

D I M E X O N .

**DIAMONDS WITH PURPOSE:**

OUR 2022 ESG REPORT AND ROADMAP TO  
SUSTAINABLE LUXURY



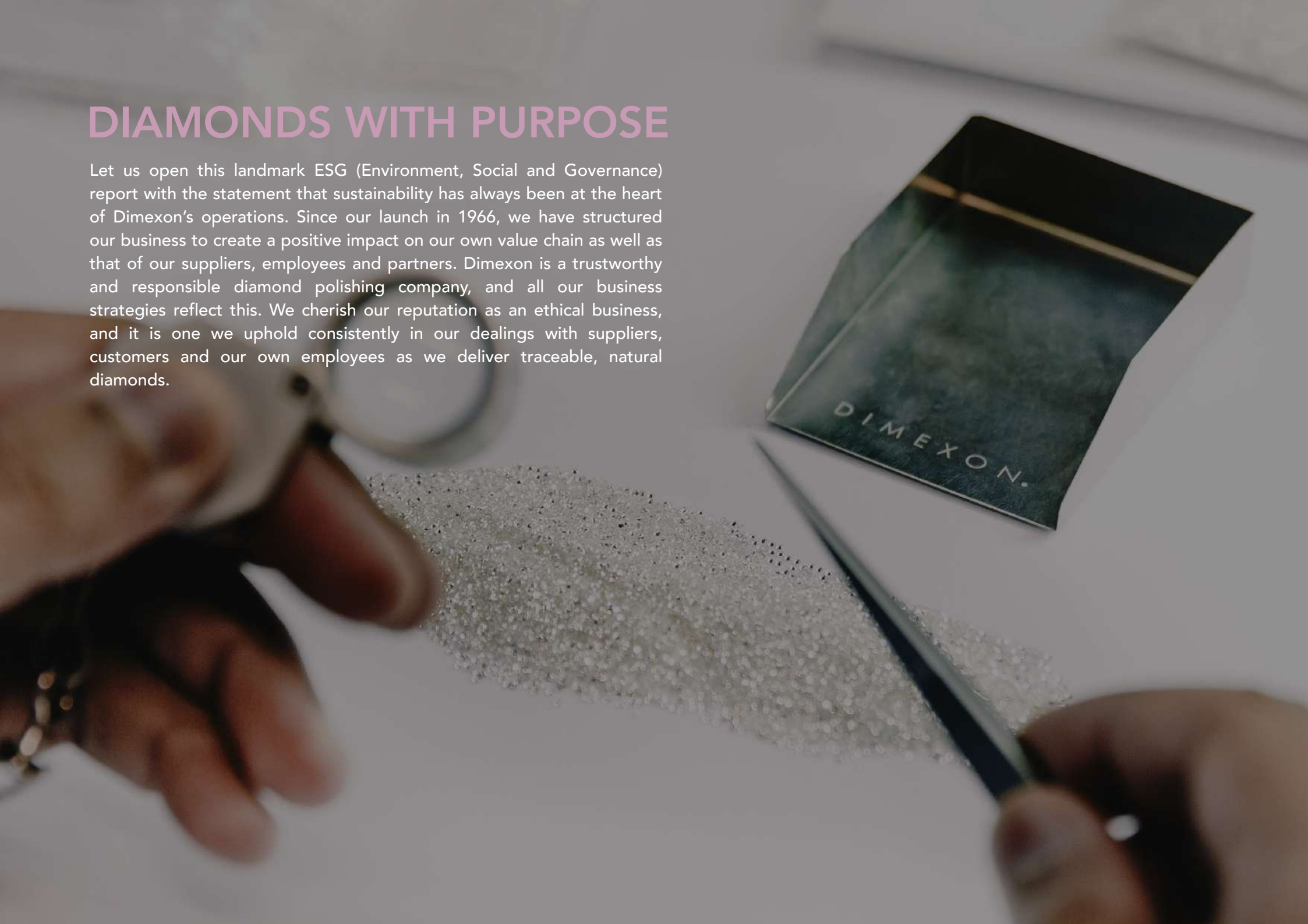
# CONTENTS

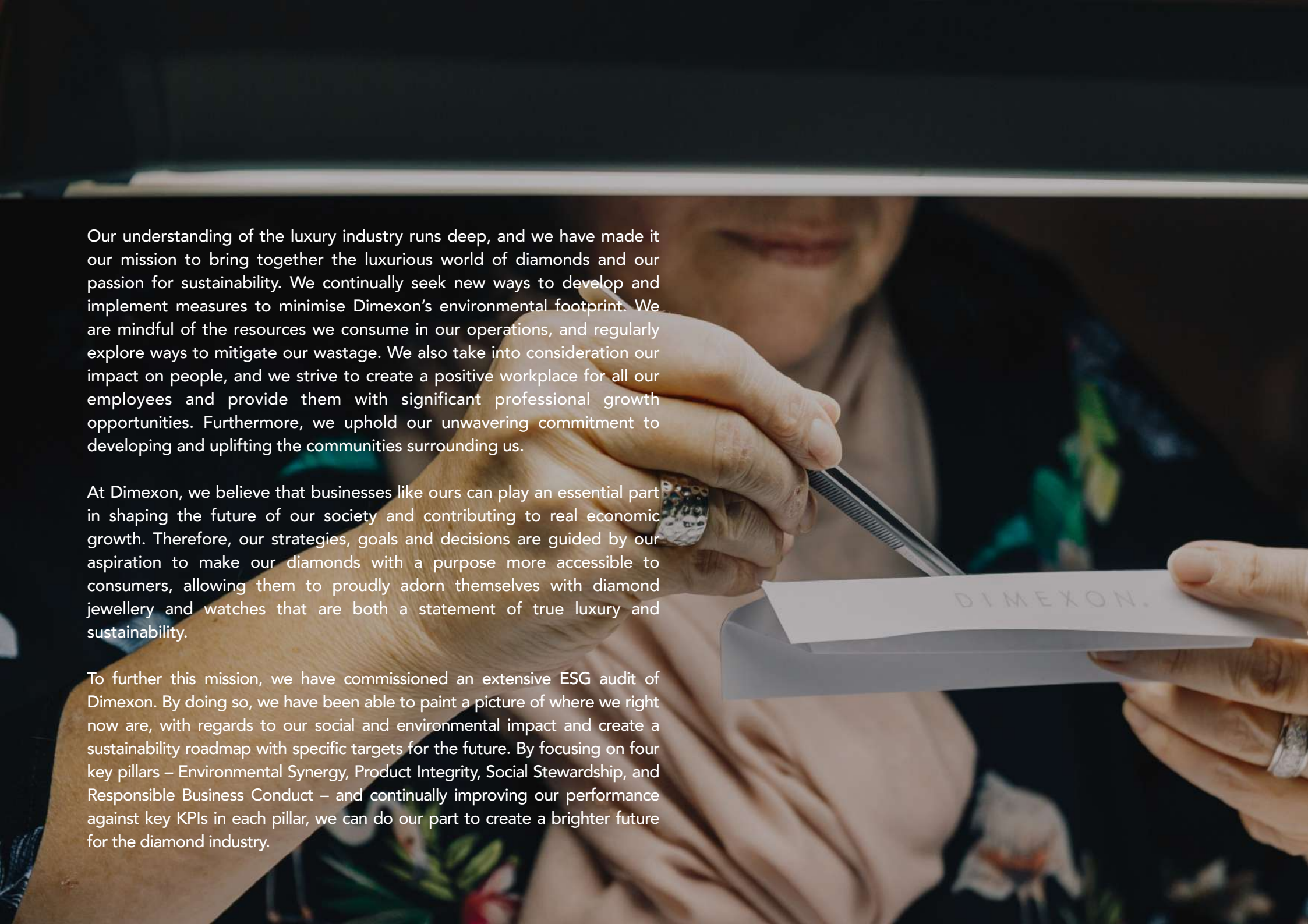
<b>REPORTING SCOPE &amp; METHODOLOGY</b>	<b>6</b>
<b>COMPANY LANDSCAPE</b>	<b>8</b>
Dimexon At a Glance	9
Message from the chairman	14
<b>ESG AT DIMEXON</b>	<b>15</b>
Our ESG Highlights CY 2021	16
Stakeholder Engagement	17
Materiality Assessment	20
Our Strategy	22
Governance System	24
Our Risk Management Practices	29
<b>PILLAR 1: ENVIRONMENTAL SYNERGY</b>	<b>32</b>
KPI 1: Greenhouse Gas Emission	33
KPI 2: Carbon Neutrality	36
KPI 3: Climate Risk	39
KPI 4: Single-Use Plastic Waste	40
KPI 5: Zero Waste to Landfill (ZWL)	41

<b>PILLAR 2: PRODUCT INTEGRITY</b>	<b>45</b>
KPI 1: Responsible Procurement	46
KPI 2: Traceability	47
KPI 3: Supplier Due Diligence	50
KPI 4: Customer Satisfaction Survey	51
<b>PILLAR 3: SOCIAL STEWARDSHIP</b>	<b>52</b>
KPI 1: Diversity & Inclusion Index	53
KPI 2: ESG Training	58
KPI 3: Employee Satisfaction	60
KPI 4: Need & Impact Assessment	62
<b>PILLAR 4: RESPONSIBLE BUSINESS CONDUCT</b>	<b>66</b>
KPI 1: Due Diligence & Compliance	67
KPI 2: ESG Communication	70
<b>OCCUPATIONAL HEALTH AND SAFETY AT DIMEXON</b>	<b>72</b>
<b>RECOGNITION AND PARTICIPATION IN INDUSTRY FORUMS</b>	<b>73</b>
Recognition Received	74
Participation in Industry Forums:	74
<b>ALIGNMENT WITH STANDARDS</b>	<b>75</b>
<b>GLOSSARY</b>	<b>81</b>

# DIAMONDS WITH PURPOSE

Let us open this landmark ESG (Environment, Social and Governance) report with the statement that sustainability has always been at the heart of Dimexon's operations. Since our launch in 1966, we have structured our business to create a positive impact on our own value chain as well as that of our suppliers, employees and partners. Dimexon is a trustworthy and responsible diamond polishing company, and all our business strategies reflect this. We cherish our reputation as an ethical business, and it is one we uphold consistently in our dealings with suppliers, customers and our own employees as we deliver traceable, natural diamonds.





Our understanding of the luxury industry runs deep, and we have made it our mission to bring together the luxurious world of diamonds and our passion for sustainability. We continually seek new ways to develop and implement measures to minimise Dimexon's environmental footprint. We are mindful of the resources we consume in our operations, and regularly explore ways to mitigate our wastage. We also take into consideration our impact on people, and we strive to create a positive workplace for all our employees and provide them with significant professional growth opportunities. Furthermore, we uphold our unwavering commitment to developing and uplifting the communities surrounding us.

At Dimexon, we believe that businesses like ours can play an essential part in shaping the future of our society and contributing to real economic growth. Therefore, our strategies, goals and decisions are guided by our aspiration to make our diamonds with a purpose more accessible to consumers, allowing them to proudly adorn themselves with diamond jewellery and watches that are both a statement of true luxury and sustainability.

To further this mission, we have commissioned an extensive ESG audit of Dimexon. By doing so, we have been able to paint a picture of where we right now are, with regards to our social and environmental impact and create a sustainability roadmap with specific targets for the future. By focusing on four key pillars – Environmental Synergy, Product Integrity, Social Stewardship, and Responsible Business Conduct – and continually improving our performance against key KPIs in each pillar, we can do our part to create a brighter future for the diamond industry.

## REPORTING SCOPE & METHODOLOGY

Since its inception in 1966, Dimexon has been an environmentally and socially aware group. Issues such as the empowerment of women, community development, recycling, reducing our environmental impact, waste management and responsible procurement have all been integral to our work from the beginning.

Dimexon began creating its formal ESG roadmap in 2021, aligned with the United Nations Sustainability Development Goals (SDGs) and Environment, Social and Governance (ESG) reporting frameworks. In 2022, this was completed along with a strategy of how to achieve the goals set out within it.

This ESG report is our first standalone document that shares a comprehensive overview of our non-financial performance. Our stakeholders have high expectations of how we operate as a business, and our objective in publishing this report is to be transparent in our progress with them.

We aim to publish updated reports on an annual basis, and we hope this document is helpful to all interested groups, including our customers, suppliers, business partners, colleagues, industry peers, trade associations and the wider communities that Dimexon supports.



## Reporting Standards

The report has been developed in compliance with the 'GRI Standards Core Option' for sustainability reporting and disclosures, alongside the principles of the National Voluntary Guidelines (NVG) for businesses' social, environmental, and economic responsibilities. It also highlights our commitment to the UN's SDGs.

## Reporting Boundary

Dimexon's approach towards identifying and adapting to evolving ESG risks and opportunities, as well as implementing sustainable best practices, is detailed in this report. These efforts include engaging with stakeholders, adhering to industry-leading management standards, implementing efficient environmental management solutions, and applying best practices in risk management and corporate governance. This report covers all operations and activities throughout the diamond supply chain, documenting our performance in the areas most important to us. These include our operations at:

- Dimexon Antwerp NV, Antwerp, Belgium
- Dimexon M.E. DMCC, Dubai, UAE

- Dimexon Diamonds Ltd, India
  - Corporate Office, Nariman Point, Mumbai
  - Operations Centre, Dahisar, Mumbai
  - Manufacturing operations, Coimbatore
  - Outsource Manufacturing operations, Ahmedabad
  - Sales & Procurement office, Bandra Kurla Complex, Mumbai
- Dimexon (Hong Kong) Ltd, Hong Kong

## Material Matters

During the reporting year, we conducted an in-depth materiality assessment for the first time. Through this exercise, we have identified the material topics relevant to our business and how these aspects impact us. Material matters are issues that are critical to our business because they represent the organisation's economic, environmental and social impact, or because they have a significant influence on our stakeholders' decisions. In this report, we have detailed how we respond to the matters that are material to our business.

*Read more about it in 'Understanding What is Important to Our Business' on Pages 20-21*

## Reporting Period

This report presents Dimexon's sustainability performance and activities during the calendar year from 1<sup>st</sup> January to 31<sup>st</sup> December, 2021. Being the first year of reporting, we have included comparative data from 2018 onwards, where applicable.

## Feedback

Dimexon welcomes your support in our journey towards becoming an ethical leader. We are incredibly responsive to your requests and value your feedback. Please reach out to us at [esg@dimexon.com](mailto:esg@dimexon.com) or via [dimexon.com](https://www.dimexon.com)

COMPANY LANDSCAPE





## Dimexon At a Glance

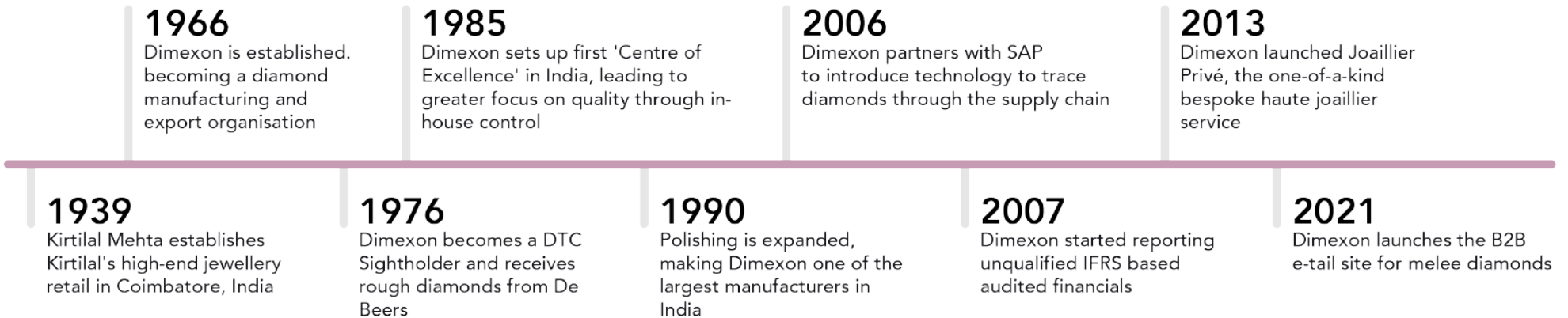
Founded in Coimbatore, India, in 1966, Dimexon is a trusted supplier of the world's most beautiful natural diamonds. The company was the vision of founder and chairman Pankaj Mehta, who was determined to create an organisation that would remain resilient and continue

delivering long-term value for all its stakeholders. Dimexon's success results from its values: integrity, transparency, a detail-centric mindset and community support.

