

CORPORATE POLICY & RESPONSIBILITY

Responsible Supply Chain Policy

JANUARY 2026

COMMITMENT STATEMENT AND CORPORATE VISION

Shlomo Bichachi Diamonds Ltd. is committed to the highest ethical, legal and social standards in the management of its business activities and the procurement of rough and polished diamonds. The Company recognizes that procurement activities managed from its headquarters in Israel have a direct impact on the global supply chain and on the operations of its manufacturing and polishing facility in Thailand.

The Company fully adopts and implements the principles of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

PROCUREMENT PRINCIPLES AND COMMITMENTS

Supplier Sustainability Commitment

Beyond the traditional triangle of Quality – Price – Service, the Company expects its suppliers to support its values and social responsibility principles. Suppliers are encouraged to adopt the same high standards of ethical conduct, responsible business practices and corporate social responsibility implemented by Shlomo Bichachi Diamonds Ltd.

The Company shall neither tolerate, participate in, conduct business with, nor knowingly assist any supplier or organization involved in the following activities:

Serious Human Rights Abuses — including, but not limited to:

- forced labor
- child labor
- torture
- cruel, inhuman or degrading treatment
- serious violations occurring at mining, manufacturing or polishing facilities

Direct or Indirect Support to Armed Groups — including:

- financing
- logistical support
- transfer of funds
- provision of equipment or services to illegal armed groups or public or private security forces unlawfully controlling mining sites or transportation routes

Corruption and Financial Integrity — the Company prohibits:

- bribery
- facilitation payments
- inappropriate gifts
- improper benefits used to conceal the origin of diamonds or evade taxation or regulatory requirements

Money Laundering and Terrorist Financing — the Company shall not participate in or facilitate diamond transactions intended to:

- launder proceeds of crime
- conceal the origin of illicit funds
- finance terrorism or armed conflict

IMPLEMENTATION AND CONTROL MECHANISMS

To ensure effective implementation of this policy, the Company maintains a controlled management system including:

Compliance Officer — Management has appointed a dedicated Compliance Officer responsible for:

- implementing this policy
- collecting and verifying supplier documentation
- reporting significant issues directly to the Chief Executive Officer

Know Your Supplier (KYS) Process — the Company performs annual screening and verification of all active rough and polished diamond suppliers. The verification process includes:

- company registration certificates
- business licenses
- identification of Ultimate Beneficial Owners (UBOs)
- additional due diligence where appropriate

Transaction and Invoice Verification — the Purchasing Department verifies that every procurement transaction is supported by:

- valid Kimberley Process Certificates (KP) for rough diamonds
- the current World Diamond Council System of Warranties (SoW) declaration on supplier invoices

Reporting Channel — Employees, suppliers and third parties have access to a confidential internal reporting channel for raising concerns regarding responsible sourcing or supply chain issues.

Risk Response — Company Management and the Compliance Officer are authorized to suspend or terminate commercial relationships with suppliers that:

- refuse to cooperate with the Company's Know Your Supplier process
- refuse to sign the Company's Ethical Conduct Declaration
- are suspected or officially reported as being involved in human rights abuses, money laundering or conflict financing
- supply goods lacking legally required documentation, including Kimberley Process Certificates or WDC System of Warranties declarations

Transparency and Public Reporting — The Company annually evaluates the effectiveness of its Responsible Supply Chain Due Diligence System. Results are published as part of the Company's Sustainability Report, which is available to customers and other interested stakeholders.

SUPPORT FOR DISTRIBUTORS AND AGENTS

The Company recognizes that distributors and agents are frequently the primary representatives encountered by customers. Distributors and agents constitute an integral part of the Company's supply chain. Although operating as independent business entities, they maintain long-term commercial relationships with the Company and contribute significantly to delivering products to customers.

The Company strives to understand the needs and expectations of its distributors and agents and develops long-term relationships based upon:

- transparency
- commitment
- collaboration
- continuous dialogue

THIRD-PARTY INTELLECTUAL PROPERTY

The Company respects the intellectual property rights of its customers, suppliers and business partners. Accordingly, the Company ensures that all:

- software
- technologies
- equipment
- methodologies

used in its operations are properly licensed and used in accordance with applicable licence agreements and legal requirements. Unauthorized copying, distribution or use of proprietary technologies or intellectual property is strictly prohibited.

Shlomo Bichachi

Chief Executive Officer

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