

# CODE OF BUSINESS ETHICS AND CODE OF CONDUCT FOR SUPPLIERS

## POLICY 1015

### 1. Purpose

Michael Hill International Limited and its associated entities (**Michael Hill**) believes that outstanding business performance must be supported by the highest standards of corporate behaviour towards employees, customers and other stakeholders. As a certified member of the Responsible Jewellery Council (**RJC**), Michael Hill is committed to operating its business in accordance with the RJC Code of Practices, by integrating ethical human rights, social and environmental considerations into its day-to-day operations, business planning activities and decision making processes.

This Code of Business Ethics and Code of Conduct for Suppliers (**Code of Conduct**) reflects the basic operating principles and expectations of Michael Hill in relation to its suppliers. It also sets out requirements which must be met by suppliers, their agents, contractors and subcontractors when dealing or having a business relationship with Michael Hill.

### 2. Scope and application

This policy applies to all suppliers of Michael Hill.

### 3. Statement

#### 3.1. Commitment by Michael Hill

Michael Hill is committed to:

- Being a responsible global corporate citizen
- Being a reliable business partner
- Treating suppliers fairly and with consistency
- Selecting suppliers based on their own merits, including their products, services and business practices
- Managing competitive bidding processes and evaluations based on defined, and objective criteria drive the decision-making process
- Respecting clear and mutually agreed commercial terms and conditions
- Taking a clear stance on acceptable working conditions
- Respecting different cultures
- Non-discrimination
- Respecting human rights and treating the workforce fairly and in accordance with applicable laws and principles as set out in this Code of Conduct
- Acting responsibly towards the environment
- Monitoring and enforcing compliance with this Code of Conduct through provisions of the relevant agreements and other documents between the suppliers and Michael Hill. Michael Hill
- Governing the supply chain in accordance with the applicable anti-slavery laws.

#### 3.2. Expectations from Suppliers

Our 2030 Sustainability Goals and Vision outlines our strategic direction to become a more responsible and sustainable business. Our strategy is underpinned by three core pillars – People, Product and Planet.

The people pillar is aimed at improving the lives of people across our value chain, the product pillar is focused on our products being more sustainable, responsible or circular and our planet pillar is focused on nurturing nature and reducing our negative impacts to net zero.

In addition to our suppliers embracing our sustainability strategy, Michael Hill expects its suppliers to adhere to the relevant rules, laws and regulations which apply to their businesses, including compliance with the RJC Code of Practice 7 (*Due diligence for responsible sourcing from conflict-affected and high risk areas*) and associated OECD standards and guidance. This includes but is not limited to the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk*

Areas and the Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain. Michael Hill expects suppliers to conduct their business operations in accordance with both international best practices and best practices in the jewellery industry.

Suppliers are required to adhere to the following minimum standards and to ensure that these standards are also observed by their agents, contractors and sub-contractors. Suppliers are responsible for communicating the content of this document and ensuring that compliance measures are implemented accordingly.

### **3.2.1 Compliance with laws and policies**

Suppliers must comply fully with:

- All national laws and regulations that apply in the country in which the supplier is headquartered and in which any production sites are located.
- All national and international laws that restrict and/or prohibit hazardous substances in countries in which Michael Hill sells its products, and the country in which the supplier is headquartered and the country in which any production sites are located.
- Any Michael Hill policy or direction that applies and to which the supplier has agreed to, or that is communicated to and agreed upon between Michael Hill and the supplier at any time.

### **3.2.2 Bribery and corruption**

Suppliers must not engage in any form of corruption or bribery in any business practice or transaction carried out by them or on their behalf. Suppliers must not pay, offer, promise or authorise the payment or transfer of anything of value, directly or indirectly to any person or entity if such payments or transfers would violate any applicable laws.

Suppliers must not offer funding, donations, lavish gifts and extravagant entertainment to any employee or agent of Michael Hill to influence business decisions.

### **3.2.3 Anti-money laundering and counter-terrorism financing**

Suppliers must strive to prevent the use of business operations for money laundering or any activity which facilitates money laundering, or the funding of terrorist or criminal activities.