Dimexon is now a second-generation family business, professionally managed by the next generation of the Mehta family, namely Pankaj's sons Rajiv and Vishal Mehta.

Over the past 55 years, Dimexon has grown to become a globally trusted and respected player in the midstream segment of today's diamond industry. Dimexon's expertise lies in its ability to procure rough diamonds directly from primary sources, consistently produce quality polished diamonds and distribute them to targeted jewellery and watch brands, retailers and manufacturers all over the world.

## Our Journey So Far:



## Geographical Footprint:

○ **Antwerp**, Belgium

○ **Dubai**, UAE

○ **Ahmedabad**, Gujarat, India

○ **Hong Kong**, China

○ **Mumbai**, Maharashtra, India

○ **Coimbatore**, Tamil Nadu, India



## Our Business

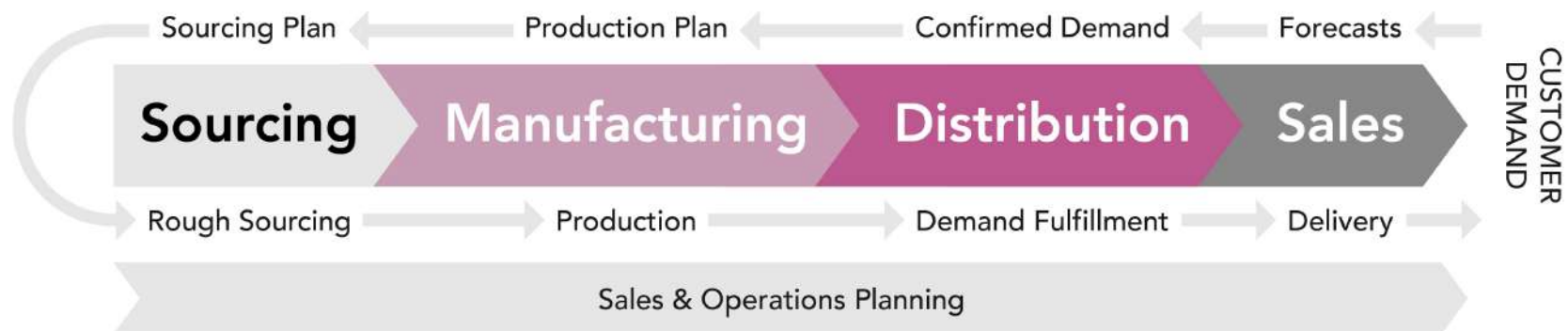
Dimexon's product portfolio contains an enviable range of diamonds, with specialist cuts including Hearts & Arrows, Carat Plus, Triple Excellent, and various proprietary cuts. We also have a wide range of Forevermark diamonds in our portfolio. This demonstrates our commitment towards building a broad product range of the highest quality.

Dimexon has been a Diamond Trading Company (DTC) Sight-holder since 1976 and is a Rio Tinto Select Diamantaire. Our long-term relationships with some of the world's largest diamond mining companies, including Rio Tinto and De Beers Group, provide us with direct, reliable and consistent access to a significant percentage of the global rough diamond supply.

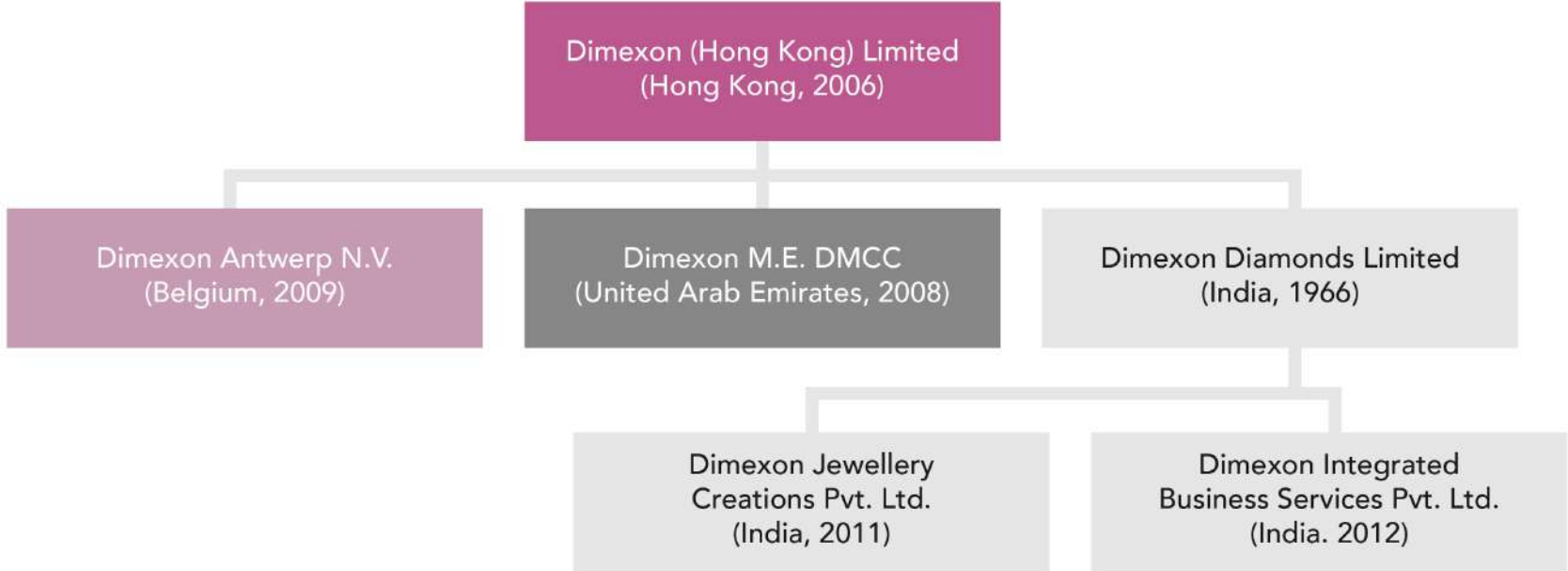
We have state-of-the-art manufacturing facilities at Coimbatore in India, employing more than 1,600 skilled personnel. The rough diamonds are cut and polished at this facility, which utilises the latest technologies and lean manufacturing processes. Dimexon continuously invests in upgrading manufacturing facilities; most recently investing in new automation technologies, including the Synova water-jet laser-cutting equipment and auto-bottom polishing equipment.

The polished diamonds are then distributed to the sales offices across Antwerp, Dubai, Mumbai and Hong Kong to serve the needs of our customers across the world.

## Our Supply Chain



# Our Group Structure



Dimexon has a holding and operating company in Hong Kong and 100%-owned subsidiaries in the various countries we operate in. We have been reporting unqualified, audited, consolidated financial statements based on IFRS since 2007.

Group Company/ Location	Business Activity	Details
Dimexon Hong Kong Limited, Hong Kong	<ul style="list-style-type: none"> <li>• Group holding company</li> <li>• Polished diamond sales</li> </ul>	<ul style="list-style-type: none"> <li>• Polished sales and distribution hub for Hong Kong, China and the Far East markets</li> </ul>
Dimexon Antwerp NV, Belgium	<ul style="list-style-type: none"> <li>• Polished diamond sales</li> <li>• Polished diamond procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Sales of polished diamonds and large stones</li> </ul>
Dimexon ME DMCC, UAE	<ul style="list-style-type: none"> <li>• Rough diamond sourcing</li> <li>• Rough diamond sales</li> <li>• Polished diamond sales</li> </ul>	<ul style="list-style-type: none"> <li>• Rough sourcing arm of the group. Rough diamonds are sourced from primary sources such as De Beers, Rio Tinto, tenders/auctions as well as from the various secondary sources</li> <li>• Rough diamonds are mainly sold to Dimexon Diamonds Ltd, India, for manufacturing. The rough diamonds identified as not suitable for our manufacturing needs are sold in the local market or to customers worldwide.</li> <li>• Sales of polished diamonds in the UAE and Middle East</li> </ul>
Dimexon Diamonds Ltd, India	<ul style="list-style-type: none"> <li>• Polished diamond manufacturing</li> <li>• Polished diamond sales</li> <li>• Polished diamond procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Polished diamond manufacturing entity</li> <li>• Sources rough diamonds from group companies as well as from other third-party sources.</li> <li>• Polished sales are directly to third parties or through group companies in various locations.</li> </ul>
Dimexon Jewellery Creations Pvt Ltd., India	<ul style="list-style-type: none"> <li>• Jewellery manufacturing and sales to High-Networth Individuals (HNI)</li> </ul>	<ul style="list-style-type: none"> <li>• Bespoke diamond jewellery design, manufacturing and sales to private clients</li> </ul>
Dimexon Integrated Business Services Pvt Ltd., India	<ul style="list-style-type: none"> <li>• Dimexon's shared services</li> </ul>	<ul style="list-style-type: none"> <li>• Shared services entity that provides support in the areas of finance and accounting, taxation, legal, information technology and human resources management to Dimexon companies</li> </ul>

## Message from the chairman

*Dear stakeholders,*

*It gives me immense pleasure to present Dimexon's first sustainability report **Diamonds with Purpose: Our 2022 ESG Report and roadmap to sustainable luxury**. At Dimexon, our ESGled approach allows us to maintain our position as a trusted and responsible supplier of natural diamonds to a growing network of global customers. Our purpose of inspiring sustainable luxury is embedded into our business practices and our priorities to deliver long-term value to our stakeholders.*

*Being a responsible organisation allows Dimexon to connect with leading businesses in the diamond industry, foster a loyal customer base and drive profitability. For our customers, what sets us apart is the ability to guarantee product provenance, integrity and supply chain traceability. The journey of each parcel of Dimexon diamonds is fully tracked and audited, from procurement to distribution. Our responsible sourcing policies, partnerships with trusted suppliers, and our continuous due diligence ensure we have an ethical supply chain that can stand up to scrutiny.*

*Furthermore, Dimexon has fostered uninterrupted long-term associations and certifications that underscore our commitment to going above and*

*beyond the standard industry code of conduct, ethics and financial prudence. These are reflected in our Sightholder relationship with De Beers, our position as Select Diamantaire for Rio Tinto, and our certification status with the Responsible Jewellery Council.*

*Stakeholder capitalism has grown in support over recent years, as well as an increased awareness surrounding the importance of creating long-term value. Our key priority is ensuring that our business operations positively impact the environment and the communities surrounding us. We have undertaken a Materiality Assessment to identify the key issues Dimexon must act upon. This assessment was conducted by capturing the perspectives of our key internal and external stakeholders. Concerning the environment, our main areas of consideration include respectful utilisation of natural resources, emissions management, contributing to a low-carbon economy, climate risk assessments, water management and achieving zero waste to landfill across our operations. We have set bold targets, including being carbon neutral by 2030, to hold ourselves to high standards and guide our strategies.*

*For our people, the goal is to create an empowered workforce and a culture that*

*encourages employees to bring out the best in themselves. We consistently explore ways to align our commitments and values with their livelihoods and personal development by implementing measures focused on wellbeing, such as our health awareness programs, as well as professional growth. Empowering women is a key focus for Dimexon. Our Coimbatore factory employs more than 1,600 people, 85% of whom are women.*

*Dimexon is determined to continue delivering value for customers in the most sustainable fashion. As an industry forerunner, we are keen to lead ESG practices internally, set standards, provide proof of concept and inspire others in the diamond industry to do the same. As we move ahead, all of our stakeholders have my deepest gratitude for their unwavering faith and trust in our sustainability journey. We are confident that with your help and support, we will be able to achieve new heights and chart a solid roadmap to our shared goal of being a truly sustainable organisation.*

*Yours Sincerely,  
**Pankaj Mehta**  
Chairman, Dimexon*

## ESG AT DIMEXON

In this section, we set out our approach towards building an Environmental, Social and Governance (ESG) led organisation by taking various measures, which involve the following key elements:

- Engaging stakeholders
- Assessing materiality
- Designing strategy
- Developing governance
- Managing risks

# Our ESG Highlights CY 2021

## Environmental Highlights

**3.72 tCO<sub>2</sub>e/1000 Cts**

emission intensity  
*(equivalent per 1,000 carats  
of polished diamonds)*

**-50%**

reduction in energy  
consumption at our  
Mumbai office

**Zero Liquid  
Discharge Status**

at Coimbatore site

**54%**

of our water was  
recycled and reused

## Social Highlights

**96%**

of female employees in Coimbatore  
who took maternity leave returned to work

**85%**

of our workforce  
is female

**67%**

of female employees have an average  
work tenure of more than 10 years

**6,000**

free meals provided  
*per week during  
the pandemic*

## Governance Highlights

**2007**

when we started reporting unqualified  
IFRS-based consolidated financials

**3**

tiers of cross-functional  
ESG governance structure

**1976**

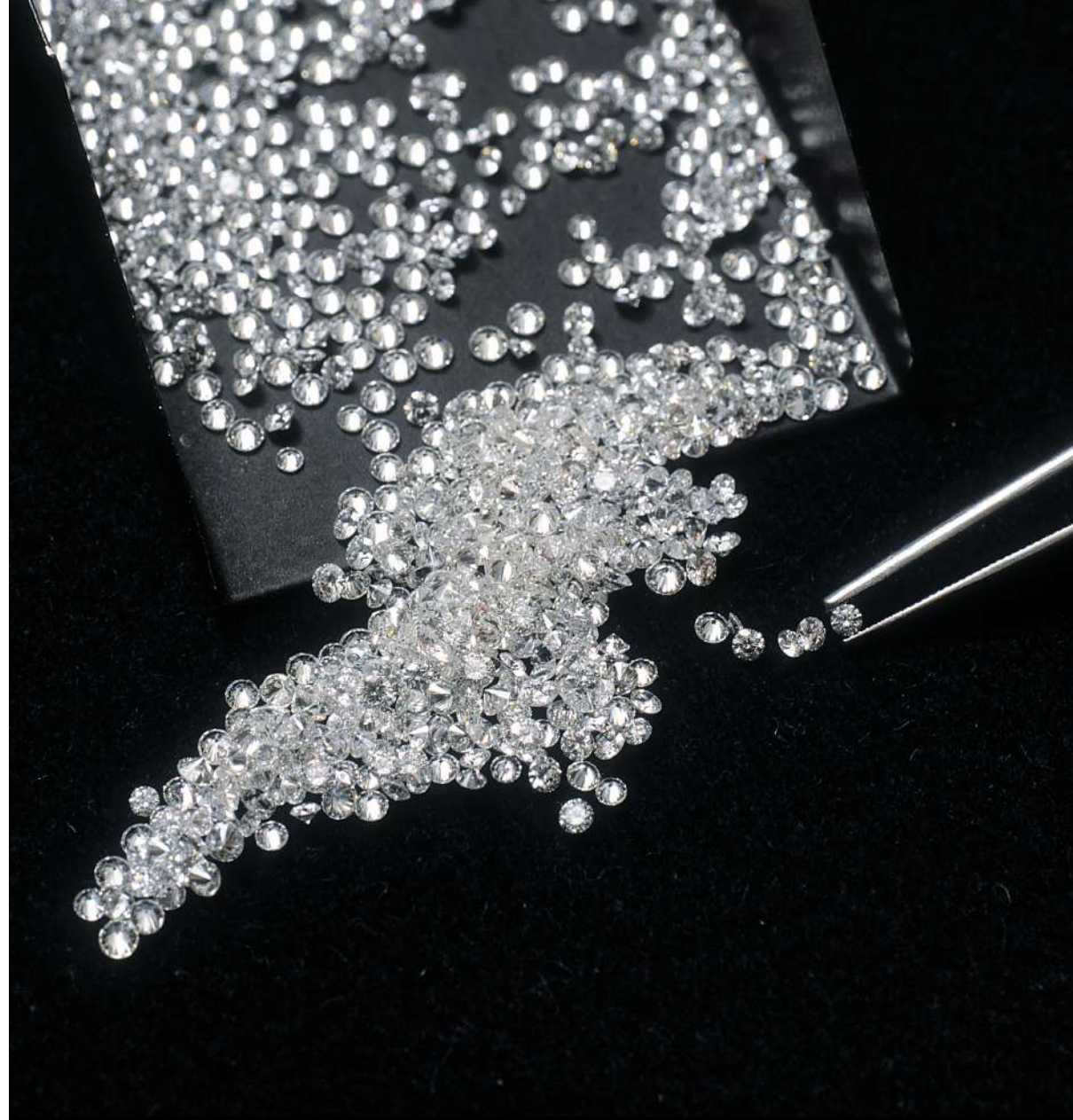
our Inauguration as DTC Sightholder



## Stakeholder Engagement

At Dimexon, it is our endeavour to create long-term value for our stakeholders. In this regard, we aim to engage effectively with them, to better understand and deliver on their evolving needs and expectations. Such interactions further help us in developing long-term relationships with customers, staff and suppliers based on trust and confidence. Furthermore, it is critical that our strategic direction is aligned with that of our key stakeholders so that we can collectively meet our goals and objectives.

