

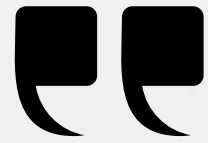
# ANNUAL

## SUSTAINABILITY REPORT



2025





Sustainability that shines through ethical sourcing, lasting value, and enduring trust across generations.



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# INTRODUCTION



# ABOUT THIS REPORT

(GRI 2)

## Organizational details: (GRI 2-1)

From a modest beginning in the heart of Surat’s famed diamond district over five decades ago, K. Girdharlal International Pvt. Ltd. (“KG”) has evolved into a name synonymous with craftsmanship, integrity, and responsible growth. What began 59 years ago as a pursuit to master the art of diamond cutting and polishing has transformed into a journey dedicated to shaping a more sustainable future for the natural diamond industry.

As we unveil our Annual Sustainability Report 2025, themed “Shaping Greener Futures, Shining Ethical Legacies”, we take a moment to look back at the milestones that have defined our progress, and ahead at the aspirations guiding our next chapter.

This report goes beyond presenting ESG metrics and initiatives. It reflects our continued commitment to harmonize operational excellence with environmental stewardship and social responsibility. It is the story of how, at every step—from sourcing to polishing—we strive to embed ethics, transparency, and sustainability into our core business practices.

## Location Covered:



## Scope Definition and Framework Alignment (GRI 2-2, 2-3)

“This Annual Sustainability Report presents the environmental, social, and governance (ESG) performance of the KG Group for the reporting period from 1 January 2025 to 31 December 2025. The report provides both quantitative and qualitative disclosures related to the Group’s non-financial performance during the year. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021) to ensure transparency, credibility, and a comprehensive overview of the Company’s sustainability progress. The report also reflects alignment with the United Nations’ Sustainable Development Goals (SDGs), the United Nations Framework Convention on Climate Change (UNFCCC), the Indian Green Building Council (IGBC), Best Practice Principles (BPP), the Responsible Jewellery Council (RJC), and the World Jewellery Initiative (WJI) 2030. The Company is committed to publishing its Sustainability Report on an annual basis.

Our ESG & Sustainability Partner, Growlity Pvt. Ltd., supports our journey through its ESG Maturity Assessment and Net Zero transition strategy an approach that has inspired and engaged thousands of people associated with the KG Group globally.

## Information Restatement (GRI 2-4)

As this is only our second Annual Sustainability Report, no restatements from previous reporting cycles have been made. Any revisions, updates, or recalculations to previously published information will be included in future editions as our reporting systems continue to evolve and mature.

## For Feedback & Suggestions

We welcome all feedback, queries, or suggestions related to this report. Kindly direct your communication to [info@kgirdharlal.com](mailto:info@kgirdharlal.com)

## Assurance (GRI 2-5)

All quantitative data presented in this report has undergone external verification and assurance by Growlity Private Limited, the Indian subsidiary of Growlity, Inc., USA our trusted ESG & Sustainability Partner. The independent assurance statement issued by Growlity is included as an integral part of this report.

The quantitative disclosures presented in this report have been independently verified and assured by Growlity Private Limited, the Indian subsidiary of Growlity, Inc. (USA), our ESG & Sustainability Partner. Their external assurance process ensures the accuracy, reliability, and credibility of the data reported. The detailed assurance statement is provided within this report.



# MESSAGE FROM OUR MANAGING DIRECTOR

GRI 2-11, 2-22



At K. Girdharlal, sustainability is not a parallel agenda, it is embedded at the core of how we operate, grow, and create long-term value. As we present our Annual Sustainability Report for this year, I am pleased to reflect on the progress we have made in strengthening responsible practices across our operations and value chain.

Operating in the natural diamond industry carries a unique responsibility. From ethical sourcing and traceability to environmental stewardship and social inclusion, our actions must consistently reflect integrity and accountability. Over the past year, we have continued to reinforce our commitment to transparency by integrating robust systems, improving data governance, and enhancing oversight across our supply chain. These efforts support our vision of building trust with stakeholders while safeguarding the authenticity and value of natural diamonds.

Technology continues to play a pivotal role in advancing our sustainability journey. By leveraging digital tools and data-driven platforms, we are improving traceability, operational efficiency, and decision-making. These initiatives not only strengthen compliance and risk management but also enable us to align our business growth with responsible sourcing and environmental considerations.

Equally important is our focus on people. We remain committed to providing a safe, inclusive, and supportive work environment for our employees and partners. Investments in skill development, health and safety, and employee well-being are central to building a resilient organization. Beyond our operations, we actively engage with communities through initiatives that promote education, livelihoods, and social development, reinforcing our belief that shared progress drives sustainable success.

Environmental responsibility remains a key priority as we work towards reducing our footprint through energy optimization, resource efficiency, and responsible waste management. Our approach is guided by continuous improvement, measurable targets, and alignment with recognized sustainability frameworks.

As expectations around ESG performance continue to evolve, we recognize that sustainability is an ongoing journey rather than a destination. This report reflects our continued efforts to integrate environmental, social, and governance principles into our strategy, operations, and culture.

I extend my sincere appreciation to our employees, partners, customers, and stakeholders for their continued trust and collaboration. Together, we will continue to advance responsible business practices and contribute meaningfully to a sustainable and transparent natural diamond industry.

## Mr. Mansukh Nakum

Managing Director, K. Girdharlal International Private Limited.



We lead transformative change where profitability aligns with purpose and the planet comes first.

## MESSAGE FROM OUR CEO

GRI 2-22



Dear Stakeholders,

It gives me great pride to present this year's Annual Sustainability Report for K. Girdharlal. Our journey in the diamond industry has always been guided by integrity, responsibility, and the belief that true brilliance lies not only in our products but in the way we conduct our business.

In a world facing increasing environmental and social challenges, we understand the importance of aligning our operations with global sustainability standards. Over the past year, we have taken meaningful actions to reduce emissions, optimize energy use, strengthen employee well-being, and enhance supply-chain transparency.

During the reporting period, we achieved an increase in renewable energy generation to 3092 MWh, reflecting our commitment to operating ethically and responsibly across every location and process..

Sustainability has now become deeply integrated into our strategy. From investing in cleaner technologies to encouraging a culture of safety and inclusivity, we are ensuring that our operations contribute positively to the environment and the communities we serve. We remain dedicated to advancing our ESG priorities while maintaining the highest standards of quality and excellence for which K. Girdharlal is known.

At the same time, we recognize that certain areas, particularly the measurement and management of GHG emissions, labour practices, human rights compliance, and governance aspects such as ethical business conduct and supply chain transparency across our value chain, are still evolving and require further strengthening.

As we move ahead, our focus remains clear: to create long-term value while protecting the planet, empowering our people, and upholding trust with all our stakeholders. We are committed to achieving defined sustainability targets, including improving energy efficiency and increasing renewable energy adoption by 2030, while progressing towards long-term emissions reduction goals by 2050. Together, we will continue building a future where sustainability and business performance go hand in hand.

Thank you for your continued support.

**Mr. Siddhant Shah**

Chief Executive Officer, K. Girdharlal International Private Limited.



We lead transformative change where profitability aligns with purpose and the planet comes first.

# OUR SUSTAINABILITY HIGHLIGHTS

## Environment

<b>655</b> KG of total E-Waste Recycled	<b>1300+</b> Total number of trees planted	<b>2014</b> marks start of IGBC certification	<b>3092</b> MWH renewable energy generated
<b>3.24</b> Tco2 / FTE carbon intensity	<b>1454</b> KG of Paper Waste to sent to Recycler	<b>274.55</b> KG of Plastic Waste to sent to Recycler	

## Social

<b>12.39%</b> women to men ratio	<b>0</b> Safety Incidents	<b>2.88</b> Average Training Hours per Manpower
<b>1995</b> DTC Sightholder Since	<b>1997</b> Abide by De Beers BPP Since	<b>100%</b> Training in Health & Safety
<b>100%</b> Safety Drills	<b>0</b> Workplace Harassment Cases	

## Governance

<b>0</b> Complaints Received from Stakeholders	<b>0</b> product information non-compliance incidents	<b>2023</b> joined Watch Jewellery Initiative
<b>2025</b> maintained RJC membership status	<b>0</b> Whistleblower Complaints	<b>15</b> governance audits successfully conducted
<b>0</b> Confirmed Corruption Incidents	<b>100%</b> % Of Diamond Source Responsible	



# ABOUT K GIRDHARLAL INTERNATIONAL PVT. LTD.

GRI 2-1, 2-6, 2-23

Established over five decades ago, K. Girdharlal (KG Group) stands today as one of India's most respected and trusted natural diamond companies, known globally for its craftsmanship, integrity, and commitment to excellence. With operations spanning Surat, Mumbai, Botswana, and Dubai, KG Group has built a reputation as a reliable partner in the international diamond value chain.

Our expertise covers the entire diamond journey from sourcing ethically mined rough diamonds to precision cutting, polishing, assorting, and delivering conflict-free, high-quality polished diamonds to clients across the world. Backed by advanced technology, skilled artisans, and stringent quality systems, we consistently offer superior stones that meet the evolving expectations of luxury markets.

Sustainability and responsibility are embedded in the Group's ethos. Guided by transparency, ethical sourcing, workforce welfare, and environmental stewardship, KG Group integrates global best practices with its deeply rooted values. Our business philosophy is built not only on commercial excellence but also on our responsibility to people, communities, and the planet.

As the industry evolves toward traceability, digital innovation, and low-carbon operations, KG Group continues to advance with purpose delivering diamonds that reflect both brilliance and responsibility.

## MISSION

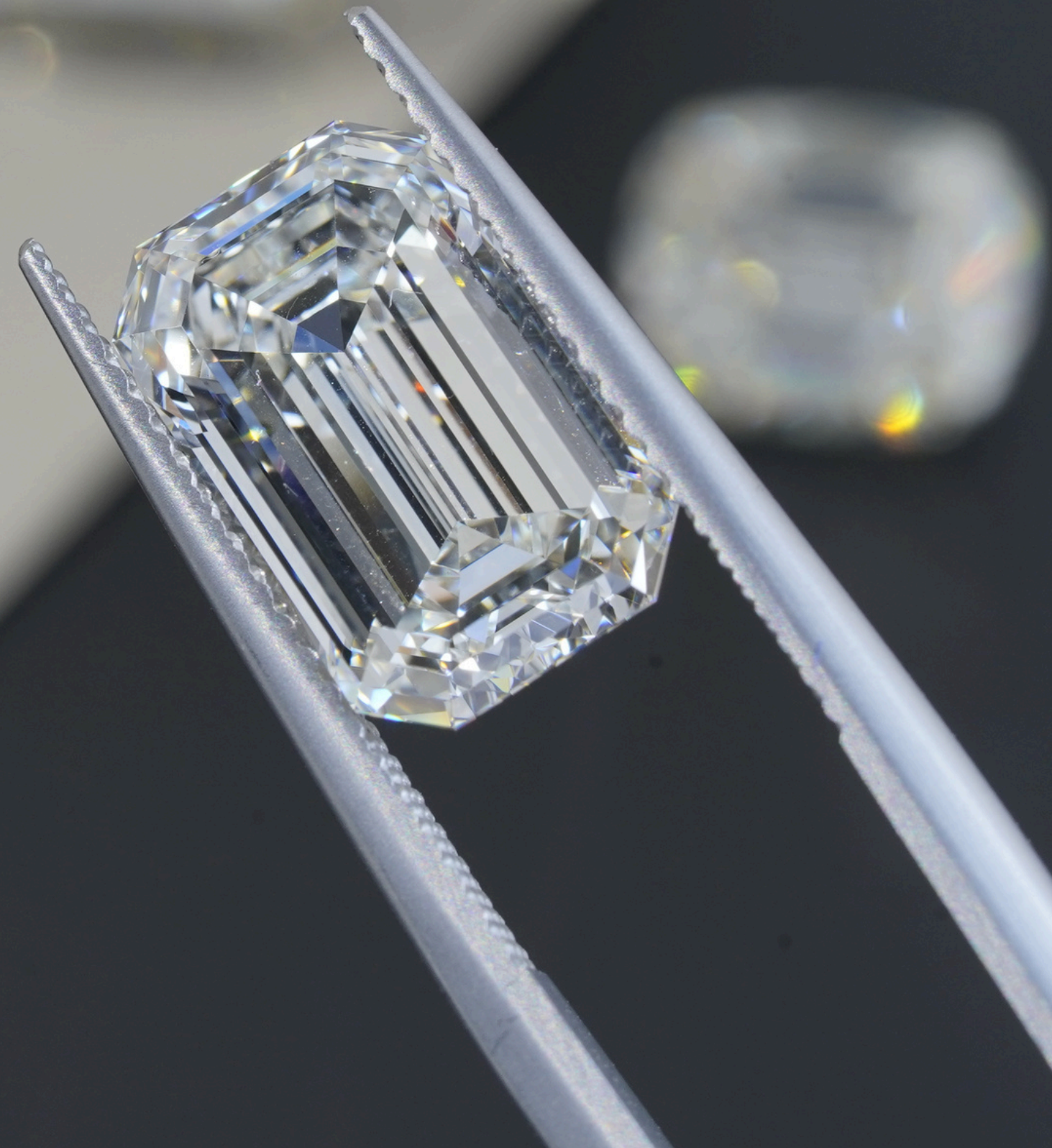


To continuously evolve through ethical sourcing and collaboration, while refining our craftsmanship and empowering our people to deliver exceptional diamonds—building trust, reliability, and confidence among our customers.

## VISION



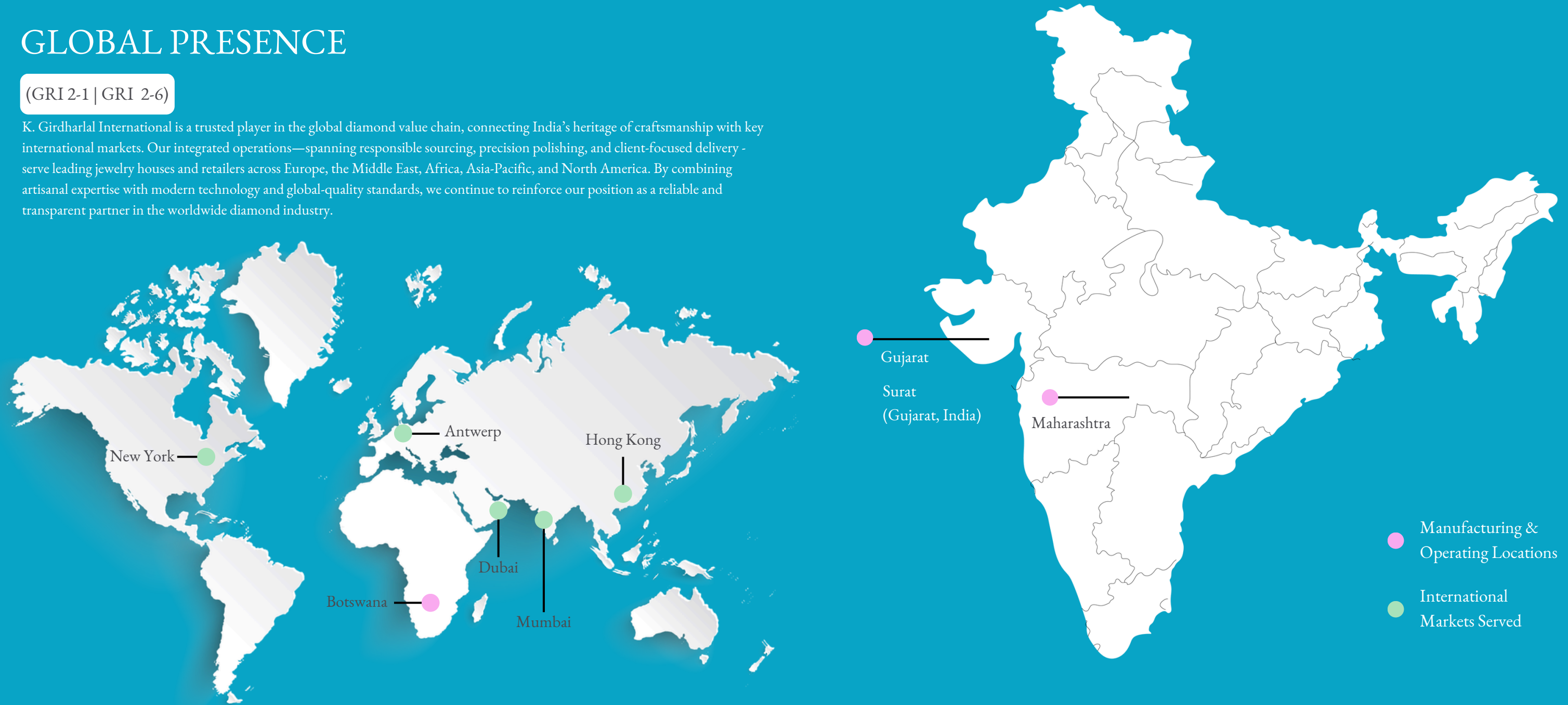
To become a global leader in sustainable sourcing of diamonds, offering bespoke craftsmanship, serving clientele with integrity and fostering a positive & inclusive work environment where everyone thrives.



# GLOBAL PRESENCE

(GRI 2-1 | GRI 2-6)

K. Girdharlal International is a trusted player in the global diamond value chain, connecting India's heritage of craftsmanship with key international markets. Our integrated operations—spanning responsible sourcing, precision polishing, and client-focused delivery - serve leading jewelry houses and retailers across Europe, the Middle East, Africa, Asia-Pacific, and North America. By combining artisanal expertise with modern technology and global-quality standards, we continue to reinforce our position as a reliable and transparent partner in the worldwide diamond industry.



