

# Social Investment

## Social Investment - Policy

### Policy Statement

The policies relating to this section are part of the Business Principles adopted by GLD Diamonds Ltd. and are presented below for reference:

Our community investment mission is to promote the health and well-being of individuals and communities where we do business. Our investments treat all people and resources with integrity and respect.

Through community investment, GLD Diamonds Ltd. aspires to have a positive and meaningful impact by supporting active engagement of people in their communities. For GLD Diamonds Ltd., community investment also encompasses the company's leadership positioning and our employees' time, talent and commitment to being a good corporate neighbour

Much of this investment happens in the course of doing business, through our employment practices, our purchase of materials and services within communities, and our investment in sports and music and other activities.

We invest in our communities in ways that reflect the core values of the company: integrity and respect, quality, excelling, creativity and passion.

To be effective community investors, GLD Diamonds Ltd. adopts standards, ethics and sponsorship practices that represent the company as an active and valued member of the communities where we do business. Our investments are made by our divisions, reflecting the different needs and practices in our markets and communities.

To be effective community investors, the Company's divisions:

- Define and articulate a community-investment vision consistent with the overall corporate mission and regional conditions
- Establish a clear, logical and consistent community investment process that unites with the global company vision and respects the division's specific cultural sensitivities
- Communicate openly, respectfully and in a timely manner with the public and our employees about our investments and the value created for the community
- Adopt policies and programs to promote active involvement of employees in community activities consistent with company and individual values
- Monitor changing societal conditions and the diverse viewpoints in the communities where we do business and make investments

## Training Log

Date: \_\_\_\_\_

Location: \_\_\_\_\_

### Training subjects:

1. RJC Requirements (overview)
2. Ethical Standards, Bribery and Facilitation, Financial offences - AML/CFT, Kimberley Process & WDC, Product Security, Disclosure, Best Endeavours, Provenance claims.
3. Employment (wages, working hours, holidays, Health & Safety, Discrimination/Discipline, Child labour, Forced labour, Human rights, Harassment)
4. Protecting the Environment and Social investment in the community
5. Emergency evacuation drill

### Participants

Name	Position	Signature

Trainer's name\_\_\_\_\_

Signature\_\_\_\_\_

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### **Register of legal & other requirements**

1. Ethical Trading initiative — base Code [www.ethicaltrade.org/Z/lib/base/code\\_en.shtml](http://www.ethicaltrade.org/Z/lib/base/code_en.shtml)
2. Business and Human Rights Resource Centre [www.business-humanrights.org/Home](http://www.business-humanrights.org/Home)
3. universal Declaration of Human Rights — Article 20 [www.un.org/overview/rights.html](http://www.un.org/overview/rights.html)
4. ILO Declaration on Fundamental principles and Rights at work  
[www.ilo.org/dyn/declarisneclarationweb.indexpage](http://www.ilo.org/dyn/declarisneclarationweb.indexpage)
5. ILO Convention 87 — Freedom of Association and the Right to organise (1948)  
[www.ilo.org/ilolex/cgi-lex/convde.pl?C087](http://www.ilo.org/ilolex/cgi-lex/convde.pl?C087)
6. ILO Convention 98 — Right to organise and Collective bargaining (1949)  
[www.ilo.org/ilolex/cgi-lex/convde.pl?C098](http://www.ilo.org/ilolex/cgi-lex/convde.pl?C098)
7. Source: Transparency International: the Bribery, Facilitation Payments and Gifts section of the Cop is applicable to all facilities  
[http://www.transparency.org/news\\_room/fag/corruption\\_faq](http://www.transparency.org/news_room/fag/corruption_faq)
8. Transparency international [www.transparency.org/](http://www.transparency.org/)
9. OECD Convention on Combating bribery of Foreign public officials in international business Transactions (1997)  
[www.oecd.org/document/21/0.3343,en\\_2649\\_34859\\_2017813\\_1\\_1\\_1\\_1.00.html](http://www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1.00.html)
10. UN Global Compact — principle 10 on Anti-Corruption (2004)  
[www.unglobalcompact.org/AboutTheGC/TheTenprinciples/anti-corruption.html](http://www.unglobalcompact.org/AboutTheGC/TheTenprinciples/anti-corruption.html)
11. un-Convention against Corruption (2003)  
[www.unodc.org/unodc/en/corruption/index.html](http://www.unodc.org/unodc/en/corruption/index.html)
12. publish what you pay — aimed at natural resource extraction companies  
[www.publishwhatyoupay.org](http://www.publishwhatyoupay.org)
13. world economic Forum — partnering against Corruption  
[www.weforum.org/en/initiatives/paci/index.htm](http://www.weforum.org/en/initiatives/paci/index.htm)
14. The Money Laundering and Finance of Terrorism section of the Cop is applicable to all Facilities.