Below is a summary of how we undertake stakeholder engagement at Dimexon:



Stakeholder Group	Engagement Channels	Frequency	Material Aspects Discussed
Employees & Leadership	<ul style="list-style-type: none"> <li>• Induction programs</li> <li>• Internal communications through emails and employee portal</li> <li>• HR helpdesk, employee grievance procedures</li> <li>• Engagement initiatives and discussion groups</li> <li>• Rest and relaxation programs and employee satisfaction surveys</li> <li>• Leadership meetings</li> </ul>	On-going and demand-based	<ul style="list-style-type: none"> <li>• Human rights and labour management</li> <li>• Performance appraisal and rewards</li> <li>• Training and career development</li> <li>• Transparency in business</li> <li>• Compliance with safety norms</li> <li>• Focus on ESG aspects</li> <li>• Diversity and inclusion</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• One-to-one interactions and meetings</li> <li>• Customer satisfaction surveys</li> <li>• Company website</li> <li>• Grievance recording mechanism</li> </ul>	Annual and demand-based	<ul style="list-style-type: none"> <li>• Focus on ESG aspects and non-financial performance</li> <li>• Product provenance and integrity</li> <li>• Supplier assessments</li> <li>• Transparent disclosures</li> </ul>
Industry Associations	<ul style="list-style-type: none"> <li>• Meetings, emails and other correspondence</li> <li>• Conferences</li> </ul>	Annual	<ul style="list-style-type: none"> <li>• Social and governance aspects</li> <li>• Human Rights due diligence and community development</li> <li>• Diamond provenance and responsible sourcing</li> <li>• Stakeholder engagement</li> </ul>

Stakeholder Group	Engagement Channels	Frequency	Material Aspects Discussed
Suppliers	<ul style="list-style-type: none"> <li>• Site visits and inspection</li> <li>• Regular interactions</li> <li>• Vendor capability assessment</li> <li>• Vendor performance assessment</li> </ul>	Annual, half-yearly and demand-based	<ul style="list-style-type: none"> <li>• Responsible sourcing</li> <li>• Product integrity and provenance</li> <li>• On-time performance</li> <li>• Ethical practices, antibribery and anticorruption</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Activities</li> <li>• Awareness programs</li> </ul>	Annual, half-yearly, on-going and demand-based	<ul style="list-style-type: none"> <li>• Proactive engagement to solve social and environmental issues</li> <li>• Contribution to community welfare</li> </ul>
Funding Partners	<ul style="list-style-type: none"> <li>• One-to-one meetings</li> <li>• Communication of financial results</li> </ul>	Annual, half-yearly, quarterly and demand-based	<ul style="list-style-type: none"> <li>• Financial and nonfinancial performance</li> <li>• Robust strategy for business growth</li> <li>• Long-term business value</li> </ul>

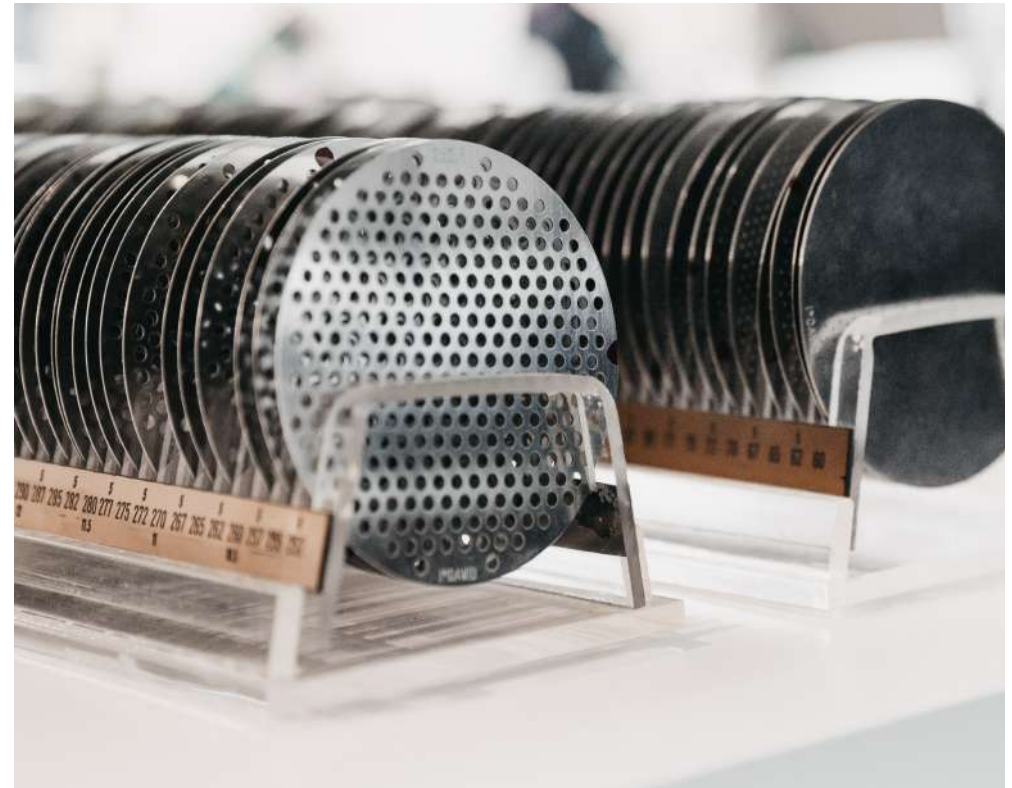
## Materiality Assessment

In the ever-evolving business landscape, we must identify and manage the issues that are material to our business. To implement result-oriented sustainability measures, we strive to focus on the key areas that are pertinent to the growth of our business and that of our stakeholders.

In 2021, we conducted an in-depth materiality assessment with an independent consulting firm. To explore our stakeholders' views on the perceived importance of issues for Dimexon, we reached out to a broad range of external and internal stakeholders across the globe. As a result, we gained an understanding of the issues they feel are crucial for the organisation to address.

### Approaching Materiality

The approach undertaken to identify the topics that are material to us is presented in the graphic below.



# Dimexon Diamond's Limited - Materiality Assessment



## Materiality Matrix

Through this exercise, we identified material issues that are critical to our business. These material topics are listed below.

### Environmental

Energy and Emissions

SDG mapping



Water and Wastewater management

SDG mapping



Packaging & Waste

SDG mapping



### Social

Health, Safety & Employee wellbeing

SDG mapping



Industrial Partnerships

SDG mapping



Labour/Management Relations

SDG mapping



Diversity & Inclusion

SDG mapping



Community Relations

SDG mapping



Talent Attraction and Retention

SDG mapping



### Governance

Responsible Business Practices

SDG mapping



Transparency & Traceability

SDG mapping



Responsible Sourcing

SDG mapping



Human Rights

SDG mapping



Product Provenance and Naturality

SDG mapping



Data Protection

SDG mapping



## Our Strategy

Sustainable development is an integral part of Dimexon’s growth story. Businesses like ours have a long-term influence on the environment and communities in which we operate. Year after year, we strive to bring a positive change in the lives of our stakeholders through our focused ESG measures. Hence, we are always working towards reducing the environmental impact of our business activities and contributing to the general holistic development of people and the ecosystems within which we operate.

During the fiscal year, we collaborated with an external consulting firm to establish and implement a company-wide ESG strategy. Our purpose of inspiring sustainable luxury lies at the heart of this strategic framework. The approach incorporates our core pillars in the areas of E (environmental), S (social) and G (governance), as well as critical focus areas within each dimension.

It is our constant endeavour to implement a strong governance system across the organisation and continually strengthen it to create long-term value while ensuring accountability at each step.

Read more about our Governance on page 24

### Dimexon’s comprehensive ESG strategic framework



#### Focus Areas:

- Energy and Emissions
- Resource Neutral Operations
- Product Provenance and Naturality
- Customer Centricity
- Diversity & Inclusion
- Community Relation
- Employee Welfare
- Responsible Communication
- Ethics and Compliance

## Our Approach to Sustainable Governance

We recognise that having a good governance framework can help us implement our ESG strategy effectively and enable us to achieve impact at scale. We have put in place a cross-functional ESG governance framework that underpins our approach to operating responsibly while supporting our vision.



## Governance System

Dimexon's responsible business practices are deeply embedded within our operations. These underscore our commitment to going above and beyond the standard industry code of conduct, ethics and financial prudence. These are reflected in our Sightholder relationship with De Beers, being Select Diamantaire for Rio Tinto and our certification status with the Responsible Jewellery Council (RJC).

We are fully Anti-Money Laundering (AML) compliant and have been a voluntary signatory to the International Financial Reporting Standards (IFRS) since 2006. As the first diamond company to subscribe to IFRS standards, Dimexon led the way. In due course, De Beers required all its Sightholders to follow suit to improve financial transparency and the stability of the diamond sector.

We use our standing and reputation not just to benefit us, but also to inspire organisations in the diamond industry to follow our example.

## Our Organisation





## Our Supporting Policies

At Dimexon, business sustainability is supported by industry-leading practices that we follow within our operations. To understand these best practices, we continuously refer to the applicable legislation and other industry-specific standards that are relevant for our organisation. Following this, we have developed and implemented corporate policies that guide us in our endeavour to conduct our business in a responsible and ethical manner.



Key Policies	What they mean to us
Policy on Anti-Money Laundering and Countering Financing of Terrorism	Dimexon has adopted an Anti-Money Laundering and Countering the Financing of Terrorism Policy that requires all Dimexon Group businesses/operations worldwide to develop and implement effective programs to comply with applicable laws. We ensure that the policy is appropriately applied across the company with the support of corporate-level staff dedicated to the task of combating money laundering and other illegitimate activities.
Policy on Kimberley Process and System of Warranties	Dimexon has committed itself to a system of selfregulation, which requires it to issue written warranties and implement a code of conduct to support and comply with the international Kimberly Process Certificate Scheme (KPCS) and the World Diamond Council System of Warranties (SoW) to demonstrate as well as affirm to the outside world that we are not involved in the trade of diamonds from regions of conflicts.
Policy on Anti Bribery	Policy on Anti-Bribery and Facilitation Payments focuses on the company's code of business ethics. Its purpose is to help Dimexon's board of directors and employees to avoid any situations that could potentially violate applicable anti-bribery and corruption laws and operate in an environment that encourages fair competition.
Policy on Product Disclosure	Consumers expect to purchase diamonds in their natural state. Anything that could affect the confidence of consumers while purchasing diamonds would potentially bring discredit to the organisation and the industry. Thus, this policy has been prepared to ensure the genuineness and authenticity of Dimexon's products and its adherence to the best practices for product integrity.
Policy on Product Security	There is a strong need to protect the products from theft, damage or any other such incidents, as well as the employees handling the product. Dimexon is committed towards taking care of the safety of its team as well as its products in all matters. Thus, this policy provides a set of guidelines to employees on carrying and handling the products safely inside and outside the company premises. The policy also creates awareness that security of human life is priority over anything else.

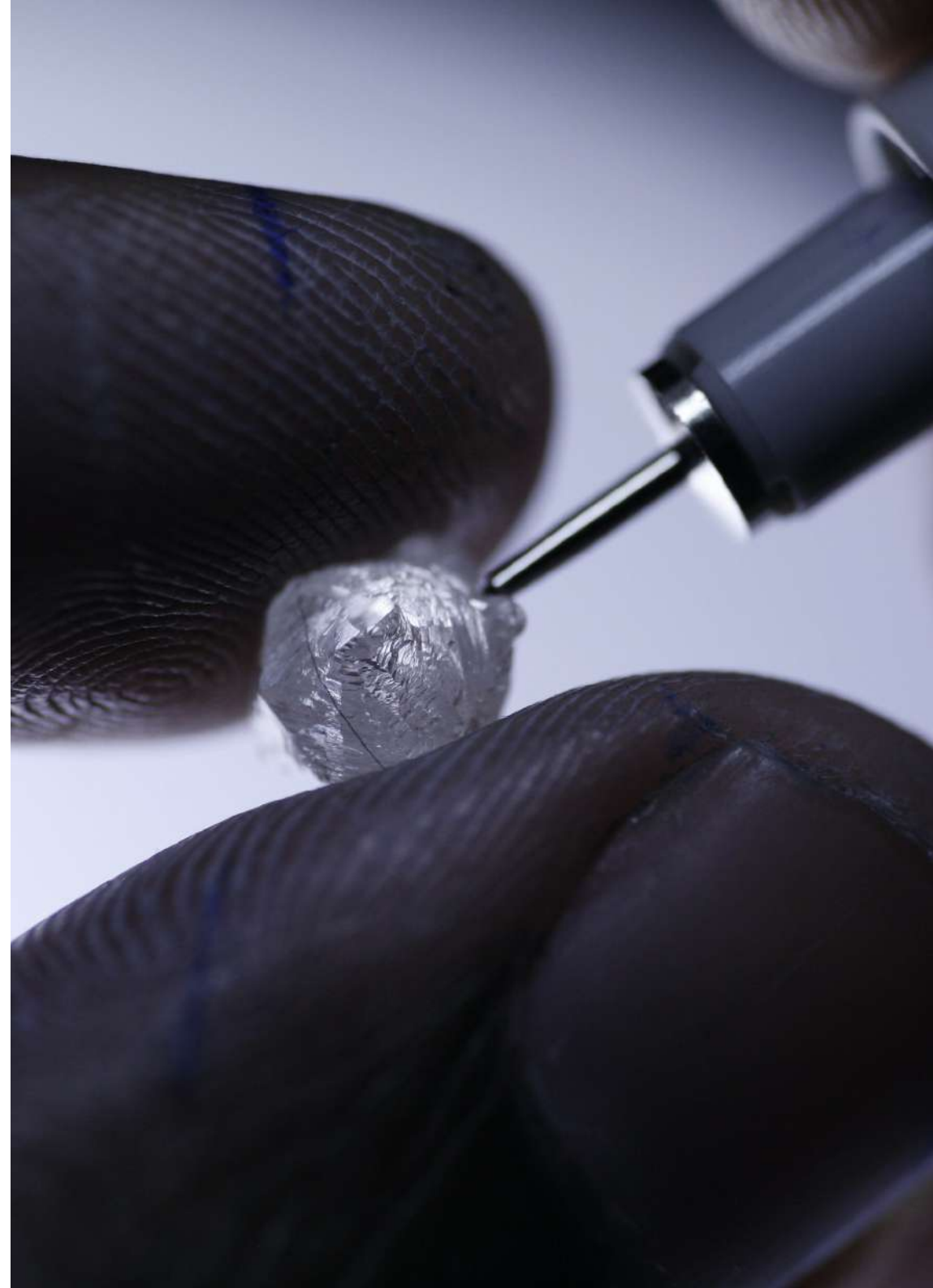
Key Policies	What they mean to us
Policy on Human Rights	At Dimexon, we believe that all our employees must live with social and economic dignity and freedom, regardless of nationality, gender, race, economic status, or religion. Therefore, in the management of our businesses and operations we ensure that we uphold the spirit of human rights as enshrined in existing international standards, such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO), Guiding Principles on Business and Human Rights and that we are not involved in human right violations due to sourcing from conflict regions and high-risk areas.
Policy on Working Hours	All the employees working for a company should have a balance between their professional and personal lives and have proper time for both. To enable this, Dimexon has provided guidelines on the working hours of employees.
Policy on Child Labour	Dimexon does not engage child labour at any of its operations or facilities. We do not tolerate unacceptable worker treatment such as exploitation of children, physical punishment or abuse. The same is expected from its stakeholders. In case any violation of this policy becomes known and has not been corrected, we discontinue the business relationship with the noncompliant business partner.
Policy on Forced Labour	Forced Labour is defined as any work or service extracted from any person under the menace of any penalty and for which the person has not offered himself or accepted voluntarily. Hence, we ensure that we do not engage in any malpractice resulting in restricting workers from leaving work wilfully and their free movement within the workplace. The same is expected from our stakeholders and suppliers. If the violation of this policy becomes known and has not been corrected, we will discontinue the business relationship with the non-compliant business partner.
Policy on Remuneration	The remuneration policy provides a framework for remuneration paid to the employees of Dimexon Group. Dimexon Group is committed to providing remuneration that enables the company to attract and retain highly skilled and talented employees for all positions. The policy also ensures equal pay parity without any discrimination based on gender, caste, creed, religion, etc.
Policy on Freedom of Association and Collective Bargaining	Freedom of Association is the individual's right to come together with other individuals and collectively express, promote, pursue and defend common interests (collectively bargain).