Suppliers must immediately cease any purchase of material where the supplier is suspicious of any money laundering or terrorism financing activities.

Suppliers must comply with all the applicable laws and regulations designed to combat money laundering activity and terrorist financing connected to the government in the regions in which the Supplier operates and all international laws that may apply. These applicable laws may include the treatment of cash payments and related record keeping requirements.

### **3.2.4 Payment of taxes, fees and royalties due to governments**

Suppliers must ensure that all taxes, fees, and royalties related to mineral extraction, trade and export are paid to governments.

### **3.2.5 Human rights**

Suppliers must not tolerate or by any means profit from, contribute to, assist with or facilitate any of the below exploitative practices:

- Any forms of torture, cruel, inhumane or degrading treatment
- Any form of forced or compulsory labour or contribute to servitude
- Harmful forms of child labour
- Debt bondage and deceptive recruiting for labour or services
- Other gross human rights violations and abuses such as sexual violence
- War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Suppliers will reflect the following principles in their own workplaces:

## ***Respect for human rights***

Fundamental human rights are respected in pursuing business activities and relationships in accordance with the UN Guiding Principles on Business and Human Rights.

## ***Responsible recruitment and responsible employment***

- The Supplier will provide the job seeker, in plain language they understand, details of their working conditions, including nature of work, and wages and benefits and duration of contract at the time of recruitment. The details of working conditions described at the point of recruitment are to be consistent with the details of the employment contract at time of hiring, or if changes occur, are communicated prior to starting.
- The Supplier will provide the job seeker a copy of the original employment contract in a language the employee can understand.
- Not charge fees and costs or require deposits for job placement services from jobseekers. Should it become evident that recruitment fees have been paid, the Supplier shall have to establish a plan to reimburse the worker of any fees, costs or deposits paid.

## ***No forced or compulsory labour***

There will be no forced or compulsory labour, including bonded or involuntary prison labour. Neither the Supplier nor any entity supplying labour to the supplier will withhold any payments or benefits or retain any identity documents or other personal effects of value. Work will be by way of a recognised employment relationship established in accordance with national law and shall be voluntary.

## ***No child labour***

The following persons shall not be employed or made to work:

- Any person below the age of 15 years
- Any person below the relevant country/jurisdiction applicable minimum age per international standards to be engaged or employed as a worker.

In accordance with their recruitment process, suppliers shall obtain accurate documentation of the date of birth of each person employed by the supplier and/or in the supplier's facilities and maintain such documentation in the facilities for review and inspection.

## ***No discrimination or harassment***

Ensuring that the workplace is free from discrimination, harassment, victimisation, vilification or other objectionable conduct of any kind. Treatment of all employees, customers, clients or other persons at the workplace will be based solely on merit and genuine occupational requirements. Discrimination, harassment, victimisation, vilification or other objectionable conduct based on the following attributes will not be tolerated:

- Sex
- Marital or relationship status
- Pregnancy or potential pregnancy
- Parental status including family responsibilities
- Race, ethnicity, background, nationality and social origin
- Religion
- Political belief or activity
- Trade union activity/inactivity
- Lawful sexual activity including sexuality or sexual preference
- Sexual orientation
- Irrelevant criminal record
- Disability or impairment
- Age
- Medical record
- Relationship with or relation to, a person with any of the above attributes.

## ***Humane treatment***

Ensuring there is no harsh or inhumane treatment of any other forms of intimidation of workers.

## ***Working hours and leave***

Ensuring that the applicable national or local law is complied with in relation to working hours and overtime for workers.

Employees must be provided with all legally mandated leave, including parental, compassionate and paid annual leave.

## ***General employment terms***

All employment contracts will be in written form, understandable and legally binding. All workers must be provided with, or have access to, their contract and in a language understood by the employee.

The employment contract should specify hours of work, including regular hours, requirements for overtime and days off. The contract should specify and comply with all legally required breaks.

Ensure all work is voluntary, that workers are free to leave work or terminate their employment upon reasonable notice.