## Core Segments Served

Diamond Retail & Wholesale

Jewelry Manufacturers

Luxury Brands & Designers

3

Operational Hubs

30+

Export Countries

200+

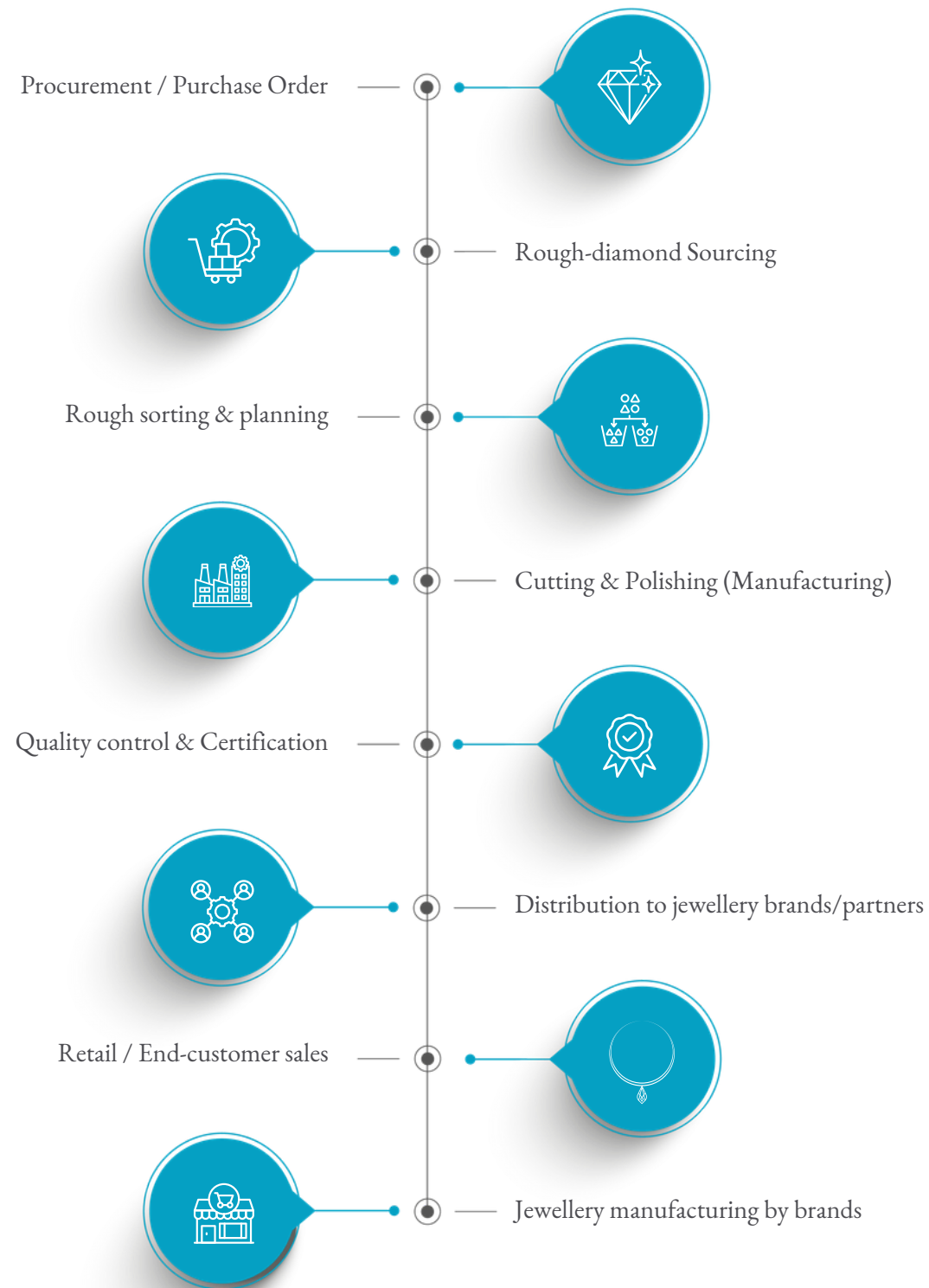
Global Clients

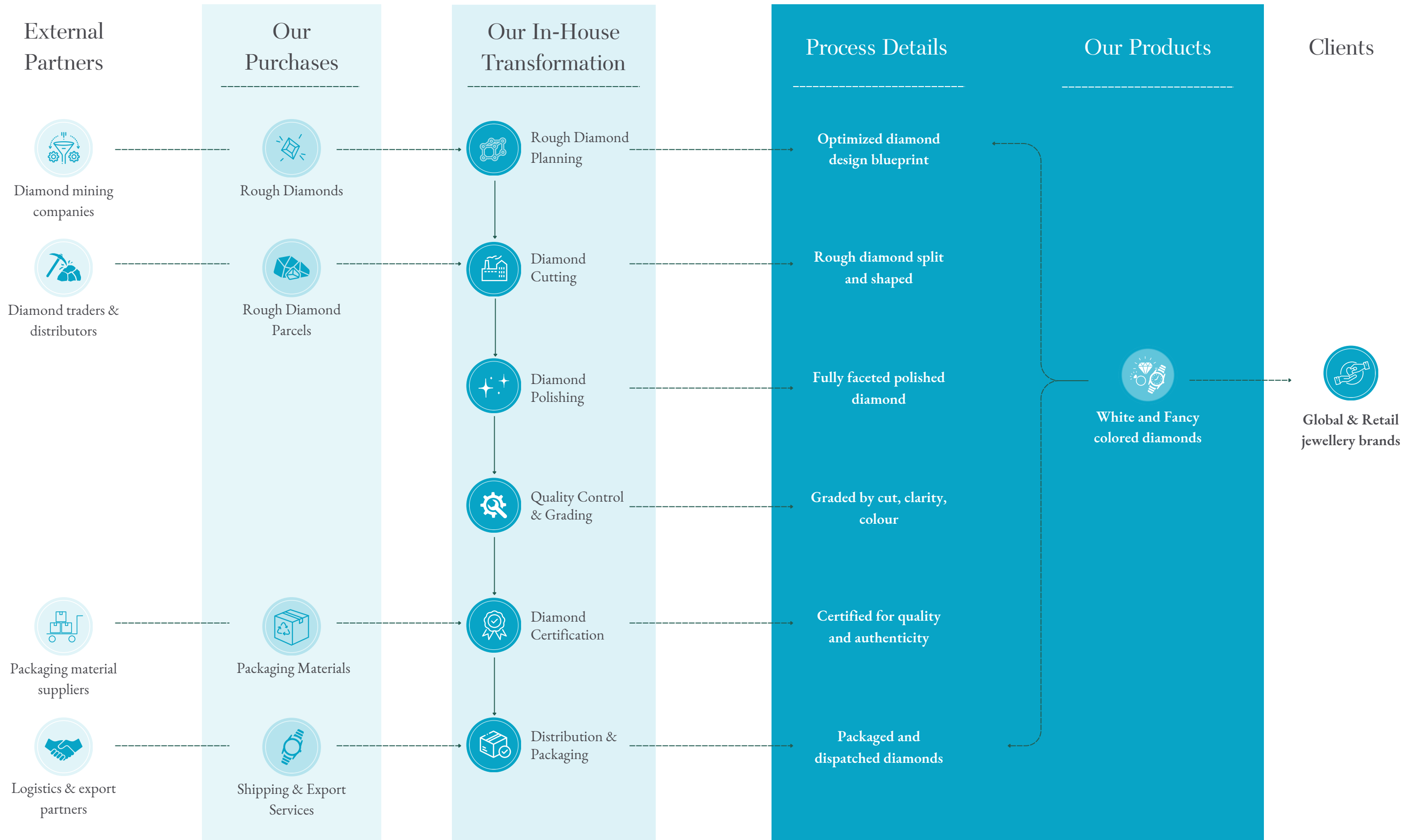
55+

Years of Trading Expertise

# OUR VALUE CHAIN

(GRI 2-6)





# A DIAMOND STORY: KG'S EVOLUTION OVER TIME



## OUR ESG–SUSTAINABILITY ALLY

(GRI 2-5, 2-13, 2-23)

It is a privilege to present this message on behalf of Growlity as the ESG & Sustainability Partner supporting K. Girdharlal throughout the reporting year. The company’s commitment to sustainability remains firmly embedded in its culture, and in Sustainability Report 2025, KG advanced its sustainability journey with clarity, intent, and consistency.

KG’s focus on cleaner technologies, enhanced energy efficiency, and structured carbon reduction efforts demonstrates strong alignment with global climate priorities and the UN Sustainable Development Goals. Their environmental initiatives extend beyond compliance, reflecting responsible resource management, waste reduction, and a commitment to a traceable and ethical supply chain.

Equally significant is KG’s dedication to people and communities. Continued emphasis on workplace safety, employee development, community initiatives, and health and well-being reinforces their integrated approach to sustainability.

As their ESG partner, Growlity is honoured to support the strengthening of systems, frameworks, disclosures, and external assurance processes that enhance transparency and credibility. The External Assured data forms an integral part of this report, reinforcing the reliability and accuracy of the disclosed information. Our collaboration has provided valuable insight into KG’s drive for continuous improvement and responsible growth.

With pride, we present K. Girdharlal’s Annual Sustainability Report 2025, highlighting key achievements and the company’s long-term sustainability vision built around People, Planet, and Product. We extend our sincere appreciation to the KG team for their steadfast commitment as we collectively advance toward a more responsible and resilient future.

### DR. Nitin Dumasia

President & CEO,  
Growlity



Through our commitment to responsible and sustainable business practices, we elevate our performance, foster stakeholder trust, and contribute to long-lasting value for both our organization and the community at large.



## PRESTIGIOUS ASSOCIATIONS AND CERTIFICATIONS (GRI 2-28)



Tracr platform



Sustainable Development Goals



Sustainable & Ethical Business Solution - SEDEX



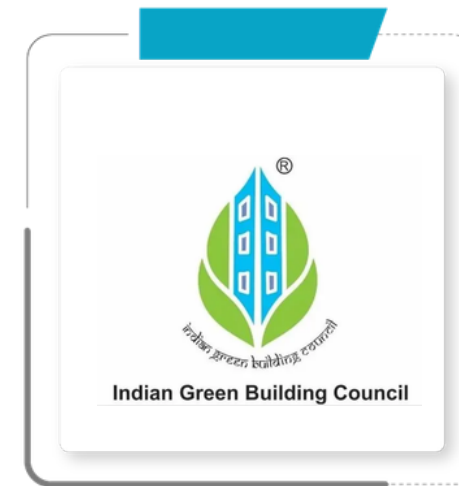
Responsible Jewellery Council Signatory



Watch & Jewellery Initiative 2030



DTC Sightholder Certificate



IGBC - Greenbuilding Platinum rating



# PRESTIGIOUS ASSOCIATIONS AND CERTIFICATIONS

(GRI 2-28)



**Meritorious Export Performance Trophy (1995–96)**



**Outstanding Export Performance & Niryat Shree – GOI & FIEO (1996–97)**



**Certificate of Merit for Export Excellence (1997–98)**



**2nd Rank – DTC Category (2002–03)**



**Outstanding Export Award – Cut & Polished Diamonds (2003–04)**



**Special Award of Indian Manufacturing Excellence for the year 2010-11**



**Special Award & Silver Certificate of Merit (2010–11)**



**Global First – IGBC Green Factory Platinum Rating (2014–15)**

# SDGS MAPPING

## PILLAR: PEOPLE

Goals	Objectives	SDG
Employee Well-being & Health	Daily meals, Health camps, Eye Check up, Loans /Insurance & financial support	
Safety & Risk Preparedness	PPE, Safety drills, Audits	
Learning & Skill Development	Training, Skill upgrade, Counselling	
Diversity & Inclusion	Women empowerment activities	
Community Engagement	Blood donation, Run for Ocean, Plantation, Menstrual health awareness	

## PILLAR: PLANET

Goals	Objectives	SDG
Energy Efficiency & RE	Wind energy, Efficient systems, ASHRAE	
Carbon Reduction	Net-zero, Emission tracking, Tree plantation	
Water Management	Rainwater harvesting, Irrigation efficiency	
Waste Management	Segregation, Recycling, Digitization	
Biodiversity Protection	Tree plantation, Bird nesting	
Environmental Compliance	IGBC standards, Audits, Supplier screening	

# SDGS MAPPING



Goals	Objectives	SDG
Ethical & Responsible Sourcing	KYC, Due diligence, Supplier policy	
Traceability & Transparency	Tracr blockchain, Pipeline Integrity	
Quality & Innovation	Advanced tech manufacturing	
Customer Trust	RJC compliance, BPP, Transparency	
Global Partnerships	RJC, WJI2030, UNFCCC, EcoVadis	

“ Sustainability that shines through ethical sourcing, lasting value, and enduring trust across generations. ”

# STAKEHOLDER ENGAGEMENT & MATERIALITY OVERVIEW

GRI 2, 3



“ Sustainability that shines through ethical sourcing, lasting value, and enduring trust across generations. ”

### Stakeholder Outreach (GRI 2-29)

At K. Girdharlal, stakeholder engagement forms the backbone of our responsible business practices. We recognise that our growth and sustainability depend not only on internal efficiency but also on the expectations, insights, and experiences of the people and groups connected to our operations.

Our stakeholders include individuals and institutions who influence our business or are impacted by the way we operate. This diverse group encompasses our employees, customers, artisans, suppliers, regulatory bodies, industry forums, local communities, NGOs, business partners, and financial institutions, among others. Each of these relationships contributes significantly to the resilience, credibility, and long-term value of our organisation.

Through our structured interactions, we gather essential feedback that helps us understand emerging needs, address challenges proactively, and refine our ESG strategy. Transparent communication lies at the heart of these engagements, enabling us to build trust, maintain accountability, and strengthen long-standing relationships across the value chain.

As expectations around sustainability, responsible sourcing, and corporate governance continue to evolve, our engagement practices help us remain aligned with stakeholder priorities while reinforcing our commitment to ethical and sustainable business conduct. For decades, maintaining open dialogue has been central to K. Girdharlal’s journey, and we continue to uphold this approach as we steer our organisation toward a more responsible and future-ready direction.

# STAKEHOLDER ENGAGEMENT & MATERIALITY OVERVIEW

## Engagement & Collaboration Approach (GRI 2-29 | GRI 3-3)

A structured, continuous, and inclusive process

Our engagement approach follows a systematic model designed to ensure that every stakeholder's voice is acknowledged, respected, and integrated into our strategic decision-making. The process includes the following key steps:

## Our Commitment

Through this engagement framework, K. Girdharlal aims to build relationships that are long-standing, transparent, and grounded in shared responsibility. Our approach ensures that stakeholder perspectives meaningfully influence our policies, sustainability initiatives, and long-term value creation.

### Stakeholder Mapping

We begin by identifying all internal and external stakeholder groups connected to our operations - be it through employment, collaboration, or community impact.

01

### Engagement Planning

Based on our assessment, we develop structured engagement plans—ranging from meetings, surveys, training programmes, supplier interactions, community visits, audits, and review sessions.

03

### Monitoring & Reporting

All feedback is evaluated and integrated into our internal reporting systems. Regular reviews help us track progress, strengthen transparency, and communicate updates to relevant stakeholder groups.

05

### Identifying Expectations & Concerns

Each stakeholder group has unique priorities. We maintain regular communication channels to understand evolving needs, concerns, risks, and opportunities relevant to our business.

02

### Meaningful Dialogue & Consultation

We engage in two-way communication with stakeholders, ensuring that their insights influence our operational and sustainability practices. These interactions also help strengthen alignment within the supply chain.

04

### Prioritisation of Material Issues

Insights gathered from the engagement process feed directly into our materiality assessment. Issues with the greatest relevance to stakeholders and significant impact on business strategy are prioritised to guide our ESG roadmap.

06



# ENGAGING THE RIGHT STAKEHOLDER GROUPS

## Identifying and Selecting Stakeholders (GRI 2-29| GRI 3-3)

### K. Girdharlal International Pvt. Ltd.

At K. Girdharlal, we recognise that meaningful progress in sustainability comes from understanding the people and institutions connected to our business. Stakeholders shape our decisions, influence our operations, and are affected by the outcomes of our actions. Therefore, identifying and engaging the right stakeholder groups is a foundational element of our ESG governance and materiality assessment process.

Our approach is built on a structured and thoughtful methodology that helps us map, understand, and prioritise stakeholders who have a significant role in our value chain. We identify stakeholders based on multiple considerations, including their dependence on the Company, the influence they hold, the level of responsibility we bear towards them, and their potential vulnerability to business impacts. This holistic framework ensures that our engagement remains transparent, inclusive, and aligned with the long-term objectives of the organisation.

Through this process, we gain deeper insights into the expectations, concerns, and priorities of each stakeholder group. These insights guide us in selecting material topics that truly matter — both to the business and to the communities associated with our operations. By listening to our stakeholders and staying responsive to their feedback, we strengthen trust, enhance accountability, and build a resilient sustainability roadmap that contributes to shared value creation. Stakeholder identification at K. Girdharlal is therefore not a one-time activity, but an ongoing exercise embedded into our culture of responsible and ethical business practice.

### Internal Stakeholders

These are individuals and teams directly involved in the company's operations and governance.

Employees  
(Surat, Mumbai, Botswana units)

ESG & Sustainability Teams

### External Stakeholders

These groups operate outside our organisational boundary but influence or are influenced by our activities.

Customers & International Buyers

Suppliers & Service Providers

Regulatory & Government Bodies

Financial Institutions & Investors

Local Community & NGOs

Sustainability Partners

Stakeholder Group	Mode of Engagement	Frequency	Key Priorities / Expectations	Our Response / Engagement Actions
Employees (Internal)	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Trainings &amp; awareness sessions</li> <li>Meetings, emails, virtual meetings</li> <li>HR support &amp; grievance redressal</li> </ul>	W, M, Q, A	<ul style="list-style-type: none"> <li>Skill development &amp; training</li> <li>Workplace safety &amp; well-being</li> <li>Policy awareness</li> <li>Fair labour practices</li> </ul>	<ul style="list-style-type: none"> <li>Continuous training &amp; upskilling programs</li> <li>Health &amp; safety improvements</li> <li>Employee welfare initiatives</li> <li>Review &amp; resolution of employee concerns</li> </ul>
ESG & Sustainability Teams (Internal)	<ul style="list-style-type: none"> <li>Strategy meetings</li> <li>Performance reviews</li> <li>Reporting exercises</li> <li>Cross-department coordination</li> </ul>	M, Q	<ul style="list-style-type: none"> <li>ESG compliance</li> <li>Data accuracy &amp; transparency</li> <li>Alignment with sustainability targets</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening reporting systems</li> <li>Alignment with global frameworks</li> <li>Implementation of sustainability roadmap</li> </ul>
Customers & International Buyers	<ul style="list-style-type: none"> <li>Virtual &amp; onsite meetings</li> <li>Emails &amp; feedback forms</li> <li>Product quality audits</li> <li>Trade fairs &amp; exhibitions</li> </ul>	D, W, M, Q	<ul style="list-style-type: none"> <li>Product quality &amp; consistency</li> <li>Ethical sourcing &amp; traceability</li> <li>Timely delivery</li> <li>Customer service excellence</li> </ul>	<ul style="list-style-type: none"> <li>Strict quality control</li> <li>Full traceability documentation</li> <li>Dedicated customer support</li> <li>Customer satisfaction surveys</li> </ul>

## ENGAGING THE RIGHT STAKEHOLDER GROUPS

Stakeholder Group	Mode of Engagement	Frequency	Key Priorities / Expectations	Our Response / Engagement Actions
Suppliers & Service Providers	<ul style="list-style-type: none"> <li>Vendor audits</li> <li>Emails &amp; calls</li> <li>Contract meetings</li> <li>Compliance assessments</li> </ul>	M, Q, Y	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Timely payments</li> <li>Clear procurement requirements</li> <li>Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>Vendor Code of Conduct</li> <li>Regular audits &amp; approvals</li> <li>Transparent procurement process</li> <li>Capacity-building support</li> </ul>
Regulatory & Government Bodies	<ul style="list-style-type: none"> <li>Compliance filings</li> <li>Inspections</li> <li>Industry consultations</li> <li>Formal communication</li> </ul>	Q, Y	<ul style="list-style-type: none"> <li>Statutory compliance</li> <li>ESG disclosures</li> <li>Legal updates</li> <li>Responsible business conduct</li> </ul>	<ul style="list-style-type: none"> <li>Timely submission of regulatory reports</li> <li>Compliance with environmental &amp; labour laws</li> <li>Active participation in regulatory dialogues</li> </ul>

Stakeholder Group	Mode of Engagement	Frequency	Key Priorities / Expectations	Our Response / Engagement Actions
Financial Institutions & Investors	<ul style="list-style-type: none"> <li>Reports &amp; disclosures</li> <li>Financial reviews</li> <li>Investor meetings</li> </ul>	Q, Y	<ul style="list-style-type: none"> <li>Transparent reporting</li> <li>Stable financial performance</li> <li>Governance &amp; risk oversight</li> </ul>	<ul style="list-style-type: none"> <li>Annual sustainability &amp; financial reporting</li> <li>Strengthening governance framework</li> <li>Risk management practices</li> </ul>
Local Community & NGOs	<ul style="list-style-type: none"> <li>CSR programs</li> <li>Awareness campaigns</li> <li>Community meetings</li> </ul>	M, Q, Y	<ul style="list-style-type: none"> <li>Social welfare programs</li> <li>Local employment support</li> <li>Health &amp; education initiatives</li> </ul>	<ul style="list-style-type: none"> <li>CSR activities in education, health &amp; sanitation</li> <li>Community development programs</li> </ul>
Sustainability Partners	<ul style="list-style-type: none"> <li>ESG consultations</li> <li>Training programs</li> <li>Strategy alignment meetings</li> </ul>	M, Q	<ul style="list-style-type: none"> <li>M, Q</li> <li>Implementation support</li> <li>ESG knowledge sharing</li> <li>Framework alignment</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration on sustainability projects</li> <li>Adoption of global sustainability standards</li> </ul>



# DOUBLE MATERIALITY ASSESSMENT

(GRI 3)

At K. Girdharlal International Pvt. Ltd., sustainability and responsible business practices are integral to long-term value creation. As a global diamond manufacturer engaged in the sourcing, cutting, polishing, and distribution of natural diamonds, the Company recognizes the importance of managing environmental, social, and governance (ESG) impacts across its operations and value chain.

To identify and prioritize the ESG issues that are most relevant to both stakeholders and business performance, the Company has undertaken a Double Materiality Assessment as part of this Annual Sustainability Report. This approach evaluates sustainability topics from two key perspectives: Impact Materiality, which considers how the Company's activities affect the environment and society, and Financial Materiality, which examines how ESG factors may influence the Company's financial performance, operational resilience, and long-term strategic growth.