Key Policies	What they mean to us
Policy on Non-Discrimination	Any form of discrimination in the workplace in terms of hiring, continued employment, remuneration, overtime, access to training, professional development, promotion, termination, or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, parental or pregnancy status, physical appearance, HIV status, or age or any other unlawful criteria must be prohibited. This policy provides the guidelines on flagging and removing any such act and creating awareness among others.
Policy on Usage of Security Personnel	This policy provides guidelines to maintain safety and security of Dimexon operations within an operating framework that ensures respect for Human Rights and Fundamental Freedoms.
Policy on Health & Safety	This policy provides guidelines to create awareness for safety measures that the organisation and employees must adopt. The policy also provides guidelines for constituting a health and safety committee that monitors and assists in the implementation of all health and safety functions.
Policy on Environment	Dimexon is an environmentally conscious and responsible company. To carry out this commitment, we strive to ensure that all aspects of the business have the least harmful effect on the environment.
Policy on Responsible Sourcing	Dimexon has established a responsible sourcing policy that ensures our diamonds are sourced ethically from suppliers along with compliance to the Kimberly Process Certificate and World Diamond Council's System of Warranties as well as the Organisation for European Economic Co-operation (OECD) Due Diligence Guidance for Responsible Supply Chains. The purpose is to affirm that Dimexon is not involved in the trade of diamonds from the regions of conflicts.
Prevention on Sexual Harassment at Workplace	Dimexon commits to providing an environment that treats all employees, regardless of gender identification, with dignity and equality. The policy has been formulated as per the Sexual Harassment of Women/Men at Workplace (Prevention and Redressal) Act, 2013. ('The Act') to prohibit, prevent or deter the commission of acts of sexual harassment of all employees at workplaces and to provide the procedure for the redressal of complaints pertaining to sexual harassment at Dimexon. This Policy is gender neutral and includes the male employees of Dimexon.

## Our Risk Management Practices

The Audit & Risk Committee of our Advisory Board oversees the risk management and compliance frameworks across Dimexon. Risks are managed through a well-established Enterprise Risk Management framework, which is a combination of top-down and bottom-up approaches that supports all functions to identify the significant risks to achieving the business objectives.

For each risk, the effectiveness of internal controls is assessed to ascertain its impact, along with a probability of its likelihood to materialise. Based on this assessment, the functions identify and implement actions to appropriately mitigate the identified risks. The below table presents Dimexon's understanding of the most relevant risks to its business and the management and mitigation processes that have been implemented.



Description of Risk	Potential Impact and Associated Risk Management Processes
<p><b>Demand Volatility</b> Being part of the luxury industry, Dimexon's revenues are related to end-consumer spend in multiple regions and their evolving preferences.</p>	<p>Dimexon continuously engages with its customers across segments and regions to understand emerging demands and takes them into consideration for its supply-chain planning.</p> <p>This is enabled by a formal demand forecasting along with a periodic customer segmentation process.</p>
<p><b>Inventory Margins &amp; Price Volatility</b> Diamond prices have been subject to volatilities in the recent past.</p>	<p>Any downward movement in the prices may result in an adverse impact on the carrying values of inventories, and therefore will impact financial performance in terms of gross margins.</p> <p>Through a periodic Sales and Operations Planning process (S&amp;OP), Dimexon tracks the current and forecasted inventory levels across its supply-chain vis-à-vis the defined norms. The S&amp;OP team is responsible for managing the inventories as well as fulfilling customer orders. Corrective actions are initiated in cases where inventory norms are exceeded.</p> <p>In addition, Dimexon has defined margin norms for conversion of rough diamonds to polished diamonds and accordingly, the controls over rough diamond purchases and manufacturing levels are implemented and monitored.</p>
<p><b>Credit Risk</b> This is the risk that is carried on trade receivables</p>	<p>Credit risk is the risk that a counterparty fails in its obligation to pay an invoice for our goods or services.</p> <p>We have formal processes for approving trade with new customers and assigning credit limits and terms. For existing customers, we review the receivable portfolio on a periodic basis and incorporate required changes in the assigned limits and/or the credit period accordingly. This is implemented through a Credit Management Process and approved by the Credit Committee.</p>
<p><b>Liquidity and Covenants risks</b> This is the risk that funds may not be available to finance the organisation's requirement of working capital</p>	<p>Non-availability of the desired funds may result in Dimexon not meeting its financial obligations. The group follows a periodic Cash Forecasting and Funding Facilities review process, wherein cash flow projections are analysed at each entity level and appropriate funding planned. In addition, Dimexon also reviews the covenants agreed on with the banks in terms of financial ratios to ensure that the committed norms are not breached. This ensures continuity of the available facilities.</p>

Description of Risk	Potential Impact and Associated Risk Management Processes
<p><b>Environment Risk</b> Addressing the risks pertaining to climate change</p>	<p>It is critical for an organisation like ours to address environment-related risks and implement measures to mitigate adverse impacts on the ecosystem. We recognise the risks associated with climate change and understand the need to limit the growing impact of global warming. Responding to climate change related threats is important for our business since it might have an impact on the mining operations and availability of raw diamonds. We are also in process of working towards the recommendations suggested under the Task Force on Climate related Financial Disclosures (TCFD).</p>
<p><b>Human Rights Risk</b> Complying with the human rights laws</p>	<p>Human rights risks can impact the attraction and retention of employees in the organisation and could also expose the group to legal actions. At Dimexon, we abide by the applicable local regulations as well as the Code of Practices (COPs) as suggested by the Responsible Jewellery Council. These COPs define the responsible ethical, human rights, social and environmental practices that all certified RJC members must adhere to. Furthermore, we have zero tolerance towards forced labour and child labour across our business and supply chain.</p>

## PILLAR 1: ENVIRONMENTAL SYNERGY

### KPIs:

- Greenhouse Gas Emission
- Carbon Neutrality
- Climate Risk
- Single-Use Plastic Waste
- Zero Waste to Landfill (ZWL)

At Dimexon, we firmly believe that environment plays a key role in shaping the future of sustainable business. We aspire to create long-term value supported by our results-driven ESG strategies and roadmap. Conservation and responsible utilisation of natural resources is not just one of our objectives, but it also represents our business vision. We are cognisant of the environmental impact associated with our value chain. Furthermore, at Dimexon, it is our ambition to achieve our sustainability targets, by evaluating and mitigating the environmental risks and enabling positive environment impact.



## KPI 1: Greenhouse Gas Emission

Greenhouse gases (GHG) are amongst the major contributors to climate change and have a tremendous impact on the global environment. This further poses risks across an organisation's value chain and impacts its stakeholders. It is critical for organisations to measure and monitor their GHG footprint and the impact created on the environment from the use of conventional energy resources in operational activities and value chain. At Dimexon, we believe that what gets measured, gets managed. Hence, accounting for our GHG footprint is a natural step to understand the impact created by our operations on the environment and evaluate ways to mitigate the same.

We are taking constant steps to measure and monitor our Scope 1 and Scope 2 emissions in alignment with the guidelines of the World Resource Institute (WRI)/ World Business Council of Sustainable Development (WBCSD) GHG Protocol Corporate Standard. Our Scope 1 emissions result from direct fuel consumption such as diesel in diesel generator sets, company owned vehicles, petrol, Liquefied Petroleum Gas (LPG) in canteen, and fuel oil in operations. The Scope 2 emissions result from indirect energy consumption of purchased Grid electricity. Furthermore, we are in the process of accounting our Scope 3 emissions, resulting from the upstream and downstream activities across our value chain.

The Scope 1 and Scope 2 emissions for the past four years are as follows and the energy consumption details are provided on page 35

2022





S. No.	Scope	Units	CY 2018	CY 2019	CY 2020	CY 2021
1	Scope 1 Emissions	tCO <sub>2</sub> e	236	215	144	174
2	Scope 2 Emissions	tCO <sub>2</sub> e	2380	2338	1775	2065
3	Total	tCO <sub>2</sub> e	2617	2553	1919	2239
4	Year on Year Change	%		-2	-25	17
5	Change with respect to Baseline (2019)	%			-25	-12

The GHG emission intensity is measured in terms of tons of CO<sub>2</sub>e emitted per sale of each carat of polished diamonds equivalent (in thousands). Our activities include sale of both – rough diamonds as well as polished diamonds. In order to convert the rough diamonds to polished diamonds in equivalent carats, we apply a factor of yield conversion, as obtained in our manufacturing operations.

The emission intensity, per carat of polished diamonds equivalent, for the past four years has been shown in the below table.

Type	Units	CY 2018	CY 2019	CY 2020	CY 2021
Absolute Emissions	tCO <sub>2</sub> e.	2617	2553	1919	2239
Intensity (per equivalent polished carats)	tCO <sub>2</sub> e./ Carat (in 1000s)	2.79	2.88	4.37	3.72

### Energy Consumption:

Source	Unit	CY18	CY19	CY20	CY21
Total Fuel Energy	GJ	2 859,69	2 319,97	1 406,13	1 839,46
Total Grid Energy (as grid electricity)	GJ	10 550,29	10 345,45	8 205,45	9 470,92
Total Renewable Energy (as electricity)	GJ	147,61	112,39	-	-
Total Electricity	GJ	10 697,89	10 457,83	8 205,45	9 470,92
Total Energy	GJ	13 557,59	12 777,80	9 611,58	11 310,38
Energy Intensity (per equivalent polished carats)	GJ/ Carat (in 1000s)	14,47	14,40	21,90	18,82

### Targets

We aspire to account, disclose and continuously monitor our Scope 1, Scope 2 and Scope 3 emissions in the short-, medium-, and long-term as follows.

#### GHG emission targets

Short Term (By 2023)	Medium Term (By 2024)	Long Term (By 2025)
<ol style="list-style-type: none"> <li>Accounting, Disclosing, and monitoring of Scope 1 and Scope 2 Emissions</li> <li>Evaluating the significant Scope 3 categories for accounting and disclosing.</li> </ol>	<ol style="list-style-type: none"> <li>Accounting, Disclosing, and monitoring of Scope 1 and Scope 2 Emissions</li> <li>Extending our reach in Scope 3 disclosure to other relevant Scope 3 categories</li> </ol>	Accounting, Disclosing, and continuous monitoring of Scope 1, Scope 2, and Scope 3 emissions.

### Way Forward

Dimexon believes in creating the right channels for collating the information and applying appropriate emission calculation methodologies. This approach will help us in ensuring robust GHG accounting and prioritising the GHG hotspots for relevant Scope 3 categories. Our GHG accounting is further supported by the accurate data collection and management practices that we follow across the organisation. In addition to this, we are also aiming to get our GHG data assured through an independent assurance partner to maintain accuracy and make informed decisions.

## KPI 2: Carbon Neutrality

Carbon emissions get accumulated in the atmosphere due to anthropogenic activities. As per the Intergovernmental Panel on Climate Change's (IPCC) 6<sup>th</sup> Assessment Report, the increase in GHG emissions is expected to have adverse impact on global warming. As a result, there is a thrust on organisations to take immediate action on the emissions caused by their operations and the value chain activities.

Being a responsible entity, Dimexon is keen on its role in the sector and aspires to align itself with the global commitments of restricting the rise in the temperatures by reducing our GHG emission footprint in the coming years. In this regard, we have established the following targets to contribute towards a low-carbon economy.

### Targets

#### Carbon Neutrality

Short Term (By 2025)	Long Term (By 2030)
25.2% reduction in emissions till 2025 from baseline of CY 2019	To achieve Carbon Neutral Operations





### Way Forward

Our endeavour to become carbon neutral is supported by our decarbonisation and offsetting strategies, that include:

1. Improving the energy efficiency of the operational activities
2. Utilising renewable energy
3. Shifting towards alternate fuels or low-carbon fuels
4. Carbon offsets

As a part of our carbon neutral pathway, we are exploring feasibilities to purchase renewable energy or to install adequate renewable energy capacities at our manufacturing sites and increase the usage of hybrid/electric vehicle across our operations. In addition, we aim to explore the scope of carbon offsetting, purchasing carbon credits, and practicing afforestation to neutralise the emissions after achieving the intended decarbonisation.

### Carbon Sequestration

As we progress towards our target of carbon neutrality by 2030, we have planted more than 340 plants and shrubs at our manufacturing facility in Coimbatore, which sequesters \*6.8 tCO<sub>2</sub>e from the atmosphere, in a year. Tree plantation not only enables the absorption of carbon dioxide from the atmosphere, but also supports the reduction in noise pollution, soil erosion, utilisation of Sewage Treatment Plant (STP) treated wastewater, and act as a bio fence. \* Considering a conservative estimate of CO<sub>2</sub> absorbed by an average tree as 20 kg/tree/year.

## Case Study: Energy Conservation at our Mumbai Office

Fluorescent and incandescent lamps were being used in our organisation. It was observed that energy consumption by the existing lamps is comparatively higher than the Light Emitting Diode (LED) bulbs. Therefore, to address this issue, we implemented a crucial initiative to replace all bulbs with LED bulbs, as they are more energy efficient and have a longer lifespan. By replacing all the bulbs, we have been able to reduce the energy consumption from 7,848 watts to 3,924 watts, which translates into a reduction of almost 50%. Moreover, this initiative did not only result in the reduction of energy consumed but also helped in cutting down the initial cost and reduces maintenance.



