

Product Security Policy

Policy Brief & Purpose:

Our product security policy is our guidance and procedures on ensuring that our natural polished diamond stock is not at risk of being contaminated by undisclosed synthetic diamonds. This includes our processes for testing, handling, storing, packaging, and transporting diamonds.

Scope:

This policy applies to our entire organization.

The Responsible Jewellery Council (RJC) 'Code of Practice 2019' and the 'Diamond Terminology Guideline' (developed by nine of the leading diamond industry organizations: AWDC, CIBJO, GJEPC, IDI, IDMA, NDC, USJC, WDC and WFDB), and 'The Business Protection from Misleading Marketing Regulations 2008' guide our policies on product security.

Policy Elements:

- 1. S Weissbart has the following measures in place to avoid undisclosed synthetic diamonds being switched for natural diamonds at our facilities:**
 - a. We have strict testing protocols in place for small/non-certified polished diamonds, which ensures that undisclosed diamonds are not switched for natural diamonds at our facilities.
 - b. We have strict return procedures for all certified polished diamonds as well, which ensure that we check all stones for inscriptions and against their certificate before confirming returns and re-loading items into stock, to verify it corresponds to its report and certificate.
- 2. S Weissbart has the following protocol for testing polished diamonds for undisclosed synthetic diamonds:**
 - a. All natural polished small/non-certified diamond parcels are tested in-house on our Yehuda 'Sherlock Holmes' machine before confirming purchase, being loaded into stock, confirming returns, or re-loading items into stock.
 - b. All jewellery products are tested in-house on our Yehuda 'Sherlock Holmes' machine before confirming purchase, being loaded into stock, confirming returns, or being re-loaded into stock. If a jewellery product is too large to fit into our testing machine, it is sent to a reputable gemmological laboratory for full testing.
 - c. If there are any inconclusive screening results during testing, the stones are isolated, removed, and sent to a reputable gemmological laboratory for full testing.
- 3. S Weissbart has procedures in place segregating natural diamond processing and trade from synthetic diamond processing and trade:**
 - a. Our natural diamond stock and synthetic diamond stock are stored in separate storage boxes and kept in separate designated sections in our offices. Synthetic diamonds are kept in clearly labelled storage boxes.
 - b. Our natural diamond stock and synthetic diamond stock are given on separate approval notes and invoices to our customers, with written disclosures as

appropriate. Our natural and synthetic diamonds will never be invoiced or dispatched with the same paperwork or packaging.

- c. Newly purchased natural diamond stock and synthetic diamond stock are entered into our inventory system on segregated stock lists with unique identifying stock codes. The stock codes for all synthetic diamonds begin with the letters 'LG' to signify the fact that they are laboratory grown.
- d. Our certified natural diamond stock and certified synthetic diamond stock are allocated differently sized brifkas, in order to avoid any laboratory grown stones being put in a natural stone storage box or vice versa.
- e. All certified synthetic diamond brifkas have accompanying labels which read 'LABORATORY GROWN – Produced by CVD or HPHT processes' to avoid any confusion and as a further measure of segregating the stock.

4. Addressing potential contamination points within our facilities:

- a. Purchasing stones: S Weissbart follows strict testing protocol before confirming the purchase of any stones at risk of contamination. All members of staff involved in the process of purchasing stones and preparing them for stock are trained on our testing protocol. The senior management of S Weissbart takes overall responsibility for the purchase of our stones, and the delegation of responsibility in the processes that follow.
- b. Loading stones into stock: All members of staff involved in the process of loading stones into stock are trained on our product segregation procedures. This includes the location and storage boxes for storing natural diamonds and laboratory grown diamonds separately, the separate stock lists, unique stock codes, and unique brifkas and labels.
- c. Dispatching stones on approval and invoicing: All members of staff involved in the process of lending or selling stones from our stock are trained on our product segregation procedures. In addition to the procedures relating to the separate loading and storage of our stones, natural diamonds and laboratory grown diamonds are given on separate approval notes and sold on separate invoices. These approval notes and invoices include any relevant disclosures, as listed in our Product Disclosure policy. In any scenario in which customers are requesting both natural diamonds and laboratory grown diamonds, they are still given out and sold on separate documents with the appropriate disclosures.
- d. Returning stones: All members of staff involved in the process of returning stones into our stock are trained on our returning, testing, and product segregation protocols and procedures. This ensures that we avoid undisclosed synthetic diamonds being switched for natural diamonds at our facilities.

5. S Weissbart has strict procedures in place for the handling, storage, and transportation of diamonds at all facilities, which include:

- a. Strict controls to determine who is authorized to handle diamonds and in what circumstances:
 - i. Senior management of S Weissbart takes overall responsibility for the purchase of our stones, and the delegation of responsibility in the processes that follow. The delegation of responsibilities in the handling

of diamonds is guided by the training, experience, and insurance cover of each member of staff.

- b. Clearly defined and controlled arrangements for securely storing diamonds on site:
 - i. Our arrangements for securely storing diamonds on site are well defined and controlled and include the use of CCTV footage and other measures known to members of staff which are conventional with industry standards.
- c. Using strong inventory management and chain of custody systems for all diamonds stored, transported, and handled on site:
 - i. The chain of custody of all stones and products stored, transported, and handled on site can be clearly traced through our database of approval notes and invoice notes, from the moment that they have entered our facilities. This includes all points of entry and exit.
- d. Reviewing security systems in and around areas where diamonds are handled, stored, and transported:
 - i. As a part of our policy reviewing procedure, our security systems and procedures are reviewed on a bi-annual basis for efficiency and compliance with relevant law and industry standards.