## ***Fair remuneration***

All employees are to be paid regularly and in a timely manner with the wage based on the higher of either the applicable legal minimum wage plus associated statutory benefits, or the applicable industry standards. All payments must be documented accordingly.

The Suppliers wage calculations are transparent and overtime hours are specified.

## ***Collective bargaining and freedom of association***

All employees may engage in collective bargaining and be able to associate freely. Where these freedoms are prohibited by law, the Supplier will support similar means for independent and free association and bargaining, including but not limited to a grievance process.

## ***Health and safety***

The Supplier and any supply chain organisations must provide a safe and healthy working environment and conditions for all employees including, but not limited to protection against accidents, toxic substances and fire and otherwise in accordance with any applicable laws or relevant industry or building standards and regulations.

## ***Grievance process***

Independent systems should be implemented in order to enable anonymous grievances by the workforce. The Supplier must follow a non-retaliation Standard towards grievance, which includes protection for whistle blowers. All complaints must be treated in a sensitive, fair, timely and confidential manner.

The Supplier must uphold its workers' rights and specify how workers can use and access grievance mechanisms.

### **3.2.6 Non-state armed groups**

Suppliers must ensure that no direct or indirect support is provided to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain.
- Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded.
- Illegally tax or extort intermediaries, export companies or international traders.

### **3.2.7 Public and private security forces**

Suppliers must ensure that no support is provided, directly or indirectly, to public or private security forces who:

- Illegally control mine sites, transportation routes and upstream actors in the supply chain
- Illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or
- Illegally tax or extort intermediaries, export companies or international traders.

### **3.2.8 Environmental impacts**

Suppliers must continuously aim to improve energy efficiency across worksites, minimise waste, pollution and emissions to air, land and water to the best of their ability and treat all chemicals and hazardous waste in an environmentally safe manner. Any toxic substances which may be harmful to the environment must be disposed of in accordance with applicable laws and regulations governing the use of and handling of such substances. Where possible, products are to be recycled and reused.

Hazardous materials, chemicals, dangerous substances shall be safely stored, handled, recycled, reused and disposed of per manufacturers recommendations. Only legally approved substances are used.

### **3.2.9 Packaging standards**

Suppliers are expected to explore environmentally friendly packaging options and to reduce or eliminate all use of plastics within their packaging supply chain. Suppliers are also expected to increase the recyclability of packaging material supplied to Michael Hill.

Supplier will use all reasonable steps to use environmentally friendly packaging options wherever possible, and will:

- At a minimum, package all products in biodegradable self-lock zip bags with EPI biodegradable logo print or similar print
- Supply a MSDS certificate from their packaging factory to prove biodegradability claims
- Where possible, use Bio Fill or a comparable biodegradable and compostable loose-fill packaging material to fill empty spaces within a box or outer shell.

Suppliers acknowledge that shredded paper, folded newspaper or styrofoam snow or other styrofoam products is not permitted. Plastic bubble wrap and other plastics should be avoided wherever possible; use of Honeycomb board or similar is recommended.

### **3.2.10 Ensure that the Supplier's employees, agents and sub-contractors abide by this Code of Conduct**

Suppliers must provide Michael Hill with detail of its production facilities, including the location of those facilities that are involved in the production or provision of goods or services provided by the Supplier to Michael Hill. The Supplier will permit any duly authorised representative of Michael Hill to make visits, inspections and conduct an audit of the sites of the production facilities or other sites at which people work directly or indirectly for the Supplier, during normal business hours.

Suppliers will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to their employees.

Michael Hill expects suppliers to have high ethical standards in their business practices and to ensure the principles within this Code of Practice are reflected in their upstream supply chain.

### **3.2.11 Breach of Code of Conduct by Supplier**

Where a supplier breaches this Code of Conduct, Michael Hill will have the option of continuing the business relationship. This may occur in situations where the supplier has proven a willingness to remedy the breach with an agreed course of action in a timely manner moving forward.

In any event, Michael Hill reserves the right to terminate any and all Purchase orders or the relationship with a Supplier immediately in the event of a material violation of this Code of Conduct.