## KPI 3: Climate Risk

The latest report by the IPCC (6th Assessment Report) states that human-induced climate change is causing dangerous and widespread disruption in the environment and affecting the lives of several people around the world. The report also cautions corporates and nations to measure the impact of climate change on their activities and value chain and implement the necessary adaptive or mitigation measures to sustain the business in the long run. Considering its dependency on the value chain operations such as mining and transportation of raw diamonds, Dimexon intends to measure the impacts of climate change on its business activities by conducting a climate risk and opportunity analysis in the short term. This approach will help us in identifying the impact of climate change on our business operations and devising our plan for climate resilience.

### Targets

#### Climate risk Targets

Short Term (By 2023)	Long Term (By 2025)
Analysing climate risk and opportunities	Alignment with TCFD recommendations

### Way Forward

In the long term, we intend actively analyse the climate-related risks and opportunities for Dimexon and take substantial actions. We also endeavour to align our non-financial disclosures with the TCFD recommendations, supported by our robust governance structure.

## KPI 4: Single-Use Plastic Waste

At Dimexon, we are committed to follow the guidance of Government of India Notification on plastic waste management rules to prohibit the usage of Single-Use Plastics (SUP). We have set a goal of using zero single-use plastic across our operations by the end of 2023. We intend to achieve this goal by using alternative packaging material as well as recycling, conducting awareness sessions and providing topic-specific training to all employees.

### Targets

We aim to eliminate single-use plastic usage at our sites by the end of 2023 and continue to be a single-use-plastic-free organisation.

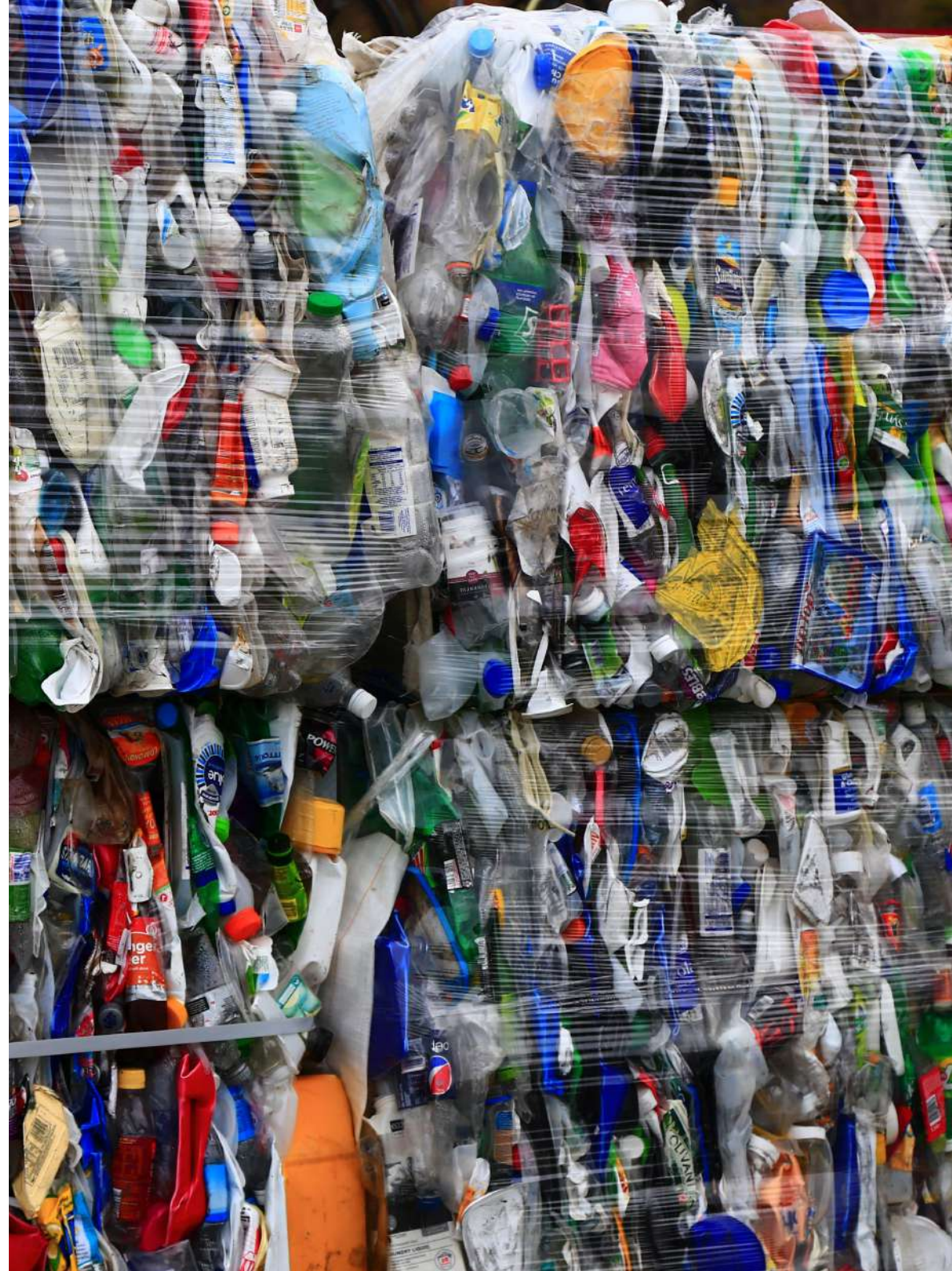
Zero Single use Plastic waste by 2023

Short Term (By 2023)	Long Term
No Single use Plastic	No Single use Plastic

### Way Forward

Moving ahead, we are in process of developing a Plastic Waste Management Policy in line with our goal and endeavour to minimise the use of plastic in our operations to mitigate the adverse environmental impacts.

2022







## KPI 5: Zero Waste to Landfill (ZWL)

Waste generated at Dimexon comprises of Non-Hazardous waste like Metal Scrap (aluminium, brass, steel and other metals), packaging waste, municipal solid waste (mostly paper and plastic) and food waste and hazardous waste like used oil and battery waste.

At Dimexon, we aspire to advance the circular economy by enabling optimum utilisation of waste through recycling at site, segregation of waste, and disposal for reuse or recycling through authorised vendors and under responsible sourcing guidelines. We have taken the initiative to negotiate with our suppliers to buy goods that have as little packaging as possible. Our waste generation, over the years, is shared in the below table.

Waste Generated (in metric tonnes)

Years	*Non-Hazardous	**Hazardous	E-Waste	Total
2018	16,588	0,380	0,000	16,968
2019	47,924	0,370	0,560	48,854
2020	17,178	0,000	0,028	17,206
2021	17,571	0,380	0,078	18,029

\*Non-Hazardous: plastics, paper, metals or scrap. \*\* Hazardous: spent oil

As we improve our on-premises recycling capabilities and increase awareness among our people for proper waste segregation, we are evaluating increasing the scope of recycling in our operations.

The waste we generate is sent to authorised recycling firms, at which all non-hazardous waste is processed to avoid sending any waste to landfill. In addition, all the e-waste generated is sent to specialised agencies for precious metal recovery and recycling.

**Target**

We aim to achieve zero waste to landfill certification at all our manufacturing sites by 2025. This will help us in nullifying our impact on the landfilling.

**Zero Waste to Landfill**

Short Term (By 2023)	Long Term (By 2025)
Zero Waste to Landfill certification for one manufacturing site	Zero Landfill Waste certificate for all sites

**Way Forward**

To achieve Zero Waste to Landfill (ZWL), we will be implementing enhanced segregation and sorting of waste mechanisms, conduct awareness sessions for all employees on adequate utilisation, reuse and proper disposal. We will adhere as much as possible to the Five Rs (reuse, recycle, recover, reduce and reprocess) in our daily operations or activity, providing trainings to all employees about the new technologies and latest amendments on landfill waste. In addition, we may evaluate conducting a waste assessment study to identify hotspots or sources of waste generation and to take all necessary measures to reduce generation and proper reutilisation of waste by transforming it into valuable items or diverting it from landfill.

We will achieve our aim of ZWL through the following waste management system:

- Reduce: Ensuring responsible use of packaging material, option paperless activities.
- Recycle: Recovering usable items from waste generated, encouraging recycling of packaging material, optimising packaging waste by using appropriate materials. We also encourage and support our suppliers to adopt sustainable practices of recycling.
- Reuse: Utilising hazardous waste generated in operational activities and encouraging reuse of wastepaper.

**Water Management**

As a responsible corporate citizen, we consistently ensure that our operations do not negatively impact the supply of quality of water on nearby communities. The key sources of water are groundwater, municipality water and rainwater. We strongly believe in the mantra 'save blue, live green'. At Dimexon, our aim is to recycle and reuse water as much as possible.

To support our water management strategy, we have implemented rainwater harvesting and a sewage treatment plant to ensure that our premises utilise and manage water resources efficiently.

### Dimexon's approach to reduce our water footprint

At our Coimbatore facility, we have implemented a rainwater harvesting system with a capacity of 24 KL per day. The rainwater, which is collected during rainy season, is used for ground water recharge. The collected water is tested in a lab before recharging. The rainwater harvesting system is our commitment towards our water conservation plan and has a focus on control and prevention of water pollution. Furthermore, a sewage treatment plant of capacity 50 KL/day is treating sewage, and the treated water is used in gardening and toilet flushing. The treated water quality is as per the norms issued by the Pollution Control Board.

Our Coimbatore site is certified as Zero Liquid Discharge as we do not discharge any water outside the premises. It is one of our key approaches towards reducing water pollution, preservation of aquatic life and encouraging water conservation.

Supporting a lower water footprint:

Sources of water withdrawal (in KL)

Years	Ground Water	Third-Party water	Total
2018	18,468	3,975	22,443
2019	18,346	4,956	23,302
2020	17,291	3,731	21,652
2021	18,468	4,161	22,629

Total water consumption (in KL)

Years	Water Consumption*
2018	10,205
2019	10,037
2020	12,955
2021	10,457

\*excluding rainwater harvesting & recycled water

Waste water recycled

Years	Waste Water Recycled
2018	12,238
2019	13,265
2020	8,697
2021	12,172



### **Way Forward**

As a growing company, we are committed towards strictly following environmental rules and regulations. We understand improving our environmental compliances will build trust with regulatory bodies, open more business opportunities, and enable a smooth roadmap towards sustainable business. Dimexon is proud to say that its manufacturing facilities have valid authorisation of water, air and waste and we have not received any notices pertaining to non-compliance at any of our sites from the Pollution Control Board (PCB). As a part of our compliances, we have also developed a rich green belt area in and around our Coimbatore premises.

## PILLAR 2: PRODUCT INTEGRITY

### KPIs:

- Responsible Procurement
- Traceability
- Supplier Due Diligence
- Customer Satisfaction Survey

In the diamond industry, product integrity in terms of provenance, traceability, naturalness and responsible supply chain practices defines the customer interest and demand for our diamonds. At Dimexon, we ensure product integrity by working with reliable and responsible suppliers, by implementing a robust product tracking mechanism, by conducting regular due diligences and supplier checks and by evaluating and working on customer feedback.

## KPI 1: Responsible Procurement

Responsible procurement is a prime concern in the diamond industry. Sourcing from Conflict- Affected and High-Risk Areas (CAHRAs) involves exploitation of natural mineral resources and exposes organisations operating in such areas to serious human rights violation issues. Supply chain activities that carry high risks could contribute to significant adverse impacts, such as financing conflict or fuelling, facilitating, or exacerbating conditions of conflict. As a responsible company, we are aware of the adverse impacts of working with high-risk suppliers and have implemented a responsible sourcing policy, which ensures that the diamonds are sourced ethically from our suppliers along with complying to the Kimberly Process Certificate and World Diamond Council’s System of Warranties as well as the OECD Due Diligence Guidance for Responsible Supply Chains. This policy serves Dimexon’s purpose to affirm that we are not involved in the trade of diamonds from the regions of conflicts.

The policy requires rough and polished diamond suppliers to comply with the requirements of the Kimberley Process Certification Scheme, the World Diamond Council System of Warranties, and the OECD Due Diligence Guidance for Responsible Supply Chains. It requires companies to include the valid KP Certificates and correct SoW statements on all invoices that accompany the diamonds sent to Dimexon. The policy further necessitates that our suppliers do not purchase diamonds from CAHRAs or companies or entities subject to sanctions, and that all deals are in compliance with Dimexon’s Code of Conduct along with providing dully filled Know Your Customer (KYC) forms with supporting documents. In addition, all the suppliers are required to complete the Supplier Due Diligence Template as per OECD guidelines.

For further details, refer KPI 3: Supplier Due Diligence on page 50.

### Targets

To strengthen our aim, we have set out substantial targets to ensure all our suppliers (100%) follow our responsible sourcing policy by 2023 onwards and continue to do so from thereon.

Short Term (By 2023)	Long Term (Year on year)
100% in compliance with responsible sourcing policy of Dimexon	Ongoing activity

### Way Forward

We aspire to enhance the existing responsible sourcing policy by adding relevant ESG parameters that need to be addressed during the diamond sourcing process. Additionally, we aim to conduct awareness sessions and capacity building programs for all our suppliers to familiarise them with the targets undertaken by Dimexon and their role in fulfilling the responsible sourcing requirements. Furthermore, we are working towards developing a robust framework to undertake this acknowledgement and to ensure the compliance of the suppliers with our policy.

## KPI 2: Traceability

The demand for ethically sourced diamonds is increasing day by day as is the customer expectations and concerns about the social issues, history, and provenance of diamonds. As a result, customers are seeking to understand the journey of diamonds (from mine to store) and exploring related information such as the origin of mined diamonds, related environmental impact, the distance travelled by diamonds, and the diamond grading parameters considered, amongst others.

The topmost concern for customers is avoiding buying 'blood diamonds', which fund human rights abuses, as well as gaining reassurance that the diamond is authentic. While most existing supply-chain regulations and practices avoid rough diamond origination from conflict zones, they are limited in establishing the traceability of polished diamonds back to their origin, thereby defining their provenance and traceability. Dimexon is one of the first mid-stream diamond companies to have addressed this.

### **How Dimexon is addressing traceability currently:**

Dimexon has implemented auditable processes and systems that track the journey of each parcel of diamonds from the time it is procured, through cutting and polishing processes, and until such time as it is distributed to our customers.

The tracking is enabled using our award-winning SAP system that is integrated across all our locations and operations.

At the initial stage of procuring the rough diamonds, each purchase is assigned a unique batch number that captures various details of the rough diamonds, including the origin (such as Mining House, Country, Region, etc.). This information flows through the system, along each stage of the cutting and polishing process, as these rough diamonds are taken up for manufacturing at our factories.

We have implemented appropriate controls, both in physical processes as well as on the SAP system, to ensure that each such numbered batch is uniquely processed along the cutting and polishing operations. This provides us with the confidence of providing traceability details for each polished diamond at the end of the manufacturing process.

