YF
DIAMONDS
CORP.

POL-002

YF DIAMONDS RESPONSIBLE SUPPLY CHAIN POLICY

PURPOSE

At YF Diamonds, we recognize that responsible business practices are essential to the integrity of the jewelry and diamonds we source, trade and help create. This Policy sets out our commitments to respect human rights, avoid contributing to conflict and comply with all relevant UN sanctions, resolutions and laws, and our approach to identifying, assessing and managing risk in our diamond supply chain and business relationships.

As a Member of the Responsible Jewellery Council (RJC), YF Diamonds is committed to operating in accordance with the RJC Code of Practices and RJC Laboratory Grown Material Standard. This Policy is informed by the OECD Due Diligence Guidance for Responsible Business Conduct, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the United Nations Guiding Principles on Business and Human Rights and the World Diamond Council System of Warranties (WDC SoW), and incorporates the requirements of the Kimberley Process Certification Scheme (KPCS).

SCOPE

This Policy applies to YF Diamonds' sourcing of precious metals (gold, silver, PGM), to our natural and lab-grown diamond supply chain, and to our business relationships with suppliers, customers, service providers and other relevant counterparties.

This Policy should be read alongside YF Diamonds' Environmental, Social and Governance (ESG) Policy, which sets out the Company's commitments relating to its own operations and covering a broad scope of sustainability aspects, including environmental responsibility, human rights, employment practices, health and safety, governance and product integrity.

We expect our suppliers and business partners to uphold the commitments set out in this Policy within their own operations and supply chains.

OUR COMMITMENTS

RESPONSIBLE BUSINESS RELATIONSHIPS

YF Diamonds believes that responsible supply chains are built on long-term relationships founded on trust, transparency and mutual accountability. We make this Policy publicly available and communicate it directly to our suppliers, incorporate it into our suppliers contracts and agreements, and we work collaboratively with business partners to identify, prevent and address risks.

HUMAN RIGHTS

We are committed to respecting internationally recognized human rights, informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs). These rights are understood to include, at a minimum, those set out in the Universal Declaration of

Human Rights, the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

SERIOUS ABUSES

We will not tolerate, profit from, contribute to, assist or facilitate:

- any forms of torture or other cruel, inhuman or degrading treatment;
- any forms of forced or compulsory labor;
- the worst forms of child labor (as defined by the ILO Convention No. 182 on the Worst Forms of Child Labor (1999));
- other gross human rights violations or abuses; or
- war crimes, crimes against humanity or genocide.

Where we find a reasonable risk that a supplier is committing, or is sourcing from or linked to a party committing, any of these abuses, we will immediately suspend or discontinue the relationship.

NON-STATE ARMED GROUPS

We will not tolerate direct or indirect support to non-state armed groups, including groups that illegally control mine sites, transport routes or trading points, or that tax or extort money, minerals, or diamonds along the supply chain.

Where we find a reasonable risk that a supplier is sourcing from, or linked to any party providing direct or indirect support to a non-state armed group, we will immediately suspend or discontinue the relationship.

SYSTEM OF WARRANTIES

YF Diamonds sources and sells polished diamonds only. We require every diamond we purchase to be accompanied by a System of Warranties (SoW) statement confirming it was sourced in compliance with the Kimberley Process Certification Scheme and is not linked to conflict, and we retain these supplier warranty invoices as part of our due diligence records. We include the same warranty statement on our own invoices to business customers.

NATURAL ORIGIN AND UNDISCLOSED LABORATORY-GROWN MATERIALS

We maintain a defined, credible and transparent testing protocol, using in-house detection equipment and/or a qualified gemmological laboratory, to identify undisclosed laboratory-grown, treated, or composite material before any diamond is offered for sale to our business customers. This protocol is available to business customers on request.

Any laboratory-grown diamond sold will be clearly and accurately disclosed as such at the point of sale, ensuring our customers always know whether they are purchasing a natural or laboratory-grown stone.

We maintain strict product security and segregation procedures throughout our operations, ensuring natural and laboratory-grown diamonds are never mixed, mislabelled, or substituted for one another at any stage, from intake through to sale.

PUBLIC AND PRIVATE SECURITY FORCES

We affirm that the role of public or private security forces is to protect workers, facilities and property in accordance with the rule of law, including human rights law. Where any company in our supply chain contracts public or private security forces, we require that this is done in accordance with the rule of law, and we will not provide, directly or indirectly, support to security forces that commit abuses or act illegally.

BRIBERY, FRAUD, MISREPRESENTATION OF ORIGIN, AND PAYMENTS OF TAXES, FEES, AND ROYALTIES

We will not offer, promise, give or demand bribes, and will resist their solicitation, to conceal or disguise the origin of precious metals or diamonds, or to evade or misrepresent taxes, fees or royalties paid to governments in connection with their extraction, trade, handling, transport or export.

We support the principle that such taxes, fees and royalties should be properly paid to governments, and will not knowingly facilitate their evasion. Where applicable, based on their position in the supply chain, we expect suppliers to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

ANTI-MONEY LAUNDERING, SANCTIONS AND TERRORIST FINANCING

We are committed to complying with applicable anti-money laundering, counter-terrorist financing and sanctions laws, and to supporting efforts to eliminate money laundering connected to the extraction, trade, handling, transport or export of diamonds.

DUE DILIGENCE MANAGEMENT AND OVERSIGHT

Our due diligence management system is founded on the principles of risk-based decision-making, good faith, proportionality, continual improvement, and accountability. Recognizing our position as a trader within the supply chain, we implement due diligence measures that are appropriate to the nature of our business and our ability to influence upstream and downstream business partners.

We make reasonable efforts to identify, assess, prevent, mitigate and, where appropriate, respond to risks of adverse impacts associated with our sourcing and trading activities, in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

YF
DIAMONDS
CORP.

POL-002

SUPPLY CHAIN RISK MANAGEMENT

Where risk is identified, we devise and implement a risk management plan, pursue mitigation within a reasonable timeframe, generally six months, and monitor the effectiveness of mitigation measures. Where mitigation fails, or where the risk relates to serious abuses or conflict financing as defined in this Policy, we will suspend or discontinue the relationship.

GRIEVANCE MECHANISM

If you become aware of any violations of this policy, you can report them through the following channels:

- Email: account@yfdiamonds.com
- Phone:+1 (718) 536 2718
- Anonymous online form: *https://www.yfdiamonds.com/responsibility.php#grievance*

This Policy is reviewed, and updated as necessary, at least annually to reflect changes in our activities, supply chain risks, applicable legal requirements and recognized industry practice.

Approved by: Falak Dilip Shah
Date: August 25, 2026
Signature: FDS