Given the nature of the diamond industry, issues such as responsible sourcing, ethical labour practices, employee health and safety, environmental management, and transparent governance are particularly significant. By applying a double materiality framework, the Company seeks to better understand these impacts and risks, enabling it to focus its sustainability efforts on areas that matter most to its stakeholders while supporting sustainable business growth.

The outcomes of this assessment help guide the Company's ESG strategy, strengthen risk management practices, and enhance transparency in sustainability reporting. The identified material topics are presented in the following sections through a material topics table and a double materiality matrix.



## Methodology (GRI 3-1)

The Double Materiality Assessment was conducted to identify and prioritize the environmental, social, and governance (ESG) topics that are most relevant to the Company's operations and stakeholders. The assessment followed a structured methodology consisting of the following steps:



### Identification of ESG Topics

A comprehensive list of potential ESG topics was developed through industry benchmarking, review of sustainability frameworks, internal discussions, and analysis of the Company's operations within the diamond value chain.



### Stakeholder Consideration

Key stakeholder groups were considered during the assessment, including employees, customers, suppliers, industry partners, local communities, and regulators. Their expectations and concerns were evaluated to understand the significance of various ESG topics.



### Impact Materiality Evaluation

Each topic was assessed based on the extent of its environmental and social impact, including effects on natural resources, workforce well-being, community development, and responsible sourcing practices.



### Financial Materiality Evaluation

Topics were also analyzed for their potential financial implications, including operational risks, regulatory compliance requirements, supply chain disruptions, reputational risks, and opportunities for long-term business growth.

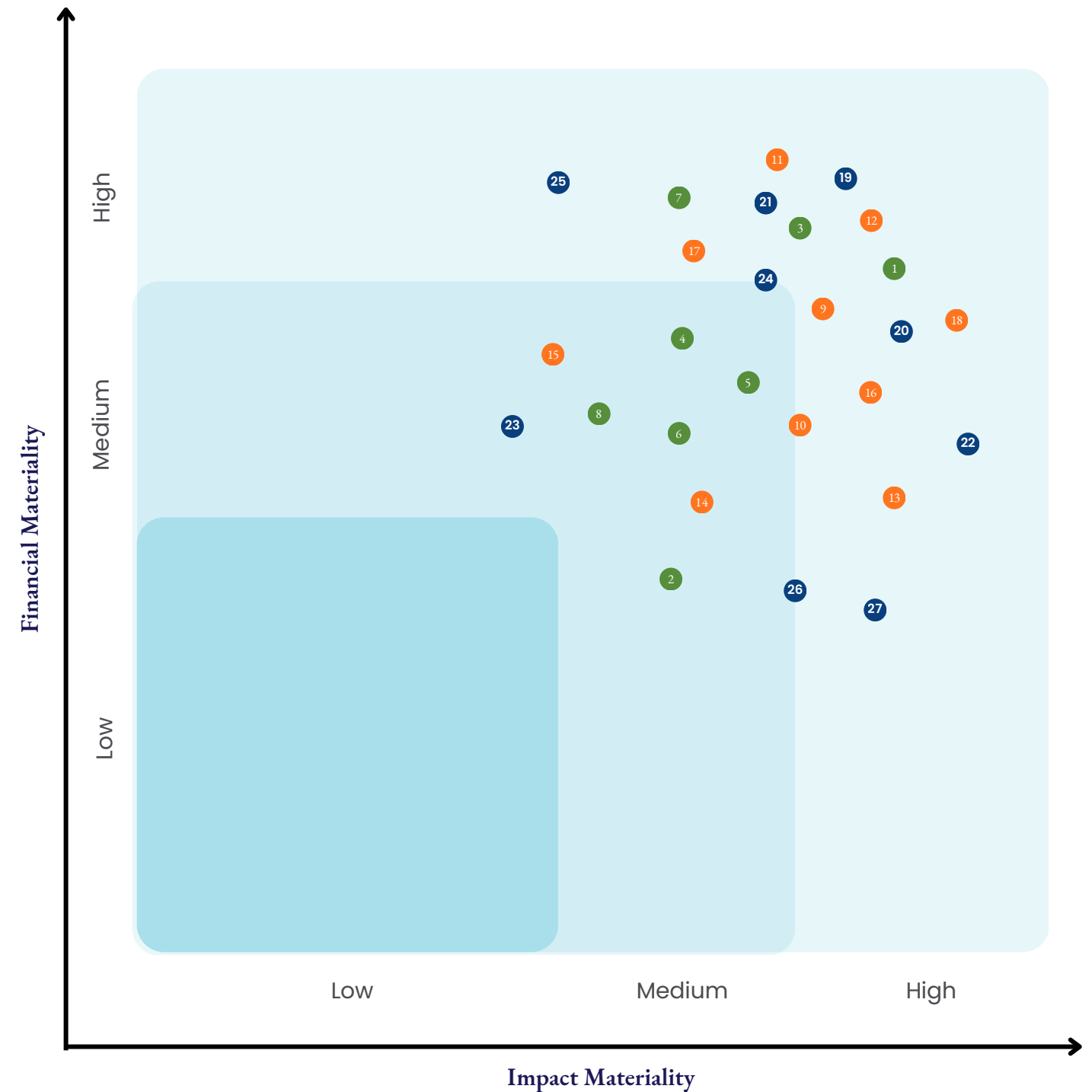


### Scoring and Prioritization

Each topic was scored using qualitative ratings (High, Medium, Low) for both impact materiality and financial materiality. The results were then mapped into a Double Materiality Matrix to identify the most significant ESG priorities.

# DOUBLE MATERIALITY ASSESSMENT

## Double Materiality Matrix (GRI 3-2)



# DOUBLE MATERIALITY ASSESSMENT

## IMPACTS, RISKS & OPPORTUNITIES (GRI 3-3)

ENVIRONMENT				
Material Topics	Environment / Social / Both	Value Chain Stage	Impact	Risk/ Opportunity/ Both
Energy Consumption & Efficiency	Environment	Own operations	Actual Negative	Both
Water Usage & Conservation	Environment	Own operations	Potential Negative	Risk
Waste Management & Recycling	Environment	Own operations	Actual Negative	Both
Air Emissions / GHG Emissions	Environment	Upstream, Own operations	Actual Negative	Both
Climate Risk & Emissions Reduction (Scope 1,2,3)	Environment	Upstream, Own operations, Downstream	Potential Negative	Both
Pollution Control (Dust, Noise from Processing)	Environment	Own operations	Actual Negative	Risk
Resource Efficiency in Diamond Manufacturing	Environment	Own operations	Actual Positive	Opportunity
Sustainable Materials & Resource Efficiency	Environment	Upstream, Own operations	Potential Positive	Opportunity

SOCIAL				
Material Topics	Environment / Social / Both	Value Chain Stage	Impact	Risk/ Opportunity/ Both
Employee Health & Safety	Social	Own operations	Actual Positive	Both
Employee Training, Skills Development & Welfare	Social	Own operations	Actual Positive	Opportunity
Human Rights Protection	Social	Own operations	Potential Negative	Risk
Fair Labour Practices (No Child Labour, Fair Wages)	Social	Own operations	Potential Negative	Both
Workplace Diversity & Inclusion	Social	Own operations	Potential Negative	Opportunity
Community Engagement & Social Impact	Social	Own operations	Actual Positive	Opportunity
Employee Well-being & Support Programs	Social	Own operations	Actual Positive	Opportunity
Labour Standards & Ethical Workplace Practices	Social	Own operations	Actual Positive	Both
Product Safety & Quality	Social	Own operations	Actual Positive	Both
Local Employment Opportunities	Social	Own operations	Actual Positive	Opportunity

# DOUBLE MATERIALITY ASSESSMENT

## IMPACTS, RISKS & OPPORTUNITIES

GOVERNANCE				
Material Topics	Environment / Social / Both	Value Chain Stage	Impact	Risk/ Opportunity/ Both
Ethics, Transparency & Anti-Corruption	Governance	Own operations	Actual Positive	Both
Regulatory Compliance	Governance	Own operations	Actual Positive	Risk
Responsible Sourcing & Traceability (Anti-Conflict Diamonds)	Governance	Upstream, Own operations	Actual Positive	Both
Data Privacy & Information Security	Governance	Own operations	Potential Negative	Risk
Board Oversight of ESG	Governance	Own operations	Actual Positive	Opportunity
Risk Management & Internal Controls	Governance	Own operations	Actual Positive	Both
Product Responsibility & Customer Trust	Governance	Own operations, Downstream	Actual Positive	Both
Vendor Code of Conduct	Governance	Upstream	Potential Positive	Both
Grievance Redressal Mechanisms	Governance	Own operations, Upstream	Actual Positive	Opportunity

### Our ESG Commitments (GRI 3-3)

K. Girdharlal embraces the belief that a responsible, inclusive, and sustainable future can only be achieved through a long-term ESG strategy rooted in ethical business conduct, operational excellence, and community well-being. Our sustainability vision is built on strengthening our diamond value chain, enhancing workforce welfare, reducing environmental impact, and contributing meaningfully to society.

To drive this commitment, we have developed a practical ESG approach that guides our actions across all business functions—ranging from energy management and responsible sourcing to employee development, stakeholder engagement, and community upliftment. By embedding sustainability into daily operations, we aim to create long-term value for our stakeholders while ensuring that our growth remains environmentally conscious and socially responsible. Our ESG framework is structured around 4 core pillars—the 4C Approach—each representing a principle that shapes our strategy and decision-making.

### 4C Approach

#### Collaboration & Partnerships

We work closely with suppliers, customers, government bodies, NGOs, and communities to achieve shared sustainability goals. Through these partnerships, we enhance responsible sourcing, product quality, safety practices, and overall operational transparency.

#### Conservation of Our Planet

We focus on environmental responsibility by improving resource efficiency, adopting renewable wind energy, and minimizing waste and emissions. Our efforts include reducing water use, promoting recycling, and preventing pollution to support long-term ecological balance.

#### Caring for Our Community

We support the well-being of local communities through initiatives in education, healthcare, social welfare, and environmental awareness. By collaborating with local groups and understanding community needs, we contribute to inclusive and sustainable development.

#### Cultivating Our People

Our employees are central to our growth. We promote skill development, safety, well-being, and fair employment practices. Through continuous training and a supportive work environment, we empower our workforce to excel and grow with the organization.

# DOUBLE MATERIALITY ASSESSMENT

## Future Targets for Mitigation

K. Girdharlal International is committed to long-term climate stewardship and has established clear, measurable, and time-bound targets to guide our decarbonization journey. These targets focus on lowering carbon emissions across Scope 1, Scope 2, and Scope 3 categories while strengthening operational efficiency, renewable energy adoption, and value-chain collaboration.

The Company establishes sustainability targets using defined methodologies, relevant data sources, and key assumptions aligned with applicable policy objectives, while considering appropriate scenarios and the broader sustainable development and local operational context. Targets and related metrics are periodically reviewed, and any changes in methodologies, assumptions, limitations, or data collection processes within the defined time horizon are documented with clear rationale and their effect on comparability. Stakeholder inputs are considered during the target-setting process. The Company also monitors the effectiveness of its policies and actions through regular performance tracking to address material sustainability-related impacts, risks, and opportunities.

Stage	Objective	Key Actions at K. Girdharlal
Assess	Understand nature-related impacts and dependencies across operations and sourcing	Conduct baseline assessment of environmental impacts across cutting, polishing, and manufacturing operations; evaluate energy, water, and waste usage; map supply chain risks related to diamond sourcing and resource consumption.
Commit	Establish strategic commitments and measurable sustainability targets	Define sustainability vision aligned with responsible diamond manufacturing; set targets for energy efficiency, emissions reduction, and resource optimization; integrate sustainability goals into corporate strategy and operational planning.
Transform	Implement operational and supply chain improvements to reduce environmental impact	Improve energy efficiency in cutting and polishing processes; expand renewable energy sourcing; strengthen waste management and recycling initiatives; promote responsible sourcing and supplier engagement across the value chain.
Disclose	Ensure transparency and accountability in sustainability performance	Track environmental KPIs including energy consumption, emissions, and resource efficiency; publish progress through the Annual Sustainability Report; communicate sustainability performance with stakeholders and partners.



# DOUBLE MATERIALITY ASSESSMENT

## Climate Transition Roadmap (2025-2050)

**2025**

**Baseline Assessment**

- Establish emissions baseline
- Monitor energy consumption

**2028**

**Resource & Waste Efficiency**

- Improve water management
- Strengthen recycling and waste reduction

**2029**

**Responsible Supply Chain**

- Enhance responsible sourcing
- Engage suppliers on sustainability practices

**2027**

**Renewable Energy Expansion**

- Increase renewable electricity sourcing
- Reduce reliance on conventional power

**2030**

**Low-Carbon Operations**

- Reduce operational emissions
- Align with global climate goals

**2045**

**Net-Zero Preparation**

- Address remaining operational emissions
- Strengthen low-carbon supply chain initiatives

**2035**

**Advanced Decarbonisation**

- Expand renewable energy share significantly
- Adopt low-carbon technologies in manufacturing

**2050**

**Net-Zero Operations**

- Achieve net-zero operational emissions
- Support global climate action and long-term sustainability goals.

**2040**

**Deep Emissions Reduction**







- Minimize Scope 1 and Scope 2 emissions
- Improve energy efficiency across all facilities

**2026**




**Energy Efficiency**

- Optimize cutting & polishing equipment
- Improve operational energy performance








## Environmental

KPI	2024 Baseline	2025 Performance	Target Year	Target	SDG
Total GHG Emissions	980	2,411.34	2030	40% reduction	
Renewable Energy Generated	568,468	3,092,310	2030	60% increase renewable energy	 
Energy Consumption	14,58,135	20,32,981	2030	30% reduction	
Reduction in Water Consumption	33,532	45,783	2030	30% reduction	
Reduction in Landfill Waste	TBD	28,898	2030	60% reduction	

## Social

KPI	2024 Baseline	2025 Performance	Target Year	Target	SDG
Employee Engagement Improvement	30%	60%	2030	40% increase	
Female Representation in organisation	11.05%	12.39%	2030	20% increase	
Training & Development Coverage	60%	80%	2030	20% increase	

## Governance

KPI	2024 Baseline	2025 Performance	Target Year	Target	SDG
Ethics & Compliance Training	70%	90%	2030	100% coverage	
Suppliers adopting responsible sourcing	30%	30%	2030	70% adoption	 
Suppliers meeting environmental criteria	80%	90%	2030	60% compliance	
Supply chain traceability	35%	35%	2030	80% traceability	
Customers adopting sustainable sourcing	30%	30%	2030	50% adoption	 



# ENVIRONMENTAL SYNERGY

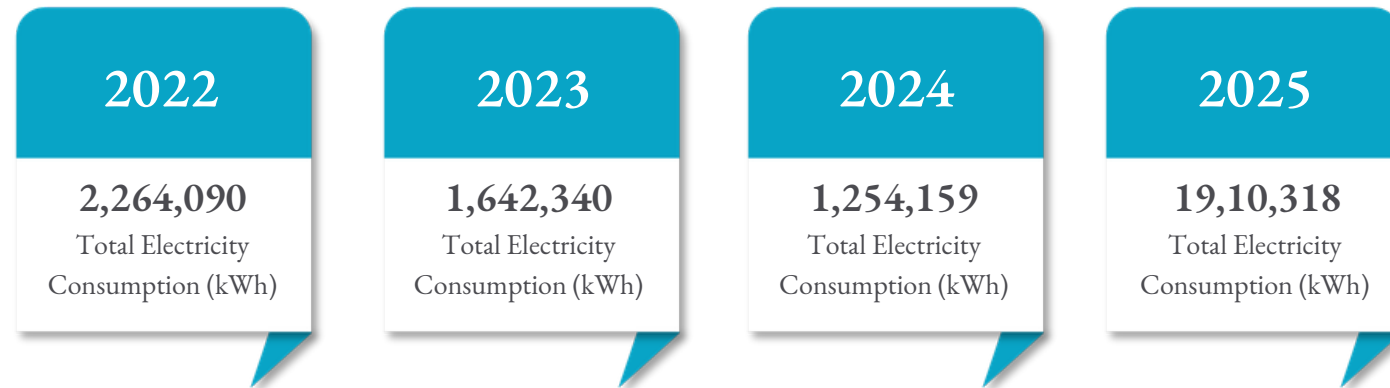


# ENERGY & EMISSIONS

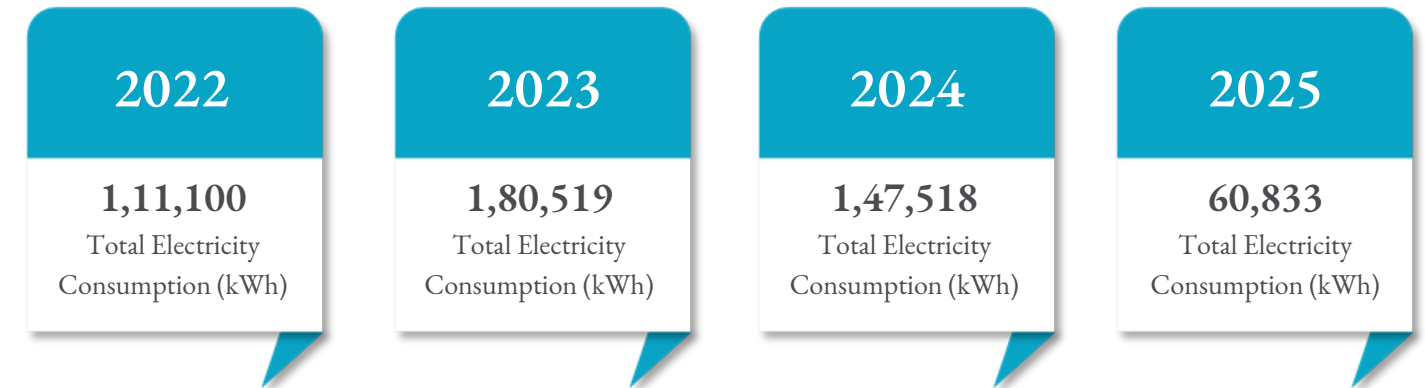
(GRI 3, 302, 305)

K. Girdharlal continued to strengthen its commitment to responsible energy use through a combination of technological upgrades, performance monitoring, and expansion of renewable energy integration. Our approach this year has focused on improving operational efficiency while simultaneously reducing the environmental footprint of our Surat, Mumbai, and Botswana facilities.

