

Mejuri Supplier Code of Conduct Guidance

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Contents

Introduction	3
Compliance	3
Applicability	4
Code Requirements	4
1. Freedom of Association	4
2. Forced Labor	6
3. Child Labor and Young Workers	10
4. Discrimination	14
5. Harassment	17
6. Discipline	20
7. Working Hours	22
8. Wages and Benefits	25
9. General Employment Terms	28
10. Subcontracting	29
11. Health and Safety	31
12. Environment	41
13. Community Development	45
14. Security	47
15. Business Integrity	49
16. Product Disclosure	51
17. Anti-Corruption, Bribery, Money Laundering	54
18. Due Diligence and Conflict-Affected and High-Risk Areas	57
19. Kimberley Process Certification Scheme and System of Warranties	62
20. Traceability and Transparency of Materials	64
21. Non-mined Materials	67
22. Grievance Mechanisms and Remedy	69
23. Legal Compliance	71

Introduction

At Mejuri, we believe in fine jewelry as an expression of self, and in creating the pieces you love, it is just as important to us that our community feels good about how they are crafted. Our entire production ecosystem—including sourcing, manufacturing, and branding—aims to positively impact the communities that support our business, empower women around the world and make our planet a better place. We want to use our reach and resources to make a difference.

Mejuri's Supplier Code of Conduct and this Guidance lay out the minimum standards we expect each supplier facility to meet. We expect all suppliers to share our commitment to the welfare of workers, to the protection of the environment and to the implementation of responsible business practices. These minimum standards are integral to Mejuri's supplier strategy – how we evaluate baseline performance and determine the suppliers with which Mejuri will continue to engage and grow our business. We want to work with suppliers who show a commitment to managing their business responsibly and sustainably and who seek to move beyond minimum standards.

This guidance document is a supplement to the [Mejuri Supplier Code of Conduct](#), providing additional clarity and guidance on how Mejuri Suppliers can demonstrate compliance with our requirements. The information provided in this document is not intended to represent legal advice and Mejuri's suppliers retain sole responsibility for ensuring compliance with all applicable laws and regulations that apply to their business operations.

Compliance

Suppliers are responsible for ensuring that they comply with the requirements of Mejuri's Supplier Code of Conduct, which will include the provision of training for all applicable workers and contractors.

Suppliers are expected to self-assess their compliance with the Supplier Code and take steps to address any areas of non-conformance. Mejuri recommends that Suppliers use this guidance document to assist them during the self-assessment process.

Mejuri will take all reasonable steps to verify that suppliers are complying with the Supplier Code of Conduct requirements and, where applicable, have implemented corrective actions to address any areas of non-compliance. This will include, but is not necessarily limited to asking suppliers to complete our Self-Assessment Questionnaire (SAQ), to provide Mejuri with copies of policies, procedures and other relevant documentation when requested and permitting Mejuri staff and/or designated third-party auditors to audit supplier facilities for the purpose of verifying compliance with the Supplier Code of Conduct requirements.

Mejuri suppliers will be evaluated against the Supplier Code of Conduct requirements based on a continuous improvement approach. In practice, this means working with our suppliers collaboratively and supporting them to achieve full compliance over time. However, as a last resort, we reserve the right to suspend or terminate business

relationships with individual Suppliers that do not meet minimum expected levels of performance and/or as circumstances demand in line with existing business terms and conditions.

Applicability

Not all of the requirements outlined in this document apply to all types of suppliers. Further information about the applicability of individual requirements can be found at the start of each guidance chapter.

Suppliers that have obtained prior approval from Mejuri to sub-contract the manufacturing of jewelry (partially or fully) to a third-party that is not directly owned or controlled by the supplier, must ensure that sub-contracted facilities are operated in accordance with the Supplier Code of Conduct as outlined in chapter 10 of this guidance document.

Code Requirements

1. Freedom of Association

Requirement

Mejuri Suppliers will respect the rights of employees to associate freely, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference.

Where laws prohibit these freedoms, Suppliers will support parallel means for independent and free association and bargaining and will adhere to collective bargaining agreements, where such agreements exist.

Applicability

This requirement applies to all direct suppliers.

Background

Freedom of association is a fundamental human right proclaimed in the Universal Declaration of Human Rights¹. In practice this means not interfering in a worker's² decision to form or join a workers' union/organization or discriminating against a worker for doing so.

