EVERLEDGER

PARTICIPANT CODE:

The Shared Governance Commitment to Enhancing Data Transparency, Authenticity and Accuracy on the Everledger Platform

Participants should carefully review our Everledger Platform Participant Code and Everledger License Agreement to ensure they are in full compliance with our agreements, policies and rules, as violations can result in suspension or termination of participation.

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INTRODUCTION

The Everledger platform aspires to represent the most accurate and trusted source of data on assets for which providential or ethical claims are made. Our commitment is to use the best available systems, technology, and governing principles for verifying any claims made about such assets. In this document, we outline some of these systems, technologies, and governing principles as well as the expectations of all participating parties.

The Everledger Platform ("EP") is our core product and the principal means through which most companies and individuals will engage with Everledger. Everledger understands that companies and individuals that use and provide data to the EP ('EP Participants") operate in unique ways, and have their own unique requirements. Everledger has implemented minimum key data criteria that we require across different EP Participant systems in order to maintain the integrity and credible utility of the data on the EP.

Everledger Platform Participant Principles

Everledger works with participants to accurately reflect key data and systems through our EP Participant Principles, including document integrity, consistency of data and definitions, and completeness of systems. A summary of requirements for EP Participants include, but are not limited to:

- **Document Integrity:** Data providers shall ensure that documents are readable and that the input documentation matches any hard-copy documents.
- **Consistency:** Everledger will work across EP Participants to triangulate fields across all data sets to ensure they are consistent with source documents and required referential integrity is maintained.[1]
- **Completeness:** Data providers shall provide process details for an asset that are consistent, and contain sufficient detail — for example, asset details, testing information, certifications, videos, and images of each process stage. These details may be needed to create an "asset story" for EP Participants.

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[1] For example, in diamonds, all parcels referred to by invoices are identified, and their parcel and associated weights, dates of issue, and countries of origin, etc. are present.

- **Geographic or Material Origin:** Data providers shall demonstrate (1) clear data systems logic (e.g. in ERP), (2) consistent data field codes/definitions, and (3) relevant physical documentation (e.g. customs documents, certifications, or other documentation) to establish geographic origin or material source for their products.

- **Chain of Custody**: Data providers shall demonstrate (1) a clear system of record logic (e.g. in ERP), (2) consistent data field codes/definitions and (3) relevant physical documentation (invoices, packing slips, or other documentation) to establish a chain of custody across the supply chain.

- **Responsible Sourcing & Ethical Practices:** Everledger will work across EP Participants to establish clear connections to locations and persons/companies for third-party references of any claims of responsible sourcing, ethical practices, or other evidence of best practices regarding sustainability or responsible sourcing.

- **Levels of Transparency & Data Robustness**: EP Participants recognize and agree that the credibility of the EP and associated claims in the platform is dependent on these principles. Everledger will therefore differentiate where there are varying levels of different documentation and data robustness that apply to different assets, inventory, a chain of custody, and sources.

- **Immutability & Updates to data**: EP participants recognize and agree that geographic origin and other data written on the blockchain are immutable and therefore cannot be changed; updated information will be written on the blockchain but will be clearly marked as an update. Data providers and data users should become accustomed to continuous improvement regarding the robustness of information on the platform, therefore certain updated information does not necessarily indicate any malintent or action.

Everledger Platform Participant Responsibility

Participant minimum screening prior to onboarding

On first registration to the Everledger platform, Everledger conducts reasonable validation of participating entities under existing trading laws and expectations or any specific high risks or ongoing concerns as a current member of the respective industry. This may include gathering information about the entity itself, such as trading name, registered company name and company number. Participants may also be asked to substantiate industry association memberships or provide other information to verify their company identity.

Everledger also conducts checks to ensure that the registering person is an employee, owner or legitimate member of the entity itself. This screening occurs before full access is granted to EP.

Further checks will occur on active entities and participants to ensure that this status continues. Additional checks may be required in future to access specific services.

Asset onboarding screening

As a participant sharing or utilizing information and data through the EP, you will provide or reference documentation and evidence regarding assets. This information may range from the provenance of materials (including origin and customs documentation) to processing event data and grading report details or certificates.

Onboarding documentation outlining data and system prerequisites and various data ingestion methods will be provided to EP Participants that are supplying various forms of data. These prerequisites, including but not limited to all onboarding documentation, will need to be adhered to in order to participate on the EP.

The documentation and systems will determine the robustness of the asset claims and will be summarized per material asset class. Everledger cannot make subjective judgments in claims or asset details. Based on this programmed process, EP Participants looking to source materials are then able to program their specific requirements and effectively source materials and suppliers according to their specific policies.

Given the immutable nature of the blockchain, data that is inaccurate or incomplete that is uploaded to the blockchain may be subjected to noted updates and corrections added to the block/unit of the data during triangulation and consensus processes. This process will not rewrite the errors, but add new information to correct the error and this can be viewed by permissioned organizations. If this noted updating is of concern for data providers, then having this information complete and accurate upfront is strongly preferred. It should be noted that as blockchain technology is more utilized, having updates to information will be a signal of the system working and increasing accuracy and transparency - *not* necessarily a sign of mismanagement or poor management of data.