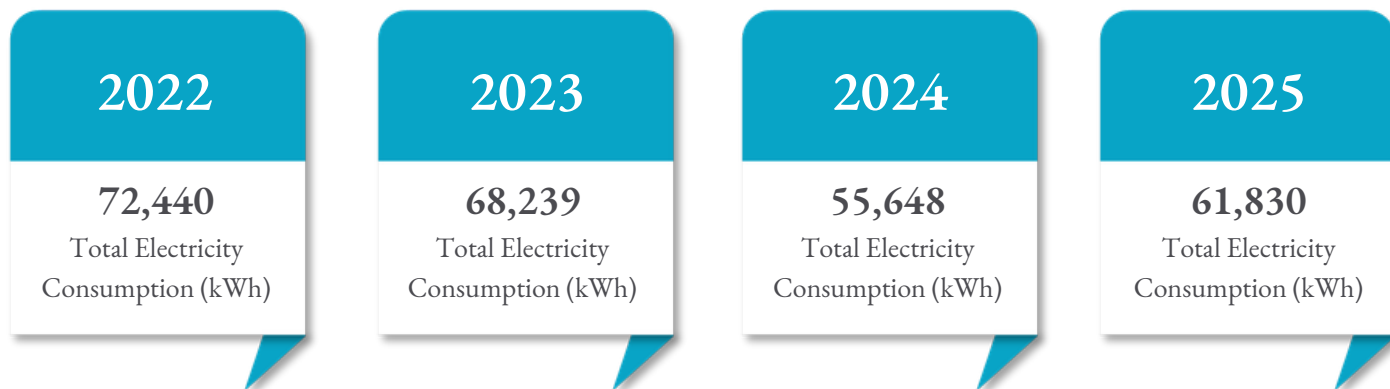
## Surat



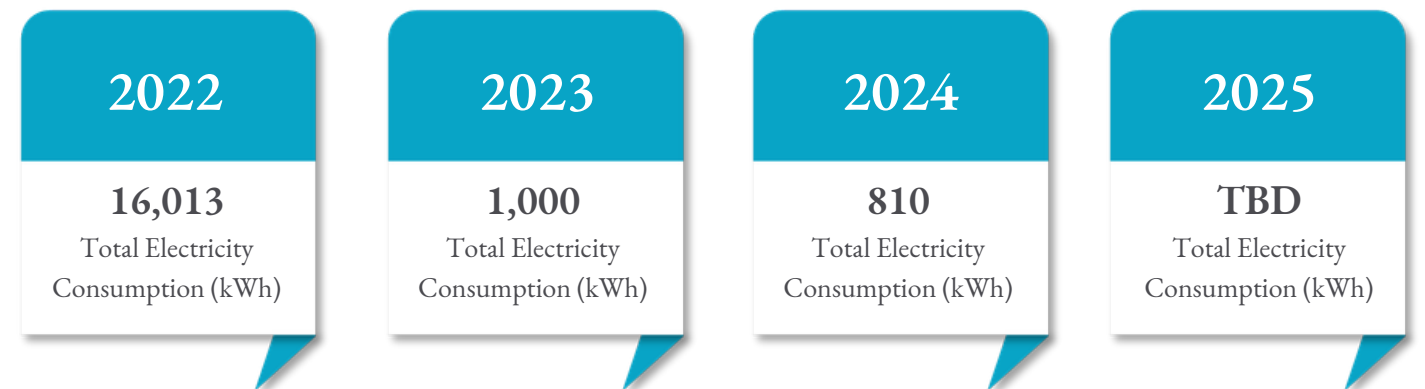
## Botswana



## Mumbai



## Dubai



# ENERGY & EMISSIONS

(GRI 3, 302, 305)

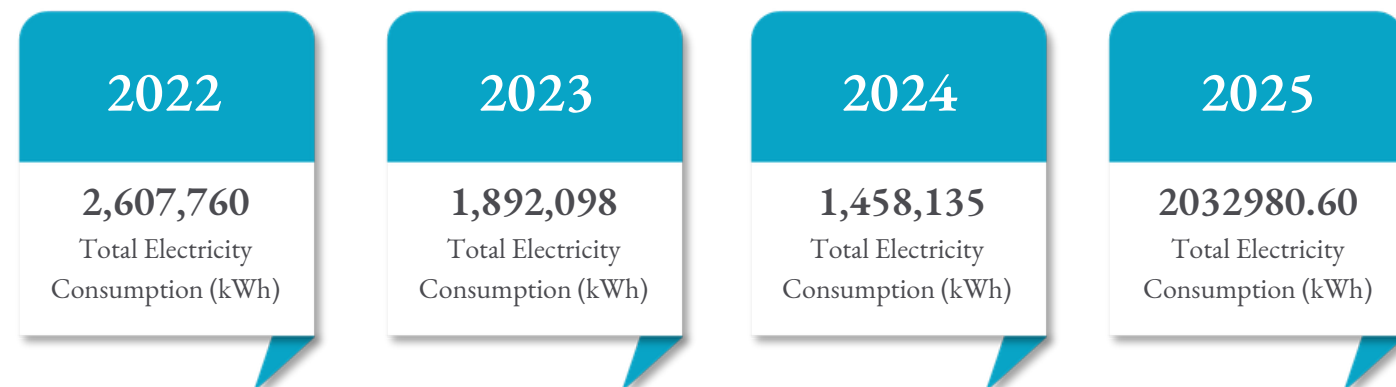
## Energy Efficiency Initiative

A key emphasis during the year has been on aligning our systems with recognised global benchmarks for efficient energy performance. To advance this, we enhanced our HVAC, lighting, and process systems with improved operational controls and upgraded equipment designed to deliver higher efficiency without compromising production quality. These upgrades have enabled smoother load management, better indoor climate stability, and overall reduction in energy losses across units.

In parallel, we continued to invest in refining our metering infrastructure. By deploying additional digital meters for both process-related and utility loads, we improved the precision of consumption tracking. The data generated from these meters has helped us analyse operational trends, identify anomalies, and make strategic decisions aimed at minimising avoidable energy losses. This data-driven approach now forms a core part of our internal sustainability governance and supports more informed planning for future conservation initiatives.

One of the most significant steps this year has been our ongoing utilisation of renewable energy sourced from the company's wind farms in Moti Vavdi, Gujarat. The wind power generated contributes meaningfully to reducing our dependence on grid electricity and subsequently lowers our Scope 2 emissions. By continuously integrating this clean energy into our operations, we strengthen our transition toward long-term low-carbon manufacturing.

Overall, our energy management strategy this year reflects a shift from isolated conservation practices to a more holistic, technology-supported framework. The combined impact of improved systems, enhanced monitoring, and renewable energy sourcing positions K. Girdharlal on a strong path toward sustained energy optimisation and climate-aligned growth.



## Renewable Energy – Wind Power Utilisation (GRI 302-4)

To reduce reliance on conventional electricity and advance our climate commitments, the Company has progressively integrated renewable wind energy into its operations. Clean electricity is sourced through allocations received by our associated partners, Facets Gems Polishing Works Pvt. Ltd. and K. Girdharlal International Pvt. Ltd., from the 220 kV Sadodar (Enercon) Wind Farm. The monthly energy allocation is certified by the State Load Despatch Centre (SLDC), ensuring transparency, traceability, and regulatory compliance.

Location	Year	Renewable Energy Generate (KWh)
Surat (Facets Gems Polishing Works Pvt. Ltd.)	2025	10,37,779
Surat (K. Girdharlal International Pvt. Ltd.)	2025	20,54,534

During the reporting period, renewable electricity supplied through these partners contributed significantly to the Company's overall energy consumption and strengthened its clean energy portfolio. The adoption of wind energy plays a key role in supporting the Company's transition toward more sustainable and energy-efficient operations. This renewable energy sourcing directly contributes to reducing Scope 2 greenhouse gas emissions associated with purchased electricity. By integrating wind power into polishing and manufacturing processes, the Company reinforces its commitment to sustainable production and responsible resource utilization. This initiative also supports the Company's alignment with global sustainability priorities, including:



Increasing the share of renewable electricity in operations.



Promoting efficient and sustainable operational practices.



Reducing greenhouse gas emissions through the adoption of clean energy sources.

At KG Group, responsible growth is closely linked to reducing environmental impact while advancing innovative energy practices. As operations continue to expand across Surat, Mumbai, and Botswana, the Company remains focused on improving energy efficiency, optimizing operational processes, enhancing equipment performance, and increasing the use of renewable energy sources to support a more sustainable future.



# ENERGY & EMISSIONS

(GRI 3, 302, 305)

## GHG Emission (GRI 305-1, 305-2, 305-3)

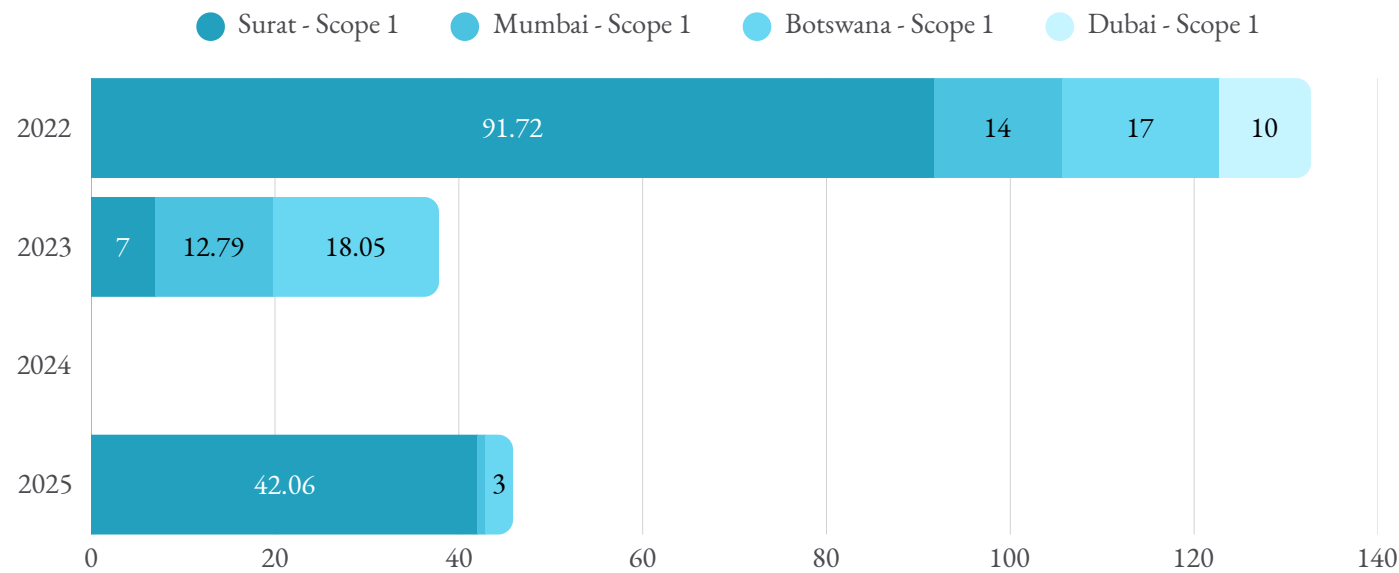
Our greenhouse gas (GHG) emissions—categorized into Scope 1, Scope 2, and Scope 3—are assessed annually following the GHG Protocol Corporate Accounting Standard. This ensures transparency, comparability, and accountability in how we measure and manage our carbon footprint.

### SCOPE 1



Emissions from direct fuel consumption across our facilities were closely monitored and optimized through systematic maintenance, diesel reduction measures, and a shift toward cleaner alternatives.

Year	Surat – Scope 1	Mumbai – Scope 1	Botswana – Scope 1	Dubai – Scope 1
2022	91.72	14	17	10
2023	7	12.79	18.05	–
2024	–	–	–	–
2025	42.23	0.84	2.92	TBD

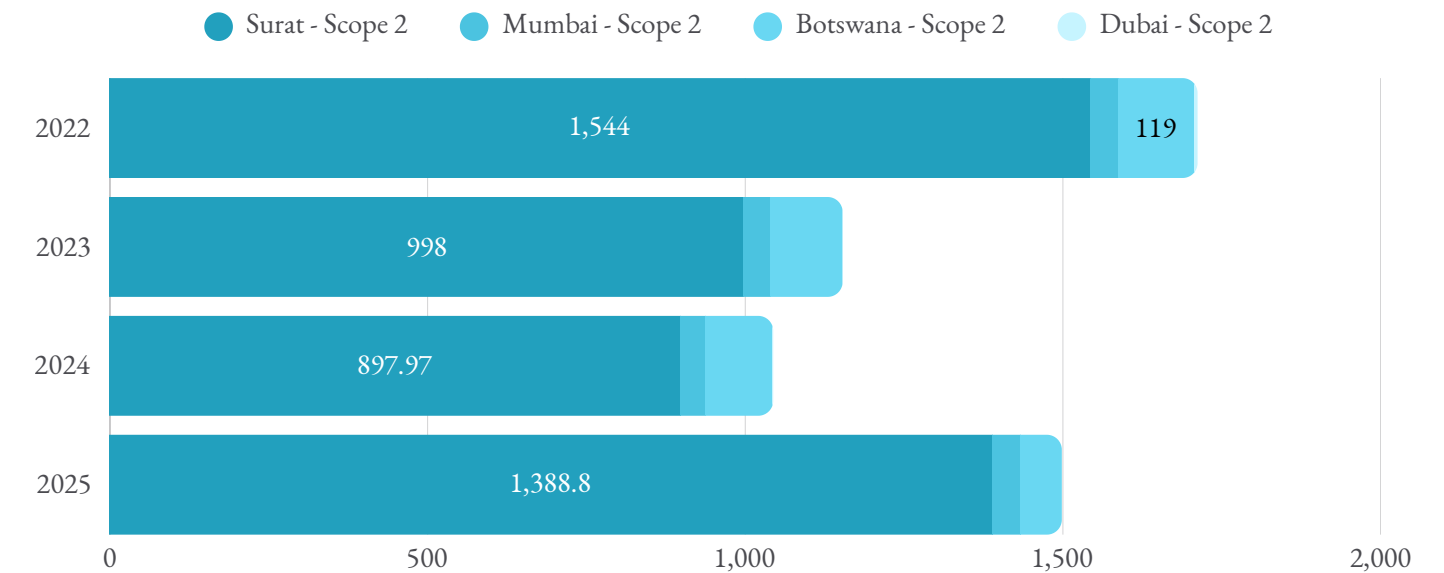


### SCOPE 2



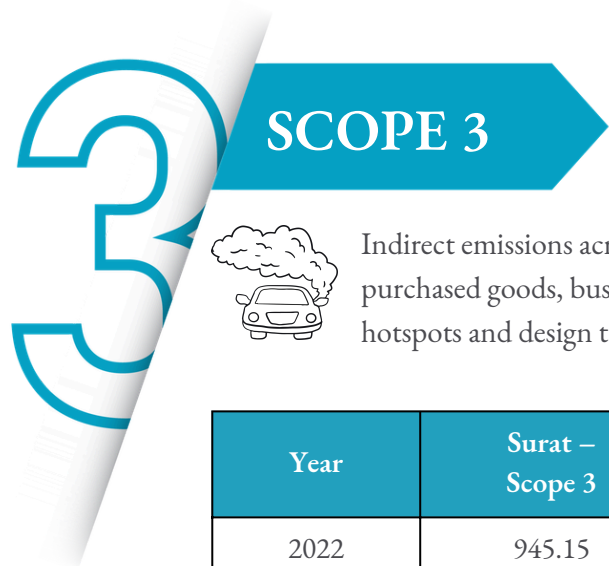
Electricity-related emissions remain a major contributor to our footprint. However, targeted energy-efficiency upgrades and increased sourcing of renewable electricity have begun to deliver measurable reductions.

Year	Surat – Scope 2	Mumbai – Scope 2	Botswana – Scope 2	Dubai – Scope 2
2022	1544	44	119	5
2023	998	41.47	113.13	0.63
2024	897.97	39.84	105.62	0.57
2025	1,388.80	44.95	64.53	TBD



# ENERGY & EMISSIONS

(GRI 3, 302, 305)



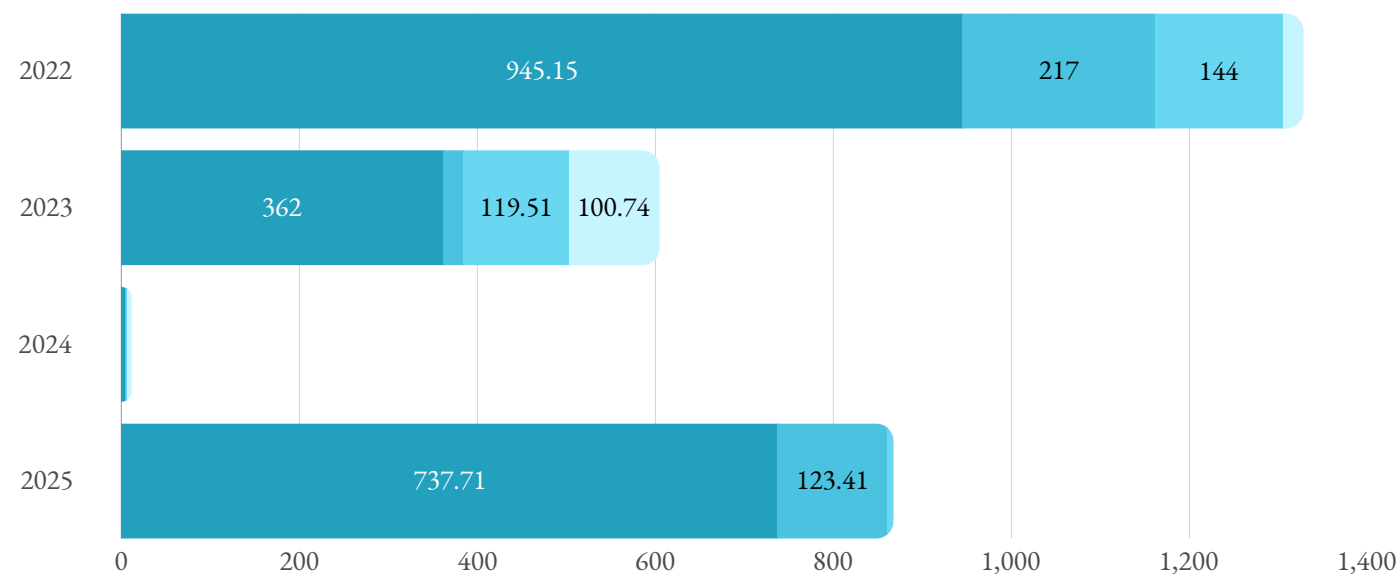
## SCOPE 3



Indirect emissions across our value chain—spanning upstream suppliers, logistics, purchased goods, business travel, and waste—were mapped comprehensively to identify hotspots and design targeted interventions for long-term mitigation.

Year	Surat – Scope 3	Mumbai – Scope 3	Botswana – Scope 3	Dubai – Scope 3
2022	945.15	217	144	22
2023	362	22.33	119.51	100.74
2024	5.17	1.17	0.1926	4.867
2025	737.71	123.41	6.33	TBD

● Surat - Scope 3 ● Mumbai - Scope 3 ● Botswana - Scope 3 ● Dubai - Scope 3



Category	Botswana Emission	Facets Gems -Surat Emission	Mumbai Emission
EMP COMMUTE (Car)	1.90	46.02	15.03
EMP COMMUTE (Bus)	0.90	5.85	13.21
EMP COMMUTE (Motorbike)		529.51	6.77
EMP COMMUTE (Rail)			29.71
EMP COMMUTE (Taxi)	0.02		6.77
PURCHASED GOODS		24.96	24.15
ELECTRICITY T & D	1.14	35.91	1.16
UPSTREAM TRANSPORT (Freight flights)		0.16	
UPSTREAM TRANSPORT (Vans)	0.006	0.005	
DOWNSTREAM TRANSPORT (Freight flights)	0.003		
DOWNSTREAM TRANSPORT (Vans)	0.004	0.0035	0.0003
WASTE DISPOSAL		5.44	0.68
WATER SUPPLY	0.06	5.08	0.0003
TRAVEL BUSINESS (LAND)		2.84	
TRAVEL BUSINESS (AIR)	2.30	74.99	25.93
HOTEL STAY		6.94	-

## ENERGY & EMISSIONS

### GHG Emission Reduction Initiatives (GRI 305-5)

K. Girdharlal International follows a structured approach to reduce Greenhouse gas (GHG) emissions across its operations and value chain. Our initiatives focus on improving energy efficiency, increasing renewable energy use, strengthening supply-chain practices, and promoting sustainable transportation.

#### Scope 1 & 2: Direct and Energy-Related Emissions

To reduce emissions from fuel use and purchased electricity, we focus on cleaner energy and efficient operations. We are gradually shifting towards low-emission fuels and upgrading company vehicles with more fuel-efficient and electric alternatives. Energy efficiency is strengthened through the use of modern, efficient machinery, preventive maintenance, and real-time monitoring of fuel and electricity consumption.

We are increasing the share of renewable energy by introducing rooftop solar installations at key facilities and aim to achieve 20–30% renewable energy use over the next 3–5 years. Additional measures such as LED lighting, energy-efficient HVAC systems, motion sensors, and periodic energy audits help reduce overall electricity consumption and emissions.

#### Scope 3: Value-Chain Emissions

Recognising that a significant portion of emissions occurs beyond direct operations, we actively address Scope 3 emissions across our value chain. We encourage suppliers to adopt sustainable practices and give preference to partners with environmental certifications. In logistics, we work with transport providers using cleaner fuel options and promote shipment consolidation to reduce transportation-related emissions.

Waste-related emissions are reduced through enhanced recycling of slurry, cutting waste, packaging materials, and used oil, alongside a long-term goal of achieving zero waste to landfill. We also minimise emissions from travel and commuting by promoting virtual meetings, employee carpooling, shuttle services, and the use of public transport, bicycles, and e-bikes. To reduce downstream emissions, we support consolidated customer deliveries and increased use of digital samples and 3D modelling, limiting the need for physical sample movement.

#### Climate Governance and Monitoring (GRI 3-3)

Employee awareness programmes on energy conservation and climate action support the effective implementation of our initiatives. We measure and monitor Scope 1, 2, and 3 emissions in line with the GHG Protocol and disclose progress annually through our Sustainability Report. Looking ahead, we are developing a long-term decarbonisation roadmap that includes science-based targets and the exploration of carbon-offset projects such as afforestation and renewable energy initiatives.



