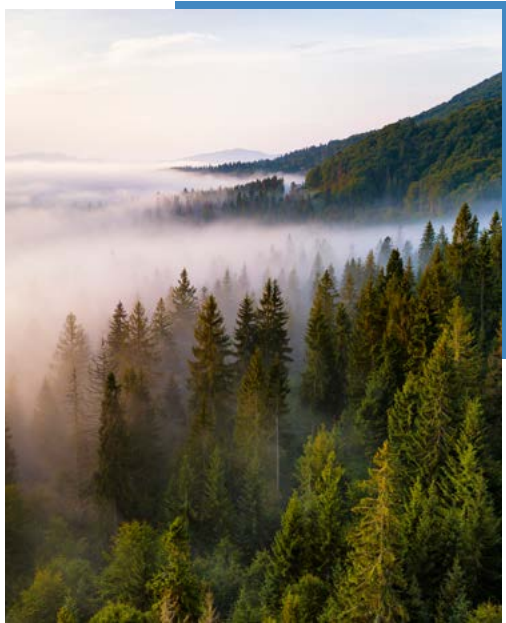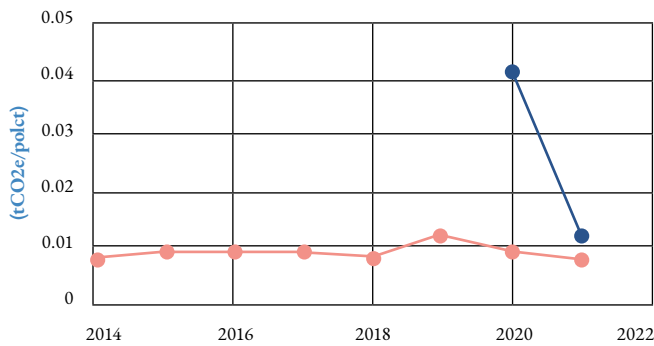
Carbon Intensity

Another way to look at emissions is to compare them against production data to define a carbon intensity/efficiency. In this example we look at Carbon Emissions (tCO²e) per polished carat at the Linyi RB Huaxing and RB Cutters sites.

Carbon Emissions
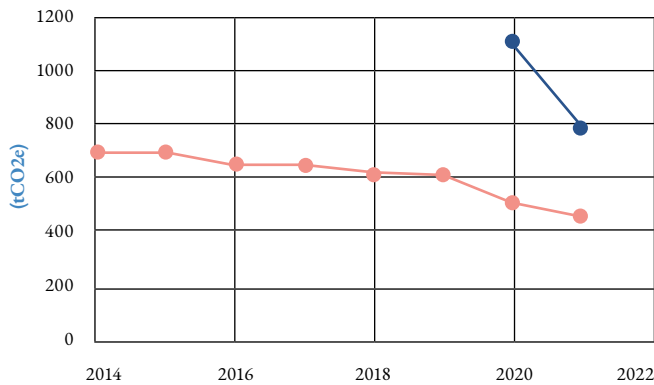
Carbon Intensity

○ Linyi Rosy Blue Huaxing (D&J) Co. Ltd

● RB Cutters

LINYI

- While the emissions have been steadily decreasing since 2014, so has the caratage, resulting in an overall flat carbon intensity over this period and carbon efficiency has largely not improved.

RB CUTTERS

- With only 2 years of data it is difficult to interpret RB Cutter carbon intensity trend.

- However, between 2020 and 2021 we do see a big drop in carbon intensity, driven by the fact the total emissions at this site have dropped by around 29% whilst the caratage has more than doubled.

- It is worth noting that the carbon intensity of RB Cutters was very high compared to Linyi before this recent drop but in 2021 they are far more aligned.

Next steps for environmental maturity

Market Based reporting of Scope 2 emissions would make a significant difference to Rosy Blue's decarbonisation approach. To date we have focused on location-based reporting for Rosy Blue (i.e., electrical grid averages for carbon intensity).

A Science-based target will require a well-developed Scope 3 baseline which, will be the next focus of Carbon Trust Support, as well as engaging sites to improve Scope 1 and 2 baseline.

What is the Market Based approach?

- Market-based reporting is a system of apportioning emissions from electricity generation.