Collective bargaining refers to negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, for determining working conditions and terms of employment; and/or regulating relations between employers and workers; and/or

¹ The International Labour Organization. Freedom of association and collective bargaining: <https://www.ilo.org/global/topics/dw4sd/themes/freedom-of-association/lang--en/index.htm>

² For the purpose of this document a worker is anyone that is directly or indirectly employed by the Supplier. This includes full or part-time employees, agency workers and on-site contractors.

regulating relations between employers or their organizations and a workers' organization³.

In most countries, the rights of workers to associate freely and engage in collective bargaining are protected by law, however this is not the case everywhere. Some countries prohibit the formation of workers unions entirely and in other countries certain restrictions are placed on the extent to which workers can associate freely.

Policy and procedures

Where permitted by applicable local law, suppliers will have a documented Freedom of Association and Collective Bargaining Policy which explicitly recognises the rights of its workers to participate in, or refrain from participating in, workers' organizations of their choosing and to bargain collectively. The policy will also explicitly state that workers will not be retaliated against or penalized in any way for associating freely or engaging in collective bargaining, as long as such activities do not breach applicable local law.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Right to freely associate

Suppliers will respect the rights of their workers to form and join trade unions and other workers' organizations of their choosing.

Where local law restricts freedom of association, the supplier will provide parallel means to engage with its workers individually and collectively. As a minimum this will include having an effective and transparent grievance mechanism in place that will allow for the investigation and resolution of worker grievances (see also section 22. Grievance Mechanisms and Remedy).

Neutrality and non-interference

Suppliers must allow workers to associate freely with organizations of their choosing which includes but is not limited to, supporting workers to participate in the election of union leaders and representatives, without interference or obstruction.

Suppliers will not pressure workers to join a company-controlled organization or place any restrictions on which organizations workers may associate with.

Suppliers will provide representatives of workers' organizations with reasonable access to workers based on conditions established by local law and/or mutual agreement between the supplier and the organization.

Non-retaliation and harassment

³ The International Labour Organization. What is collective bargaining?:
https://www.ilo.org/global/topics/collective-bargaining-labour-relations/WCMS_244362/lang--en/index.htm

Suppliers will not subject workers to any form of discrimination or harassment, intimidation, dismissal, disciplinary action or any other form of retaliation for forming and/or associating with workers' organizations or for organizing lawful strikes and/or demonstrations.

In cases where workers have been unjustly and/or unlawfully treated as a result of exercising their rights to associate freely, suppliers will take appropriate remedial actions in accordance with applicable law.

Collective bargaining agreements

Suppliers will recognize the rights of organized workers to engage in collective bargaining and the supplier will enter into collective bargaining negotiations in good faith.

Suppliers will honor the terms of any signed collective bargaining agreement for the duration of that agreement and will make copies of the agreement available to all applicable workers.

Where the right to collective bargaining is restricted by local law, suppliers will not obstruct alternative legal means of workers to bargain collectively.

Training and communication

Suppliers will communicate the Freedom of Association and Collective Bargaining Policy to all workers and provide training to ensure that workers understand their rights in accordance with applicable local law.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, applicable documented policies and procedures, training records, records of worker grievances and complaint resolutions, collective bargaining agreements and records of engagement with applicable workers' organizations (if applicable).

2. Forced Labor

Requirement

Suppliers will not employ forced, indentured, debt-bonded or convict labor, nor use any practice to coerce the continued employment of any person, such as requiring employees to pay recruitment commissions or withholding any personal or travel documents. Employees are expected to be able to leave their employment without threat or coercion. Neither the company nor any entity supplying labor to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Suppliers shall monitor relationships with recruitment agencies or contracted labor for risk of human trafficking and compliance with applicable anti-slavery laws.

Applicability

This requirement applies to all direct suppliers.

Background

The international Labour Organization (ILO) Forced Labour Convention, 1930 (No. 29) defines forced labor as “all work and service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily”⁴.

Vulnerable groups, such as migrants, women, girls, people with disabilities and minority religious and ethnic groups are often most at risk of being coerced into working involuntarily. Forced labor typically happens in the context of poverty, lack of sustainable jobs and education, as well as a weak rule of law, corruption and an economy dependent on cheap labor⁵, but it can also occur in highly developed countries.