# SUSTAINABLE WASTE MANAGEMENT: OUR COMMITMENT TO A CLEANER FUTURE

(GRI 306)

At KG, sustainability is woven into the fabric of our operations, and responsible waste management stands as one of the cornerstones of our environmental commitment. We approach waste not merely as a by-product of operations but as an opportunity to drive efficiency, accountability, and positive environmental impact. Our practices are built on the principles of reduce, recover, recycle, and responsibly dispose, ensuring that every step reflects our dedication to safeguarding the planet.

The Company monitors paper consumption across locations to improve resource efficiency and reduce environmental impact. Efforts such as increased digitization and the introduction of recycled paper reflect a shift towards more sustainable material use. Variations across locations are driven by operational needs, with ongoing focus on optimizing consumption and promoting responsible practices.

Year	Surat – Fresh Paper (Kg)	Surat – Recycled Paper (Kg)	Mumbai – Fresh Paper (Kg)	Botswana – Fresh Paper (Kg)	Dubai – Fresh Paper (Kg)
2022	2537	-	1065	154	117
2023	1944	-	917	85	94
2024	2014	270	875	25	70
2025	4641	1407	896	-	TBD

The Company continues to strengthen its approach to material efficiency and waste management across its operations. Efforts have been made to optimize paper consumption, including the gradual integration of recycled paper, particularly at key facilities. At the same time, waste streams such as paper, organic waste, and e-waste are systematically segregated and directed to authorized recyclers. This approach supports responsible resource utilization, reduces dependence on primary raw materials, and contributes to minimizing environmental impact through improved recycling and waste management practices.

Surat			
Year	Paper Waste to Recyclers (Kg)	Organic Waste to Recyclers (Kg)	E-Waste to Recyclers (Kg)
2022	3261	-	-
2023	2896	33,043	264
2024	2765	25,365	768
2025	1454	18,676	655

## A Culture of Conscious Waste Practices (GRI 2-23, 2-24)

We believe that true sustainability begins with awareness. Through continuous training, capacity-building sessions, and internal communication, we empower our workforce to adopt responsible material-handling practices. This collective understanding enables us to minimise waste generation at the source and strengthens our organisational culture of environmental responsibility.

## Source Segregation Through Wet–Dry Systems (GRI 306-2)

Effective waste management begins with precise segregation. Our wet–dry classification system ensures that biodegradable and recyclable waste streams remain uncontaminated, fostering efficient downstream processing. By maintaining disciplined segregation protocols across all facilities, we reduce landfill dependence, enhance recycling potential, and reinforce resource-efficient operations.

## Partnerships That Build a Circular Economy (GRI 306-3, 306-4)

Recognising that sustainable impact expands beyond internal boundaries, we collaborate with authorised waste recyclers and certified e-waste handlers. These partnerships guarantee safe recovery, repurposing, and recycling of waste materials while ensuring compliance with environmental regulations. Our alliances contribute to the circular economy by turning waste into valuable resources and limiting the ecological burden on landfills.

## Digitalisation for Smarter, Cleaner Operations (GRI 301-1, 301-2)

Our commitment to sustainability extends to modernising the way we operate. By digitising essential business processes, we significantly reduce paper usage, streamline workflows, and adopt more efficient data-management systems. This shift toward digital processes reduces waste generation while enhancing operational discipline and traceability.

## Driving Continual Improvement (GRI 306-1)

Across all levels of the organisation, we remain focused on strengthening waste management practices through regular monitoring, audits, and evaluation of emerging sustainability solutions. Our long-term vision is to build systems that not only minimise environmental impact but also advance industry best practices.

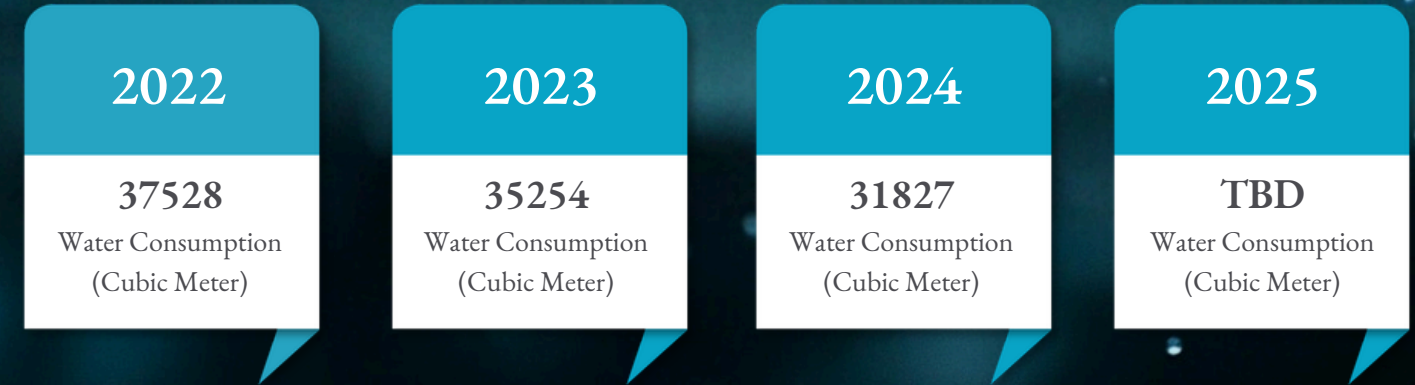
Through strategic segregation, responsible partnerships, digital innovation, and a culture of awareness, KG continues to uphold its commitment to environmental stewardship—one step closer to a sustainable and waste-resilient future.

# SAFEGUARDING WATER RESOURCES FOR A RESILIENT FUTURE

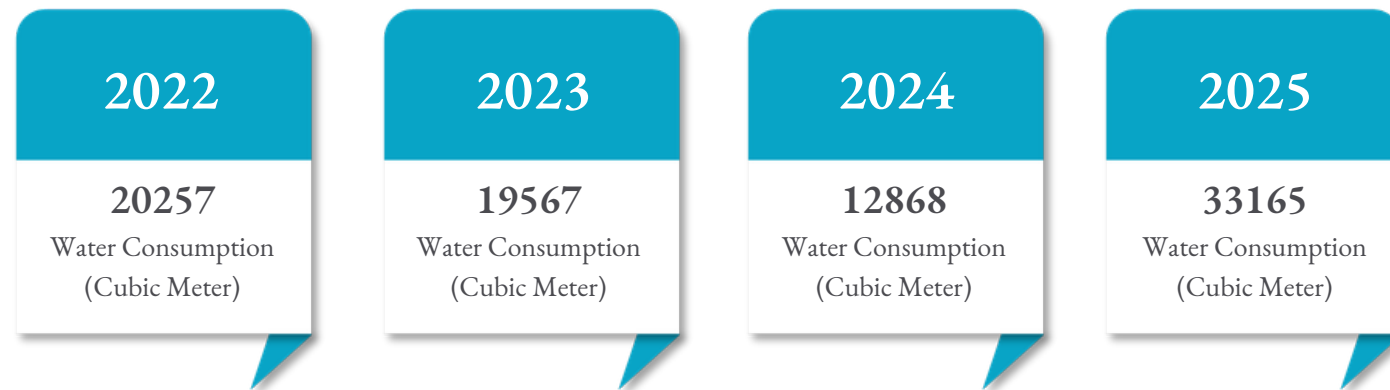
(GRI 2, 3, 303)

At KG Group, our commitment to environmental responsibility continues to evolve as we adopt smarter, more efficient, and future-ready approaches to water stewardship. As water scarcity becomes an increasingly pressing global challenge, we have strengthened our conservation measures, optimized consumption patterns across all locations, and cultivated a culture of responsible resource use at every level of our operations. Our efforts are guided by innovation, monitoring, and continuous improvement, ensuring that our water management practices contribute meaningfully to long-term environmental resilience.

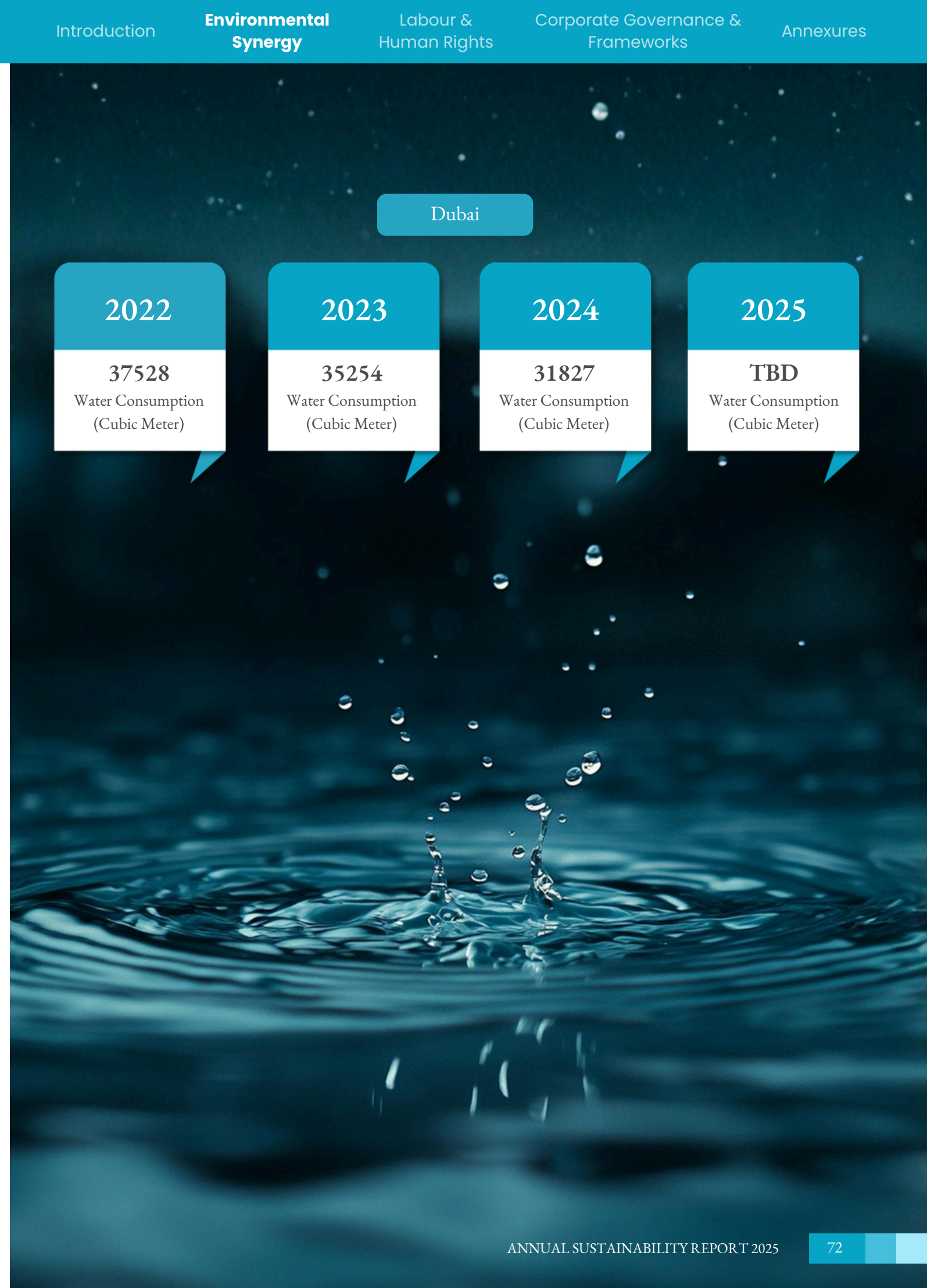
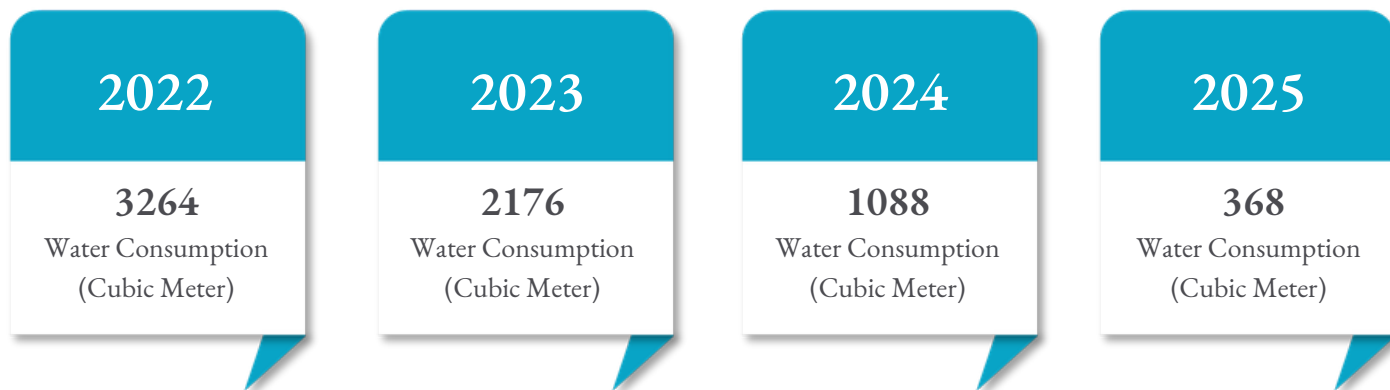
## Dubai



## Surat



## Botswana



# SAFEGUARDING WATER RESOURCES FOR A RESILIENT FUTURE

(GRI 2, 3, 303)

## Adaptive Landscaping & Smart Irrigation Systems (GRI 303-1)

This year, we enhanced our resource conservation efforts by adopting adaptive landscaping practices tailored to local climatic patterns. Our facilities now incorporate plant varieties that require significantly lower water input while maintaining ecological balance and aesthetic appeal. Complementing this, our upgraded smart irrigation system uses moisture sensors and controlled distribution mechanisms, ensuring that watering occurs only when necessary. These improvements have contributed to notable reductions in outdoor water consumption and supported our broader mission of sustainable facility development.

## Strengthened Governance & Compliance Framework (GRI 303-3, 303-5)

To ensure robust water management, we have refined our internal governance mechanisms through updated policies, regular audits, and stringent compliance checks. Our procedures now align more closely with emerging environmental standards and national regulatory frameworks. Periodic inspections, real-time monitoring tools, and cross-location coordination enable us to track consumption patterns and identify opportunities for reduction. This disciplined approach reinforces our commitment to long-term sustainability and operational transparency.

## Innovation-Led Conservation Initiatives (GRI 303-3, 303-5)

Water efficiency remains a high-priority focus area. During the current reporting year, we advanced several initiatives such as:

- Enhanced recycling potential through upgraded filtration and reuse systems
- Reduced dependency on freshwater for non-essential operations
- Awareness drives for employees to promote responsible water use habits
- Integration of digital monitoring tools to measure usage and detect leakages early

These initiatives reflect our belief that sustainable progress is achieved through consistent innovation and mindful resource management.

## Our Forward Path (GRI 3-3)

As we progress into the next phase of our sustainability journey, our goal is to further extend water recycling systems, adopt advanced conservation technologies, and deepen employee participation. We aim to reduce consumption per employee year-on-year, expand the use of treated water, and continuously enhance operational efficiency. Our commitment to safeguarding water resources remains unwavering, as we work collectively toward a future where environmental responsibility and excellence go hand in hand.



# PRESERVING NATURAL ECOSYSTEMS: OUR COMMITMENT TO BIODIVERSITY

(GRI 304)

At K. Girdharlal, we recognise that biodiversity is the foundation of resilient ecosystems and long-term environmental well-being. Although our operations have a relatively low ecological footprint, we approach biodiversity protection with a proactive mindset, ensuring that our growth is aligned with the preservation of natural habitats and the species that depend on them. Our commitment reflects both our responsibility as a global company and our belief that environmental stewardship must extend beyond regulatory expectations

Parameter	Details
Total Trees Planted	1300+
Locations Covered	Company premises, Community areas, Local school grounds
Tree Species	Neem Tree, Ashoka Tree, Mango Tree (native species), Gulmohar Tree, Peepal Tree, Karanj Tree, Indian Almond Tree
Employee Volunteers	175 Employees
Partner Organizations	Surat Van
Purpose	Improve green cover, support biodiversity, enhance air quality
SDG Alignment	SDG 13: Climate Action, SDG 15: Life on Land

## Promoting Green Cover Through Tree Plantation Initiatives (GRI 304-3)

At K. Girdharlal, we recognise that even small actions can contribute to a healthier environment. While our operations have a limited direct impact on biodiversity, we support local ecological wellbeing through tree plantation activities designed to increase green cover and improve the natural surroundings of our operating areas.

## Planting Native Trees to Support Local Ecology (GRI 304-4)

Our plantation drives focus on native and drought-resistant species that are well-suited to the local climate. These species require minimal resources and naturally support local pollinators, contributing to healthier urban ecosystems. Planting native trees also strengthens soil health, reduces heat pockets, and enhances the green landscape around our facilities and community spaces.

## Employee Participation & Community Engagement (GRI 2-29, 304-3)

Employees play an active role in these initiatives through volunteer participation in plantation activities, awareness sessions, and maintenance follow-ups. By involving our workforce and nearby communities, we aim to build environmental stewardship and encourage long-term care of planted saplings.

## Enhancing Urban Green Spaces (GRI 304-3)

Our efforts are directed toward improving the quality of urban environments by adding greenery to public areas, schools, and community spaces. These plantations contribute to cleaner air, better microclimate conditions, and an overall improvement in environmental aesthetics.

## Responsible Waste Handling to Support Clean Surroundings (GRI 304-2)

While our operations do not directly interact with natural habitats, we ensure proper waste segregation, e-waste handling through authorised recyclers, and responsible disposal practices to keep the surrounding environment clean and free from pollution risks.

## Landscape-Level Engagement & Restoration Initiatives (GRI 304-1, 304-3)

K. Girdharlal adopts a collaborative approach to sustainability by engaging with stakeholders across its operating landscape, including communities and partners, to address environmental and social challenges. These engagements strengthen the Company's contribution to broader ecosystem and community outcomes.

While a formal Science Based Targets for Nature (SBTN)-aligned landscape programme is yet to be fully established, the organisation is actively progressing towards integrating landscape-level strategies into its sustainability roadmap.

The Company further reinforces its commitment through alignment with industry-wide responsible sourcing initiatives, contributing to collective action within the diamond value chain.

Restoration initiatives, including plantation drives and urban greening efforts, are undertaken to enhance biodiversity and support ecological balance.

## Future Focus (GRI 3-3)

We aim to expand our green-cover initiatives by planting more native trees annually, engaging more volunteers, and strengthening collaborations with local bodies to support climate resilience and community wellbeing.



# LABOUR & HUMAN RIGHTS



# EMPLOYEE WELL-BEING & WORKPLACE ENRICHMENT

(GRI 401, 402, 403, 404)

At KG, we firmly believe that our employees are the driving force behind our operational excellence and long-term success. Their talent, dedication, and craftsmanship form the backbone of our organisation, and therefore, fostering their well-being is not merely a responsibility—it is a core business priority. Our employee well-being philosophy is built on the pillars of safety, inclusivity, growth, engagement, and holistic support. We continuously strive to create a workplace where every individual feels respected, valued, and empowered to reach their fullest potential. Through structured policies, upgraded facilities, strong safety systems, and people-centric initiatives, we aim to build a healthy, motivated, and future-ready workforce.

## Employee Health & Well-being Initiatives (GRI 403-3, 403-6)

The Company promotes preventive healthcare and employee well-being through structured initiatives:

Initiative	Coverage / Impact
Health Awareness Sessions	1
Life Insurance	963
Retirement Benefits	52

These initiatives help in early detection of health risks and support overall workforce well-being.

## Employee Engagement & Inclusive Culture (GRI 404-2, 402-1)

We recognise that a truly thriving organisation is built on a culture of trust, openness, and connection. To strengthen engagement, we conduct regular team-building activities, festive celebrations, employee appreciation events, and motivational sessions that bring our workforce together as one family.

Open communication plays a vital role in building this culture. We encourage transparent dialogue through feedback forums, grievance mechanisms, and direct communication channels with leadership. Employee recognition programs highlight achievements, celebrate effort, and acknowledge dedication, ensuring that hard work never goes unnoticed.