Please note that while Everledger uses its best efforts to ensure all participants have current and complete information in place, Everledger makes no warranties or assurances on the basis of these checks, on the currency of these checks, or on the suitability of these checks for data user participants. Parties are advised to make their own determinations and if they deem necessary, seek their own

assurances or request that additional service through the EP, and rely on their own legal advice suited to their own jurisdictions and commercial context. We encourage parties to also engage with Everledger to increase data robustness and details from data providers to support their own decision making and specific product claims.

Transparency as a Strategy of Continuous Improvement

Many industries continue to improve their sophistication in documenting trade, chain of custody and clear reporting of the origin of those materials. In alignment with OECD Due Diligence[2], Everledger aims to create continuous improvement opportunities for the industry to continue to advance their practices. Details on the premise for continuous improvement in industries can be seen in our concept notes and many thought pieces.

Partnering together on the EP acknowledges the continuous improvement across industries and the agreement of the stakeholders to enable their systems to provide the necessary documentation to make specific claims.In order to empower as much of the industry as possible to participate in the blockchain, Everledger clearly differentiates where documentation and due diligence varies per material asset across the supply chain from source to manufacturing and beyond.
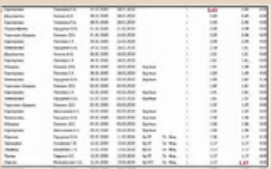

Categories of Claims

There are many ways in which organizations may demonstrate their product claims, due diligence, and continuous improvement. Everledger provides examples of categories of claims with progressively

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[2] *(Concise one sentence summary of what OECD Due Diligence is…)*

more robust substantiating evidence ranging from self-reported data to data that is fully triangulated by the network. The Everledger platform displays different categories of claims using summary icons that participants can offer a high-level view of the evidence that supports claims around such categories as legal, environmental, and human rights performance of the organization and its assets on the blockchain. As part of the onboarding process onto the EP, participants will complete their user profile including providing evidence of these claims, such as documents on trade, chain of custody, and formal auditing and reporting, etc. And through the EP, the participants can permission access to this information to various EP users. (In the appendices, we provide additional references per industry and will work with our partners and stakeholders to update these lists of progressive demonstrations of due diligence.)

| Commercial Declaration (Geographic Origin) | Direct API of Manufacturing Data | Commercial Declaration (SOW statement) | Network Verified |

Goals for our Product & Services

We seek to enable greater trust and transparency in the exchange of various materials. We expect that our focus on the quality and integrity of our services for EP participants - including ingesting, exchanging and analysing data - will drive value for the industry, especially for those parties seeking to provide a higher level of transparency.

Importantly, Everledger is not the adjudicator of data, the certifier or the enforcer. Rather, Everledger's responsibility is to provide rich information easily and transparently, and to present it in useful and comparable ways so that those who rely on that information can make informed decisions. In surfacing information, the strength of our network is that information that can be independently substantiated from third parties audits or over time, enabling claims to be made by triangulating the evidence of multiple parties through blockchain network mechanisms.

We do this by:

- **Normalising and standardising data** - Creating greater consistency in data structures and in the application of standards to enable faster, more seamless, and more trustworthy exchanges between parties.
- **Data substantiation** - Enabling those parties who have invested in the quality and integrity of their supply chain to evidence those efforts (for example, in making sustainable sourcing claims).
- **Data modification trail** - Recognising the immutable nature of blockchain and other distributed ledger technologies and reducing the need or any concerns regarding later amendments that may be seen by users of the information received (as original data cannot be erased).
- **Identifying and closing data gaps** - Supporting EP participants identify gaps and improve their systems so they can deliver specific data structures to ensure the EP can demonstrate end-to-end provenance for multiple parties and customers across the value chain.
- **Making sense of the supplied information** - Meeting or exceeding the expectations of end-consumers, who may not understand the nuances of data within the industry but who are expecting credibility from a blockchain solution.

Everledger prepared this document and associated guidelines and training documents to provide sufficient context and understanding of our process flows, the consistent reporting structures and taxonomy, evidence quality, and the underlying operational requirements of our blockchain network.

Everledger wishes to support all participants engaging with the EP to read and develop a clear understanding of the EP system, practices, and goals. We will increase the access to tools and provide subject matter expertise to support EP Participants to effectively evidence the claims they wish to make about their products and source of materials.

We invite your feedback as you use the Everledger platform on its performance and usability. Any suggestions can be sent to support@everledger.io

Appendix

Diamonds

Diamonds will be checked according to the Kimberley Process and the World Diamond Council's minimum expectations. This includes but is not limited to the checks below:

1. Identify if the asset is from a legitimate (and legal) source either through a commercial invoice with Systems of Warranties Statement or relevant certifications (e.g. the Kimberley Process). This will include some of the same checks done on the data provider during onboarding to ensure that the data provider has taken responsibility to establish a minimum standards and practices for the diamond trade.

2. Geographic origin will not be listed on the blockchain unless there is the KP Cert or the Invoice indicates a geographic source of origin .

3. Chain of Custody details of the asset will only be disclosed with the permission of the data provider. Other participants on the platform will have access to whether the chain of custody of the asset has been verified by the system or other evidence. EP data users may request the other participants to go through these additional measures to have the chain of custody captured or verified or both.

4. Further details about the asset, for example the 4Cs or other attributes, are captured according to industry standards and wherever those criteria can be objectively verified. For example, by a third party certifier.