Forced labor can involve threats of, or actual physical violence and abuse, but this is not necessarily always the case. Employers that engage in forced labor practices often use unscrupulous tactics such as confiscating personal documents from workers, including passports and national identity cards, and/or withholding wages to ensure that workers cannot easily leave their employment. Employers may also threaten to report migrant workers to applicable authorities unless they agree to the employer’s terms of employment.

Indentured labor occurs when a third party, such as a parent or guardian, offers a worker in exchange for money. Indentured laborers are forced to work for either a fixed time, or until the proprietors decide they have received fair value⁶.

Debt-bonded labor (or debt bondage) exists when laborers (sometimes with their families) are forced to work for an employer in order to pay off their own debts or those they have inherited⁷. In such cases, the terms of repayment are often unclear and the employer does not always communicate to the worker how long it will take to pay off the debt. As a result, workers will sometimes be bonded to an employer for years.

Convict labor (or prison labor) is not generally considered forced labor under international law. However, involuntary work performed by prisoners who have not been convicted in a court of law and whose work is not supervised by a public authority is considered forced labor⁸. For the purpose of this requirement, Mejuri does not tolerate the use of convict labor under any circumstances even where this is permitted by applicable local country law.

⁴ The International Labour Organization (ILO). What is forced labor, modern slavery and human trafficking. <https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>

⁵ Anti-Slavery International. What is forced labor? <https://www.antislavery.org/slavery-today/forced-labour/>

⁶ Responsible Jewellery Council (RJC). 2019 Code of Practices Guidance. p.166. <https://www.responsiblejewellery.com/wp-content/uploads/RJC-COP-Guidance-April-2019.pdf>

⁷ The International Labour Organization (ILO). Business and Forced Labour. https://www.ilo.org/empent/areas/business-helpdesk/WCMS_DOC_ENT_HLP_FL_EN/lang--en/index.htm

⁸ International Labour Organization (ILO). Combating Forced Labour: A Handbook for Employers and Business (2015). p.10. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf

Human Trafficking is the recruitment, transportation, transfer, harboring or receipt of people through force, fraud or deception, with the aim of exploiting them for profit⁹.

Policy and procedures

Suppliers will have a documented policy prohibiting all forms of forced labor in their business operations, including indentured labor, debt-bonded labor, convict labor and human trafficking. Suppliers will clearly communicate the policy to recruiters (including external recruitment agencies) and subcontractors¹⁰, as applicable.

Suppliers will have appropriate procedures in place to implement the policy which will include procedures for hiring, agreeing fair terms and conditions of employment with workers and ensuring that any workers that are employed by third-party recruiters (e.g., such as temporary agency workers) are not subjected to conditions of forced labor.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Risk assessment

Suppliers will carry out a documented forced labor risk assessment of their operations to identify any breaches with Mejuri's requirements as outlined in this chapter. Suppliers will document any areas of non-compliance and implement appropriate corrective actions.

Forced labor risks in the supply chain

Suppliers will take reasonable steps to identify and, where applicable, mitigate risks related to forced labor in their upstream supply chains. This may include, but is not necessarily limited to:

- Verifying if suppliers have a policy in place that prohibits the use of forced labor;
- Verifying if suppliers evaluate the hiring practices of third-party recruiters, if applicable; and
- Verifying if suppliers use migrant labor.

Suppliers that identify actual or potential forced labor in their upstream supply chain will take immediate action to mitigate these risks, which may include suspending or terminating business relationships with suppliers.

Document retention

Suppliers will not retain or withhold original personal documents or items of workers including but not limited to, passports, national IDs, driving licenses, visas, work permits and residency permits. Suppliers may request original personal documents for the purpose of fulfilling mandatory administrative tasks (such as taking a photocopy of a

⁹ The United Nations Office on Drugs and Crime (UNODC). Human Trafficking. <https://www.unodc.org/unodc/en/human-trafficking/human-trafficking.html>

¹⁰ This includes work carried out at the Supplier's facilities by workers that are directly employed by a subcontractor.

worker's ID or for verifying a worker's bank account details) or for fulfilling any legal obligations the supplier may have. Where this is the case, such documents may only be handled and/or processed with the explicit consent of the worker and only for as long as necessary. If at any time a worker requests that his/her personal documents are returned to them, suppliers will comply with such requests immediately.