This inclusive ecosystem inspires collaboration, boosts morale, and fosters a strong sense of belonging across the organisation.

## Work-Life Balance & Supportive Policies (GRI 401-2)

Understanding the importance of personal time and emotional well-being, we continue to strengthen our employee-friendly policies. Our leave policies support personal commitments, family needs, and medical requirements. Maternity and paternity leave extensions, flexible scheduling during critical periods, and compassionate leave help employees navigate important life moments with dignity and ease. These policies reflect our belief that a balanced life enhances focus, productivity, and emotional well-being. By supporting employees beyond the workspace, we nurture a workforce that is energized, resilient, and emotionally secure.

## Facilities & Workplace Comfort (GRI 403-1)

We continuously upgrade our workplace infrastructure to ensure that all employees operate in clean, safe, and comfortable surroundings. Our facilities include hygienic canteens serving nutritious meals, rest zones for short breaks, clean washrooms, access to purified drinking water, and proper sanitation systems. We also ensure that operational areas are well-lit, ventilated, and ergonomically designed. By investing in such infrastructure improvements, we create an environment that enhances employee comfort, reduces fatigue, and promotes overall well-being.

## Minimum Wage Commitment & Fair Compensation (GRI 401-1)

K. Girdharlal is committed to ensuring fair and equitable compensation across its workforce and value chain as part of its broader human rights and responsible business practices.

KPI Metric	2025
Employees receiving a Minimum Wage (%)	100%

The Company has embedded fair compensation and living wage considerations within its broader human rights and people strategy. It follows a structured wage-setting process aligned with applicable legal requirements, industry benchmarks, and internal equity. The organisation is in the process of developing a roadmap to progressively align wages with living wage benchmarks across its operations. Initial internal assessments have been initiated to understand wage structures; however, a comprehensive living wage gap analysis has not yet been completed across all locations.

Compensation levels are reviewed periodically, taking into account market benchmarks, industry standards, and broader economic conditions. While formal time-bound living wage targets have not yet been defined, the Company is actively working towards strengthening its approach in line with global best practices. The Company refers to statutory wage frameworks and relevant industry benchmarks and is exploring alignment with internationally recognized living wage methodologies. It also engages with suppliers and contractors to promote fair wage practices within the value chain.

## Our Commitment Going Forward (GRI 3-3)

We are dedicated to evolving our employee well-being strategy in line with global standards and emerging best practices. As the industry transforms, we plan to invest further in technology-driven safety systems, learning platforms, leadership engagement programs, and wellness initiatives. Our vision is to create a workplace that reflects care, respect, opportunity ensuring that every individual at KG feels empowered, supported, and proud to contribute to our shared journey. Our people are our greatest asset, and their well-being will continue to guide every decision, every initiative, and every milestone we achieve.

# TRAINING

(GRI 404)

## Training Highlights –2025 (GRI 404-1, 404-2, 404-3)

At K. Girdharlal, we believe that a responsible organisation is built on informed, skilled and empowered people. In 2025, we strengthened our capacity-building efforts through structured and comprehensive training sessions designed to enhance awareness, improve operational behaviour and ensure strict compliance with global diamond industry standards.

Our training programs were delivered across Social, Environmental and Business Responsibility themes, ensuring that every employee is equipped with the knowledge required to uphold ethical practices, protect the environment and contribute to transparent, safe and responsible operations. 100% of our workforce participated in at least one mandatory training session during the reporting period.

KPI Metric (Average Hours per Employee)	2025
Training Hours: Women	380.16
Training Hours: Men	3067.2
Total Training Hours per Employees	4.5 Hours

### Social Responsibility

- Employment rights and employee welfare
- Workplace health & safety best practices
- Prevention of discrimination & harassment
- Child labour & young worker protection
- Forced labour prevention
- Human rights principles and workplace expectations

These modules reinforced a culture of respect, dignity and fairness across all our facilities.

### Environmental Responsibility

- Best environmental practices and regulatory requirements
- Energy efficiency and water conservation awareness
- Waste segregation, recycling and hazardous waste handling
- Chemical safety practices & responsible resource use

This training empowered employees to minimise environmental impact & adhere to responsible operational standards

### Business Responsibility

- Ethical conduct, integrity and responsible decision-making
- Anti-bribery and anti-corruption procedures
- Product security and documentation accuracy
- Disclosure, reporting and transparency expectations
- Supply chain due diligence & OECD compliance
- Kimberley Process & pipeline integrity
- DPIS 2025 updates & responsible sourcing norms
- Financial integrity, anti-fraud protocols and client-centric ethical behaviour

These sessions strengthened organisational accountability and ensured compliance with global supply chain requirements.

K. Girdharlal remains committed to building a workforce that is capable, compliant and aligned with our mission of operational excellence, ethical conduct and sustainable growth.

### Coverage & Participation

- Training delivered through sessions, demonstrations and awareness modules
- Topics aligned with
  - OECD Due Diligence Guidance
  - Kimberley Process & WDM Guidelines
  - Industry pipeline integrity and provenance requirements
  - Company Code of Conduct & internal compliance protocols

Every employee completed mandatory learning hours based on job role, with periodic refreshers scheduled to ensure continuous awareness.

### Outcomes & Impact

- Strengthened ethical, safe and responsible work culture
- Enhanced readiness for industry audits and client assessments
- Improved product security, documentation accuracy & supply chain transparency
- Increased awareness of environmental stewardship
- Better alignment with global ESG and responsible sourcing expectations

# OCCUPATIONAL HEALTH & SAFETY

(GRI 403)

## Ensuring Safe, Healthy, and Resilient Workplaces (GRI 403-1, 403-2)

At K. Girdharlal International Pvt. Ltd., Occupational Health & Safety (OHS) remains a critical priority across both trading operations and diamond manufacturing units. The Company follows a preventive and risk-based approach to ensure safe working conditions, minimise workplace hazards, and promote a culture of safety awareness.

Our OHS framework integrates hazard identification, risk assessment, control measures, and continuous monitoring, enabling a proactive and structured approach to workplace safety and employee well-being.

## OHS Performance Dashboard (GRI 403-4, 403-8, 403-10)

Indicator	2023	2024	2025
Lost-Time Injury Frequency Rate (LTIFR)	0%	0%	0%
Number of Work-related Incidents	0%	0%	0%
Cases of Work-related Ill Health	0%	0%	0%
Employees Covered under OHS Training (%)	100%	100%	100%
Annual Health Check-up Coverage (%)	100%	100%	100%

## Our Risk-Based Safety Approach (GRI 403-2)

The Company follows a structured four-step approach to manage workplace risks:

- **Identification:** Recognition of operational, environmental, and safety risks across all facilities
- **Assessment:** Evaluation based on likelihood and impact using defined criteria
- **Mitigation:** Implementation of engineering, administrative, and PPE controls
- **Monitoring:** Continuous tracking through audits, inspections, and performance reviews

This approach ensures timely risk mitigation and strengthens overall operational resilience.

## Process-Level Risk Assessment & Mitigation (GRI 403-2)

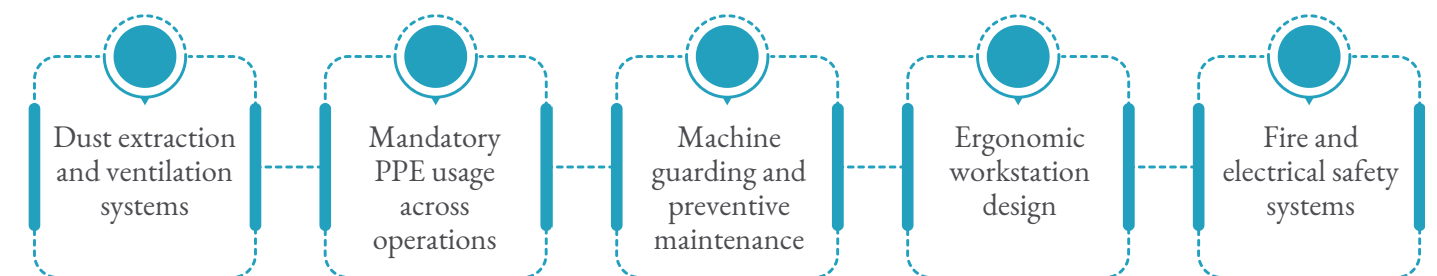
Process	Key Risk	Risk Category	Mitigation Measures
Rough Assortment	Fire risk, ergonomic strain	Low	Fire extinguishers, improved lighting & seating
Planning & Marking	Chemical exposure (thinner)	Low	Controlled usage, handling protocols
Cleaving / Windowing	Flammable materials	Low	Fire safety systems, safe handling
Laser Operations	Laser exposure	Low-Medium	Protective glasses, interlocking systems
Bruting	Dust, electrical risk	Low	Dust extraction, PPE, earthing
Polishing	Dust inhalation, machinery risk	Medium	Dust masks, suction systems, emergency stop
Ice-Boiling Process	Chemical burns, toxic fumes (acid use)	Medium	Acid-resistant PPE, proper ventilation, chemical handling protocols
Final Operations	Ergonomic & electrical risks	Low	Proper seating, circuit protection

The Company conducts detailed risk assessments across key stages of diamond processing operations:

## Focus Area: Safety in Diamond Processing (GRI 403-2, 403-7)

Diamond manufacturing involves specialised operations that require precision and control. Key risk areas include dust exposure, laser operations, high-speed machinery, and ergonomic strain.

To address these risks, the Company has implemented:



These measures ensure a controlled and safe production environment.

**Training & Safety Culture (GRI 403-5)**

Safety awareness is reinforced through regular training and capacity-building programs.

Training Area	Male (Hours)	Female (Hours)
Safety	331	44

Employees are regularly trained on key safety aspects including induction and job-specific practices, proper use of personal protective equipment (PPE), hazard identification, fire safety, emergency response procedures, and safe machine operations. These training programs ensure that employees are well-equipped to maintain a safe working environment and respond effectively to potential risks.

**Incident Management & Continuous Improvement (GRI 403-2, 403-9)**

The Company follows a structured incident management system that focuses on immediate reporting of incidents and near-misses, followed by detailed root cause analysis. Based on the findings, corrective and preventive actions (CAPA) are implemented, and safety trends are periodically reviewed to strengthen preventive measures. This systematic approach supports continuous improvement and helps minimize workplace incidents.

**Emergency Preparedness & Response (GRI 403-2)**

To ensure preparedness for unforeseen events, the Company has established comprehensive emergency response systems, including fire detection and suppression infrastructure, clearly marked evacuation routes, trained emergency response teams, and regular mock drills and safety audits. These measures enhance readiness and ensure timely and effective response during emergencies.

**CUSTOMER CENTRICITY**

(GRI 3, 417)

**Customer Centricity (GRI 3-3)**

Customer centricity is at the heart of K. Girdharlal’s business philosophy. We believe that long-term success is built on trust, transparency, and consistently delivering high-quality diamonds. Our approach focuses on understanding customer expectations, building strong relationships, and providing a seamless, responsible, and ethical experience at every stage of engagement.

**Understanding Customer Needs (417-1)**

We engage closely with customers through regular interactions, feedback channels, and personalised consultations. These exchanges help us understand their preferences, market trends, quality requirements, and sustainability expectations. Insights gained from customers directly influence our product innovation, operational improvements, and service enhancements.

**Transparency & Traceability**

We ensure complete transparency from sourcing to final delivery. Traceability across our value chain, supported by ethical sourcing practices and ESG-aligned operations, allows customers to trust the authenticity and integrity of every diamond we produce. By sharing our certifications, processes, and sustainability actions, we reinforce accountability and build customer confidence.

**Commitment to Quality Excellence**

Quality remains one of our strongest commitments. Our products undergo multi-stage inspections, precision grading, and advanced QC processes to meet international standards. Employees receive continuous training to maintain craftsmanship excellence and deliver superior customer service. This consistent focus on quality strengthens long-term customer loyalty.

**Sustainability as a Value Addition**

Today’s customers expect responsible and ethical business practices. We integrate sustainability across our operations—renewable energy use, responsible waste management, safe workplaces, and community initiatives—to create added value for our clients. By aligning with their environmental and social expectations, we support their sustainability goals as well.

**Innovation for Better Customer Experience**

We invest in digital tools and automated systems to enhance communication, improve responsiveness, and ensure accuracy. Features like real-time shipment tracking, digital documentation, and secure communication platforms help us deliver a smooth, efficient, and reliable customer experience.

**Building Trust Through Long-Term Partnerships**

Customer centricity is more than a business approach—it defines who we are. Our commitment to transparency, quality, and sustainability enables us to build long-lasting relationships rooted in trust and shared growth. By keeping customers at the centre of every decision, we create value that is ethical, meaningful, and future-ready.

**COMMUNITY DEVELOPMENT INITIATIVES**

(GRI 413-1)

**01 Women's Day (8th March)**

K. Girdharlal celebrated Women's Day to acknowledge the vital role women play across the organisation and to promote an inclusive and supportive work environment. The event featured engaging activities such as interactive games, team challenges, and a creative DIY art session, encouraging participation and collaboration among employees.

The celebration also provided an opportunity for informal interactions, helping strengthen workplace relationships and foster a sense of belonging. Special appreciation tokens were presented to the top three participants, reinforcing our culture of recognition. This initiative reflects our commitment to employee wellbeing, gender inclusivity, and building a positive, engaging, and diverse workplace where every individual feels valued.



02 Earth Day (22nd April)

K. Girdharlal marked Earth Day by organising an interactive upcycling activity aimed at promoting environmental awareness and responsible waste practices among employees. Staff members brought recyclable and reusable waste materials from home and transformed them into creative, eco-friendly products.

The initiative encouraged teamwork, innovation, and hands-on learning about circularity and resource efficiency. Outstanding creations demonstrating meaningful reuse and sustainability impact were recognised and rewarded.

Through this activity, we reinforced our commitment to environmental stewardship and continued to nurture a workplace culture where employees actively participate in reducing waste and protecting natural resources.



03 Labour Day (1st May)

K. Girdharlal celebrated Labour Day to acknowledge the dedication and essential contribution of our support staff, who play a vital role in ensuring smooth day-to-day operations. The event brought together housekeeping teams, security personnel, canteen staff, technical support teams, and HVAC operators, recognising the important part each group plays in maintaining a safe and efficient workplace.

As a gesture of appreciation, company-branded badges and small gifts were distributed to all support staff, reinforcing our respect for their hard work and commitment. The celebration created a sense of belonging, pride, and mutual appreciation, highlighting the importance of dignity of labour within our organisation. Through this initiative, K. Girdharlal reaffirmed its commitment to fostering an inclusive environment where every employee—regardless of role—is valued and recognised for their contribution to the company's success.



04 Blood Donation Camp

K. Girdharlal continued its annual tradition of hosting a Blood Donation Camp, reinforcing our commitment to community health and social responsibility. The camp was conducted on-site in collaboration with certified medical professionals, ensuring a safe and hygienic donation environment for all participants.

Employees from various departments came forward to donate, demonstrating strong compassion and a shared sense of purpose.

This initiative not only supported local blood banks and healthcare facilities but also helped raise awareness about the importance of voluntary blood donation within our workforce.

Over the years, the camp has become one of our most meaningful outreach activities, reflecting our belief that collective action can create a significant positive impact. Through initiatives like this, we continue to uphold our dedication to community welfare and humanitarian values.



05 First Aid & Fire Safety Training

As part of our ongoing commitment to ensuring a safe, resilient, and well-prepared workplace, K. Girdharlal organised a comprehensive First Aid & Fire Safety Training session in collaboration with the Indian Red Cross Society. This annual initiative is designed to equip employees with essential knowledge and practical skills required to respond effectively during emergencies. The training covered a wide spectrum of critical safety topics, including company safety guidelines, substance-free workplace practices, emergency and accident response protocols, and the correct use of Personal Protective Equipment (PPE). Participants were guided through fire safety fundamentals, first-aid procedures, evacuation drills, and mock rescue exercises. Special emphasis was placed on identifying trained fire marshals and first-aiders within the organisation, understanding safety signage across the facility, and managing hazardous materials and waste safely. Employees were also educated on chemical storage best practices, pollution types, interpreting Material Safety Data Sheets (MSDS), and the correct operation of fire extinguishers. To strengthen emergency readiness, employees were briefed on evacuation routes, assembly points, emergency contact structures, and the locations of fire extinguishers and first-aid kits throughout the premises.

This training plays a vital role in building a culture of safety, empowering our workforce with confidence and preparedness, and ensuring that every individual can respond swiftly and responsibly in unforeseen situations. Through such initiatives, we reinforce our commitment to safeguarding our people, processes, and workplace environment.



**06 Yoga Day (21st June)**

To reinforce our commitment to employee well-being and holistic health, K. Girdharlal celebrated International Yoga Day by organising a guided yoga and meditation session for all employees. A certified yoga instructor conducted a structured programme featuring warm-ups, essential yoga asanas, pranayama, and short mindfulness practices aimed at improving flexibility, posture, breathing, and mental clarity.

The session also emphasised the importance of stress management and highlighted simple daily routines that employees can incorporate into their lifestyle to enhance focus, reduce fatigue, and maintain overall physical and emotional balance. The initiative received strong participation, creating an energising and positive atmosphere across the workplace.

Through this wellness drive, the organisation continues to encourage healthy habits, nurture a supportive work culture, and strengthen its long-term commitment to employee health and sustainable well-being



**07 Invite Eco Vision Experts for Plastic Waste Management Seminar**

To strengthen awareness around responsible waste practices, K. Girdharlal organised a focused Plastic Waste Management Seminar in collaboration with Eco Vision, an organisation known for its expertise in environmental education. The session aimed to enhance employee understanding of plastic pollution and promote practical actions that support our sustainability goals.

Eco Vision experts conducted an interactive workshop covering the environmental impact of plastic waste, the importance of waste segregation at source, reducing single-use plastics, and adopting circular consumption habits. Through demonstrations and real-life examples, employees learned simple and effective ways to minimise plastic usage, recycle responsibly, and adopt more mindful consumption patterns both at work and at home.

The programme encouraged employees to rethink daily behaviours, understand the broader implications of plastic pollution, and recognise their individual role in environmental protection. This engagement contributed meaningfully to strengthening our internal sustainability culture and further aligned our workforce with the company's long-term commitment to waste reduction and resource efficiency.



**08 Menstrual Health Awareness & Donation Drive (19 August 2025)**

As part of our continued commitment to community well-being, K. Girdharlal organized a Menstrual Health Awareness & Donation Drive in the rural region of Pimpari School, Dang. The initiative aimed to break prevailing taboos surrounding menstruation and promote safe hygiene practices among adolescent girls and women.

A qualified gynaecologist was invited to conduct an interactive awareness session covering essential topics such as menstrual health, hygiene management, and the importance of early education. The session encouraged open dialogue, empowered participants to address misconceptions, and fostered confidence in managing menstrual health responsibly. To further support the community, sanitary pads were donated to all female attendees, ensuring access to basic hygiene products and reinforcing the importance of maintaining menstrual wellness. This initiative reflects our dedication to advancing women's health, promoting dignity, and contributing to a more informed and inclusive society.



**09 Sustainability Awareness Session with Growlity (10 September 2025)**

To strengthen organisational awareness and capacity in environmental stewardship, K. Girdharlal conducted a Sustainability Awareness Session in collaboration with Growlity, our sustainability partner. The session aimed to enhance employee understanding of sustainable living practices and empower them to integrate eco-friendly habits into both workplace operations and daily life.

Growlity's experts delivered an insightful one-hour session covering key sustainability themes, including resource efficiency, responsible consumption, waste reduction, and the broader impact of individual and collective environmental actions. The interactive format encouraged participants to reflect on their current practices and explore meaningful ways to contribute to a greener future.

As part of this engagement, Growlity was also requested to develop a scalable sustainability tracking portal or format. This tool will enable employees to log and monitor their sustainability efforts, measure progress, and foster a culture of continuous improvement across the organisation.

This initiative highlights our commitment to building sustainability consciousness within our workforce and integrating responsible practices into our long-term operational framework.



**10 Tree Plantation Drive Using the Miyawaki Method (20 September)**

In line with our commitment to environmental restoration and biodiversity enhancement, K. Girdharlal carried out a large-scale Tree Plantation Drive at Surat Van, a former dumping site. Through the adoption of the Miyawaki method—a scientifically proven technique for creating dense, fast-growing, and self-sustaining forests—we planted 300 native tree species within a compact 100 sq. meter area.