(Source: World Bank <http://wwwl.worldbank.org/finance/html/amlcft/referenceguide.htm>)

The following websites have further information on anti-money laundering and combating the financing of terrorism:

15. Financial Action Task Force (FATF) — an international policy making organisation established to counter criminal use of financial systems  
[www.fatf-gafi.org](http://www.fatf-gafi.org)
16. world bank Group — Anti-Money laundering and Combating the Financing of Terrorism

- [www1.worldbank.org/finance/html/amlcft/index.htm](http://www1.worldbank.org/finance/html/amlcft/index.htm)
17. un-Global programme against Money laundering  
[www.unodc.org/unodc/en/moneylaundering/index.html](http://www.unodc.org/unodc/en/moneylaundering/index.html)
18. international Money laundering information network (iMolin)  
[www.imolin.org/imolin/index.html](http://www.imolin.org/imolin/index.html)
19. Basel Committee on banking supervision [www.bis.org/bcbs/index.htm](http://www.bis.org/bcbs/index.htm)
20. Jeweller's Vigilance Committee (USA) — guidance on legal compliance and anti-money laundering issues [www.jvclegal.org/](http://www.jvclegal.org/)

The Kimberley process is a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds. Conflict diamonds is a term for rough diamonds that are used by rebel movements to finance wars against legitimate governments.

(Source: <http://www.kimberleyprocess.com/>)

21. information by the world Diamond Council on KpCs and sow:

[www.diamondfacts.org](http://www.diamondfacts.org)

22. Jewellers of America, information for retail jewellers:

[www.jewelers.org](http://www.jewelers.org)

23. The Diamond Development initiative [www.ddiglobal.org](http://www.ddiglobal.org)

24. Global witness [www.globalwitness.org](http://www.globalwitness.org)

The following websites have further information on product security issues:

25. Jeweller's security Alliance (us) — Crime prevention bulletin [www.jewelerssecurity.org](http://www.jewelerssecurity.org)

26. stolen Jewellery Tracking system (us)

[www.stolenjewelry.org/](http://www.stolenjewelry.org/)

27. JM university — Jewellery industry education about safety, security and insurance

<https://services.jewelersmutual.com/JMUniversity/>

28. Crime prevention network for the Jewellery and watch Trade in Europe  
<http://www.warndienst.com/>

29. world Jewellery Confederation CibJo — The blue book:

[www.cibio.com](http://www.cibio.com)

30. international Diamond Council — Rules for Grading polished Diamonds

[http://www.internationaldiamondcouncil.org/books/idc-rule-book/idc-rule-book%](http://www.internationaldiamondcouncil.org/books/idc-rule-book/idc-rule-book%20.pdf)

31. world Gold Council:

[www.gold.org](http://www.gold.org)

32. jeweller's Vigilance Committee [www.jvclegal.org](http://www.jvclegal.org)

33. US Government — Federal Trade Commission Guidelines for Jewellery:

[www.ftc.gov/os/statutes/jewelryump.shtm](http://www.ftc.gov/os/statutes/jewelryump.shtm)

34. Federal Trade Commission 2008 Decision on petition regarding use of term 'cultured' for gemstones

[www.ftc.gov/opa/2008/07/jvc.shtm](http://www.ftc.gov/opa/2008/07/jvc.shtm)

The following websites have further information on transparency in the extractive industries:

35. extractive industries Transparency initiative <http://eitransparency.org/>

36. eITI Fact sheet — How to become a supporting company

<http://eitransparency.org/files/page/How%20to%20support%20-%20extractive.pdf>

- eITI business Guide — How companies can support implementation <http://eitransparency.org/files/document/eiTi%20business%20Guide.pdf> 1--human rights are rights inherent to all human beings, regardless of nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status.

