

CODE OF BUSINESS ETHICS AND CODE OF CONDUCT FOR SUPPLIERS

POLICY 1015

1. Purpose

Michael Hill Jeweller (**MHJ**) believes that outstanding business performance must be supported by the highest standards of corporate behaviour towards employees, customers and other stakeholders. As a member of the Responsible Jewellery Council (RJC), MHJ is committed to operating its business in accordance with the RJC Code of Practices, by integrating ethical human rights, social and environmental considerations into 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 MHJ in relation to its suppliers. It also sets out requirements which must be met by suppliers, their contractors and subcontractors when dealing or having a business relationship with MHJ.

2. Scope and application

This policy applies to all Suppliers of MHJ.

3. Statement

3.1. Commitment by MHJ

MHJ 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. 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 stand on 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 between the suppliers and MHJ, as well as audits conducted by itself or by an independent third-party organisation on behalf of MHJ. Results of such audits may be communicated to the supplier
- Governing the supply chain in accordance with the Modern Slavery Act 2018.

3.2. Expectations from Suppliers

MHJ 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.

MHJ 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 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 which restrict and/or prohibit hazardous substances in countries in which MHJ sells its products.
- Any MHJ policy or regulation which applies and to which the supplier has agreed to or which are communicated to and agreed upon between MHJ 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 MHJ 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 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.

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:

- I. Any forms of torture, cruel, inhumane and degrading treatment
- II. Any form of forced labour
- III. Harmful forms of child labour
- IV. Other gross human rights violations and abuses such as widespread sexual violence
- V. 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:

- VI. 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.

- VII. No forced labour

There will be no forced 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.

- VIII. No child labour

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

- any person below the age of 15 years; or

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

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.

IX. 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.

X. Humane treatment

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

XI. 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.

XII. 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.

XIII. Fair compensation

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.

XIV. 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.

XV. 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.

XVI. Grievance process

The workplace must be free from discrimination, harassment, victimisation vilification and objectionable conduct, and all employees must be treated with dignity, courtesy and respect. All complaints must be treated in a sensitive, fair, timely and confidential manner. Any employee making a complaint is to be guaranteed protection from any victimisation or reprisals.

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 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.

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

Suppliers must provide MHJ with a list 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 MHJ. The Supplier will permit any duly authorised representative of MHJ to make unannounced 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, including the prominent posting of a copy of this Code of Conduct, in the local language and in a place readily accessible to employees.

MHJ 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.

Where a supplier breaches this Code of Conduct, MHJ 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, MHJ reserves the right to terminate a relationship with a supplier immediately in the event of a serious violation of this Code of Conduct.

3.2.10 Conflict Free Diamond and Raw Metal Supply Chain

MHJ 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 Kimberly 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. 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 in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas through the London Bullion Market Association (LBMA) or Responsible Mineral Initiative (RMI) or Dubai Multi Commodities Centre (DMCC) or RJC (Chain of Custody) 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.

3.2.11 Laboratory Created, Laboratory Grown, Simulant and Treated Diamonds

MHJ is committed to appropriate disclosure about the manner and method in which certain products sold by MHJ 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 MHJ. 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 are not misleading or deceptive in relation to the supply of Laboratory Created Diamonds, Laboratory Grown Diamonds, Simulant Diamonds and Treated Diamonds to MHJ.

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

- I. 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).
- II. 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.
- III. Make any statement or representation that a Simulant has the same characteristics, origin, quality or other features as that of a Natural Diamond.
- IV. 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. MHJ will not be liable for any damages, losses or any liability or penalties incurred 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 non-natural diamond products are laser marked with appropriate characterisation when supplied to MHJ, and the Supplier acknowledges that MHJ will resell the products with the same laser markings which form part of appropriate disclosure of the nature of the product to MHJ's customers.

3.2.12 Gemstones

MHJ 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 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. Supplier will provide Michael Hill with copies of any audit or certification documentation to evidence such claims of provenance.

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. MHJ 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 MHJ business owner or delegate of the contract or Supplier relationship
- In accordance with MHJ'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
 - o Online: www.proactlink.com.au
 - **New Zealand:** ProAct Strategies
 - o Phone: 0800 888 330
 - o Email: report@proactlink.co.nz
 - o Online: www.proactlink.co.nz
 - **Canada:** Xpera Confidence Line
 - o Phone: 1800 661 9675
 - o Online: www.michaelhill.confidenceline.net

MHJ 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: _____

5. Definitions

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

Accountability means the obligation to answer for an action; where an individual is held liable for meeting / not meeting agreed targets, objectives, their responsibilities, and the responsibilities for persons whom they are answerable for.

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.

CVD means chemical vapour deposition.

HPHT means high pressure high temperature.

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.

MHJ 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. A mineral consisting essentially of pure carbon crystallised in the isometric system, found in many colours and with the following characteristics:

- Its hardness is 10
- Its specific gravity is approximately 3.52
- It has a refractive index of 2.42.

Responsibility means the obligation to act; where an individual has been allocated a task to undertake, where a target or objective has been set in which the individual will be measured against.

RJC means the Responsible Jewellery Council.

Site means a site which is operated and controlled by MHJ.

Simulant means a product which is made from CZ, 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 KPSC 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 MHJ.

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, HPHT treatment or any physical or chemical process.

WDC means the World Diamond Council.

6. Policy information

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Related policies, procedures and forms	Any document with a prefix of 1015 1017 - Anti Bribery and Corruption Policy 1006.G - Code of Conduct 1016 - Anti-Money Laundering and Countering Terrorism Financing Policy 2306.G - Grievance Procedure Policy 3019.G - Conflict Free Diamonds and Sourcing Policy
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