### 3.2.12 Conflict Free Diamond and Raw Metal Supply Chain

Michael Hill is committed to not buying or selling conflict diamonds and raw metals or assisting others to do so. All suppliers of diamonds, whether polished, loose or set in jewellery, are required to ensure the same thorough compliance with the Kimberley Process Certification Scheme (**KPCS**), the World Diamond Council (**WDC**), Statement of Warranties (**SOW**) and applicable national legislation and give a declaration to this effect on all their invoices through warranty statements. For suppliers that supply natural diamonds, refer to the Supply Terms with regard to the warranty statement to be included on supplier invoices for natural diamonds.

All suppliers of raw metals must ensure conflict free sourcing and appropriate due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, sourced through the London Bullion Market Association (**LBMA**) Good Delivery refiners or Responsible Mineral Initiative (**RMI**) or Dubai Multi Commodities Centre (**DMCC**) or RJC (**Chain of Custody**) systems and give a declaration to this effect on their invoices. For suppliers that supply raw materials, refer to the Supply Terms with regard to the warranty statement to be included on supplier invoices for raw materials.

### 3.2.13 Traceability

The Supplier will only represent provenance or country of origin details of the product when those details have been audited and verified in writing by an independent third party of good standing and reputation for verifying such details. The Supplier will provide Michael Hill with copies of any audit or certification documentation to evidence such claims of provenance or country of origin.

### 3.2.14 Laboratory Created, Laboratory Grown, Simulant and Treated Diamonds

Michael Hill is committed to appropriate disclosure about the manner and method in which certain products sold by Michael Hill are created. This means that customers are always made fully aware of the quality, origin and provenance of products at the time of purchase from Michael Hill. For suppliers that supply laboratory created diamonds, refer to the Supply Terms with regard to the warranty statement to be included on supplier invoices for laboratory created diamonds. To that end, the Supplier must ensure that it implements ethical marketing and sales tactics which do not have the potential to mislead or deceive a person in relation to the supply of laboratory created diamonds, laboratory-grown diamonds, simulant diamonds and treated diamonds to Michael Hill and comply with the latest version of the CIBJO Laboratory-Grown Diamond Guideline and any guidance provided by Michael Hill for these Diamonds from time to time.

The Supplier acknowledges and agrees that it would be misleading and deceptive to:

- Use the words “real”, “genuine”, “natural”, “precious”, “semi-precious”, or similar terms to describe any industry product sold by the Supplier (including wholesale, retail, or otherwise) that is not a natural diamond (i.e. that is manufactured or produced artificially).
- Use abbreviations such as “lab grown” or “lab created”.
- Use the name of any other precious or semi-precious stone, or the words “stone”, “birthstone”, “gem” or “gemstone” to describe a laboratory created, laboratory-grown, simulant or imitation product unless such words or names are immediately preceded with equal conspicuousness by the word “laboratory created”, “laboratory grown”, or some other word or phrase of like meaning to disclose the nature of the product and the fact it is not a natural diamond.
- Make any statement or representation that a simulant has the same characteristics, origin, quality or other features as that of a natural diamond.
- Imply that simulants have the same optical, physical and chemical properties of a natural diamond.

The Supplier agrees to implement responsible advertising and marketing guidelines with respect to laboratory created, laboratory-grown, simulant and treated diamonds in its business that adhere to the latest version of the CIBJO Laboratory-Grown Diamond Guideline. Michael Hill will not be liable for any damages, losses or any liability or penalties incurred by the Supplier as a result of the Supplier failing to adhere to responsible marketing and advertising practices with respect to the sale, supply or wholesale of these products.

The Supplier must ensure that each of the laboratory created diamonds, laboratory-grown diamonds, simulant diamonds and treated diamonds are laser marked with appropriate characterisation when supplied to Michael Hill, and the Supplier acknowledges that Michael Hill will resell the products with the

same laser markings which form part of appropriate disclosure of the nature of the product to Michael Hill's customers.

**3.2.15 Gemstones**

Michael Hill is committed to appropriate disclosures with regard to gemstones.

