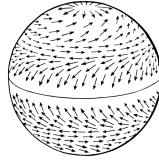


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# CODE OF CONDUCT 2023



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## **GENERAL COMMITMENT TO RESPONSIBLE BUSINESS PRACTICES**

### **Responsible Jewelry Council Policy**

GARAUDE group is a colored gemstones manufacturer. Since 1981 Garaude has specialized in high-end natural emeralds, rubies, sapphires and spinels.

Our group consists of 3 branches:

Garaude SAS, the mother company, is located in Paris and is our main trading company.

Garaude Co, LTD based in Bangkok is our buying office and cutting manufacture.

Garaude LLC located in New York is another trading company.

The group employs more than 30 people.

GARAUDE supports sustainable development and is a member of the Responsible Jewelry Council (RJC)

The RJC is a standards-setting organization, established to advance responsible ethical human rights, social and environmental practices within the gold, silver and platinum group metals as well the diamond and colored gemstone jewelry supply chain.

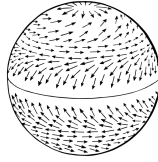
The RJC has developed a benchmark for creating standards for the jewelry supply chain and develop credible mechanisms for verifying responsible business practices, through third-party auditing. As an RJC member, we commit to operating our business in accordance with the RJC Code of Practices. We commit to integrating ethical human rights, social and environmental considerations into our day-to-day operations, business planning activities and decision-making processes.

## **HUMAN RIGHTS**

GARAUDE is committed to respecting all human rights in our own operations and business relationships. In accordance with the Universal Declaration of Human Rights (UDHR), implementing the UN Guiding Principles on Business and Human Rights and relevant conventions of the International Labor Organization (ILO <https://www.ilo.org/global/lang--fr/index.htm>). Our human rights policy covers the following key commitments:

- 1 All forms of violence and harassment in the workplace are prohibited, including but not limited to corporal punishment; harsh or degrading treatment; sexual or physical harassment; mental, physical, verbal or sexual abuse; retaliation; coercion; and intimidation. Both direct and indirect harassment in any form is not acceptable in workplace facilities.

We commit to ensuring that our employees are not subjected to harassment, violence, or threatened. This is extended to their families and colleagues.



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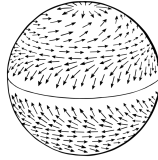
- 2 To never engage in or knowingly support child labor (including the worst forms of child labor) as defined by the International Labor Organization (ILO) conventions 138 and 182;
- 3 To never engage in or knowingly support forced labor as defined by International Labor Organization (ILO) convention 29, including bonded labor, deceptive recruitment, human trafficking and indentured or involuntary prison labor.
- 4 To provide a safe and healthy working environment for all employees.
- 5 To treat employees with dignity and respect, which includes:
  - a) Ensuring fair and transparent discipline and grievance procedures.
  - b) Recognizing and respecting the rights of all employees; to associate freely and enter collective bargaining.
  - c) To provide all employees with fair terms of employment and legally mandated benefits.
  - d) To prohibit all forms of discrimination, including but not limited to discrimination based on race, color, ethnicity, caste, national origin, religion, disability or genetic information, gender,  
  
sexual orientation, union membership, political affiliation, marital status, parental or pregnancy status, physical appearance, HIV status, age or any other personal characteristics unrelated to the inherent requirements of the work.
- 6 To promote human rights in our dealings with business partners and other relevant stakeholders.

GARAUDE expects all its employees, suppliers and sub-contractors to take steps to ensure that this policy is adhered to.

### **WORKING HOURS**

GARAUDE commits to complying with all applicable labor laws on employee working hours and overtime.

The normal working week for employees, not including overtime, shall not exceed 39 hours in the Parisian and NY offices and 40 hours in the Bangkok office. Overtime is worked on a voluntary basis and the sum of the normal working week and overtime hours shall not exceed 44 hours in a week in the 3 offices.



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## **HARASSMENT AND DISCRIMINATION**

Following the email of the 30<sup>th</sup> of November 2020.

Article 222-33-22 from the French “Code Pénal”: *the fact of harassing others by repeated remarks or behaviors having for object or effect a deterioration of the working conditions likely to infringe their rights and their*

*dignity, to alter their physical or mental health or to compromise their professional future, is punished by two years' imprisonment and a fine of €30,000.*

In order to monitor possible unacceptable behavior at work, such as harassment, abuse or discrimination.