- GHG emissions can be allocated along the lines of contractual relationships among producers, suppliers, and consumers.

- This allows organisations to take credit for the purchase of green tariff electricity and PPAs (potentially also green gas certificates in the future).

- Is calculated and reported alongside location-based emissions (dual-reporting) as specified by the GHG Protocol.

Benefits of Market Based Reporting

- The standard acknowledges that linking consumer behaviour and choices with a grid system's emissions is complex and nonlinear.

- Allows consumers to see the impact of energy procurement decisions on their footprint.

- Translating consumer demand for certain types of electricity can influence supply.

- Theoretically, as consumers seek renewable electricity in a limited supply system, the price of renewable electricity goes up, incentivising the expansion of supply.

- It allows corporates actively seeking to reduce their footprint see the benefit of their procurement choices, as well as putting upward pressure on the supply of renewable electricity over time.

Some of our initiatives

Infrastructure

- Monitoring and reduction of energy consumption
- Green electricity for all our sites

Product

- Life cycle assessments of our products
- Eco-design approach
- Monitoring supply chain emissions

Sourcing

- Ambition to have a diamond industry that is as responsible as possible
- Life cycle analysis

External ecosystem

- Engage our partners
- Sharing good practices
- Exchanging on our visions
- Supporting their approach

Our engagement towards the Science Based Targets Initiative

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

- Decarbonizing 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.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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.

Community support and partnerships

Supporting non-profit organisations like the PJC and donating to charitable organisations and causes which are linked to our sector and operations.

Rosy Blue Foundation

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 organizations.

ConnectFor

ConnectFor is a homegrown RBF project. It is a technology platform that seeks to demonstrate the value of human resource. ConnectFor acts as an intermediary between volunteers and NGOs, and helps to create value-add matches by finding the right volunteer for the right opportunity. With over 40,000 volunteers, and more than 500 NGO partners across India, ConnectFor has already seen more than 130,000 hours of completed volunteering! The project is now 6 years old (it was launched in December 2015) and it has seen incredible traction. ConnectFor was awarded the Best Startup NGO (2018-19) by Ketto India.

More information can be found on www.connectfor.org.

In 2015, Rosy Blue Foundation established its first home grown project 'ConnectFor' – an online volunteering platform that seeks to develop the culture of volunteering across India by matching volunteers with NGOs based on their skills and causes supported. After 6 years of learning and growth ConnectFor continues to contribute to the developmental sector by facilitating engagement of the volunteering community, building capacity, and creating value added services for NGOs.

ConnectFor began with the intent of understanding the skill gaps and needs of NGOs across India that could be fulfilled by volunteers.

We built a community of volunteers (individuals, groups, students, corporates, working professionals,...) whom we match based on their skill, time preference etc. to a particular volunteering role. In the first few years of our operations we had created a presence in Mumbai, Bengaluru, Pune, Delhi and Ahmedabad. As we grew we started onboarding NGOs across metro cities in India as our volunteer pool was spread across India. When Covid-19 hit us in 2020 we moved to an entirely virtual model where we had volunteers from all over India and the globe volunteering for NGOs across India. We now offer volunteering opportunities which are on site and virtual in nature. Through our work we continue to demonstrate how NGOs can grow and create impact without the use of 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. We continue to act as an aggregator for NGOs and a bridge between volunteers (corporates and individuals) and NGOs.

Rosy Blue: Tree Plantation

Our partnership with the Tree Plantation Programme in Banaskantha (India) highlights our dedication to the world around us. Recently, we have started to assist in planting saplings around the village of Bharkawada. A ceremony known as the Baltaru Pratishtha Mahotsay took place where the locals worshipped the saplings and recited mantras along with prayers of well-being. The positive message of the momentous event quickly spread to surrounding villages.

Tree planting is a method where you can add and replace trees that can serve as a big help for the future generation.

Rosy Blue understands that economic growth coupled with increased prosperity should always be shared. Our responsibility is to help take care of the environment, and assisting the Tree Plantation Programme is just one of the many ways we strive to give back and make a difference.

The cutting down of trees is a huge problem in the long run, but planting trees is a solution. Planting trees is one of the most effective and sustainable ways to positively affect the environment. We need trees now more than ever!