The Supplier must not use any term that is designed to disguise the fact that a coloured gemstone is synthetic, or that misleads the consumer in any way, including using abbreviations such as 'lab grown' or 'lab created'.

The place of origin for a coloured gemstone refers to the geographical area where the stone was originally mined. The Supplier will provide Michael Hill with copies of any audit or certification documentation to evidence such claims of provenance.

Suppliers must describe the size and the quality of coloured gemstones in accordance with IDC rules or the CIBJO Gemstone Book.

For Suppliers that supply gemstones, refer to the Supply Terms with regard to the warranty statement to be included on supplier invoices for gemstones.

**4. Michael Hill complaints and grievance mechanism**

Suppliers and other third parties must report any concerns or breaches of this Code of Conduct through one of the following reporting avenues:

- The relevant Michael Hill contract representative or supplier relationship manager
- In accordance with Michael Hill's Whistleblower Policy by contacting independent and confidential reporting lines (where you can choose to remain anonymous):
  - **Australia:** ProAct Strategies
    - o Phone: 1800 888 340
    - o Email [report@proactlink.com.au](mailto:report@proactlink.com.au)
    - o Online: [www.proactlink.com.au](http://www.proactlink.com.au)
  - **New Zealand:** ProAct Strategies
    - o Phone: 0800 888 330
    - o Email: [report@proactlink.co.nz](mailto:report@proactlink.co.nz)
    - o Online: [www.proactlink.co.nz](http://www.proactlink.co.nz)
  - **Canada:** Xpera Confidence Line
    - o Phone: 1800 661 9675
    - o Online: [www.michaelhill.confidenceline.net](http://www.michaelhill.confidenceline.net)

**5. Acknowledgement by Supplier**

Michael Hill will not compromise the fundamental principles set out in this Code of Conduct. However, cultural and national differences and any other relevant factors will receive consideration where required.

Please complete and sign below to acknowledge your understanding of, and commitment to, this Code of Conduct.

Name of Supplier: \_\_\_\_\_

Name of Authorised Representative: \_\_\_\_\_

Signature of Authorised Representative: \_\_\_\_\_

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

## 6. Definitions

In this Code of Conduct, unless the context otherwise requires:

**Code of Conduct** means this Code of Business Ethics and Code of Conduct for Suppliers.

**Conflict Diamonds** means rough diamonds used to finance wars against governments, as described in the relevant United Nations Security Council resolutions.

**KPCS, or Kimberley Process Certification Scheme**, means a joint government, international diamond industry and civil society initiative to prevent Conflict Diamonds from entering the supply chain.

**Laboratory Created and Laboratory-Grown Diamonds** means diamonds that are not natural or mined stones but are grown from a natural diamond seed in a laboratory and have the same chemical composition, crystal structure and physical (including optical) properties of a diamond.

**Michael Hill** means Michael Hill International Limited including its subsidiaries and related bodies corporate.

**Natural Diamond** means a diamond which is formed completely by nature without human intervention during the formation. It is a mineral consisting essentially of pure carbon crystallised in the isometric system, is found in many colours and has the following characteristics: (a) its hardness is 10; (b) its specific gravity is approximately 3.52; and (c) it has a refractive index of 2.42.

**RJC** means the Responsible Jewellery Council.

**Site** means a site which is operated and controlled by Michael Hill.

**Simulant** means a product which is made from Cubic Zirconia, Moissanite, and other non-diamond products that are used in jewellery to simulate a Natural Diamond.

**SOW, or World Diamond Council System of Warranties**, means a voluntary system of industry self-regulation designed by the WDC that tracks diamonds, after the KPCS certifies them, through the supply chain via a warranty statement declaration.

**Suppliers** means suppliers, material vendors, indirect goods and service providers, consultants, contract manufacturers and anyone else who may provide a product or service to Michael Hill.

**Treated Diamond** means a stone having undergone human intervention other than cutting, polishing, cleaning and setting to permanently or non-permanently change the stone's appearance. Some examples include coating, fracture filling, irradiation, laser drilling, high pressure high temperature treatment or any physical or chemical process.

**WDC** means the World Diamond Council.

## 7. Policy information

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