(Source: <http://www.ohchr.org/EN/Issues/Pages/WhatAreHumanRights.aspx>)

The Human Rights section of the Cop is applicable to all Facilities with employees.

37. see <http://www2.ohchr.org/english/law/>).

These include:

- international Covenant on Civil and political Rights (CCpR)
- international Covenant on economic, social and Cultural Rights (CesCR)
- Convention on the elimination of Racial Discrimination (CeRD)
- Convention on the elimination of All Forms of Discrimination Against women (CeDAw)
- Convention on the Rights of the Child (CRC)

38. [http://s2.q4cdn.com/912924347/files/doc\\_downloads/2016/Signet-Jewelers-DSRSP-January2016.pdf](http://s2.q4cdn.com/912924347/files/doc_downloads/2016/Signet-Jewelers-DSRSP-January2016.pdf)

39. <https://www.responsiblejewellery.com/files/RJC-Code-of-Practices-proposed-changesRound-2.pdf>

40. e OECD, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk

Areas, Third Edition (2016)

[www.oecd.org/fr/daf/inv/mne/mining.htm](http://www.oecd.org/fr/daf/inv/mne/mining.htm)

## Signet Responsible Sourcing Protocol — Diamonds (D-SRSP)

### Introduction

The jewelry industry shares a responsibility to meet consumer expectations about the standards for diamond and jewelry production. Today all businesses are expected to take responsibility for their supply especially with respect to human rights and labor practices. These concerns are articulated by a significant body of international and national law, as well as voluntary standards such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

As a leading international jeweler Signet works with its governments, trade associations, NGOs and jewelry suppliers around the world to implement responsible supply chain standards. The Signet Responsible Sourcing Protocols (SRSPs) are designed to ensure that Signet's supply chain does not contribute to conflict or human rights abuses.

### 1. About this Protocol

1.1 This Protocol is intended to explain the requirements of the Signet Responsible Sourcing Protocol for diamonds (D-SRSP) to enable diamond and diamond jewelry Suppliers ("Suppliers") to report compliance with the D-SRSP. Suppliers should use this Protocol and the SRSP Audit Guide to ensure that appropriate systems are in place and records are maintained to be able to evidence compliance with the D-SRSP to an independent third-party auditor.

1.2 The objective of the D-SRSP is to provide transparency and to assure that all Signet diamonds are sourced through identified and verified sourcing trace, through a process of continuous improvement. The D-SRSP is aligned with Signet's Conflict Minerals Policy and complements the 3TG SRSPs.<sup>1</sup>

1.3 The D-SRSP recognizes the OECD Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas (DDG) and is based on the OECD Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain.<sup>2</sup> The D-SRSP is designed to correlate with steps 1 and 2 of the OECD DDG five Step Framework.

1.4 The D-SRSP may be amended as appropriate through consultation with Signet Suppliers and other stakeholders at Signet's discretion.

1.5 Suppliers may seek advice from Signet's Responsible Sourcing Team at any time via the dedicated email helpme: [inE@signetgrsp.com](mailto:inE@signetgrsp.com). The Team supports Suppliers to implement the D-SRSP, providing practical guidance about all aspects of the policy, including **implementation**, reporting, record keeping and audit. The Responsible Sourcing Team also provides training on SRSP compliance, through live sessions, webinars and meetings.

<sup>1</sup> [http://www.signetjewelers.com/files/doc\\_downloads/Signet-Responsible-Sourcing-Protocol-for-Gold-revised-September-2013.pdf](http://www.signetjewelers.com/files/doc_downloads/Signet-Responsible-Sourcing-Protocol-for-Gold-revised-September-2013.pdf)

<sup>2</sup> Signet endorses the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (DDG) developed by the Organization for Economic Co-operation and Development.