It should be noted that the company promotes the respect and dignity of its personnel.  
We should always treat each other with respect and dignity.

Indeed, harassment can take many forms, but it can generally be defined as unwelcome conduct that creates an intimidating, hostile or offensive work environment, or that has the purpose or effect of unreasonably interfering with a person.

For further information, you can go on the following webpages

<https://code.travail.gouv.fr/>

<https://www.service-public.fr/particuliers/vosdroits/F1642>

<https://www.service-public.fr/particuliers/vosdroits/F2354>

<https://www.service-public.fr/particuliers/vosdroits/F2234>

[https://www.legifrance.gouv.fr/conv\\_coll/id/KALICONT000005635412/](https://www.legifrance.gouv.fr/conv_coll/id/KALICONT000005635412/)

If you are a victim or witness of an unacceptable behavior, please contact directly :

Mr François Garaude (CEO)

[francois@garaude.com](mailto:francois@garaude.com)

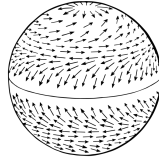
+33607514119

Ms. Oussama Krifa (HR department in Paris)

[o.krifa@garaude.com](mailto:o.krifa@garaude.com)

+33140220008

Moreover, you can also alert the “Médecine du Travail” and “Inspection du travail”, 2 French institutions which aims to protect the health and rights of the workers.



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GARAUDE Paris has set up internal regulations which have been sent to all employees.

It recalls the rules within the company as well as the disciplinary sanctions applicable in case of reprehensible behavior (not respecting the internal rules, harassment, discrimination...)

Warning : a letter will be sent to the employee to warn of misconduct

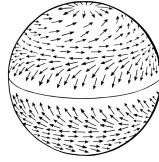
Layoff : a letter will be sent to the employee to inform of the layoff

Dismissal : after the warning and the layoff, If the employee still misconduct, he will be dismissed

## **DUE DILIGENCE**

### **I) Supply Chain Policy**

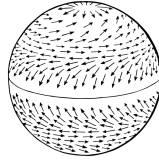
- 1 This policy confirms GARAUDE'S commitment to respect human rights, avoid contributing to the finance of conflict and complies with all relevant UN sanctions, resolutions and laws.
- 2 As a member of the Responsible Jewelry Council (RJC). We commit to proving, through independent third-party verification, that we:
  - a) respect human rights according to the Universal Declaration of Human Rights and International Labor Organization Declaration on Fundamental Principles and Rights at Work;
  - b) do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism;
  - c) support transparency of government payments and rights-compatible security forces in the extractives industry;
  - d) do not provide direct or indirect support to illegal armed groups;
  - e) enable stakeholders to voice concerns about the jewelry supply chain;
- 3 are implementing the OECD five-step framework as a management process for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.
- 4 We commit to using our influence to prevent abuse by others.
- 5 **Regarding serious abuse associated with the extraction, transport or trade of colored gemstones:** We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:
  - a) torture, cruel inhumane and degrading treatment;
  - b) forced or compulsory labour;
  - c) the worst forms of child labour;



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- d) human rights violations and abuse;
  - e) war crimes, violations of international humanitarian law, crimes against humanity or genocide.
- 6 We will immediately stop engaging with upstream suppliers, if we find a reasonable risk that they are committing abuse as stated in *paragraph 3* or we find they are sourcing from, or linked to, any party committing abuse.
- 7 **Regarding direct or indirect support to non-state armed groups:** We will not tolerate direct or indirect support to non-state armed groups, including but not limited to; procuring colored gemstones *from*, making payments to, or otherwise helping or equipping non-state armed groups or their affiliates who illegally:
- a) control mine sites, control transportation routes, and control points where colored gemstones are traded to upstream actors in the supply chain;
  - b) tax or extort money, or minerals at mine sites, along transportation routes or at points where colored gemstones are traded, or come from intermediaries, export companies or international traders.
- 8 We will immediately stop engaging with upstream suppliers, if we find a reasonable risk that they are sourcing from, or they are linked to any party providing direct or indirect support to non-state armed groups as described in *paragraph 6*.
- 9 **Regarding public or private security forces:**
- We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property. In accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuse stated in *paragraph 3*, or that act illegally as stated in *paragraph 5*.
- 10 **Regarding bribery and fraudulent misrepresentation of the origins of colored gemstones:**
- We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes. We will not conceal or disguise the origin of colored gemstones, or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of colored gemstones.
- 11 **Regarding money laundering:**
- We will support and contribute to efforts to eliminate money laundering, upon identifying a reasonable risk resulting from or connected to the extraction, trade, handling, transport or export of colored gemstones.