This method supports rapid growth, improves carbon sequestration, enhances soil health, and accelerates the development of a thriving micro-ecosystem. By transforming a previously degraded area into a vibrant green zone, the initiative contributes to urban greening, ecological balance, and long-term environmental sustainability.

This effort reinforces our ongoing dedication to nature-based solutions and showcases our continued focus on environmental regeneration within the communities we serve.



**11 Charity Drive for Differently-Abled Children (14 October 2025)**

Demonstrating our commitment to compassion and community support, K. Girdharlal organized a charity drive within the factory premises to assist differently-abled children associated with the Disable Welfare Trust, Surat. Employees were encouraged to contribute voluntarily, fostering a culture of collective responsibility and social empathy.

The funds collected through this internal drive were utilized to provide essential items such as fruits, stationery supplies, and groceries. These contributions supported the daily needs and well-being of the children, helping create a more nurturing and supportive environment for their growth.

This initiative reflects our dedication to uplifting vulnerable groups and reinforcing the importance of inclusive care within the communities around us.



**12 3-Day AI Training Workshop (06–08 November 2025)**

As part of our focus on future-readiness and employee capability building, K. Girdharlal organized a 3-day AI Training Workshop in collaboration with Bots.Ai (HR Anexi). The program was conducted by AI expert Nikhar Arora, with support from Carol Pinto, and provided employees with hands-on exposure to emerging artificial intelligence tools and applications.

The sessions covered practical ways AI can enhance operational efficiency, streamline workflows, elevate automation, and support data-driven decision-making. Through interactive demonstrations and real-world use cases, employees gained a clearer understanding of how AI technologies can be integrated into daily functions to improve productivity and drive organisational innovation.

This initiative has strengthened our workforce’s digital competency, encouraged openness to technological transformation, and reinforced our commitment to building a smarter, agile, and future-ready workplace.



**13 International Men’s Day Celebration (19 November 2025)**

To promote inclusivity, appreciation, and employee well-being, K. Girdharlal celebrated International Men’s Day with a series of engaging activities aimed at acknowledging the contributions of men within the organisation. The event featured fun games, sports activities, and interactive sessions that encouraged participation and fostered team bonding.

A special highlight of the celebration was a heartfelt speech delivered by women employees, expressing gratitude and appreciation for their male colleagues and recognizing their efforts at work and in society. This thoughtful gesture reinforced the message of equality, respect, and mutual support across genders.

The initiative helped create a positive and encouraging workplace environment, reminding employees of the importance of celebrating each individual and promoting a culture of balance, harmony, and inclusivity.



**14 Beach Cleaning Drive with Project Surat (05 December 2025)**

In alignment with our environmental stewardship goals, K. Girdharlal partnered with Project Surat to conduct a Beach Cleaning Drive focused on restoring coastal cleanliness and promoting responsible waste management. The activity mobilized employees and community volunteers to remove accumulated waste, contributing directly to a healthier shoreline and improved marine ecosystem.

The drive not only enhanced environmental awareness among participants but also demonstrated our dedication to preserving natural ecosystems and fostering a cleaner, more sustainable community environment.

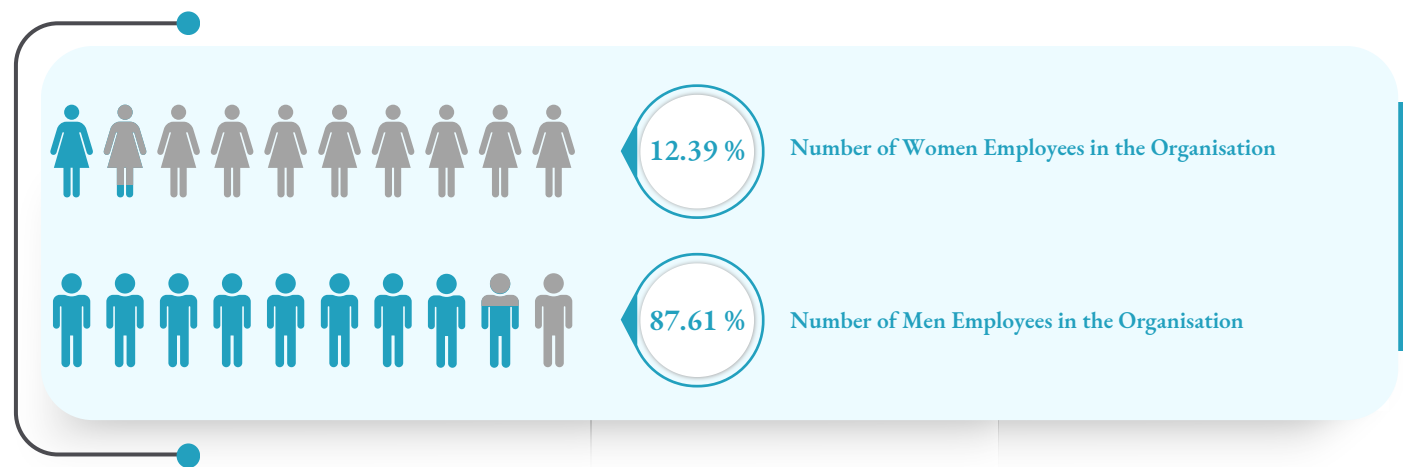


# INCLUSIVE WORKPLACE

(GRI 3, 405, 406)

## Celebrating Diversity, Equality, and a Culture Where Everyone Belongs (GRI 2-7)

At K. Girdharlal, we believe that an inclusive workplace is the foundation of a thriving organisation. Our culture is built on respect, fairness, equal opportunity, and the belief that every employee—regardless of gender, background, role, or identity—deserves a safe and supportive environment where they can grow, contribute, and feel valued.



## Our Approach to Inclusion (GRI 3-3)

We strive to foster a work culture that embraces differences, encourages open dialogue, and empowers individuals to bring their authentic selves to work. Inclusion is not treated as a standalone initiative; it is embedded into our daily practices, leadership approach, and long-term organisational values.

Key pillars of our inclusivity approach include:

- **Equal opportunities** in recruitment, training, promotion, and career development
- **Zero-tolerance for discrimination** or bias in any form
- **Gender-balanced workplace practices**, supported by awareness programmes
- **Supportive policies** promoting employee well-being
- **Engagement platforms** that give employees a voice in improvement initiatives

## Promoting Gender Equality (GRI 405-1)

We continue to strengthen women’s representation across operations by offering training, mentorship, leadership opportunities, and safe working conditions. Celebratory events such as Women’s Day, wellness drives, and skill-building sessions further recognise the vital role women play in our organisation’s growth.

Through awareness programmes, behavioural training, and continued communication, we aim to create an environment where every employee—irrespective of gender—feels respected, valued, and empowered.

Policy-Driven Inclusion	Nurturing a Culture of Respect
<p>Our inclusive culture is reinforced through strong internal policies:</p> <ul style="list-style-type: none"> <li>Anti-Discrimination &amp; Anti-Harassment Provisions</li> <li>Grievance Redressal Mechanism</li> <li>Employee Referral &amp; Fair Hiring Policy</li> <li>7 Workplace Well-Being Initiatives</li> </ul> <p>These policies ensure that fairness, dignity, and safety remain non-negotiable across all organisational levels.</p>	<p>We actively encourage</p> <ul style="list-style-type: none"> <li>Respect for all roles, from support staff to senior leadership</li> <li>Cross-department collaboration</li> <li>Open communication</li> <li>Team-building activities to strengthen interpersonal bonds</li> </ul> <p>Regular workshops, awareness sessions, and leadership training further support a respectful and inclusive work environment.</p>

## Employee Engagement for Belonging (GRI 406-1)

Our organisation-wide celebrations—such as Labour Day, Yoga Day, Sustainability Drives, Men’s Day, and Cultural Events—help foster unity and build a sense of belonging among employees.

These engagements promote camaraderie, highlight diverse perspectives, and create opportunities for meaningful interactions beyond day-to-day work.

## Commitment to an Inclusive Future

K. Girdharlal remains committed to building a workplace where inclusion goes beyond compliance and becomes a lived experience for every employee. Our ongoing initiatives, transparent grievance mechanisms, and policy-driven support systems demonstrate our dedication to nurturing a culture where every individual feels respected, supported, and empowered to excel.

# HUMAN RIGHTS & RESPONSIBLE LABOUR PRACTICES

(GRI 3, 408, 409, 412, 414)

K. Girdharlal is committed to upholding fundamental human rights and ensuring that all forms of forced or compulsory labour are strictly prohibited across its operations and value chain. During the reporting period, the Company strengthened its internal practices and supplier engagement mechanisms to support responsible labour standards and ensure compliance with applicable laws and ethical business principles.

## Key Human Rights Risk Indicators

KPI Metric	2025
Operations/Suppliers with Significant Risk of Child Labour (#)	0
Operations/Suppliers with Significant Risk: Young Workers in Hazardous Work (#)	0
High-Risk Operations identified by Type	None identified
High-Risk Operations identified by Geography	None identified

## Human Rights Policy & Governance Framework (GRI 3-3)

K. Girdharlal International Private Limited has established a publicly available Human Rights Policy aligned with international frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration, and the OECD Guidelines. The policy is approved at the highest level and embedded across operations and the value chain through internal systems, supplier engagement, and governance mechanisms.

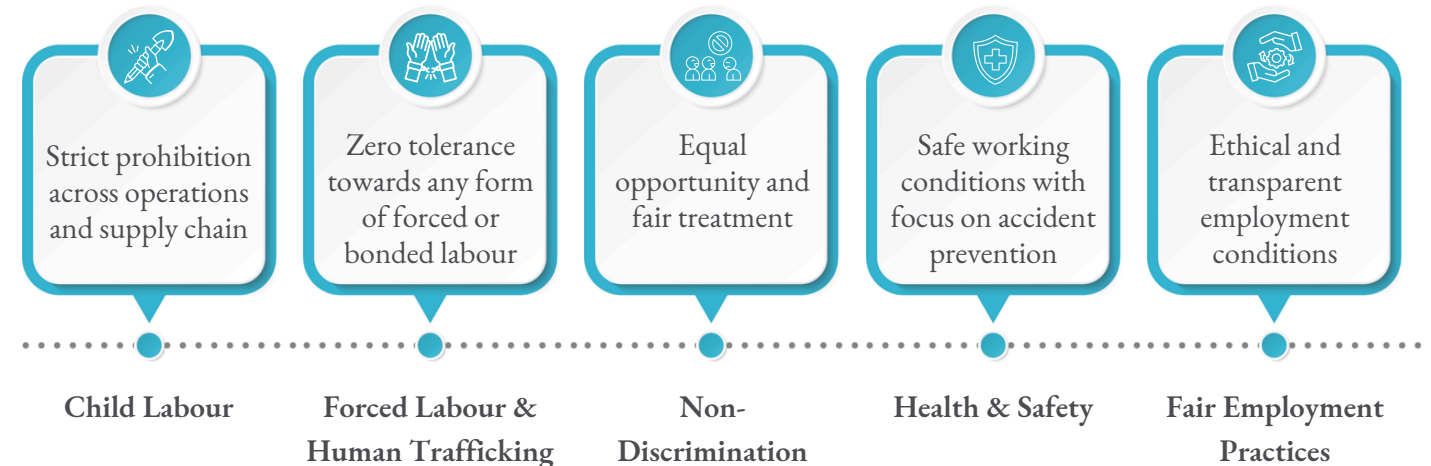
The policy is applicable to all relevant stakeholders, including employees, contract workers, suppliers, business partners, local communities, and, where applicable, indigenous or vulnerable groups, ensuring that the Company's commitment to human rights extends across its entire sphere of influence.

## Policy Alignment & Governance Overview

Aspect	K. Girdharlal Approach
Public Commitment	Human Rights Policy is publicly available
Global Framework Alignment	UNGPs, ILO Declaration, OECD Guidelines

Aspect	K. Girdharlal Approach
Leadership Oversight	Approved at senior management level
Expert Input	Developed with internal expertise and reference to external frameworks
Scope of Application	Employees, suppliers, contractors, and business partners
Communication	Shared internally and externally with stakeholders
Operational Integration	Embedded into policies, risk assessments, and due diligence processes

## Key Human Rights Focus Areas (GRI 408-1, 409-1)



## Implementation & Accountability

The policy is operationalized through structured processes including human rights due diligence, supplier assessments, internal controls, and grievance mechanisms. The Company continuously monitors and strengthens its practices to ensure alignment with international standards and evolving stakeholder expectations.

## Human Rights Due Diligence Framework (GRI 412-1, 412-2, 412-3)

K. Girdharlal integrates human rights due diligence into its corporate governance and operational framework through its ESG strategy and responsible sourcing practices. Due diligence principles are embedded across policies, processes, and supply chain management systems to identify, prevent, and mitigate potential human rights risks.

The Company follows a structured due diligence approach that includes risk identification, assessment, mitigation, and monitoring across its operations and value chain. Suppliers are required to comply with the Company's Supplier Code of Conduct and are screened against human rights, labour, and environmental criteria during onboarding and periodic evaluations.

The Company's due diligence approach covers adverse human rights impacts that may arise from its own operations as well as those directly linked to its value chain through business relationships. The framework is designed considering the size of the organisation, the nature of its operations, and the potential severity of human rights risks.

Human rights due diligence is treated as an ongoing process, with periodic reviews conducted (typically annually and as part of risk management processes) to assess actual and potential impacts. The identification of risks is supported by internal expertise from ESG, HR, and compliance functions, along with reference to internationally recognized frameworks and industry standards. Where relevant, the Company considers inputs from internal stakeholders and available industry guidance to strengthen its risk assessment approach.

The Company has not identified any material or confirmed adverse human rights impacts across its operations or value chain during the reporting period. However, procedures are in place to address potential impacts, including investigation of concerns, implementation of corrective actions, and provision of appropriate remediation measures where necessary.

Any corrective actions undertaken are proportionate to the severity and scale of the impact, as well as the Company's level of contribution, in line with internationally recognized human rights principles.

The effectiveness of due diligence practices is continuously reviewed through internal monitoring systems, stakeholder feedback, and management oversight, ensuring continuous improvement in responsible business conduct.

### Human Rights Governance, Monitoring & Reporting

Responsibility for managing human rights impacts is assigned to relevant functions, including ESG, HR, and compliance teams, with oversight from senior management. These functions are supported by internal governance mechanisms that enable effective implementation of human rights commitments.

The Company tracks the effectiveness of its human rights response through internal monitoring systems, periodic assessments, and review mechanisms. This process is supported by inputs from internal stakeholders and available feedback channels to strengthen continuous improvement.

The Company also communicates its approach to human rights through its sustainability disclosures and internal policies, ensuring transparency while maintaining confidentiality and protecting stakeholder interests.

### Responsible Hiring Practices

The Company follows structured recruitment procedures, including age and identity verification, to ensure that employment is voluntary and in compliance with applicable labour regulations. These processes help prevent risks related to child labour and forced or bonded labour.

### Zero-Tolerance Approach

K. Girdharlal maintains a strict zero-tolerance policy towards forced, bonded, or involuntary labour. Employees are employed through transparent agreements and are free to leave employment in accordance with established contractual and legal provisions.

### Responsible Supply Chain Practices (GRI 414-1, 414-2)

Suppliers are expected to adhere to responsible labour practices through the Company's supplier engagement framework. Ethical expectations related to labour rights are communicated to suppliers to promote responsible sourcing and discourage practices such as forced or compulsory labour within the supply chain.

### Monitoring and Grievance Mechanisms

The Company maintains internal monitoring processes and accessible grievance channels to enable employees and stakeholders to report concerns related to labour rights or workplace practices. These mechanisms support timely review and corrective action where required.

### Human Rights Risk Management & Response

The Company follows a preventive and risk-based approach to human rights management. While no material adverse impacts have been identified, established procedures ensure that any potential issues are investigated, addressed, and remediated in a timely and responsible manner.

# RESPONSIBLE SUPPLY CHAIN & SUSTAINABLE PROCUREMENT

(GRI 3, 204, 308, 414)

K. Girdharlal is committed to building a responsible and transparent supply chain aligned with ethical, environmental, and social standards. The Company integrates ESG principles into its procurement and supplier management processes to ensure responsible sourcing across its value chain.

## Supplier ESG Journey Framework



### Key Principles:

- Risk-based approach
- Supplier Accountability
- Continuous Monitoring
- Responsible Sourcing

## Supplier Onboarding & ESG Screening (GRI 308-1, 414-1)

All suppliers undergo a structured onboarding process that includes screening against defined environmental, social, and governance (ESG) criteria. Suppliers are evaluated based on their compliance with labour standards, human rights practices, environmental management, and ethical conduct.

Suppliers are required to adhere to the Company's Supplier Code of Conduct, which sets clear expectations regarding responsible sourcing, fair labour practices, and regulatory compliance.

## Supply Chain Assessment and Data Management

During the reporting period, the Company initiated the assessment phase of its supply chain to understand sustainability-related risks and dependencies associated with diamond sourcing and related operations. Initial data was collected from key suppliers regarding sourcing practices, operational standards, and compliance with responsible business requirements. This assessment helped identify certain data gaps, particularly in areas related to environmental performance, traceability, and sustainability reporting by suppliers.

To address these gaps and strengthen responsible sourcing practices, the Company has established a structured approach that includes the following measures:

- **Supplier Code of Conduct:** Implementation of a Supplier Code of Conduct outlining expectations related to ethical sourcing, labour practices, environmental responsibility, and regulatory compliance.
- **Supplier Selection Criteria:** Integration of sustainability and responsible sourcing considerations into supplier onboarding and evaluation processes.
- **Supplier Assessment:** Periodic supplier assessments and questionnaires to evaluate compliance with sustainability and responsible sourcing requirements.
- **Supply Chain Monitoring:** Development of mechanisms to track and monitor supply chain data, including sourcing transparency and environmental performance indicators.

Through these initiatives, the Company aims to improve the quality and availability of supply chain data while strengthening transparency and responsible practices across the diamond value chain.

## Supplier ESG Risk Assessment (GRI 308-1, 414-1)

The Company adopts a risk-based approach to assess and categorize its suppliers based on their potential exposure to environmental, social, and governance risks. This assessment considers key factors such as geographic location, nature of operations, and sourcing practices.

Suppliers are classified into high, medium, and low-risk categories, enabling targeted due diligence and monitoring. Higher-risk suppliers undergo enhanced scrutiny, while lower-risk suppliers follow standard processes. This approach supports effective risk mitigation and strengthens responsible sourcing practices.

### Supplier Assessment & Monitoring (GRI 308-2, 414-2)

The Company conducts periodic assessments of suppliers to evaluate compliance with ESG requirements. This includes review of supplier declarations, documentation, and adherence to the Supplier Code of Conduct.

Where risks are identified, suppliers are required to implement corrective action plans, which are monitored by the Company.

### Supplier Risk Management & Corrective Actions (GRI 308-2, 414-2)

The Company adopts a proactive approach to identifying and addressing supply chain risks. Where adverse impacts are identified or suspected, the Company works collaboratively with suppliers to implement corrective measures aimed at mitigating risks and improving compliance.

If issues remain unresolved, the Company may take further steps, including temporary suspension or termination of the business relationship, in line with its responsible sourcing framework.

### Prevention & Risk Mitigation Framework

K. Girdharlal follows a proactive and risk-based approach to managing supply chain impacts, focusing on preventing and minimizing potential adverse effects across its value chain. The framework is designed to identify risks early, implement corrective actions, and continuously strengthen supplier performance through structured engagement and monitoring.

#### Framework Overview

Element	Approach
Action Planning	Corrective and preventive action plans with defined timelines and measurable outcomes
Contractual Accountability	Supplier Code of Conduct and contractual assurances
Monitoring & Verification	Supplier assessments, performance reviews, and ongoing engagement
System Strengthening	Integration of ESG into procurement processes and internal controls
Supplier Support	Targeted engagement and guidance, especially for SMEs
Escalation Mechanism	Suspension or termination in case of unresolved risks
Leverage Approach	Influencing suppliers to improve ESG practices across the value chain

### Implementation in Practice

Where potential or actual risks are identified, suppliers are required to implement corrective or preventive action plans with clearly defined timelines and measurable outcomes. Progress is tracked through continuous monitoring and supplier engagement.