Once the polished diamond is obtained from manufacturing, it follows one of two paths:

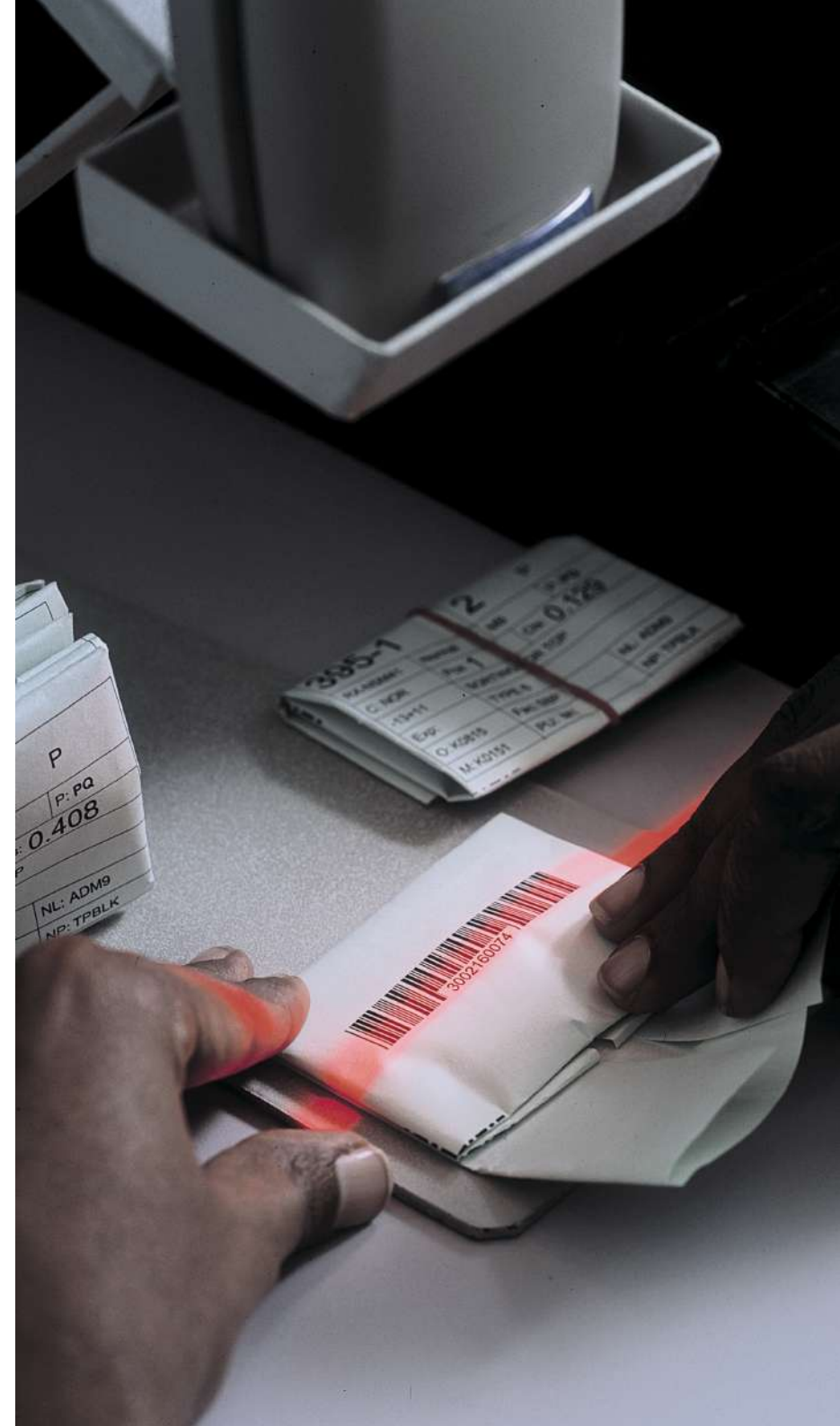
1. Single stone (certified): If the polished diamond is to be distributed as a single-stone diamond (certified) it is sent to the appropriate laboratory for certification after manufacturing, maintaining its origin details for traceability.
2. Multi-stone parcels (uncertified): If the polished diamonds are to be distributed as a parcel containing several stones, these diamonds (which could originate from multiple sources), having similar characteristics such as cut, colour, clarity, and size will be mixed to form a consistent offering. In such a case, where polished diamonds from multiple origins are mixed to provide consistent quality in large volumes, we provide our customers with an input-mixbased traceability assurance.

Irrespective of whether our traceability report is for a single stone or a multi-stone parcel, the processes and systems adopted by us have been audited by external agencies, which further strengthens our commitment to provide our customers with the assurance of traceability - providing them with the vital information that they know where the diamonds supplied by Dimexon come from.

## Targets

### Traceability

Short Term (By 2023)	Long Term (By 2025)
SSP +18pts: 100% traceability based on origin (Source, Mining Company/Country), based on individual stones	MSP +/- 18pts: Traceability based on input mix ratios (Source, Mining Company/Country)







### **Way Forward**

Dimexon's traceability solution for small diamonds is unrivalled in the industry, but the journey does not stop there. Transparency is a strategic priority throughout the organisation, and it will continue to evolve and improve, cultivating openness, honesty and trust at every stage of the supply chain. Together with our clients, we aim to shed the opacity that surrounds the industry and lead the market to a new era of transparency that is as dazzling as the diamonds themselves. We will collaborate with customers and conduct periodic audits of the entire supply chain at regular intervals. As a next step to strengthen the traceability system we are evaluating integrating our tracking systems with our clients' own IT systems, so that information and best practices can be shared seamlessly.

### KPI 3: Supplier Due Diligence

Due diligence refers specifically to the reasonable investigation undertaken by a business to identify and assess risks related to conflict-affected and high-risk areas (CAHRAs) and includes human rights violations, torture, forced or compulsory labour, war crimes, support to non-state armed groups or public or private security forces, bribery and fraudulent misrepresentation of the origin of minerals, money laundering and non-payment of taxes. Due diligence provides companies with the information they need to identify risks to prevent or mitigate adverse impacts associated with their sourcing practices. Companies that source or use minerals from CAHRAs can also play an effective role in supporting livelihoods, economic growth and prosperity, and due diligence enables this.

At Dimexon, we strongly believe that a sustainable supply chain plays a key role in the organisation’s overall sustainability agenda. To strengthen our stand on the same we intend to evaluate and re-evaluate our supply chain on the established ESG criteria.

#### Targets

As a first step, we want to screen all our direct suppliers or diamond suppliers by 2025 extend the criteria to non-RJC members by evaluating 5% of such suppliers every year.

#### Supplier Due Diligence

Short Term (By 2025)	Long Term (By 2026)
100% direct supplier* screening	Commence audit coverage for at least 5% of non-RJC member suppliers, year-on-year
*Direct suppliers are diamond suppliers	

#### Way Forward

Dimexon endeavours to develop a robust ESG screening criterion to evaluate diamond suppliers. We are also working towards conducting training and capacity building sessions for the suppliers to create awareness around screening criteria and support them to come up with sustainable action points to be applied across the supply chain. We aim to design and implement a follow-up action plan in case of failure of any supplier to meet the ESG minimum criteria to be qualified to do the business. In the coming years, Dimexon will modify and update the existing ESG criteria to make it applicable for the non-RJC members, starting from 2026 onwards.

## KPI 4: Customer Satisfaction Survey

A Customer Satisfaction Survey helps us to understand the key expectations, concerns and issues of our customers and their satisfaction levels across the differentiated customer segments. The survey mechanism provides us with the customer's perspective on the products and services offered and allows us to build upon the suggestions received, to serve the customer base in a better and more efficient manner.

At Dimexon, we believe in providing the products and services as per the requirements of our customers and aim to adhere to their long-term goals and targets. We endeavour to constantly interact with our customers and gather their insights to improve our offerings.

### Targets

#### Customer Satisfaction Survey

Short Term (By 2022)	Long Term
Initiate Customer Satisfaction Survey for targeted customer segment	At least 5% improvement from the initial customer satisfaction survey (i.e., 2022)

### Way Forward

We intend to develop a framework to capture the customer feedback on various aspects such as naturality, transparency, product provenance, ESG goals, and targets, amongst others. In the calendar year 2022, we plan to roll out a survey to understand the satisfaction levels of our customers. The results from the survey will be integrated into the customer feedback mechanism and framework. Accordingly, initiatives or programs will be identified and implemented with a goal of improving the satisfaction score by at least 5% from the initial customer satisfaction score.

## PILLAR 3: SOCIAL STEWARDSHIP

### KPIs:

- Diversity & Inclusion Index
- ESG Training
- Employee Satisfaction
- Need & Impact Assessment

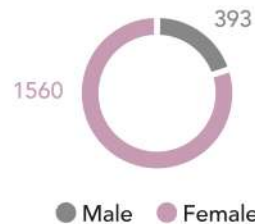
At Dimexon, our commitment towards 'people first' plays a vital role in our goal of workforce empowerment. We firmly believe in demonstrating trust and encouraging diversity to create an enthusiastic and agile working environment and create a workplace that motivates our employees to bring out the best in themselves. We understand that our people are the driving force behind our constant success and will enable us to achieve our long-term goals. In this regard, we consistently explore ways to align our commitment and values with their livelihood and development by implementing measures that are focused on their growth and wellbeing.

Staying true to the legacy of Dimexon, our values of integrity, transparency, and attention to detail enable us to uninterruptedly reinforce the community that we are part of. As a responsible organisation, we are constantly looking for ways through which we can positively impact the communities that surround us. We believe that companies like us can play a fundamental role in transforming the lives of people and uplifting them to ensure true economic growth. Therefore, we mindfully develop and implement our community-facing initiatives to create a lasting change in society.

## KPI 1: Diversity & Inclusion Index

Diversity encompasses the range of similarities and differences everyone brings to the workplace and Inclusion is the practice of ensuring that people feel a sense of belonging and support from the organisation. At Dimexon, we strive to create an inclusive culture that values diversity across the workplace. Over the past three decades, we have placed a great emphasis on providing employment opportunities to women and our organisational success is highly driven by their unwavering determination. We believe that it is our duty as a modern, diverse and forward-thinking business to support women's rights and dignity in the workplace by creating a fairer and more productive business structure that allows them a platform to showcase their skills.

### Gender Diversity

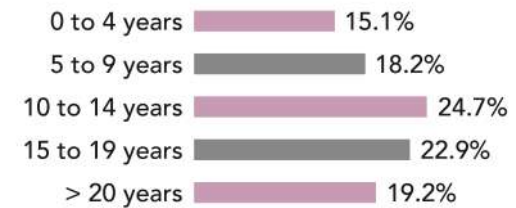


### Empowerment of Women

Dimexon is a strong believer in gender equality and the empowerment of women's rights. Coimbatore is an industrial urban area of India known predominantly for engineering industries, with fewer employment opportunities for women. When the decision was made to set up our manufacturing in Coimbatore several decades ago, recruiting local talent was a conscious decision. It was also a conscious decision to approach local women to fill these positions, which was a highly unusual strategy at the time, but one that has proven successful. Since then, Dimexon has continued to foster a largely female workforce and we have built a culture that provides professional growth opportunities for our female employees. Many women working for Dimexon started their journey on the factory floor in Coimbatore and are today working across our global operations. Dimexon has empowered women to progress into leadership roles by encouraging upskilling, training and career development.

Dimexon has implemented a women's wing and sexual harassment committee, which comprises of union members, female workers and management. The committee meets on a quarterly basis. All employees are aware of the committee and can approach it in case of any grievance. This has led to very low levels of staff turnover, with more than two-thirds of the female workforce having worked for the company for more than 10 years, including a more than 95% retention rate of following a period of maternity leave.

### Dimexon: Avg. Tenure of Female Workforce



### Return to work retention rates of female employees who took parental leave



### Workforce Strength and Diversity

Towards our aspiration of building a diverse and inclusive workplace, we intend to carry out a Diversity and Inclusion (D&I) survey in partnership with an independent rating agency to understand our progress on D&I aspects and identify the scope of improvement in our demographic representation. Our aim is to actively participate in the Diversity & Inclusion Index every three years with stronger goals of increasing our index performance. As a part of our Human Resources (HR) planning, on a required basis, we assess and determine the skill sets needed regarding our corporate and locational strategies. A total of 182 new employees started their journey with Dimexon in the year 2021.



### Targets

#### Diversity & Inclusion Index

Short Term (By 2022)	Long Term (from 2025 onwards)
Conduct a third-party D&I Index survey	Participate in the index survey every three years with an objective of increasing the previous rating by 5%

### Way Forward

As we move ahead, we aspire to participate in the D&I third party survey periodically to strengthen Dimexon as one of the most diverse companies to work with. Furthermore, we are striving to identify the improvement areas, prepare strategic roadmaps and ensure implementation of learnings across the enterprise. In addition to this, we are determined to stand by and adhere to our policies on diversity and inclusion, harassment and working hours with a purpose of delivering our commitment to create equal opportunity for employees across our workforce.

## Case Study: Our People, Our pride



### From entry level to MBA

When Kanjanasumathi, or Kanchana to her colleagues, first joined Dimexon in 1993, she had little to call her own and had to overcome many obstacles in her early life. Initially starting at our Coimbatore-based diamond cutting and polishing company as a data operator, her determination has led her to her current position as a Production Manager. Kanchana says her career brought her hope, achievement and purpose, and working at Dimexon has enhanced her quality of life immensely. Since joining us, Kanchana has acquired an MBA from Periyar University and is now a vital member of the management team in the company's Manufacturing Department.

Karina joined Dimexon in 2010 as senior manager of sales. After six years she was promoted to head of sales, and works tirelessly alongside her team in Antwerp to draw up sales targets, examine growth opportunities, explore sales improvements and develop products and services. Before joining us, Karina worked as a senior diamond trader for luxury jewellery and watch house Backes & Strauss and graduated with a masters degree from Moscow State Mining University.







Revathy finished school at 16 years old in 1988 and immediately joined Dimexon. "Thirty years ago, my hometown Coimbatore hadn't quite warmed up to the idea of women taking up jobs," she remembers. Thankfully, at that time her mother worked at our manufactory and encouraged her to apply. The initial learning curve, Revathy recalls, was steep. Fired by the desire to upskill herself, she threw herself into the job. As years went by, more women joined the workforce.

Armed with a diploma in Computer Science Engineering, Vijaya joined Dimexon in 1991 as a data entry operator. Then, while her daughter studied for engineering, Vijaya pursued bachelor's degree in Engineering and Technology at BITS Pilani. She attended online classes, referred to her daughter's books, burnt the midnight oil and went to work every day.

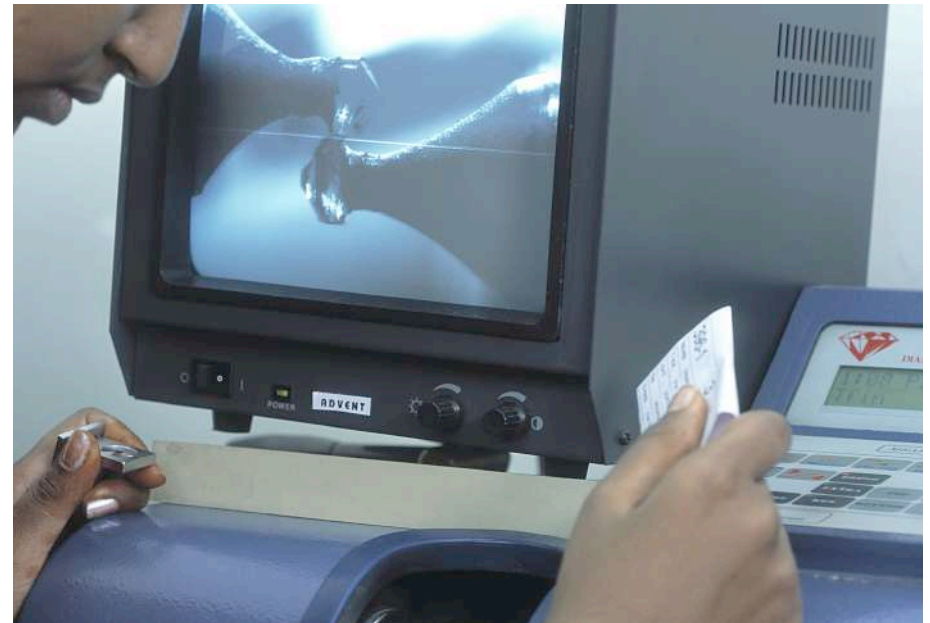


## KPI 2: ESG Training

The increasing awareness around sustainability has created a significant focus on companies to enhance their non-financial performance and develop measures to positively impact each of their stakeholders. The advent of ESG as a concept is being widely adopted by organisations to create long-term and sustainable value. ESG is used as a framework to assess how businesses manage their risks and opportunities that are created due to ever-evolving market and nonmarket conditions.

