DIANCO

BRINGING DIAMONDS TO LIFE

GROUP DIANCO: ANNUAL REPORT 2025 – 2026

BUSINESS RESPONSIBILITY

Reporting period: 1 January 2025 – 31 December 2025

Section A: Group Profile:

Group Dianco is an internationally oriented diamond group with trading entities in Antwerp, Dubai, Hong Kong, Shanghai and New York. During the reporting period the following entities were active:

- Dianco BV – Antwerp (Belgium)
- Dianco FZCO – Dubai (United Arab Emirates)
- Dianco (HK) Ltd – Hong Kong
- Dianco Shanghai Ltd – Shanghai (China)
- Dianco Solitaire – New York (United States)

The two manufacturing units that were started in 2021 / 2022, Dianco Botswana (PTY) Ltd and Dianco Diamonds Pty Ltd in Namibia, have since been closed down and are no longer operating. They are therefore no longer covered by this report.

Group Dianco deals exclusively in natural rough and polished diamonds. Our supply is derived predominantly from mining sources and, depending on our needs and those of our customers, from the open market. During the reporting period, rough diamonds represented approximately 80 – 85% and polished diamonds approximately 10 – 15% of the diamonds traded by both Dianco BV and Dianco FZCO.

No diamonds were purchased from Conflict-Affected and High-Risk Areas (CAHRAs) during the year. Avoiding sourcing from CAHRAs remains a firm principle of the group.

The group also has manufacturing units in India, which remain outside the scope of this report given the specific requirements of this part of the diamond industry.

Market conditions. Overall demand for natural diamonds declined during the year, as a result of ongoing geopolitical uncertainty and the growing market share of synthetic (laboratory-grown) diamonds. This affected customer purchasing volumes across the market.

Previous reporting periods. No separate Business Responsibility reports were published for 2023 – 2024 and 2024 – 2025. This report covers calendar year 2025 and, where

relevant, refers to developments since the 2022 – 2023 report, so that the reporting remains continuous.

Updated policies. In 2026 all group policies were reviewed and updated to Version 2026, and a new Policy on Diversity and Inclusion was adopted. The updates reflect the G7 and EU sanctions on diamonds of Russian origin, the new UAE anti-money laundering law (Federal Decree-Law No. 10 of 2025), and developments in international human rights due diligence standards. Following its amendment in 2026, the EU Corporate Sustainability Due Diligence Directive (CSDDD) applies only to very large companies, and Group Dianco entities fall outside its direct scope. The group nevertheless continues to apply a risk-based due diligence approach in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

Section B: Compliance elements of the Group:

2.1 Money Laundering, Terrorism Financing, Other Financial Offences

- Group Dianco recognises that companies in the diamond industry are vulnerable to money laundering and maintains robust procedures and policies to protect itself against abuse by criminals.
- A Compliance Officer is appointed in each entity, and an AML/CTF policy is implemented. The Compliance Officers report internally to the senior management of Group Dianco on any possible compliance issues. In Belgium (Dianco BV), Mr. Dhaval Pipariya succeeded Mr. Willy as Compliance Officer.
- Cash transactions and suspicious transactions are monitored on a monthly basis. Hard cash transactions are allowed only with the consent of the entity's Compliance Officer and within the limits of EUR 3,000 in Belgium and USD 10,000 in the other entities, in addition to any lower legal limits and reporting thresholds that apply locally.
- Dianco FZCO has aligned its procedures with the new UAE anti-money laundering law, Federal Decree-Law No. 10 of 2025, which replaced the previous law in October 2025. This includes reporting of cash transactions of AED 55,000 or more through the goAML system, updated Know Your Customer procedures and staff training.
- Know Your Customer and other due diligence procedures are followed in line with OECD guidance and the anti-money laundering laws applicable to each entity.

Area of concern & Remedial Measures

- No cash transaction reports or suspicious transaction reports were filed with the Financial Intelligence Units during the year.
- A regulatory inspection of Dianco FZCO was successfully conducted by the Dubai Multi Commodities Centre (DMCC).
- There are no indications that the current AML/CTF procedures need to be changed. Developments in local legislation will continue to be followed up annually.

2.2 Kimberley Process, System of Warranties and Sanctions

- Group Dianco is fully committed to comply with all the requirements of the Kimberley Process Certification Scheme, the United Nations resolutions and the World Diamond Council System of Warranties (SoW) guidelines.
- The System of Warranties self-assessment was completed for all active entities.
- Group Dianco complies with the G7 and EU sanctions on diamonds mined, processed or produced in the Russian Federation. Supplier declarations on the legitimate source and origin of the diamonds are obtained, and the source / origin declaration is included on the face of every invoice wherever applicable.
- All counterparties are screened against sanctions lists using specialised OFAC / USA PATRIOT Act compliance software.

Area of concern & Remedial Measures

- None. No imports or exports were stopped, held or questioned by customs for any entity.
- No goods were rejected and no supplier was stopped because of sanctions concerns.

2.3 Anti-Bribery and Facilitation Payment Policy:

- For each entity of Group Dianco, any form of bribery and/or facilitation payment is prohibited.
- Staff members are encouraged by the senior management of Group Dianco to report any suspected bribery in good faith, through their entity management or the Whistleblowing Policy.
- Contact details for customers and suppliers who wish to raise a complaint or grievance are published on the Group Dianco website and are available in each entity.
- Anti-bribery training was given to staff during the year.

Area of concern & Remedial Measures

- Nil. No bribery or facilitation payment concerns were reported by staff, customers or suppliers.

