HOUSSAM BV
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SUPPLY CHAIN POLICY

Version 1.0 · 24 October 2026

1. PURPOSE AND SCOPE

This Supply Chain Policy sets out how Houssam BV selects, verifies, contracts and monitors its suppliers, so that every diamond and coloured gemstone it buys comes from a legitimate, conflict-free and responsible source.

It applies to every supplier of goods to Houssam BV, including suppliers on consignment (memo), and to the logistics and service providers involved in the handling of goods. It puts into practice the Responsible Sourcing Policy of Houssam BV, which sets out the risks that Houssam BV does not accept in its supply chain and how it responds to them.

2. OUR COMMITMENT

Houssam BV has built its policies and business practices on internationally recognised standards for responsible business, including the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the principles of the Responsible Jewellery Council (RJC) Code of Practices.

Houssam BV does not finance conflict, complies with United Nations sanctions resolutions and with all applicable Belgian and European Union laws, and adopts, communicates and incorporates its supply chain policies into its relationships with suppliers.

3. SUPPLIER SELECTION AND VERIFICATION

Before the first transaction with any supplier, Houssam BV:

(a) verifies, where the supplier is a Belgian diamond trader, its registration on the public list of registered diamond traders of the Federal Public Service Economy, and keeps a dated record of this verification;

(b) screens the supplier, its legal representatives and its ultimate beneficial owners through the Know Your Customer (KYC) and screening platform of the Antwerp World Diamond Centre (AWDC), which draws on recognised international company and risk databases, and keeps a dated record of every screening as an audit trail;

(c) obtains the AWDC Know Your Customer form, duly completed and signed by the supplier, together with the identity documents of its legal representatives and proof of its ultimate beneficial owners, in accordance with its Anti-Money Laundering Policy;

(d) assesses the risk of the supplier and of its country of operation on the basis of recognised international indicators, including the lists of the Financial Action Task Force (FATF), and applies enhanced due diligence, with a documented decision, where the risk is higher;

(e) verifies whether the supplier, its owners or its country are subject to European Union, United Nations or United States sanctions, the latter being the reference for every transaction settled in United States dollars;

(f) obtains the supplier’s written declaration that it does not supply diamonds of Russian origin, and, where available, evidence of its bourse membership or of its responsible-business certification.

The screening described in (b) and (e) is repeated at every transaction, and not only at the start of the relationship. Houssam BV refuses any relationship or transaction, and reports to the Belgian Financial Intelligence Processing Unit (CTIF-CFI) where required by law, where a party is subject to sanctions, refuses to be identified, requests secrecy, or is not registered where registration is mandatory.

Houssam BV enters into, or continues, a business relationship only where these steps have been completed satisfactorily. Each decision to accept or decline a supplier is documented.

4. COMMUNICATION AND CONTRACTUAL COMMITMENT

Before the first transaction, Houssam BV sends its Responsible Sourcing Policy, this Supply Chain Policy and its Corporate Social Responsibility (CSR) Policy to every new supplier and keeps a record of this communication. Every supply contract and consignment document includes the supplier's acknowledgment of these policies and its undertaking to apply equivalent standards in its own operations and supply chain.

5. REQUIREMENTS FOR EVERY PURCHASE

(a) Warranties. Every supplier invoice for natural diamonds must carry the World Diamond Council (WDC) System of Warranties statement and the other warranties required in the diamond trade. Houssam BV never claims, on its own invoices, more than its supplier has warranted.

(b) Kimberley Process. Rough diamonds are bought only with a valid Kimberley Process certificate.

(c) Evidence of origin. For imports, Houssam BV obtains the declarations and evidence of origin required by European Union law and keeps them with the import documents.

(d) Payment. Suppliers are paid in full compliance with the applicable legal and regulatory framework set out in the KYC Policy of Houssam BV, through regulated financial channels, such as bank transfers or the services of other licensed providers, to an account held in the supplier's own name. Houssam BV does not make payments to unrelated third parties.

6. PRODUCT INTEGRITY

Houssam BV verifies the nature of every diamond it buys. Diamonds are examined by a certified diamond grader, using professional gemmological instruments and advanced diamond verification technology, and any stone that is referred, or whose nature is uncertain, is submitted to an independent, internationally recognised gemmological laboratory before it is sold as natural. Parcels are, as a rule, taken on consignment and screened before purchase, each parcel is kept in its original packet, and parcels from different suppliers are never mixed. Laboratory-grown and treated diamonds are always disclosed and invoiced separately.

7. CONSIGNMENT AND LOGISTICS

Every consignment is governed by a written consignment document that sets out what is permitted, the price, the period, ownership of the goods and the allocation of risk, and is recorded in a consignment register. Goods are shipped only through licensed and secure logistics providers. All import and export formalities are completed through the Antwerp Diamond Office.

8. MONITORING AND REVIEW OF SUPPLIERS

Houssam BV reviews the file of each supplier at least once a year where the supplier is high-risk, at least every three (3) years for other suppliers, and immediately upon any material change. Where a supplier no longer meets the requirements of this Policy, Houssam BV responds in accordance with the risk management provisions of its Responsible Sourcing Policy, up to the suspension or termination of the relationship.

Houssam BV completes the annual WDC System of Warranties self-assessment and keeps it with this Policy.

9. RECORD KEEPING

Houssam BV keeps all supplier due diligence and transaction records for ten (10) years after the end of the business relationship or of the occasional transaction, and keeps evidence of diamond origin for at least five (5) years, or longer where required by law.

10. ROLES AND TRAINING

The Anti-Money Laundering (AML) Compliance Officer of Houssam BV carries out and documents supplier due diligence, holds at all times a valid anti-money laundering certification, obtained through the annual certification organised by the Antwerp World Diamond Centre (AWDC) and the Federal Public Service Economy, or through the official AML exam, which grants a multi-year exemption, regularly follows training on responsible sourcing, and keeps records of all training and certificates. Where Houssam BV employs staff, every employee involved in purchasing receives training on this Policy upon appointment and regularly thereafter.

11. GRIEVANCES AND REPORTING CONCERNS

Any person, inside or outside Houssam BV, may raise a concern about a supplier, the origin of goods or a possible breach of this Policy by writing to compliance@houssamdiamonds.com. Every concern is treated confidentially and examined promptly, and Houssam BV does not tolerate any retaliation against a person who raises a concern in good faith. Concerns are handled in accordance with the Whistleblowing and Grievance Policy of Houssam BV.

12. RELATED POLICIES, REVIEW AND RESPONSIBILITY

This Policy should be read together with the Responsible Sourcing Policy, the Anti-Money Laundering Policy and the Corporate Social Responsibility (CSR) Policy of Houssam BV. It is reviewed at least once a year, and whenever the activities of Houssam BV or the applicable standards change materially. The Managing Director of Houssam BV is responsible for its implementation.

Approved by: Houssam Aldeen Najjar · Founder & Managing Director · Antwerp, 24 October 2026