As popularly quoted by Nelson Mandela: "Education is the most powerful weapon, which you can use to change the world." At Dimexon, we consistently work towards building a learning driven culture. We encourage the adoption of new technologies and initiatives across our business activities to enhance the value of our products and services. To derive impactful results across our business activities, it is vital for us to enable access to domain-specific skill sets and resources for all our employees. We aim to enhance their competencies and productivity levels through our focused training efforts. As we do this, we understand that ESG is a prominent aspect that will determine the future of our business. In this regard, we aspire to build awareness and educate our workforce on the sustainable development aspects. We are encouraging our employees to undergo ESG-focused training to create and sustain long-term value in a rapidly changing world, while managing the risks and opportunities associated with these changes. Our goal is to not only execute initiatives to improve our non-financial performance, but also to upskill our employees so that we can all work together to develop a sustainable organisation.

Over the years, we have taken continuous steps to emerge as a sustainable and responsible organisation. All our efforts have been developed and implemented with a vision of creating a strong impact on each of our stakeholders. One such measure we have taken is the development of our business sustainability manual, which outlines the best practices that should be adopted by an organisation while conducting its business. All the initiatives that we implement are supported by strong policies such as labour practices, human rights, environment, product security and health and safety, amongst others.





### Target

As a growing company, Dimexon is committed to emerging as a sustainable business. Our leaders are the torchbearers of our success, and our employees play an essential role in achieving our business objectives. Our target is to provide all the employees with specific ESG training and awareness sessions to develop their skills and knowledge and align them with our sustainability agenda. In the coming times, our prime focus will be to ensure the learning and development of our employees in the areas of ESG to enhance their behavioural, technical and professional skills.

### ESG Training

Short Term (By 2023)	Long Term (By 2025)
Average of minimum 4 hours of ESG related training per employee per year	Average of minimum 8 hours of ESG related training per employee per year

### Way Forward

Moving ahead, we aspire to encourage our employees to exhibit their skills by leading projects and delivering innovative solutions. To develop a strategic and planned training module for all the employees, we are in the process of implementing an effective mix of multiple modes of education (classroom, digital, self-paced, etc.), customised training programs for leadership, and on-the-job learning under appropriate supervision and guidance.

### KPI 3: Employee Satisfaction

Employee satisfaction can be defined as the contentment that employees get from their jobs and the employer. At Dimexon, we recognise our workforce as our most precious resource. Our financial and non-financial performance depends on our employees' experience, wellbeing, skill sets and commitment. Happy and satisfied employees demonstrate higher commitment and have enhanced productivity levels as compared to unsatisfied employees; therefore, employee engagement, attraction and retention remain our topmost priorities to ensure our continuous growth.

We have taken various initiatives to keep a happy and healthy environment across the workplace. We have strict policies on areas such as forced labour, working hours, nondiscrimination, remuneration and usage of security personnel that support our mission of employee satisfaction. Furthermore, our Occupational Health and Safety (OHS) management system encompasses several interventions to establish concerned policies and regulations for all our employees.

We provide opportunities enabling the workforce to improve their standard of living, educate their children, and improve their economic status in society. In addition to this, Dimexon provides incentives in terms of frequent health camps, formation of different committees for grievance redressal, and employee engagement activities, amongst others. The success of the efforts that we take at our workplace is demonstrated by the satisfaction and long tenure of our employees. Nearly 25% female employees at the organisation have an average tenure of 15 to 19 years.





### Target

We aspire to continue our legacy of building and fostering a women-centric workforce that provides them with continuous support, both in professional and personal spheres. We have set result-focused targets of conducting employee engagement surveys to monitor our employees' satisfaction in all aspects of their employment, including leadership, communication, development and benefit offerings by 2023. We further aim to encourage our people to show maximum participation in the survey and other developmental activities.

### Employee satisfaction

#### Short Term (By 2023)

Conduct a third-party employee engagement survey

### Way Forward

In the near future, we aspire to build a team of experts for conducting surveys, ensuring maximum participation and implementing new employee engagement initiatives. We aim to equally focus on preparing the improvement plans based on the insights gathered from the survey results and employee responses. We intend to share the survey results with all employees to enable transparency and involve them in development of adequate action plans with the senior leadership team. We plan to directly consult with our experienced employees on these surveys to seek their suggestions and accordingly strengthen our engagement programs.

## KPI 4: Need & Impact Assessment

As a responsible corporate citizen, it is essential for us to be committed to driving inclusive growth, sustainable development and nation building. We understand that it is crucial for Dimexon to identify the key needs of the community and to have a meaningful impact on their lives. To assess the value created through our efforts, we believe it is important to conduct need and impact assessments to plan and achieve our long-term goals, which include reducing our environmental impact, natural resource management, and community engagement, amongst others.

These assessments enable us to navigate unprecedented challenges while implementing the community development initiatives of our organisation. It further allows our workforce to effectively engage with community members and enable them to build relationships. Additionally, it demonstrates Dimexon's ability and commitment towards enriching societal development.

At Dimexon, corporate responsibility is deeply embedded within our business philosophy. We have multiple workforce committees to support our values and to enhance our engagement with the local community. Our Grievances and Redressal Committee is taking all necessary steps to address the issues or concerns of our stakeholders. Our purpose-driven initiatives, such as awareness programs on health, female empowerment and supplying basics needs (food packets, PPEs) during the pandemic are continuously assisting communities in need. We aspire to drive holistic development among students at schools by providing them with access to an education loan program and scholarships to encourage further education.





**Target**

To enhance our impact on the communities, we intend to conduct need assessments for the new corporate social responsibility projects at Dimexon. Our plan is to conduct surveys in communities to better understand their expectation and requirements. We aim to take concerted efforts to ensure the achievement of targets with carrying out a detailed impact assessment of our community development projects.

**Need and Impact Assessment**

Short Term (By 2023)	Long Term (upon completion of each project based on project Charter)
Community need assessment for all new Corporate Social Responsibility (CSR) projects	Impact assessment for all Community development projects

**Way Forward**

In our effort to augment value creation and enhance our CSR activities, we aim to conduct third-party social and environmental impact assessments. We plan to take measures to identify and evaluate the communities for a better understanding and develop action plans to ensure maximum outreach. Furthermore, we strive to develop new engagement platforms and tools to improve connectivity, awareness activities and community meetings. Additionally, we are also looking at implementing need-based projects through a participatory approach and are focusing on building capacity to make the community self-reliant.

## Case Study:

### Community support during the pandemic

In Coimbatore, India, Dimexon supported the local community by providing freshly cooked meals every day. Along with the assistance and support of the Department of Health, Revenue and the District Collector of Coimbatore, Dimexon began distributing food packets on a daily basis. As the world battled COVID-19, this was our way of supporting the local communities in and around Coimbatore, where we operate.

<https://www.youtube.com/watch?v=I6XK9s20N-c&feature=youtu.be>

2022





## Shree Bhagwan Mahaveer Gaushala

– Coimbatore Animal Welfare Society

“

Dimexon understands the need to support animal welfare and has partnered with Shree Bhagwan Mahaveer Gaushala in Coimbatore, India, to contribute towards the well-being of cows by providing them with a nurturing environment.

The Shree Bhagwan Mahaveer Gaushala was established in 2000 by the Coimbatore Animal Welfare Society to provide thatched shelter to cows rescued from illegal transportation to slaughterhouses in Kerala. It originally cared for 30 cows, but this number has since swelled to 950, which also includes cows taken in from temples and farmers. The managing committee of the Trust are fighting many court cases on behalf of the Coimbatore Animal Welfare Society against the truck owners from whom some of the cattle have been rescued.

The 25-acre plot has 26 cattle shelters (pucca sheds), four cattle yards, two covered dry-fodder godowns, a bird feeding centre and quarters for labourers within its premises. While calves, cows and bulls are housed in clean sheds, the buffaloes are left in the open in a walled area with mud to immerse themselves in. The day for the cattle begins with religious chants played using a public address system, followed by their first of three daily meals. A vet remains on site to tend to the cows. Donations from individuals and corporations, including Dimexon, help to fund this sanctuary.

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## Vidyamandir Trust

The Vidyamandir Trust is a cause close to our hearts. Our director Rajiv Mehta is an elected member of the management of this educational charity. Throughout the years, Dimexon has supported various activities of the trust by providing financial support as well as managerial time.

The Vidyamandir Trust emerged in 1948 from Shree Jain Shishushala Primary School, which was run on the first floor of Sthanakvasi Lukagachchha Jain Library in Palanpur, India. The school was founded by Shri Surajmal Lallubhai Mehta and his community in 1921, and the area would later become home to a multitude of educational institutes that attracted those who longed for an education that would allow them to write their own destinies. With years of efforts made by revolutionary educators, including Shri Suryakant C. Parikh, and the support of generous benefactors, the Vidyamandir Trust, as it was renamed in 2006, has delivered Gujarati and English kindergartens schools, training colleges, libraries, laboratories and more. It has also set up dedicated educational opportunities for differently abled learners and children from underprivileged rural Indian communities. The Vidyamandir Trust's mantra is Better Every Day; one that chimes with Dimexon's own efforts as a responsible and sustainable business. The endeavours and achievements of Vidyamandir, its alumni and its supporters have received countless recognitions. It has been a trailblazer for inclusive education, pre-empting efforts by the Government of India, and we are proud to support its on-going efforts to make education accessible to all.

[vidyaamandir.org](http://vidyaamandir.org)

## PILLAR 4: RESPONSIBLE BUSINESS CONDUCT

### KPIs:

- Due Diligence & compliance
- ESG Communication

At Dimexon, responsible business conduct is a crucial aspect that ensures our business continuity. To this end, we strive to develop processes that are in line with our code of conduct. We believe that it is important for us to ensure that our operations are ethical in order to build long-term relationships with our stakeholder groups. In this regard, we are taking consistent strides to strengthen our governance system and operate in the best interest of each of our stakeholders.

We are trusted suppliers of the world's most beautiful diamonds; our corporate responsibility is deeply embedded within our business philosophy. We have been a De Beers Global Sightholder since 1976, going above and beyond its strict rules on ethics, financial prudence, and adherence to the Kimberley Process. We are also a Rio Tinto Select Diamantaire, and a certified member of the Responsible Jewellery Council (RJC) since 2011. As a responsible business, we are continuously implementing the measures to ensure that our processes and systems are compliant with relevant laws and regulations surrounding our business and free of any significant or major non-conformances.

Our aspirations to be a responsible business are supported by our strong corporate policies, such as Anti-Money Laundering and Countering Financing of Terrorism, Kimberley Process and System of Warranties, Anti Bribery, Product Disclosure, Product Security, Freedom of Association and Collective Bargaining and Responsible Procurement.

## KPI 1: Due Diligence & Compliance

Due diligence refers specifically to the reasonable investigation undertaken by a business to identify and assess risks related to conflict-affected and high-risk areas (CAHRAs) and include human rights violations, torture, forced or compulsory labour, war crimes, support to non-state armed groups or public or private security forces, bribery, and fraudulent misrepresentation of the origin of minerals, money laundering and non-payment of taxes. Due diligence provides companies with the information they need to identify risks to prevent or mitigate adverse impacts associated with their sourcing practices. Companies that source or use minerals from CAHRAs can also play an effective role in supporting livelihoods, economic growth and prosperity, and due diligence enables this.

### Responsible Jewellery Council (RJC) Certification

Founded in 2005 by 14 member organisations, the RJC Code of Practices (COP) is the global standard in the jewellery and watch industry, focusing on business ethics and responsible supply chains. The COP covers all the primary minerals and metals used in the manufacture of jewellery, such as gold, silver, platinum, diamonds and coloured gemstones. The RJC's robust certification process is independently audited, and International Social and Environmental Accreditation and Labelling (ISEAL) accredited, upholding the highest standards.

The RJC COP covers four key areas:

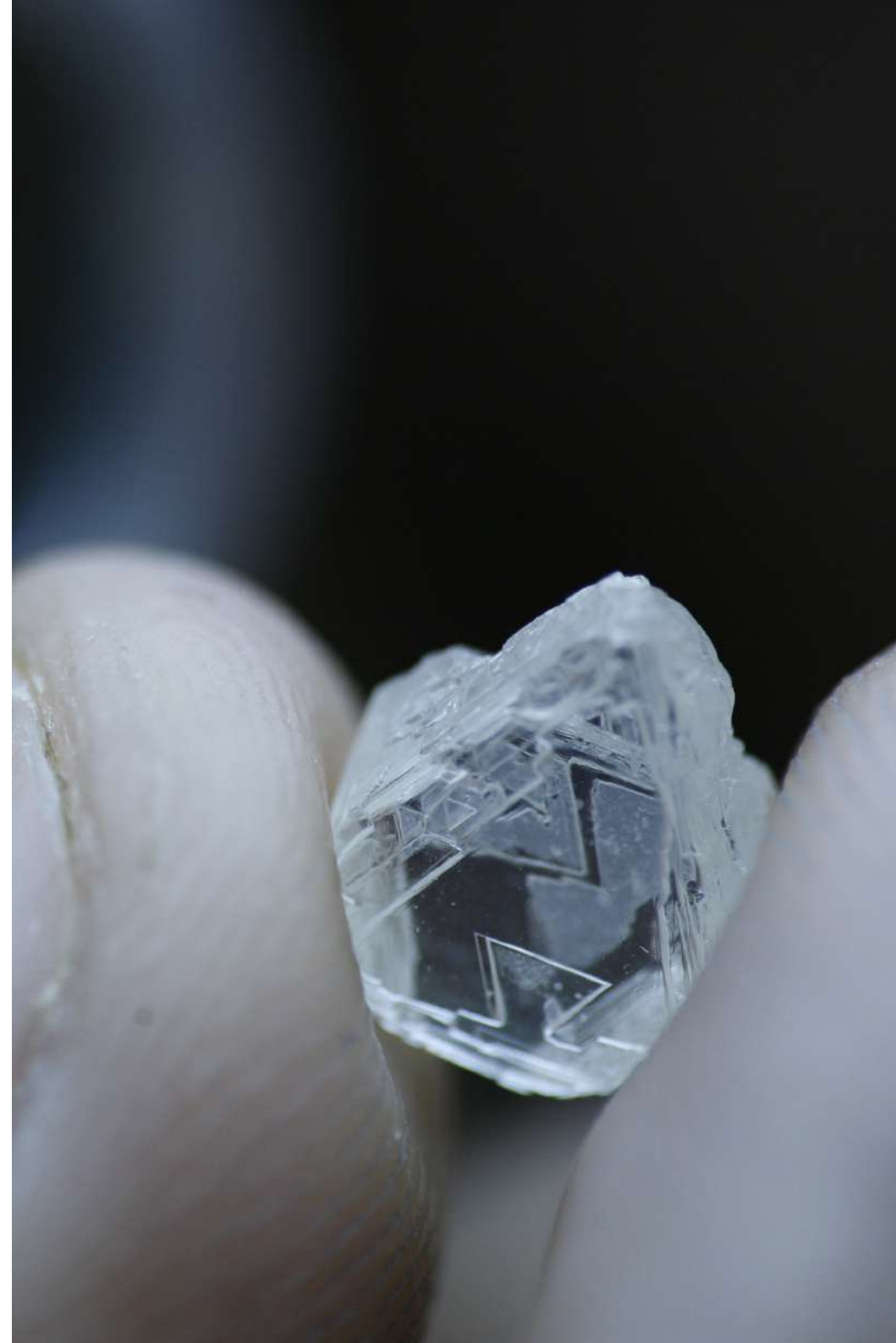
- Business ethics (including bribery, the Kimberley Process, and synthetic diamonds)
- Human rights (including child labour, health and safety, security and artisanal mining)
- Environmental performance (including hazardous substances, energy use and biodiversity)
- Management practices (including impact assessment, closure planning and reporting)

All members are required to receive third party accreditation to ensure compliance with the Code of Practices. The RJC audits the due diligence practices as part of the normal Code of Practice (COP) certification process. RJC auditors will look to verify Dimexon's reasonable and good faith efforts to implement the requirements of COP based on a continual improvement approach. The COP guides companies to report on due diligence efforts at least once a year to reassure customers, investors and other stakeholders that companies are sourcing raw materials using a due diligence approach that is aligned with OECD Guidance.