Fees and deposits

Suppliers will not require workers to pay any fees, deposits or costs associated with their recruitment and ongoing employment, including any expenditure related to the employment and repatriation of Foreign Contract Workers (FCW), unless this is explicitly permitted by applicable country law.

If FCWs provide the full notice period as per their labor contracts or applicable laws and regulations, the facility is responsible for covering all travel expenses associated with their return to their habitual place of residence.

Suppliers will not penalize FCWs for voluntarily terminating their employment contract early without reasonable notice by deduction of base or overtime wages due.

Suppliers will not implement a mandatory savings program for workers.

Loans and wage advances

Suppliers that provide wage advances and/or loans to workers will only do so in accordance with applicable country law and will ensure that any conditions and/or repayment terms (including the repayment of interest, if applicable) are communicated verbally and in writing to workers in a language that they understand. A loan or wage advance agreement must be signed by both the supplier and the worker in advance.

Freedom of movement

Unless necessary for worker safety and/or security reasons, there are no unreasonable restrictions on the movement of workers and their access to basic liberties at the workplace and, if applicable, in employer-controlled dormitory/housing. Workers are free to leave the facility premises at the end of their working shifts.

Suppliers will not place restrictions on the number or timing of bathroom breaks or make any wage deductions associated with workers' use of toilet facilities.

Workers shall not be forcibly required to live in employer-owned or controlled housing. The freedom of movement of workers who live in employer controlled housing shall not be unreasonably restricted.

Suppliers are prohibited from implementing a surveillance system that is excessively intrusive or constant.

Termination of employment

Workers will be permitted to terminate their employment at any time after providing reasonable notice in accordance with the agreed terms and conditions of employment. Suppliers will not retain any part of the worker's salary and/or benefits for the purpose of preventing the worker from leaving their employment.

Use of recruitment agencies and contracted labor

Suppliers will monitor relationships with recruitment agencies and/or contracted labor for risk of non-compliance with any of Mejuri's forced labor requirements as outlined in this guidance chapter. Suppliers will take immediate and appropriate steps to remedy identified risks.

Training and communication

Suppliers will communicate the Forced Labor Policy with all workers and provide training to ensure that workers understand their rights in accordance with applicable local law.

Suppliers will ensure that workers and external recruiters involved in hiring workers receive detailed training to ensure that the Forced Labor Policy and any associated procedures are effectively implemented.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a documented forced labor policy, applicable documented procedures to ensure implementation of the policy, a documented forced labor risk assessment, records of loans and wage-advances, copies of terms and conditions of employment and/or employment contracts, agreements with recruitment agencies, records of worker grievances and complaint resolutions, records of any applicable grievances raised by external stakeholders with regards to actual or potential use of forced labor.

3. Child Labor and Young Workers

Requirement

Suppliers shall not use nor support the use of child labor as defined in ILO Convention 138 and the worst forms of child labor as defined in ILO Convention 182.

The minimum age for full time employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by local laws in accordance with the ILO developing-country exception).

Suppliers shall ensure any young workers (those between the minimum age described above and 18 years old) are employed under well-defined circumstances, such as legal vocational training programs, that are not harmful to the health, safety or morals of young workers and that comply with applicable laws.

Applicability

This requirement applies to all direct suppliers.

Background

The term ‘child labor’ can be defined as work that deprives children of their childhood, their potential for dignity and that is harmful to their physical and/or mental development¹¹. The International Labour Organization (ILO) describes it as work that is:

- mentally, physically, socially or morally dangerous and harmful to children; and/or
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

The ‘worst forms of child labor’ involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age¹². Not all work by children is considered to be child labor and not all child labor falls within the definition of the worst forms of child labor. Children who are at or above the minimum working age and engaged in work (i.e., young workers) that does not negatively affect their physical and/or mental health, personal development or interfere with their schooling, are likely to benefit by learning important new skills and obtaining crucial work experience. However, young workers are still developing physically, mentally and emotionally. In comparison to adults, they are more sensitive to hazardous substances and conditions and are more likely to take risks. This, combined with a lack of awareness of safety rules, limited skills and work experience, inadequate training, and unsuitable job assignments, can often expose them to hazardous conditions or unsafe work practices, resulting in an increased risk of work-related injuries¹³.

