

DIACORE

THE DIACORE RESPONSIBLE AND ETHICAL SOURCING POLICY

1. PURPOSE

The purpose of this policy is to provide clarity and understanding to all customers and suppliers to ensure they are aware of the sourcing requirements of the Diacore Group of Companies [*“Diacore”*] and are compliant in this regard. *Diacore* is committed to responsible sourcing and has the utmost respect for human rights. As such, we expect the same from our customers and suppliers.

2. COMMITMENT

2.1 Diacore consists of companies involved in both manufacturing and trading, and those which are traders not involved in manufacturing.

2.2 The sourcing of the group will be conducted in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (‘the OECD Guidance’).

2.3 The policy is designed to ensure that a risk-based due diligence is undertaken for all sourcing activities to identify, mitigate and address risks of sourcing from Conflict-Affected and/or High-Risk areas. We will not tolerate:

- 2.3.1 any forms of torture, cruel, inhuman and degrading treatment
- 2.3.2 any forms of forced or compulsory labour
- 2.3.3 child labour
- 2.3.4 other gross human rights violations and abuses such as widespread sexual violence
- 2.3.5 war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
- 2.3.6 any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of diamonds.
- 2.3.7 all forms of bribery, including bribery to misrepresent taxes, fees and royalties paid to governments for the purposes of diamond extraction, trade, handling, transport and export
- 2.3.8 money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of diamonds at points of access to mine sites, along transportation routes or at points where diamonds are traded
- 2.3.9 fraudulent misrepresentation of the origin of diamonds
- 2.3.10 violations of applicable national or international sanctions and import/export controls.

2.4 The Sourcing Practices of Diacore seek to ensure risk-based approaches to due diligence of both suppliers and the product. Diacore is committed to establishing and maintaining Responsible Sourcing which will be upheld by all companies within the group. We will

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ensure that all suppliers are aware of our policy and are equally committed to the principles of sourcing responsibly.

3. APPOINTMENT OF A SENIOR MANAGER

A senior manager with the necessary authority and experience will be appointed to manage and implement the policy. His/her role will include but not be limited to the following:

- Co-ordinating and communicating the policy to all group companies throughout the organization
- Ensure all relevant suppliers respect the policy, and he/she will review existing business relationships to ensure compliance
- Ensure training takes place across the group to facilitate awareness of the policy
- Respond to any supply chain risks that are identified
- Report on due diligence measures on a yearly basis
- Review and propose improvements to the system

4. TRAINING

All relevant personnel will be trained and made aware of the policy which will be implemented across the board. Diacore will ensure that all relevant personnel are fully trained on the policy to ensure it is upheld and maintained.

5. PROVISIONS OF THE POLICY

To ensure the practical achievement of our commitment, Diacore will use all reasonable endeavours to incorporate the following:

- 5.1 Implementation** – Diacore shall allocate adequate resources including personnel, systems, and training to ensure the effective implementation, monitoring and continuous enforcement of this policy.
- 5.2 Communication and awareness** - This Policy and all related due diligence requirements shall be clearly communicated to employees, suppliers, and customers. The Company shall promote awareness of its sourcing standards and expectations across its supply chain.
- 5.3 Records** – Diacore shall maintain accurate and complete records of all due diligence activities, supplier information, and sourcing decisions for a minimum period of five (5) years, or longer where required by applicable law.
- 5.4 Know your client [KYC] and Due Diligence** - The Company shall conduct risk-based due diligence on all suppliers and relevant business partners. This includes:
 - 5.4.1 Obtaining sufficient information to identify suppliers and verify the origin of diamonds;
 - 5.4.2 Requiring suppliers to disclose the source of diamonds through KYC documentation;
 - 5.4.3 Undertaking enhanced due diligence where there is uncertainty or elevated risk regarding the origin of goods; and

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- 5.4.4 Communicating all due diligence and supply chain requirements to suppliers as a condition of doing business.
- 5.5 **Suspension or Termination** – Suppliers are expected to operate in a manner consistent with this Policy. Where a supplier fails to meet these standards:
 - 5.5.1 Diacore reserves the right to suspend the business relationship;
 - 5.5.2 Where appropriate, Diacore may engage with the supplier to implement a corrective action plan within a defined timeframe; and
 - 5.5.3 Diacore reserves the right to terminate the relationship where non-compliance is not adequately remediated or where serious breaches are identified.
- 5.6 **Grievance Mechanism and Whistleblowing** – Diacore maintains an accessible grievance mechanism that enables employees, suppliers, customers, and other stakeholders to raise concerns regarding the Company’s operations or supply chain.
 - 5.6.1 Concerns may be raised via Diacore’s website www.diacore.com, email correspondence, telephone, in writing, or in person;
 - 5.6.2 Reports may be made anonymously; and
 - 5.6.3 Diacore prohibits retaliation and is committed to protecting whistleblowers.
- 5.7 **Confidentiality** - All grievances and reports shall be handled in a confidential manner, with information disclosed only on a need-to-know basis and in accordance with applicable laws.
- 5.8 **Review** – Diacore shall review this Policy at least annually, or more frequently where required, to ensure its continued effectiveness and alignment with evolving legal requirements and industry standards.