2.4 Ethical Sourcing of Diamonds:

- Group Dianco is concerned about the environmental and social impacts of irresponsible mining.
- The group has identified the risks in its supply chain with respect to Conflict-Affected and High-Risk Areas, and all supplies are screened to ensure they are conflict free.
- At least 95% of the diamonds traded during the year could be traced to their origin, in line with the group’s target.
- No diamonds were purchased from CAHRAs during the year.

- Supplier due diligence questionnaires (Annex I of the OECD 5 Step Framework) were completed or updated for the majority of active clients and key suppliers.
- The OECD-based Responsible Sourcing Policy is published and communicated to all supply chain partners, who are encouraged to adopt the same standards.

Area of concern & Remedial Measures

- No supplier was suspended, rejected or put on hold following due diligence.
- Cooperation from suppliers has improved compared with the previous report: no suppliers were found to have deficiencies in responding to due diligence requests during the year.
- The group will continue to complete and update due diligence questionnaires for its remaining suppliers and clients.

2.5 Social Compliance

- Each entity of Group Dianco strictly follows the local employment regulations, with reference to the group's Statement of Intent.
- Child labour, forced labour, discrimination and retaliation are not allowed in any of Group Dianco's entities.
- At the end of the year the group employed 25 staff members in its active entities, of whom 20 are men and 5 are women.
- The Policy on Diversity and Inclusion was updated and adopted in its 2026 version. It sets out the group's commitments on fair recruitment, equal pay, development, gender equality and a respectful workplace.
- Staff received training on the group's policies and signed the relevant training certificates, in accordance with the OECD framework.

Area of concern & Remedial Measures

- None. No complaints or grievances were received from staff during the year.
- Women currently represent one in five of the group's staff members. Through its Policy on Diversity and Inclusion and its membership of the Watch & Jewellery Initiative 2030, the group aims to improve this balance over time.

2.6 Health and Safety

- Group Dianco is concerned about the health and safety of all its employees and continuously works to identify and eliminate any adverse impact of its business processes.
- The group's Work Health & Safety Policy and Policy on Workplace Complaints are used to monitor operations and to make improvements where needed.
- Health and safety inspections, risk assessments and/or trainings were carried out during the year, and improvements were made to the workplaces.

- With the closure of the manufacturing units in Botswana and Namibia, all active entities of the group are trading offices, where no machinery is installed and no hazardous substances are used.

Area of concern & Remedial Measures

- Nil. No workplace accidents or injuries were reported during the year.

2.7 Human Rights

- Group Dianco and its entities respect the right of employees to observe tenets or practices based on race, national origin, gender, religion, disability, union membership or political affiliation, and do not interfere with these rights.
- The group strongly prohibits any form of sexual harassment and any threatening, abusive or exploitative behaviour.
- As a member of the Watch & Jewellery Initiative 2030, the group continued its commitment to gender equality and participated in events organised by the initiative during the year.

Area of concern & Remedial Measures

- None. No human rights concerns were raised about the group's own operations or about its suppliers.
- No suppliers were visited or audited on human rights during the year. The group continues to rely on supplier declarations, due diligence questionnaires and its Global Standards for Business Partners, and recognises that independent audits remain the most reliable way to verify human rights practices in the supply chain.

2.8 Environment Protection

- Respecting the environment is important for future generations. Group Dianco and its entities strive to minimise their footprint wherever they have an impact, even though this impact is limited for a small trading group.
- The group's carbon footprint is now evaluated in collaboration with RSM Astute Consulting Pvt. Ltd., replacing the previous cooperation with Carbon Footprint Consultancy S.L.
- The most recent assessment, covering January to December 2024, measured the total impact of the group's operations at **827.69 tonnes of CO_2e**. This covers carbon emissions and the selected categories of indirect emissions.
- Recycling procedures for waste are followed in line with the applicable national and international regulations.

Area of concern & Remedial Measures

- Electricity is the group's highest source of emissions. Measures such as moving offices to green (renewable) energy may be explored.

- No carbon credits were required to be purchased during the reporting period.
- The closure of the manufacturing units in Botswana and Namibia has removed the group's most energy-intensive operations.

2.9 Natural Diamonds versus Synthetic Diamonds

- Group Dianco deals exclusively in natural rough and natural polished diamonds and does not engage in lab-grown diamond activities.
- All policies and procedures focus on natural diamonds and on avoiding any contamination with synthetic diamonds throughout the process.
- The group uses the GV5000 desktop diamond verification instrument to detect and separate natural diamonds from synthetic diamonds and simulants.

Area of concern & Remedial Measures

- No synthetic stones were detected mixed in natural diamond parcels during the period.
- Demand for natural diamonds has come under downward pressure from the growth of synthetic diamond alternatives. This requires a strategic focus on maintaining the group's market share in natural diamonds.

Performance Highlights

- At least 95% of the diamonds traded were traced to their origin, meeting the group's traceability target.
- No CAHRA purchases, no sanctions or customs issues, and no complaints or grievances during the year.
- Successful regulatory inspection of Dianco FZCO by the DMCC.
- The sales team in Belgium was strengthened to support and improve natural diamond sales.
- The group undertook digital and social media marketing initiatives to support revenue growth.
- All group policies were updated to Version 2026, including a new Policy on Diversity and Inclusion.

Memberships and Certifications

- Antwerp World Diamond Centre (AWDC)
- Watch & Jewellery Initiative 2030
- DMCC Diamond Exchange
- Responsible Jewellery Council (RJC)

Looking Ahead to 2026 – 2027

In a challenging market for natural diamonds, Group Dianco aims to increase its revenue while maintaining a profitable business, and to continue its commitment to responsible sourcing, full compliance and transparency in its supply chain.

Approved by:	
Name:	Sameep Mehta, Director, Group Dianco
Signature:	
Date:	

DIANCO

BRINGING DIAMONDS TO LIFE