

CORPORATE POLICY & RESPONSIBILITY

Sustainability & Corporate Responsibility Report

2025 Summary

15 JANUARY 2026

GENERAL

Shlomo Bichachi Diamonds is pleased to present its annual Sustainability and Corporate Responsibility Report summarizing the year 2025. We believe that integrity, transparency, and the responsible management of our supply chain, natural resources, and human capital are the foundation of our long-term success.

During the past year, we continued to strengthen the connection between our headquarters in Israel and our cutting and polishing facility in Thailand (employing 120 employees), while maintaining full legal compliance, environmental protection, and the promotion of human rights and workforce diversity throughout the organization.

RESPONSIBLE SUPPLY CHAIN AND DUE DILIGENCE

Supply Chain Policy — The organization implements a strict procurement policy fully aligned with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains in Conflict-Affected and High-Risk Areas.

Know Your Counterparty (KYC) — During the past year, identity verification and screening were completed for 100% of the organization's rough and polished diamond suppliers to ensure they are not involved in money laundering, terrorist financing, corruption, or human rights violations.

Due Diligence Results for 2025 — No red flags or material risks were identified in the organization's supply chain. All diamond transactions were supported by World Diamond Council (WDC) System of Warranties (SoW) declarations and valid Kimberley Process Certificates.

EMPLOYEE RIGHTS, DIVERSITY AND INCLUSION

Employment Terms and Wages — All employees at the Thailand facility and the headquarters teams in Israel and Belgium are employed under written employment contracts in their own language. The organization ensures wages at or above the applicable local minimum wage, including full compensation for voluntary overtime.

Grievance Mechanism and Non-Retaliation — The company operates accessible grievance channels (a physical complaint box in Thailand and a digital channel in Israel). No complaints were received during 2025, and no incidents of retaliation or sanctions against employees were recorded.

Diversity, Equity and Inclusion (DEI) — The company adopted a formal DEI policy, providing equal opportunities to employees from all backgrounds and religions. Workforce composition at year-end:

- ◆ Headquarters (Israel): 39% women, 61% men
- ◆ Thailand facility: 45% women, 55% men

Health and Safety — Safety training was conducted and an annual risk assessment was completed at the Thailand facility. The organization recorded zero significant occupational accidents during the reporting year.

ENVIRONMENTAL MANAGEMENT AND NATURAL RESOURCES

Greenhouse Gas Emissions — The company measured its 2025 carbon footprint:

Entity	Emission Type	Scope	Electricity (kWh)	Carbon dioxide (kg CO ₂)
Thailand	Direct emissions	Scope 1 (fuels)	Minor	Minor
Thailand	Indirect emissions	Scope 2 (electricity)	306,400	178,355
Belgium	Direct emissions	Scope 1 (fuels)	Minor	Minor
Belgium	Indirect emissions	Scope 2 (electricity)	33,605	4,688

Reduction targets — Thailand: a three-year plan to reduce energy consumption per polished carat by 5%. Belgium: a three-year plan to reduce energy consumption by 5%.

Water and Resource Management — Total water consumption at the Thailand polishing facility: 5,707 m³. The company has initiated an evaluation of closed-loop water filtration systems to improve water conservation. Total water consumption at the Belgium office: 37 m³.

Hazardous Materials and Waste — One hundred percent of the acids used for diamond cleaning are managed under Safety Data Sheets (SDS). All industrial waste and sludge are disposed of through contractors licensed by the Thailand Ministry of Environment.

LEGAL COMPLIANCE AND FINANCIAL INTEGRITY

Legal Proceedings and Sanctions — The organization confirms that during 2025 neither its offices in Israel and Belgium nor its Thailand facility were subject to fines, administrative sanctions, judgments, or concluded legal proceedings related to non-compliance with applicable laws.

Financial Audit — The organization's financial statements for the reporting year were audited and approved by an independent external accounting firm in accordance with applicable accounting standards.

Shlomo Bichachi

Chief Executive Officer

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