The Company embeds accountability through contractual mechanisms requiring adherence to its Code of Conduct. These expectations are extended across the value chain where relevant, encouraging responsible practices among suppliers and their partners.

To support effective implementation, the Company conducts periodic assessments and strengthens internal systems by integrating ESG considerations into procurement and supplier management processes. Where necessary, suppliers are supported through targeted engagement and guidance to enhance compliance.

### Supplier Capacity Building & Engagement

Recognising the importance of long-term partnerships, the Company engages with suppliers to strengthen their ESG performance through communication, awareness, and alignment with responsible business practices.

Where relevant, the Company provides targeted and proportionate support, particularly to smaller suppliers, to enable them to meet compliance requirements without compromising their operational viability.

### Local Sourcing & Economic Contribution (GRI 204-1)

The Company supports local economic development by prioritizing 100% procurement from local suppliers where feasible.

### Supplier Grievance & Feedback Mechanism

Suppliers and business partners have access to communication channels to raise concerns related to business practices, ethical conduct, or compliance issues. These mechanisms support transparency and enable timely resolution of issues.

### Collaboration & Industry Alignment

The Company aligns with global and industry frameworks such as the Kimberley Process Certification Scheme to ensure conflict-free sourcing and responsible procurement practices. It also monitors evolving global standards to strengthen its supply chain practices.

The Company continuously strengthens its supply chain framework through periodic reviews, supplier engagement, and integration of ESG considerations into procurement decisions. This ensures a resilient, transparent, and responsible supply chain aligned with international best practices.



CORPORATE  
GOVERNANCE &  
FRAMEWORKS

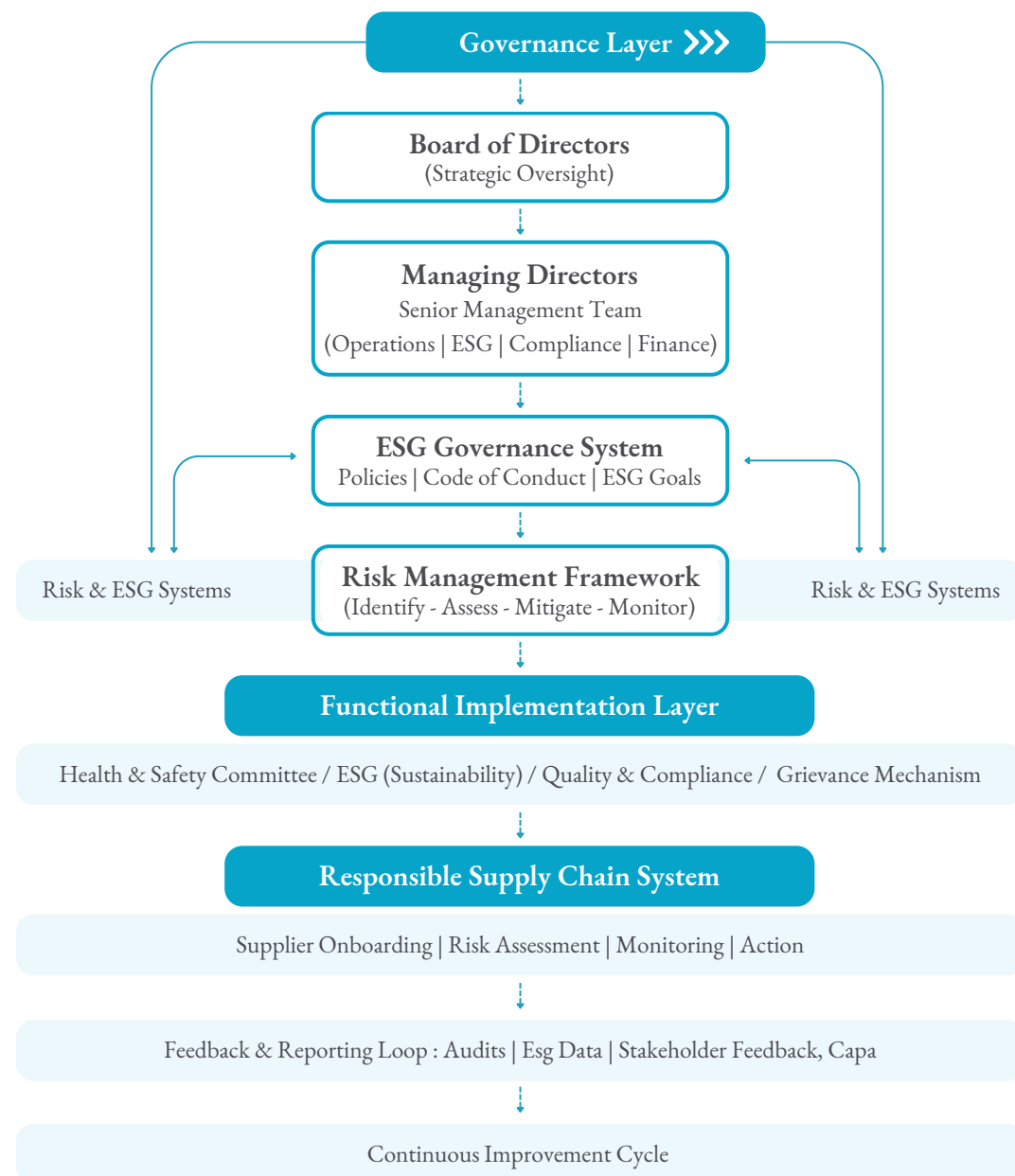


# STRENGTHENING TRANSPARENCY, RESPONSIBILITY & ETHICAL LEADERSHIP

(GRI 2)

At K. Girdharlal International Pvt. Ltd., strong corporate governance forms the foundation of sustainable and responsible growth. Our governance framework ensures transparent decision-making, accountability across all levels, and alignment with legal, ethical, and ESG expectations.

## Integrated ESG Governance, Risk & Supply Chain Framework (GRI 2-14)



Our governance philosophy is guided by:



Integrity in all business dealings



Transparency in communication & reporting



Accountability across leadership and workforce



Compliance with applicable laws and regulations



Sustainable growth aligned with ESG principles

## Governance Structure & Leadership Oversight (GRI 2-9)

K. Girdharlal's governance framework is designed to support ethical conduct, operational efficiency, and employee well-being. Defined roles and structured committees ensure effective oversight, accountability, and timely decision-making across all functions.

## Key Governance Committees (GRI 2-9)

The Company has established dedicated committees to manage operational, safety, and workforce-related aspects:

- **Health, Safety & Environmental Committee:** Ensures safe working conditions, conducts inspections, and monitors compliance with OHS standards.
- **Workers Committee:** Facilitates communication between employees and management, addressing workplace concerns and grievances.
- **Internal Complaints Committee for Female:** Promotes a safe, inclusive, and respectful workplace for women employees.
- **Canteen Committee:** Oversees food quality, hygiene, and employee welfare related to facilities.
- **Grievance Redressal Committee:** Ensures fair, timely, and confidential resolution of employee grievances.

## Internal Oversight Mechanisms (GRI 2-12, 2-16)

To strengthen governance accountability, the Company has established functional oversight systems:

- ▶ ESG & Sustainability oversight for environmental and social performance
- ▶ Quality & Compliance monitoring for product and process integrity
- ▶ Grievance redressal mechanisms for fair resolution of concerns
- ▶ Regular internal reviews and compliance monitoring

### Legal & Regulatory Compliance

The Company ensures strict compliance with all applicable laws and regulations, including:

- ▶ Indian labour and employment laws
- ▶ Factories Act and workplace safety regulations
- ▶ Environmental laws related to air, water, and waste management
- ▶ Fire and safety regulations
- ▶ Ethical sourcing requirements, including the Kimberley Process

Compliance is supported through internal audits, documentation reviews, and employee awareness programmes.

### Embedding Responsibility Through Policy Framework (GRI 2-23, 2-24, 2-27)

K. Girdharlal has established a comprehensive set of policies that guide ethical conduct, environmental responsibility, and social accountability across its operations and value chain. These policies are aligned with regulatory requirements and international best practices, forming the foundation of the Company's governance framework.

Policy Framework Overview:

People Policy Area	Focus
Child Labour	Zero tolerance and strict age verification
Forced Labour	Prohibition of bonded and involuntary labour
Freedom of Association	Employee rights and open communication
Equal Employment	Fair and non-discriminatory practices
Health & Safety	Safe working conditions and preventive systems
Human Rights	Respect and protection of fundamental rights
Anti-Bribery	Ethical business conduct
Whistle Blower	Confidential reporting mechanism
Data Privacy	Protection of sensitive information

Planet Policy Area	Focus
Environment	Resource efficiency and pollution prevention
Biodiversity	Conservation and responsible sourcing
Land Use	Ethical and compliant land practices

Product & Supply Chain Policy Area	Focus
Product Security	Quality and authenticity assurance
Responsible Sourcing	Ethical and transparent supply chain
Product Lifecycle	Recycling and circular practices

### Policy Implementation & Governance Linkage (GRI 2-24, 2-25)

These policies are embedded into operational procedures, supplier requirements, and internal control systems. Compliance is ensured through training, monitoring, audits, and grievance mechanisms, enabling consistent implementation across the organisation and its value chain.

**ESG Governance & Oversight:** Sustainability is integrated into governance through structured oversight and monitoring systems, including:

- ESG performance tracking and reporting
- Environmental data monitoring (energy, emissions, water, waste)
- Annual sustainability planning and review
- Stakeholder engagement for continuous improvement

This ensures responsible management of environmental and social impacts.

### Stakeholder Engagement (GRI 2-29)

The Company actively engages with key stakeholders, including:

- Employees
- Customers and global buyers
- Suppliers and business partners
- Community groups
- Regulatory authorities

Stakeholder feedback is incorporated into governance practices to strengthen transparency, responsiveness, and continuous improvement.

# ETHICAL BUSINESS PRACTICES

(GRI 2, 205, 308, 414)

## Ethical Governance Framework (GRI 2-23)

The Company has established a comprehensive and well-defined policy framework that governs ethical conduct across all aspects of its operations. These policies cover key areas such as human rights, labour practices, anti-bribery and corruption, product integrity, financial ethics, data privacy, and responsible sourcing.

Each policy is formally approved, periodically reviewed, and communicated across the organisation to ensure consistent implementation. The framework not only defines expectations but also provides clear guidance for employees and business partners to operate responsibly.

## Zero Tolerance for Unethical Practices (GRI 205-2, 205-3)

K. Girdharlal maintains a strict zero-tolerance approach toward bribery, corruption, fraud, and money laundering. Ethical safeguards are embedded into financial systems, procurement processes, and operational controls to prevent any form of misconduct. The Company follows a proactive approach by identifying potential risks, monitoring transactions, and ensuring that all financial dealings are transparent and verifiable. Any suspected violation is addressed through defined escalation mechanisms, including reporting to relevant authorities where required.

Ethics & Compliance KPI Metric	2025
Employees Trained on Ethics (%)	100%
Confirmed Corruption Incidents (#)	0
Actions Taken on Violations (#)	0

## Responsible Sourcing & Supply Chain Ethics (GRI 308-1, 414-1)

As part of its commitment to responsible business conduct, the Company has implemented a structured due diligence system for sourcing from conflict-affected and high-risk areas. This system is aligned with international standards such as the OECD Due Diligence Guidance and the Kimberley Process Certification Scheme.

The due diligence framework enables the Company to identify, assess, and mitigate risks related to human rights violations, unethical sourcing, and financial misconduct. Suppliers are required to comply with defined ethical standards, provide self-declarations, and undergo screening before engagement.

Where risks are identified, the Company takes appropriate action, including corrective measures, enhanced monitoring, or suspension of business relationships in case of serious violations.

## Product Integrity, Traceability & Customer Trust (GRI 2-6)

Maintaining product integrity is a core ethical responsibility for the Company. The diamond processing workflow is designed to ensure traceability, quality assurance, and transparency at every stage — from raw material handling to final grading and dispatch.

Each diamond undergoes multiple stages of inspection and quality checks, including verification of cut, clarity, carat, and colour. Advanced testing processes are also conducted to identify synthetic diamonds and ensure authenticity before products are released to customers. This structured approach not only ensures product quality but also reinforces customer confidence and trust in the Company's offerings.

## Conflict of Interest & Ethical Decision-Making (GRI 2-15)

The Company promotes transparency and fairness in decision-making by implementing clear guidelines to manage conflicts of interest. Employees are required to disclose any personal or financial interests that may influence their professional responsibilities, ensuring that all decisions are taken in the best interest of the organisation and its stakeholders.

## Whistleblower Protection & Ethical Reporting (GRI 2-26)

To strengthen ethical culture, the Company has established a confidential and accessible whistleblower mechanism that allows employees and stakeholders to report concerns without fear of retaliation. All reported cases are reviewed through a structured process, ensuring impartial investigation and timely resolution. This mechanism reinforces accountability and supports a culture of openness and trust.

Whistleblower Snapshot	2025
Complaints Received (#)	0

## Ethics Training & Awareness (GRI 205-2)

Ethical practices are reinforced through continuous training and awareness programs across the organisation. Employees are regularly trained on business ethics, responsible sourcing, workplace conduct, and compliance requirements. Training records indicate active participation across multiple departments, ensuring that ethical principles are understood and implemented at all levels of the organisation.

## Legal, Regulatory & ESG Compliance (GRI 2-27)

The Company adheres to all applicable legal and regulatory requirements, including labour laws, environmental regulations, and industry-specific standards. Compliance is supported through regular audits, internal monitoring systems, and alignment with global ESG frameworks such as GRI and SDGs.

This integrated approach ensures that ethical business practices are not only defined but effectively implemented and continuously improved.

# RISK MANAGEMENT

(GRI 3)

## Building a Resilient, Safe, and Future-Ready Organisation (GRI 3)

K. Girdharlal International Pvt. Ltd. follows a structured and proactive approach to risk management, ensuring that potential risks are identified, assessed, and mitigated in a systematic manner. The Company integrates operational efficiency, environmental responsibility, employee safety, ethical governance, and business continuity into its risk management approach, enabling sustainable and resilient operations in a dynamic global environment.

### Risk Management Framework (GRI 3-3)

Our risk management framework is built on four key pillars that guide how risks are managed across the organisation:

Pillar	Approach
Identification	Identification of risks across operations, supply chain, environmental, safety, compliance, and reputational aspects
Assessment	Evaluation of risks based on likelihood, impact, and severity to enable prioritisation
Mitigation	Implementation of preventive controls, process improvements, and compliance measures
Monitoring & Review	Continuous monitoring through audits, reviews, and performance tracking

This structured framework enables proactive decision-making, strengthens organisational resilience, and supports long-term business continuity.

### Risk Assessment & Monitoring Process (GRI 3-3, 205-1)

The Company follows a structured monitoring process to ensure timely identification and mitigation of risks:

- Monthly internal reviews by management
- Annual enterprise-wide risk assessments
- Tracking of audit observations through CAPA (Corrective & Preventive Action)
- ESG monitoring dashboards covering energy, emissions, waste, and safety
- Real-time reporting channels for safety and compliance risks

This approach enables early detection of risks and ensures timely corrective actions.

## Business Continuity & Emergency Preparedness (GRI 3-3)

To ensure operational resilience and preparedness for unforeseen events, the Company has implemented:

- Business Continuity Plan (BCP)
- Emergency response and crisis management procedures
- Fire safety systems and trained fire marshals
- First-aid teams and evacuation protocols
- Data backup and cybersecurity measures
- Supplier diversification strategies

These measures strengthen the Company's ability to respond effectively to disruptions and maintain continuity of operations.

## Continuous Improvement

Risk management is a continuous and evolving process. The Company regularly reviews and updates its risk controls, conducts employee training, and assesses emerging risks, including climate-related risks. By integrating new technologies and best practices, the Company continuously enhances its risk management capabilities to support safe, sustainable, and efficient operations.





ANNEXURE



## GENERAL DISCLOSURES

GRI	Description	Page Number
<b>GRI 1: General Disclosures 2021</b>		
2-1	Organizational details	7,15,17
2-2	Entities included in the organization's sustainability reporting	8
2-3	Reporting period, frequency and contact point	08
2-4	Restatements of information	08
2-5	External assurance	08, 25
2-6	Activities, value chain and other business relationships	19-22
2-7	Employees	101
2-8	Workers who are not employees	-
2-9	Governance structure and composition	114
2-10	Nomination and selection of the highest governance body	-
2-11	Chair of the highest governance body	09
2-12	Role of the highest governance body in overseeing the management of impacts	114
2-13	Delegation of responsibility for managing impacts	25
2-14	Role of the highest governance body in sustainability reporting	113
2-15	Conflicts of Interest	118
2-16	Communication of critical concerns	-
2-17	Collective knowledge of the highest governance body	-

GRI	Description	Page Number
2-18	Evaluation of the performance of the highest governance body	-
2-19	Remuneration policies	-
2-20	Process to determine remuneration	-
2-21	Annual total compensation ratio	-
2-22	Statement on sustainable development strategy	09,11
2-23	Policy commitments	70,115,117
2-24	Embedding policy commitments	115,116
2-25	Processes to remediate negative impacts	116
2-26	Mechanisms for seeking advice and raising concerns	118
2-27	Compliance with laws and regulations	118
2-28	Membership associations	29
2-29	Approach to stakeholder engagement	36,37,39,76,116
2-30	Collective bargaining agreements	-
<b>GRI 2: Material Topics 2021</b>		
3-1	Process to determine material topics	35-49
3-2	List of material topics	35-49
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	-
201-2	Financial implications and other risks and opportunities due to climate change	-
201-3	Defined benefit plan obligations and other retirement plans	-

GRI	Description	Page Number
201-4	Financial assistance received from government	-
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	-
203-2	Significant indirect economic impacts	-
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	115
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	119
205-2	Communication and training about anti-corruption policies and procedures	117
205-3	Confirmed incidents of corruption and actions taken	117
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	-
207-2	Tax governance, control, and risk management	--
207-3	Stakeholder engagement and management of concerns related to tax	-
207-4	Country-by-country reporting	-

GRI	Description	Page Number
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	70
301-2	Recycled input materials used	70
301-3	Reclaimed products and their packaging materials	-
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	59-68
302-2	Energy consumption outside of the organization	59-68
302-3	Energy intensity	-
302-4	Reduction of energy consumption	59-68
302-5	Reductions in energy requirements of products and services	59-68
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	73
303-2	Management of water discharge-related impacts	-
303-3	Water withdrawal	73
303-4	Water discharge	-
303-5	Water consumption	73
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	76
304-2	Significant impacts of activities, products and services on biodiversity	76

GRI	Description	Page Number
304-3	Habitats protected or restored	76
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	76
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	63
305-2	Energy indirect (Scope 2) GHG emissions	63
305-3	Other indirect (Scope 3) GHG emissions	63
305-4	GHG emissions intensity	-
305-5	Reduction of GHG emissions	67
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	-
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	-
306-2	Management of significant waste-related impacts	70
306-3	Waste generated	70
306-4	Waste diverted from disposal	70
306-5	Waste directed to disposal	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	108
308-2	Negative environmental impacts in the supply chain and actions taken	109

GRI	Description	Page Number
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	80
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	80
401-3	Parental leave	-
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	79
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	83
403-2	Hazard identification, risk assessment, and incident investigation	83
403-3	Occupational health services	79
403-4	Worker participation, consultation, and communication on occupational health and safety	83
403-5	Worker training on occupational health and safety	85
403-6	Promotion of worker health	79
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	84
403-8	Workers covered by an occupational health and safety management system	83
403-9	Work-related injuries	85
403-10	Work-related ill health	83
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	81

GRI	Description	Page Number
404-2	Programs for upgrading employee skills and transition assistance programs	81
404-3	Percentage of employees receiving regular performance and career development reviews	81
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	102
405-2	Ratio of basic salary and remuneration of women to men	-
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	102
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	104
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	104
<b>GRI 410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	-
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	-

GRI	Description	Page Number
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with significant local community engagement, impact assessments, and development programs	88
413-2	Operations with significant actual and potential negative impacts on local communities	-
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	106
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<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	-
<b>GRI 416: Customer Health and Safety 2016</b>		
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<b>GRI 417: Marketing and Labelling 2016</b>		
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417-3	Incidents of non-compliance concerning marketing communications	-
<b>GRI 418: Customer Privacy 2016</b>		
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# K. GIRDHARLAL

THERE'S MORE TO MAKING DIAMONDS



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