Indian school leadership institute (ISLI)

ISLI is an organization that is invested in improving the quality of school leaders, believing that they are critical to the quality and standard of education across the country. We have supported them in creating a peer-to-peer mentorship network that matches government school leaders with private school teachers/leaders to help them define and achieve growth and a higher quality classroom experience.

More information on Rosy Blue Foundation can be found on: www.rosybluefoundation.org

Community partnerships

Special Olympics: Play unified

Special Olympics is an international movement that offers Olympic sports to people with intellectual disabilities. Through sport, Special Olympics wants to improve their self-confidence, their health and their possibilities in daily life. The movement wants to break the taboo that still exists today about people with intellectual disabilities, in order to create respect and appreciation for all people with intellectual physical disabilities.

Rosy Blue promotes the social integration of people with intellectual disabilities through sport. To achieve its goal, Rosy Blue together with Special Olympics is committed to the substantial development of the Play Unified activities; this is the joint sport of people with and without intellectual disabilities.

The purpose of Unified sports:

- Recognition and integration of athletes with intellectual disabilities by using sport.

- Participation and involvement of able-bodied people.

- Personal development of the athlete and the unified partner.

Unified sports are recreational, because the friendly atmosphere leads to companionship, but it is also competitive, because the participants must have capacities that can only be obtained through regular training. Special Olympics awards the Play Unified quality label to clubs, federations, cities and municipalities and other partners who invest to offer quality sports adapted to people with intellectual disabilities and who promote integrative training sessions for people with and without intellectual disabilities.

Social accountability international

SAI is a multi-stakeholder, non-profit organization dedicated to improving workplaces and communities by developing and implementing social responsibility standards and assisting brands, retailers and suppliers in meeting labor and human rights objectives.

SAI Corporate Members are committed to the widespread attainment of social responsibility and strive to further the development and implementation of a management system for the continual improvement of social compliance in their companies and their supply chains. SAI provides Corporate Members with resources to assist in meeting social compliance goals, including customized trainings and services to address strengthening of management systems, supply chain management, code of conduct monitoring and compliance, specific aspects of a company's social initiatives, as well as all aspects of the SA8000 code or its implementation.

As a corporate member of SAI, Rosy Blue works to improve the social performance of organizations and their supply chains around the world. The direct result is a better workplace for over one million people around the world and a way for consumers to trust the companies whose products they purchase.

Assurance Statements

SGS

Statement of Sightholder Best Practice Principles for Rosy Blue NV and its Affiliates Compliance Status

Date: 7th April 2022

Rosy Blue NV and its Affiliates have been actively involved in the De Beers Best Practice Principles through the Rosy Blue NV and Rosy Blue India Sightholder Groups since the initial cycle in 2005.

As part of each annual cycle the Sightholder Groups have been required to submit self-assessment workbooks for all owned facilities. For the last few years, they have also been required to submit for contractors with whom they represent 75% or more of their output.

These workbooks are reviewed by SGS for completeness and evidence is tested in relation to the compliance status declared. Further, a sample of facilities undergo a third-party verification. In 2021 these verifications returned to an on-site format in light of the improved Covid-19 situation in the jurisdiction.

In addition, Rosy Blue NV is part of the De Beers Forevermark programme which requires all facilities used in the production of diamonds that are to be inscribed to be audited on an annual basis both for pipeline integrity and for compliance with the Best Practice Principles.

For the 2021 cycle, this resulted in three workbook reviews and one verification.

One Minor Infringement was raised as part of the verification relating to Health and Safety as an eye washing facility was required. Rosy Blue NV continue to be rated as compliant with the requirements of this programme.

Signed:

Emma Wilson
Business Relationship Manager

SGS

Statement of Sightholder Best Practice Principles for Rosy Blue (India) Pvt. Ltd and its Affiliates Compliance Status

Date: 7th April 2022

Rosy Blue (India) Pvt. Ltd and its Affiliates have been actively involved in the De Beers Best Practice Principles through the Rosy Blue NV and Rosy Blue India Sightholder Groups since the initial cycle in 2005.

As part of each annual cycle the Sightholder Groups have been required to submit self-assessment workbooks for all owned facilities. For the last few years, they have also been required to submit for contractors with whom they represent 75% or more of their output.