## De Beers Best Practice Principles (BPP) Audits

The BPPs are a mandatory code of ethical business practices put in place by diamond miner De Beers Group. It is a continuously evolving standard intended to ensure that consumers buying diamond jewellery can rely on the professional, ethical and technical standards of the diamond industry. They do so by protecting against unacceptable business ethics as well as social and environmental practices that might undermine consumer confidence in diamond jewellery. The BPPs include a requirement for the recording of all Kimberley Process Certification Scheme (KPCS) certificates and System of Warranty invoices received and issued when buying or selling diamonds. This helps eliminate the possibility of a transaction taking place involving conflict diamonds. The BPPs also require the disclosure of all use of synthetics, treatments and simulants, and adherence to strict social and environmental requirements, including those relating to health and safety, child labour and forced labour. Dimexon has been a BPP Compliant De Beers Sightholder since the BPP's inception in 2005.

As a registered member of the RJC, we conduct our own reviews and audits on our business partners who are not certified members of RJC on a periodic basis to ensure their compliance and adherence with respect to the COP and OECD guidelines. Separately, we guide them in taking necessary steps to address any non-conformances, as well as developing trends in industry-leading practices.



**Target**

To ensure transparent disclosures and communications with our stakeholders, we aim to report on the non-conformances raised during the RJC certification and BPP audits.

Due Diligence and Compliance

Short Term (By 2022)	Long Term (By 2025)
Disclose the Non-conformances raised during RJC re-certification and BPP audits.	On-going, year on year disclosure

**Way Forward**

Dimexon will focus on developing and implementing action plans to address non conformances or audit points that emerge in the certification and auditing process. Additionally, bringing awareness among the workforce on Best Practice principles, to improve performances along our value chain, will also be a key investment area. Both these activities will enhance understanding about the adversities and risks associated with non-conformance or red flags and enable us to build stronger relations with jewellery councils and communities around the world to reinforce our efforts to disseminate awareness-based programs against illegal and duplicate products.



## KPI 2: ESG Communication

ESG communication is vital to an organisation to engage with its internal and external stakeholders to communicate our progress or performance in the areas of ESG. The ESG performance disclosures widely impact the reputation of companies and their relationships with key stakeholders, as well as their ability to attract responsible investors and enhance their global presence, amongst other factors.

At Dimexon, we understand the need to maintain strong ESG communications with all our stakeholders to ensure profitable and sustainable business growth. Communicating our ESG performance enables our investors to better understand the expectations and allows us to reflect their priorities in our business activities and disclosures. Furthermore, it provides us with a direction on adopting best practices and ensuring compliance with all relevant regulatory requirements. We believe that the concept of ESG deeply connects the organisation with the communities and helps them in understanding our responsibilities.

We leverage our standing and reputation not just to strengthen our progress, but also to inspire other organisations in the diamond industry to follow our example. We believe in transparently disclosing our ESG-related impacts and efforts as one of our topmost responsibilities. In this regard, we regularly update our ESG news on our website [dimexon.com](https://www.dimexon.com).

## Target

Our goal is to communicate our ESG performance to all our stakeholders through our Annual ESG/Sustainability Report. We also aim to frequently share our ESG performance with stakeholders through different channels such as social media posts, ESG newsletters, updating our website and by participating in conferences and workshops, amongst others. Additionally, we are working towards disclosing our strategies and a roadmap for creating a better understanding of our sustainability mission.



## Way Forward

Going forward, we aspire to advance our team of professionals and train them in ESG communication by providing them with various learning programs and new updates in ESG. Furthermore, we are in the process of building a platform (a Dimexon sustainability website) for all workforce interaction and participation in implementing new ideas or thoughts to improve our ESG performance. We aim to participate in various ESG ratings and frameworks, such as Dow Jones Sustainability Index (DJSI), Morgan Stanley Capital International (MSCI), and Carbon Disclosure Project (CDP), to measure our performance and identify the areas of improvement. Moreover, we are conducting an internal survey with our stakeholders to understand material issues from their perspective and accordingly preparing our response plans.

## OCCUPATIONAL HEALTH AND SAFETY AT DIMEXON

Our Health and Safety management plan strengthens our safety plans and regulations, extending safety awareness among our employees, which further prevents the occurrence of incidents. At Dimexon, we have a well-established health and safety policy that talks about our objectives, how we function and the composition of our team. We have a health and safety committee for proper monitoring and implementation of all health and safety functions. Our committee is responsible for the efficacious implementation of requisite laws and regulations across our sites, encouraging active participation of the entire workforce, including management and contractual staff.

We regularly organise basic training of fire safety, first aid, safety signs, evacuation drills and frequently conduct mock safety drills and sessions on the usage of fire and safety equipment during an emergency. Our capacity building program is designed to align employee-specific roles with training modules, therefore enhancing the value addition of our programs. As a responsible and committed organisation, we proactively commit to investing in the good health and wellbeing of our workforce.



RECOGNITION AND PARTICIPATION IN INDUSTRY FORUMS



## Recognition Received

Dimexon's progressive approach has been recognised by the Natural Diamond Council (NDC). The NDC is a global organisation with corporate members that operate in six continents and more than a dozen countries, including Canada, South Africa, Botswana and Australia. Its mission is to enhance the natural diamond industry, which supports more than 10 million employees, and their families, globally. In 2021, the NDC recognised Dimexon's women-centric workforce, which was described by the organisation as deeply encouraging. It praised the fact that of the 1,600 people who work at our two factories in Coimbatore, 1,300 of them are women. Dimexon has also been recognised in a story on the NDC's consumer-facing digital platform Only Natural Diamonds for our robust environmental programs, which include significant recycling and water conservation efforts.

Dimexon has also been recognised by RJC and the United Nations Global Compact (UNGC) in an insightful webinar on practical steps businesses can take to achieve gender equality and champion female empowerment in the workplace. Dimexon was highlighted as a family business taking the lead on scaling up the gender balance. Our upskilling, advancement programs and the steps we take to ensure staff retention were spotlighted in the discussion.

## Participation in Industry Forums:

At the Italian jewellery trade show Vicenzaoro, Dimexon Antwerp's director Christopher Bull took part in a panel discussion organised by CIBJO, The World Jewellery Confederation. During this talk, Christopher shared his point of view on what the diamond industry needs to do to continue the forward motion for greater transparency, ethics and sustainability.

Dimexon director Rajiv Mehta represented Dimexon at the RJC Winter Conference in December 2021. He presented his views on how ESG builds business value during a talk at the digital conference.

In the UK, Dimexon sponsored the Designer-Retailer of the Year category at The National Association of Jewellers (NAJ) Awards, which was set up by the NAJ in 2016 to celebrate the successes of its membership. Britain has a long and brilliant legacy when it comes to producing creative jewellers, and we were privileged to support this initiative. We also participated in the Supplier Showcase at the NAJ Summit and will take part in the UK Jewellery Festival trade show in September 2022.

## ALIGNMENT WITH STANDARDS

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
General Disclosures				
GRI102-1	Name of the organisation	Dimexon at a glance	9	
GRI102-2	Activities, brands, products, and services	Our Business & Our Group Structure	10-13	
GRI102-3	Location of the organisation's headquarters	Reporting Scope & Methodology	6	
GRI102-4	Location of operations	Our Group Structure	10	
GRI102-6	Markets served	Our Group Structure	10	
GRI102-7	Scale of the organization	Our Business	11	
GRI102-8	Information on employees and other workers	Diversity & inclusion Index	53-55	SDG 8 SDG 10
GRI102-14	Statement from senior decision-maker	Message from Chairman	14	
GRI102-15	Key impacts, risks, and opportunities	Our Risk Management Practices	29-31	
GRI102-16	Values, principles, standards, and norms of behaviour	Diamonds with Purpose	4-5	SDG 16
GRI-102-17	Mechanisms for advice and concerns about ethics	Our Supporting Policies	25-28	
GRI102-18	Governance structure	Our Strong Governance System & our approach to sustainable Governance	23-24	
GRI102 - 21	Consulting stakeholders on economic, environmental, and social topics	Encouraging effective stakeholder groups	17-19	SDG 16
GRI102-40	List of stakeholder groups	Encouraging effective stakeholder groups	17-19	
GRI102-42	Identifying and selecting stakeholders	Encouraging effective stakeholder groups	17-19	

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
GRI-102-43	Approach to stakeholder engagement	Encouraging effective stakeholder groups	17-19	
GRI-102-44	Key topics and concerns raised	Encouraging effective stakeholder groups & understanding what is material to our business	17-21	
GRI-102-45	Entities included in the consolidated financial statements		12	
GRI-102-46	Defining report content and topic Boundaries	Reporting Scope & methodology	6-7	
GRI-102-47	List of material topics	Understanding what is material to our business	21	
GRI-102-50	Reporting period	Reporting Scope & methodology	6-7	
GRI-102-52	Reporting cycle	Reporting Scope & methodology	6-7	
GRI-102-53	Contact point for questions regarding the report	Reporting Scope & methodology Feedback	7	
GRI-102-54	Claims of reporting in accordance with the GRI Standards			
GRI-102-55	GRI content index	Alignment With standards	75-81	
GRI-102-56	External assurance			
Economic				
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Our Business	9-14	
GRI-103-3	Evaluation of the management approach	Our Business	9-14	
GRI-201-1	Direct economic value generated and distributed		9-14	
GRI-205-2	Communication and training about anticorruption policies Procedures	Our Supporting Policies	25-28	SDG 16

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
Environment				
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Pillar1: Environmental Synergy	32-44	
GRI-103-3	Evaluation of the management approach	Pillar1: Environmental Synergy	32-44	
GRI-302-1	Energy consumption within the organization	Pillar1: Environmental Synergy	33-35	SDG-7 SDG-12 SDG-13
GRI302-2	Energy consumption outside of the organization	NA	NA	SDG-7 SDG-8 SDG-12 SDG-13
GRI-302-3	Energy intensity	Pillar1: Environmental Synergy	34	SDG-7 SDG-12 SDG-13
GRI-302-4	Reduction of energy consumption	Pillar1: Environmental Synergy	32	SDG-7 SDG-12 SDG-13
GRI-303-1	Interactions with water as a shared resource	Pillar1: Environmental Synergy (Water Management)	42-43	SDG 6
GRI-303-2	Management of water discharge-related impacts	Pillar1: Environmental Synergy (Water Management)	42-43	SDG 6
GRI-303-3	Water withdrawal	Pillar1: Environmental Synergy (Water Management)	42-43	SDG-6 SDG - 12
GRI-303-4	Water discharge	Pillar1: Environmental Synergy (Water Management)	42-43	
GRI-303-5	Water consumption	Pillar1: Environmental Synergy (Water Management)	42-43	

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
GRI-305-1	Direct (Scope 1) GHG emission	Pillar1: Environmental Synergy	33-35	SDG-3 SDG-12 SDG-13
GRI-305-2	Indirect (Scope 2) GHG emissions	Pillar1: Environmental Synergy	33-35	SDG-3 SDG-12 SDG-13
GRI-305-4	GHG emissions intensity	Pillar1: Environmental Synergy	33-35	SDG-3 SDG-12 SDG-13
GRI-305-5	Reduction of GHG emissions	Pillar1: Environmental Synergy	33-35	SDG-13 SDG-14 SDG-15
GRI 306-1	Waste generation and significant waste related impacts	Pillar1: Environmental Synergy (Zero Waste to Landfill)	41-42	
GRI-306-2	Management of significant waste-related impacts	Pillar1: Environmental Synergy (Zero Waste to Landfill)	41-42	
GRI-306-3	Waste generated	Pillar1: Environmental Synergy (Zero Waste to Landfill)	41-42	SDG-3 SDG-6 SDG-12 SDG-14
GRI-306-4	Waste diverted from disposal	Pillar1: Pillar1: Environmental Synergy (Zero Waste to Landfill)	41-42	SDG-3 SDG-12 SDG-15
GRI-306-5	Waste directed to disposal	Pillar1: Pillar1: Environmental Synergy (Zero Waste to Landfill)	41-42	SDG-3 SDG-12 SDG-15
GRI-307-1	Non-compliance with environmental laws and regulation			

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
Social				
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Pillar 3: Social Stewardship	52-65	
GRI-103-3	Evaluation of the management approach	Pillar 3: Social Stewardship	52-65	
GRI-401-1	New employee hires and employee turnover	Employee Turnover Details	53-55	SDG-8 SDG-10
GRI-401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	NA	NA	
GRI-401-3	Parental leave	Diversity & Inclusion Index	54	SDG-5 SDG-8
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Occupational Health and Safety at Dimexon	72	
GRI-103-3	Evaluation of the management approach	Occupational Health and Safety at Dimexon	72	
GRI-403-1	Occupational health and safety management system	Occupational Health and Safety at Dimexon	72	SDG 8
GRI-403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety at Dimexon	72	SDG-3 SDG-8
GRI-403-3	Occupational health services	Occupational Health and Safety at Dimexon	72	
GRI-403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety at Dimexon	72	SDG 8
GRI-403-5	Worker training on occupational health and safety	Occupational Health and Safety at Dimexon	72	SDG 8

GRI Reference	Indicator detail	Chapter name	Page Number	SDG
GRI-403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety at Dimexon	72	SDG 8
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Pillar 3: Social Stewardship	52-65	
GRI-103-3	Evaluation of the management approach	Pillar 3: Social Stewardship	52-65	
GRI-404-1	Average hours of training per year per employee	ESG training	58-59	SDG-4 SDG-5 SDG-8 SDG-10
GRI-404-2	Programs for upgrading employee skills and transition assistance programs	Diversity & Inclusion Index	53-55	SDG 8
GRI-405-1	Diversity of governance bodies and employees	NA	NA	
GRI-405-2	Ratio of basic salary and remuneration of women to men	NA	NA	
GRI-410-1	Percentage of security personnel with formal training	NA	NA	
GRI-416-1	Assessment of the health and safety impacts of product and service categories	NA	NA	
GRI-103-1	Explanation of the material topic and its Boundary	Understanding What is Material to Our Business	20-21	
GRI-103-2	The management approach and its components	Pillar 2: Product Integrity	45-51	
GRI-103-3	Evaluation of the management approach	Pillar 2: Product Integrity	45-51	
GRI-418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NA	NA	
GRI-419-1	Non-compliance with laws and regulations in the social and economic area			



## GLOSSARY

AML	Anti-Money Laundering
CAHRAs	Conflict-Affected and High-Risk Areas
CDP	Carbon Disclosure Project
CO <sub>2</sub> e	Carbon Dioxide Equivalents
COPs	Code of Practices
CY	Calendar Year
DJSI	Dow Jones Sustainability Index
ESG	Environment, Social and Governance
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HR	Human Resources
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
KPCS	Kimberly Process Certificate Scheme
LED	Light Emitting Diode
LPG	Liquified Petroleum Gas
MSCI	Morgan Stanley Capital International
MSP	Multi-Stone Parcel

NAJ	National Association of Jewellers
NDC	Natural Diamonds Council
NVG	National Voluntary Guidelines
OECD	Organisation for Economic Co-operation and Development
OHC	Occupational Health and Center
OHS	Occupational Health and Safety
R&R	Rewards and Recognition
RJC	Responsible Jewellery Council
S&OP	Sales and Operations Planning
SoW	System of Warranties
SSP	Single-Stone Parcel
STP	Sewage Treatment Plant
SUP	Single Use Plastic
TCFD	Task Force on Climate related Financial Disclosures
UN SDGs	United Nations Sustainable Development Goals
WBCSD	World Business Council of Sustainable Development
WDC	World Diamond Council
WRI	World Resource Institute
ZWL	Zero Waste to Landfill