



PRESS RELEASE

Blockchain startup Everledger unveils technology to digitally certify Kimberley Process export diamonds at IBM Edge

Blockchain technology based on Hyperledger Project to enhance security and traceability of Kimberley Process Certificates to prevent fraud and illicit global diamond trading

LAS VEGAS, September 20, 2016 - On stage at IBM Edge, Leanne Kemp, the CEO and Founder of London-based blockchain startup Everledger, unveiled the company's newly constructed platform to digitally certify diamonds traced through the Kimberley Process certification process.

Built on the IBM Blockchain high-security business network on IBM Bluemix and delivered via the cloud, Everledger has spent the past year developing a global, digital ledger that tracks and protects the world's luxury goods. IBM's cloud-based blockchain solution helps protect against unauthorized access and tampering to meet the stringent security requirements of the diamond industry by fighting against insider threats, protecting data, and securing entry points and the integrity of network, all through the unique advanced security features underpinned by IBM LinuxONE™.

Starting with the polished diamond industry, Everledger created relationships with the major diamond certification houses around the world to digitally encrypt over 1 million diamonds on the blockchain. Now the company has extended this technology to tackle the trade of rough diamonds certified through the UN-mandated Kimberley Process.

"We have driven the pace of innovation over the past months to engineer the technology necessary for a solution of this scale to be released to market," says Leanne Kemp, CEO and Founder of Everledger. "Working with IBM Blockchain as the backbone of our operations we've been able to move faster than anticipated to build a platform that can solve immediate problems being faced by the diamond industry, in addition to unlocking the potential to transform the way we protect commodities being traded in marketplaces globally."

An evolution of Everledger's current system, the new platform will ensure the security and traceability of rough diamonds certified through the Kimberley Process, a 3-step verification system created in 2003 with 81 authorised countries to curb the sale of conflict stones. Fast forward thirteen years: 99% of the world's diamonds are now from conflict-free zones, but critical problems remain in the industry including insurance fraud, the financing of global pipelines and the tampering of official certification.



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Paper based processes continue to cripple the transparency and authenticity required when it comes to the trade of diamonds. Recently, a fraudulent Kimberley Process certificate was reported in a shipment of synthetic stones from Sierra Leone to Hong Kong, and the number of

fraudulent insurance claims continues to grow, with no viable way for insurers to guarantee the authentic product has been lost or stolen. All of these problems impact the availability of diamond supply chain finance as banks and financiers remain hesitant to risk more capital where losses continue to rise.

Building a system fueled by blockchain's core characteristics - immutability, security, speed and scalability - was Everledger's first step towards ensuring the goods we're trading and consuming are sourced by ethical means and can be traced throughout their lifetime journey.

"As a nascent technology, blockchain holds a great deal of promise in addressing some of the world's key challenges," says Ross A. Mauri, general manager, IBM z Systems and LinuxONE. "Everledger's dedication to applying Hyperledger Project-based blockchain technology to combat the trade of conflict diamonds shows their commitment to innovating for real impact. The cloud-based high-security business network is helping make their offering ready for business."

Everledger is committed to its work within the diamond industry and empowering several projects utilising Kimberley Certificates, with a particular focus on addressing the current supply chain finance concerns faced by critical market regions such as India and Israel.

Everledger continues to extend the company's core capabilities to ensure transparency at every stage of a diamond's journey from mine to counter.

About Everledger

Everledger is a global, digital ledger that tracks and protects diamonds and other valuable items on their lifetime journey. Using the best of emerging technology including blockchain, Everledger provides insurance companies, banks and other stakeholders across supply chains with an immutable history of an item's authenticity, existence and ownership. Founded in April 2015 by Australian entrepreneur Leanne Kemp, Everledger has digitally secured over 1,500,000 diamonds on the blockchain and is expanding the company's technology to the world of fine wine and art. For more information visit www.everledger.io