These workbooks are reviewed by SGS for completeness and evidence is tested in relation to the compliance status declared. Further, a sample of facilities undergo a third-party verification. In 2021 these were all conducted remotely due to the Covid-19 situation and the need to ensure the safety of the auditors and Rosy Blue (India) Pvt Ltd.'s employees.

For the 2021 cycle, this resulted in four workbook reviews and four verifications. These verifications were also combined with Rosy Blue India Pvt Ltd's RJC Recertification.

Five Improvement Opportunities, one Minor Infringement and one Major Infringement were found as part of these verifications. Two Improvement Opportunities were relating to Health and Safety with their fire drill and required certificate being delayed due to the pandemic. Also, updates were required on invoices received from suppliers. The Minor Infringement related to the public communication of their Supply Chain policy. The Major Infringement was due to incorrect declarations being included on their invoices. This Infringement was promptly addressed and closed by the Sightholder.

Rosy Blue (India) Pvt Ltd continue to be rated as compliant with the requirements of this programme.

Signed:

Emma Wilson
Business Relationship Manager

Global reporting – Content index

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G4-21	Aspect boundaries outside the organization	Page 14
G4-22	Restatements	No restatements
G4-23	Changes in the scope and aspect boundaries	No changes
STAKEHOLDER ENGAGEMENT		
G4-24	Stakeholder list	Page 16-17
G4-25	Stakeholder identification	Page 16-17
G4-26	Stakeholder engagement	Page 16-17
G4-27	Stakeholder concerns	Page 19
REPORTING PROFILE		
G4-28	Entities	Page 50
G4-29	Define report content	Page 15-20
G4-30	Material aspects	Page 21
G4-31	Aspect boundaries within the organization	Page 14
G4-32	Aspect boundaries outside the organization	Page 14
G4-33	Restatements	No restatements

GOVERNANCE		
G4-34	Governance structure	Page17
G4-35	Process for delegating authority	Page 17
ETHICS AND INTEGRITY		
G4-56	Code of conduct	Page 16

SPECIFIC STANDARD DISCLOSURES			
MATERIAL ASPECTS	**DMA AND INDICATORS**	**PAGE**	**OMISSIONS**
ENVIRONMENT			
Emissions	G4-DMA	Page 40	
	G4-EN15	Page 41	Partially
	G4-EN16	Page 41	Partially
	G4-EN17	Page 41	Partially
	G4-EN19	Page 41	Partially
LABOR PRACTICES AND DECENT WORK			
Occupational Health and Safety	G4-DMA	Page 35	
	G4-LA5	Page 35	Partially, no percentage
	G4-LA6	Page 35	Partially, no injuries
	G4-LA7	Page 35	
Training and Education	G4-LA9	Page 35	
	G4-DMA	Page 37	
	G4-LA14	Page 37	Partially
Supplier Assessment for Labor Practices	G4-LA15	Page 37	Partially
HUMAN RIGHTS			
Investments	G4-HR2	Page 37	
Assessment	G4-DMA	Page 37	
	G4-HR9	Page 37	Partially, not total number
Supplier Assessment for Impacts on human rights	G4-DMA	Page 37	
	G4-HR10	Page 37	
SOCIETY			
Anti-corruption	G4-SO3	Page 18-19	
Supplier Assessment for Impacts on Society Page	G4-DMA	Page 30	
	G4-SO9	Page 9	
	G4-SO10	Page 9	
PRODUCT RESPONSIBILITY			
Product and Service Labeling	G4-DMA	Page 31-32	
	G4-PR3	Page 32	Partially
	G4-PR4	Page 32	
Marketing Communications	G4-PR6	Page 3; 32	

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 organizations 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.

Assurance

To ensure the credibility of the report content on social audit results, this report has received independent third party assurance. The assurance statement is included and indication of assurance is in the GRI content index.

Reporting period

The scope of this annual report covers a 12 month reporting cycle, from 1/01/2021 until 31/12/2022, except where specifically indicated. We believe it is important to only focus on relevant changes and core matters.

Reporting scope

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

• Rosy Blue (India) Pvt Ltd and its subsidiaries in 3 countries, covering 8 entities, hereafter called Rosy Blue (I) (Rosy Blue India), headquartered in Mumbai, India.