6. SOURCING PRINCIPLES

6.1 Commitment

- 6.1.1 Diacore is committed to ensuring conflict-free supply chains which includes zero tolerance to sourcing from conflict affected high-risk areas. Suppliers must complete our KYC documents honestly to assist us in ensuring the diamonds they source are conflict-free.
- 6.1.2 Diacore will review and consider any media reports, online reports, and any articles it may find on potential or current suppliers to determine whether they are reputable.
- 6.1.3 To ensure ethical and responsible sourcing, suppliers of both polished and rough diamonds will be informed of our sourcing policy at the start of our business relationship. All existing suppliers will also be made fully aware of the contents of this sourcing policy.
- 6.1.4 Diacore is fully committed to the principles of human rights and supports, promotes, and protects the fundamental rights expressed in the Universal Declaration of Human Rights.
- 6.1.5 Diacore does not engage in or tolerate bribery, corruption, money laundering or terrorism financing and will only conduct business with

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companies who, to the best of Diacore's knowledge, conduct business legally and whose funds come from legal sources.

6.2 Sourcing of Rough Diamonds

- 6.2.1 Diacore sources the bulk of our rough diamond supply from the largest and most well-respected primary producers who, like us, proudly adhere to and enforce the standards established by the Kimberley Process. These diamonds are all warranted to be conflict free.
- 6.2.2 When purchasing from other suppliers, we are either purchasing on tender, or from reputable diamond companies. For the sake of transparency and full compliance, we make sure that all and any rough purchases are accompanied by a Kimberley Process Certificate and will comply with the WDC SoW requirements.
- 6.2.3 Diacore will not purchase diamonds from suspect or unknown sources as well as diamonds from countries and regions that have not implemented the Kimberley Process Certification scheme.
- 6.2.4 Diamonds not conforming to the principles of our policy will be refused.

6.3 Sourcing of Polished Diamonds

- 6.3.1 Most polished stones are sourced internally.
- 6.3.2 Polished stones must all be accompanied by a GIA certificate.
- 6.3.3 When sourced externally, we will not source from any countries that find themselves on any of the forbidden lists.
- 6.3.4 Any stones which may have passed through or been purchased from any of the countries listed on any of the forbidden lists will be refused.

7. DUE DILIGENCE

- 7.1 All customers and suppliers are requested to complete our KYC procedure which involves collecting and processing of information. The company will request certain information from the client, and in addition, they will be required to sign an undertaking and complete a client verification form, which is a detailed questionnaire to be completed and signed. This questionnaire includes several applicable questions pertaining to the clients' sourcing practices.
- 7.2 The KYC information which is collected forms an integral part of our risk assessment. Before commencement of the business relationship with a customer or supplier, we will ensure that the KYC process is complete, and we have in our possession completed and signed documentation as required.

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8. RISK MANAGEMENT

8.1 All data received through the KYC procedure will be carefully analyzed and we will identify any potential red flags.

8.2 Should any red flags be raised during the due diligence process, and we have reason to believe we are dealing with a potentially high-risk supplier, it will be a management decision as to whether to conduct business with such supplier.

8.3 Diacore will view the following as triggers raising red flags which may require an enhanced due diligence process:

8.3.1 Red Flag location – Such a red-flag will be raised when it emerges that the potential supplier has purchased diamonds that originated from or were transported through conflict affected and high-risk areas [“CAHRA”] or purchased diamonds that originated from a country with limited known suppliers OR if it emerges that potential supplier is buying or selling from countries or regions that have not implemented the Kimberley Process Certification Scheme.

8.3.2 Red Flag supplier - Such a red-flag will be raised when it emerges that the supplier operates or sources diamonds from one of the forbidden locations [some of the lists we refer to are listed in 6.3.3 above.]

8.3.3 Red Flag circumstance – when unusual circumstances emerge through the information collected which gives rise to a reasonable suspicion that the extraction, transport, or trade of the goods may contribute to conflict or be associated with serious abuses we will be dealing with a circumstantial red flag.

8.4 If it emerges that any of our suppliers are in violation of any of the above red flags, Diacore will have to ascertain how and if these potential risks will affect our supply chain. It is important for us to determine whether we are dealing with reasonable risks, or if we are engaging in serious human rights violations. This will help us determine how we will handle the violation:

8.4.1 If it materializes that the supplier is involved in serious abuses such as child labour, forced labour, serious human rights violations or any other crimes against humanity, we will immediately terminate any relationship we have with the supplier.

8.4.2 Should it emerge that the supplier supports non-state armed groups whether directly or indirectly, we will immediately terminate any relationship we have with the supplier.

8.4.3 If it becomes apparent that the supplier fraudulently misrepresented the origin of the diamonds, it will be a management decision as to whether to

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continue the business relationship with the supplier. Management will consider the gravity of the misrepresentation and the consequences that transpired because of the misrepresentation. Diacore may decide to continue doing business with this supplier, but the relationship will be closely monitored and Diacore may take a decision to disengage with the supplier in the future.

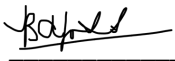
9. ENFORCEMENT

Diacore is fully committed to upholding the sourcing policy and ensuring that all suppliers are committed to the principles of sourcing responsibly.

10. APPROVAL

Approved by: Brett Josselowiz

Review date: 22 April 2026

Signature:  _____

11. REVIEW DATES

DOCUMENT NUMBER	LAST REVIEW DATE	SIGNATURE OF REVIEW
	<i>Signed:</i> 22.04.2026	Signed above on this date
Sourcing policy/V4 19.04.2026	<i>Next review date:</i> 22.04.2027	