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## II) Grievance Management

GARAUDE has established this complaint management procedure to listen to concerns about circumstances in the supply chain.

Ms. Oussama Krifa is responsible for the implementation and review of this procedure for Garaude SAS.

Concerns can be raised by interested parties by email or telephone:

Ms.Oussama Krifa

[o.krifa@garaude.com](mailto:o.krifa@garaude.com)

+33140220008

Or through our website :

<https://garaude.com/help/>

Upon receipt of the complaint, we will endeavor to:

- obtain an accurate report of the complaint;
- Explain our complaint handling procedure;
- Establish how the complainant would like the complaint to be handled;
- Decide who is the appropriate person internally to handle the complaint or help redirect the complaint to another entity, such as the relevant supplier or industry;
- Obtain further information, if necessary, where the issue can be handled internally;
- Identify any actions we should take or follow up on the situation;
- inform the complainant of decisions or findings; and
- to keep the complaints received and the internal procedure followed in our archives for at least five years.

## III) Non-retaliation

GARAUDE wants to promote a culture where employees can speak freely to managers, supervisors, etc. about ethical issues they may encounter within the company and in their business interactions.

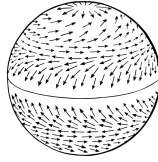
Garaude SAS managers, supervisors and employees must not retaliate in any way against anyone who reports in good faith inappropriate conduct: violation of the law, company policy, regulatory requirements, harassment, etc.

Anyone who reports in good faith can expect GN to protect them from any type of retaliation or harassment as a result of the report.

## IV) Whistleblower policy

This policy is intended to encourage Board members, staff (paid and volunteer) and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution.

The Whistleblower should promptly report the suspected or actual event to his/her supervisor. If the Whistleblower would be uncomfortable or otherwise reluctant to report to his/her



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supervisor, then the Whistleblower could report the event to the next highest or another level of management, including to an appropriate Board committee or member.

The Whistleblower can report the event with his/her identity or anonymously.

The Whistle blower shall receive no retaliation or retribution for a report that was provided in good faith – that was not done primarily with malice to damage another or the organization.

### V) Gifts

The acceptance or offering of gifts by employees and / or agents must be approved. Receiving and giving gifts is not practiced within day-to-day operations. Some allowance is made for giving or receiving small gifts such as during holiday seasons or other special occasions.

Garaude has a written policy and all the employees are aware of it.

### **BRIBERY**

GARAUDE prohibits bribery and corruption in all business practices and transactions carried out by its employees and by agents acting on its behalf. For this policy, bribery is defined as giving, offering or receiving any undue advantage to or from:

- 1 A public or government official.
- 2 A political candidate, party or official.
- 3 Any private sector employees, directors or officers, or their agents or representatives.

All employees of GARAUDE are protected from any penalty or adverse consequences for identifying concerns related to suspected bribery, refusing to participate in bribery or refusing to pay a facilitation payment where such payments are prohibited.

Garaude has a written policy.

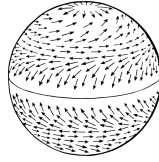
### **ANTI-MONEY LAUNDERING AND FINANCE OF TERRORISM**

**GARAUDE commits to not engaging in or contributing to money laundering or the finance of terrorism and is fully compliant with applicable anti-money laundering laws and regulations.**

GARAUDE has implemented Know Your Counterparty (KYC) procedures to:

- 1 Establish the identity of all counterparties.
- 2 Verify that counterparties and if applicable, verify that beneficial owners are not named on relevant government lists for individuals or organizations implicated in money laundering, fraud or involvement with prohibited organizations and/or those financing conflict;
- 3 Maintain an understanding of the nature and legitimacy of the businesses operated by counterparties and;
- 4 Monitor transactions for unusual or suspicious activity.





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Garaude has a written policy.

## **PRODUCT DISCLOSURE**

GARAUDE will not make any untruthful, misleading, deceptive representation, or make any material omission in the selling, advertising, or marketing of jewelry products and materials. We further commit to disclose information on the physical characteristics of jewelry products and materials in accordance with the Responsible Jewelry Council (RJC) Code of Practices Standards.

## **TRACEABILITY AND TRANSPARENCY**

GARAUDE has begun a turning point in 2019 : purchasing raw stones directly from mining groups to clean up as much as possible our supply chain and being 100% transparent with our clients.