• Rosy Blue Investments Ltd. and its subsidiaries in 8 countries, covering 15 entities, hereafter called 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.
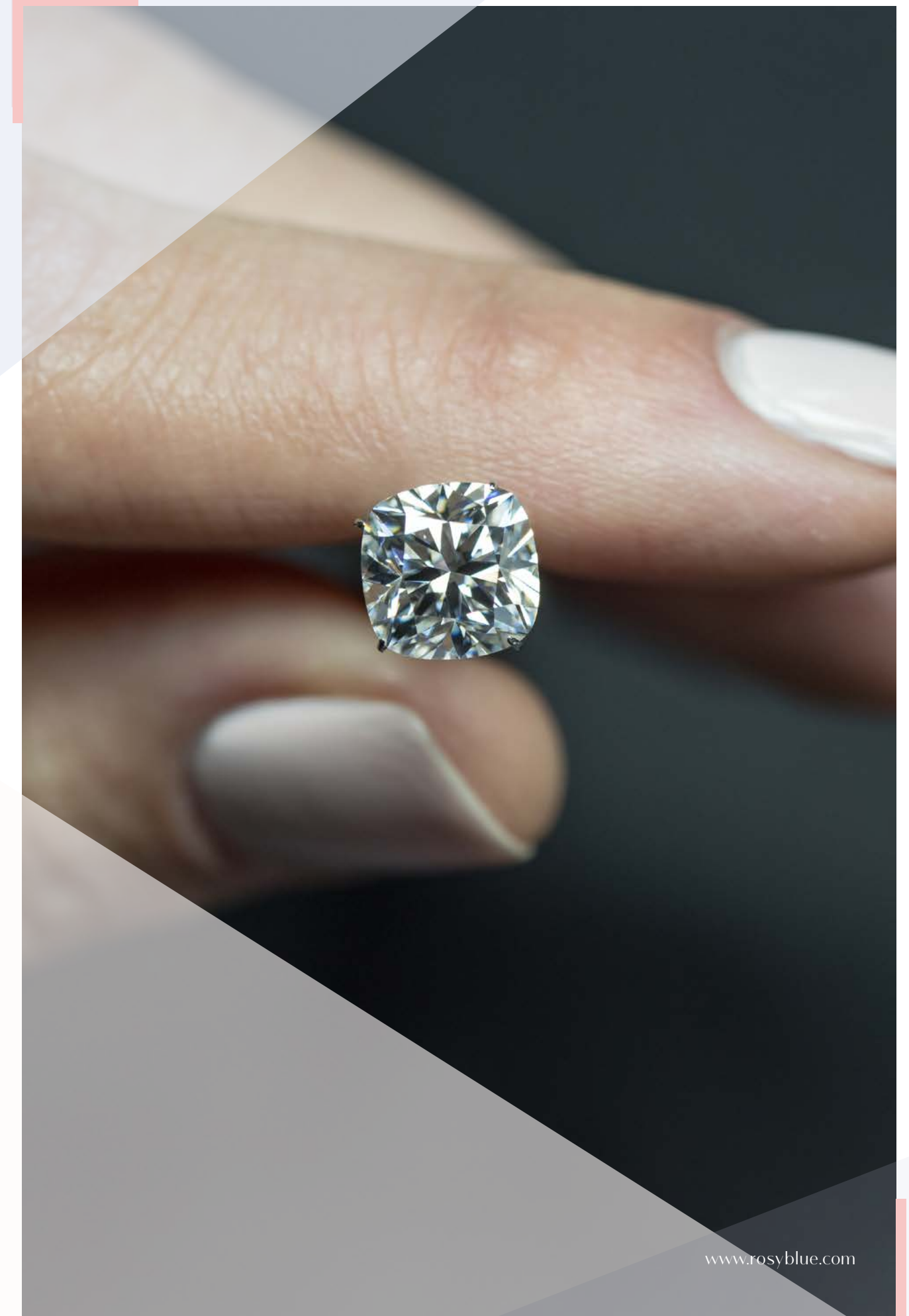
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We welcome your feedback.

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

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ROSY BLUE

MORE THAN DIAMONDS