## **Pedestal Drilling machine — Work Instructions**

1. Wear shirt with tight long sleeves
2. Take all accessories which may get caught in machinery of neck and arms
3. Take all accessories which may get caught in machinery of neck and arms
4. Confirm drill is inactive
5. Tighten the to be worked part to the table with dedicated equipment
6. Confirm compressing parts are tighten well
7. Remove any part which might fall into machinery from area
8. Place equipment and spare parts next to machine and not on drilling table
9. Tighten drill in strait manner and see to removal of key
10. Avoid breaking of drill and splashing of tiny steel parts caused by wrongfully sharpening the drill or speed of movement.
11. Avoid over pressure on drill causing it to bend
12. Avoid long splintery
13. Remove splinters with brush and never with hands. do not remove splinters with air compressor
14. Avoid spindle and drill from falling when removing them by placing a shelf under drill on the table

Name: Haim Giladi- CEO

## **Lathe — Work Instructions**

15. Protect eyes with glasses.
16. Wear shirt with tight long sleeves.
17. Take all accessories which may get caught in machinery off neck and arms.
18. At construction of heavy parts make use of mechanical aids.
19. Close grips with hands.
20. Avoid spindle sticking out from body too much. If necessary, use bigger grips.
21. Before activating Lathe machine:
  - Tighten all gripping aids.
  - Remove all equipment and parts from lathe.
  - Do not leave key of grip in grip.
  - When checking size' knife should be covered to avoid getting cut.
22. Remove splinters with brush and never with hands. Do not remove splinters with air compressor.

Name: Haim Giladi - CEO



## **Grinding Machine — Work Instructions**

1. Inform workers around you about your intention working with the machine.
2. Confirm side protectors are in order.
3. Confirm grinding stone is in order (by sight and tone).
4. Step aside after turning on the machine until the stone is turning at its maximum speed.
5. Do not grind without eye protection — protective glasses are mandatory.
6. Avoid shaking or over pressuring the grinding stone.
7. The grinded part should always rest on the support. No parts may be grinded held by hand only.
8. Supporting part should be as far as 3mm from grinding stone at the most.
9. The supporting part may not be adjusted while the grinding stone is turning.
10. Parts may not be grinded using the side of the grinding stone.
11. Working with gloves is prohibited.
12. At the end of work Machine should be brought to complete stop .

Name: Haim Giladi – CEO

## **Provenance Claims Policies and Procedures**

GLD Diamonds Ltd. is joined the Responsible Jewelry Council (RJC), including a "Provenance Claim" provision in its scope of membership.

GLD Diamonds Ltd. prefers to purchase from other RJC member companies whenever possible, and to actively share the D-SRSP requirements with all their suppliers, thereby contributing to a "chain of confidence" throughout its supply chain.

GLD Diamonds Ltd. Encourage its suppliers to take an active interest throughout the supply chain of goods supplied. The Company supports continuous improvement efforts with respect to working conditions and human rights in diamond production.

GLD Diamonds Ltd. comply with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties. The Company prepared documented and functioning "Know Your Customer/Supplier " (KYC/KYS) policy and process.

GLD Diamonds Ltd. will include the following warranty statements in its invoices to Signet.

GLD Diamonds Ltd sources diamonds that are exclusively of natural origin, formed and grown under natural and geological processes, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds. GLD Diamonds Ltd. sources diamonds from legitimate sources not involved in funding conflict and in compliance with United Nations Resolutions. The Company guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.

GLD Diamonds Ltd. sources conflict free diamonds in accordance with Signet Responsible Sourcing Protocol (D-SRSP).

Haim Giladi - CEO

Date•.....

From: .....

To: .....

**Ref: Declaration**

We at \_\_\_\_\_ fully adhere to all applicable national and international laws where we operate, and provide a robust framework for ensuring that this responsibility is met and understood by all.

- 1) We ensure that all of our operations act responsibly and ethically in the conduct of all business practices, including, for example, sales transactions, the sourcing of goods and our everyday business relationships.
- 2) The company continue to adhere to strict 'social requirements'. These may relate, for example, to how the employees are treated and how in turn such an operation impacts on its local community - with the aim that such impact should only ever be a positive one.
- 3) We ensure that all operations, regardless of their scale, adopt the highest standards with regard to their impact on the environment in which we operate.

We confirm as well that . . . . . does not breach any of the following:

1. The use of child Labor or forced Labor
2. Trade in conflict diamonds
3. Non-disclosure of synthetics, treated diamonds or simulants
4. Money laundering or financing of terrorism
5. Wilful or negligent acts or omissions resulting in serious injury or death
6. Abuse of human rights
7. Non-payment of minimum wages
8. Causing a significant adverse effect to the environment or
9. Otherwise bringing the industry into disrepute

Name: .....