**We communicate with our customers and all the documents given to them show the following important elements :**

- Mine name
- Date and purchase invoice of the rough
- The different stages of cutting : rough, preformed and cut
- For each stage of cutting : picture, video, weight, dimension

If the client asks, we can show also the video of the reception of the shipment from the miners to our premise and the opening in front of the gem laboratory to keep the full traceability.

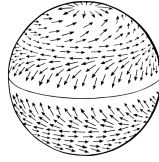
Since the beginning of 2023, GARAUDE provides its own Gem Traceability Report that includes all the elements above.

## **HEALTH AND SAFETY**

**GARAUDE commits to ensuring the health and safety of all its employees and visitors. This is achieved through the following steps:**

- 1 Meeting all minimum health and safety requirements as stipulated by applicable law.
- 2 Providing all staff with a safe and healthy working environment.
- 3 Providing safe and hygienic facilities, including toilets, eating areas and first aid.
- 4 Implementing processes for identifying workplace hazards and controlling risks.

## **SECURITY**



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GARAUDE 's insurance (for valuable goods) has provided one day training to all the employees. An ex-agent from the Mossad came and show different situations in which we could be and how we should react.

Example 1 : While going outside or traveling with valuable goods, nobody except the company, should know where you are going to avoid thief or hold up.

Example 2 : While opening the door from the SAS, be careful to know the person or ask to deliver the package inside the SAS. Avoid maximum to let people from outside the company to come in.

Following this training, we set security process inside the company.

### **FIRST AID**

GARAUDE SAS team (11 people) has followed a first aid training (one day). The training has been done by a first responders from the fire department (called "sapeur pompier" in France).

The team has now a PSC1 (Prévention et Secours Civique niveau 1).

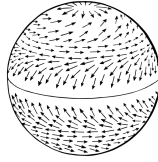
Our employees learn how to:

- Protect and give the alert
- Proceed with Heimlich maneuver
- Stop external hemorrhage
- Act in front of fractures, burns, open wounds or heart attack (perform heart massage)
- Behave in front of unconscious victim (open the airways, recovery position/lateral recumbent)
- Use a defibrillator

### **HAZARDOUS SUBSTANCES**

In order to obtain effective and reliable control of exposure to hazardous substances, GARAUDE commits to apply the eight following generic principles of the COSHH regulation (Control of substances hazardous to health);

1. Design and operate processes and activities to minimize emission, release and spread of substances hazardous to health.
2. Take into account all relevant routes of exposure – inhalation, skin absorption and ingestion – when developing control measures.
3. Control exposure by measures that are proportionate to the health risk.
4. Choose the most effective and reliable control options which minimize the escape and spread of substances hazardous to health.
5. Where adequate control of exposure cannot be achieved by other means, provide in combination with other control measures, suitable personal protective equipment.
6. Check and review regularly all elements of control measures for its continuing effectiveness.



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7. Inform and train all employees on the hazards and risks from the substances with which they work with and the use of control measures developed to minimize the risks.
8. Ensure that the introduction of control measures does not increase the overall risk to health and safety. Workplace Exposure Limits (WELs) are set by the Health and Safety Executive (HSE) with the intent to prevent excessive exposure to specified hazardous substances by containing exposure below a set limit. WELs is the maximum concentration of an airborne substance averaged over a reference period to which employees may be exposed by inhalation.

### **ENVIRONMENTAL MANAGEMENT**

**GARAUDE commits to reducing and managing the environmental impacts of its business operations through the implementation of an effective environmental management system. This includes, but is not limited to:**

- 1 The responsible management of all wastes and emissions to air, water and land.
- 2 Establishing energy and water efficiency measures.
- 3 Seeking to ensure the responsible and efficient use of other natural resources, where applicable.

Following the speech of our President Emmanuel Macron on national day, 14<sup>th</sup> of July 2022, about an “energy sobriety plan”, Garaude SAS decided to establish a charter of ecological commitments within the company to reduce our energy consumption.

- Turn off all electronic appliances such as computer, screen, printers, AC/Heaters, lights...etc. after the end of every working day.
- Unplug sockets on the weekends and during annual closings.
- During winter season, the heaters would be used only up to 21 degrees and the windows would be closed during the utilization of the heaters.
- During summer, the windows would be closed when using the A/C.
- During summertime the use of hot water would be restricted.
- Garaude follows a recycling waste process.

Paris, 07/11/2023



François Garaude, CEO

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