Position:.....

Company.....

## **Grievance Policy & Procedure v2**

### **Policy**

Although GLD Diamonds Ltd. aim to provide and promote a harmonious working environment, occasionally problems and grievances may arise. Sometimes these problems can be magnified by misunderstandings or poor communications and it is therefore essential that they be addressed as quickly as possible.

An employee should, before invoking the formal grievance procedure, discuss the grievance with the person to whom they are accountable. The procedure is not intended to replace the usual practice whereby an employee raises any grievance quickly and informally with their immediate manager.

### **Definitions**

A grievance is a situation where an employee considers that the effect of action taken or proposed by management, or of failure by management to take action, is detrimental to them.

Issues, which are covered by separate procedures, are excluded from the grievance procedure. These include disciplinary matters, grading appeals, complaints from customers, capability code matters and harassment matters.

Matters where there are no identifiable outcomes within the remit of managers to grant will be precluded from the grievance process and dealt with informally.

### **Procedures**

As a GLD Diamonds Ltd. employee you have the right to seek redress of an individual grievance. To achieve a satisfactory and speedy solution to problems GLD Diamonds Ltd. has drawn up a Grievance Procedure which should be followed to allow us to deal with such claims.

### **Time Limits**

1. If you have a grievance you must raise it within 10 days of the event occurring, Management should respond to the grievance

At all stages of the procedure you may be accompanied by a fellow employee of your choice or a Trade Union Official and should feel free at any time to talk to a member of the Personnel Department who will be happy to provide assistance and counsel whenever required.

### **First Stage**

In the event of grievance, you should discuss the situation with your immediate supervisor/manager as soon as possible who will investigate the facts and then make every effort to achieve a solution satisfactory to both parties within five working days of the grievance being raised.

## **Grievance Policy & Procedure**

Most concerns can be resolved at this level.

If, however, after a through discussion you felt that the problem had not been handled to your satisfaction you may raise the matter with the next level of Management. This should be done in writing through your immediate Supervisor/ Manager within five working days of the first stage being concluded.

### Second Stage

If you still felt that the problem had not been satisfactorily resolved. The grievance should be referred in writing explaining the grounds of the grievance and why it has not been possible to resolve the issue at stage I of the procedure, through your manager to the next level of Management within five working days.

Management will arrange for a meeting to take place as soon as possible, but within 5 working days of receipt of the written statement. If the matter cannot be resolved at the meeting, GLD Diamonds Ltd. will respond within 5 working days of the meeting.

If an agreement is reached the basis of that agreement will be recorded in writing, given to both parties and a copy will be placed on the staff member's personnel file.

If the matter is not resolved, the staff member may refer it to the next stage of the procedure.

### Stage 3 Appeals Procedure

In the unlikely event that a mutually satisfactory understanding is still not reached then you may resort to the Appeals Procedure where the Managing Director or their nominee within ten working days of the appeal will make a final decision. The grievance should be referred in writing through the level of Management involved in the preceding second stage within five working days. Explaining the grounds of the grievance and why it has not been possible to resolve the issue.

The time limits mentioned in the procedure will be adhered to wherever possible however variations may occur through the absence or non-availability of the appropriate staff and the complexity of the investigation.

The procedure is discretionary and does not form part of your terms and conditions of employment.

Note: this policy is signed and filed in official GLD Diamonds Ltd. records after being communicated to all employees, and is part of a set of policies presented to new employees

Haim Giladi

**Remove: Sample Letter to clients/suppliers**

Date

<suppliers/clients company name>

To the attention of <name Point of Contact>

<address>

Subject: Management according to (RJC ) requirements

Dear Mr./Mrs.....

A while ago our company has started a process which will bring us to full compliance with the RJC standard.

We intend to complete the abovementioned process at which point we aim to be compliant on all three main RJC aspects:

1. Business responsibilities
2. Social responsibilities
3. Environmental responsibilities

As you are an integral part of our daily business in the diamond industry and therefore partner in our success, we would appreciate sharing the RJC process with you.

Please find attached the RJC requirements.

We will keep you informed on the continuous improvement and changes in the RJC program and invite you to contact us at any time for clarifications and/or the organization of a workshop on the subject.

Haim Giladi- CEO