It is estimated that there are perhaps more than 168 million children worldwide engaged in activities that would be considered child labor and of this number around 1 million children are working in mining or quarrying in gold, tin, coal, diamond, coloured gemstone, stone and salt mines¹⁴. Examples of child labor, including the worst forms of child labor, can also be found in other parts of the jewelry supply chain, such as in informal metal recycling operations and during the cutting and polishing of diamonds and coloured gemstones.

Policy and procedures

Suppliers will have a documented policy prohibiting the use of child labor in their business operations and preventing young workers from being exposed to hazardous work. Suppliers will clearly communicate the policy to recruiters (including external recruitment agencies) and subcontractors, as applicable.

Suppliers will have appropriate procedures in place to implement the policy which will include procedures for verifying the ages of all workers, including on-premise workers that are employed by third-party recruitment agencies and/or subcontractors.

Practical implementation

Responsibility

¹¹ The International Labour Organization (ILO). What is child labour. <https://www.ilo.org/ipec/facts/lang--en/index.htm>

¹² The International Labour Organization (ILO). What is child labour. <https://www.ilo.org/ipec/facts/lang--en/index.htm>

¹³ The International Labour Organization (ILO). Safety and Health for Young Workers: Fact Sheet for Employers. 2019. p1. https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---lab_admin/documents/publication/wcms_673963.pdf

¹⁴ OECD. Practical actions for companies to identify and address the worst forms of child labour in mineral supply chains. 2017. p9. <http://mneguidelines.oecd.org/Practical-actions-for-worst-forms-of-child-labour-mining-sector.pdf>

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Minimum working age

Suppliers will not recruit anyone under the age of 15 years (or 14 years where established by local laws in accordance with the ILO developing-country exception). Suppliers are responsible for ensuring compliance with applicable local law on minimum working age and the protection of young workers.

Age verification

Suppliers will establish and implement robust procedures for verifying the ages of workers. The procedures will cover directly employed workers, workers employed by third-party recruitment agencies and on-premise subcontracted workers¹⁵, and will include:

- Verifying the age of the worker by requiring the worker to provide a valid form of photo ID which includes: a passport, government issued photo ID or driving license;
- Matching the photo ID to the workers face; and
- Keeping a photocopy of the age verification document on file. Suppliers will not retain workers' original ID documents (See also document retention requirements in chapter 2. Forced Labor).

Safety of Young workers

Suppliers will have a system in place for identifying work stations and operations that are inappropriate for young workers according to applicable laws. Suppliers will ensure that young workers do not perform work that jeopardizes their health, safety, or morals (as defined by law/ILO Conventions 138 and 182). This includes:

- Exposure to hazardous substances;
- Exposure to hazardous environments (including environments that may result in heat or cold stress);
- Work that requires the use of potentially dangerous machinery and equipment;
- Exposure to electrical hazards;
- Work involving heavy lifting;
- Work underground;
- Work underwater;
- Work at height;
- Work in confined spaces;
- Work carried out at night (between 10pm and 5am); and
- Any other type of work that has the potential to be harmful to the health, safety or morals of young workers.

Suppliers will implement processes to track and monitor work carried out by young workers. This will include:

¹⁵ In practice, this means that suppliers must make sure that any subcontracted workers that carry out work at their premises comply with the minimum age requirements.

- Ensuring that applicable line managers are aware of the restrictions on the types of work that young workers may be asked to engage in;
- Ensuring that each young worker has a documented job description outlining the type of work he/she will carry out;
- Processes for monitoring the health and wellbeing of young workers. This might, for example, include organizing regular check-ins with young workers to identify potential signs of stress (physical and mental), ill health or injury etc;
- Where required by law, providing health examinations for young workers prior to employment and/or on a regular basis after employment; and
- Ensuring compliance with working hours and overtime restrictions for young workers in accordance with local law.

Risk assessment

Suppliers will carry out a documented risk assessment to identify any breaches with Mejuri's requirements as outlined in this chapter. The risk assessment will aim to identify:

- Any underage workers that do not meet the minimum age threshold;
- Any young workers that are engaged in work that has the potential to be harmful to the health, safety or moral of the worker; and
- General procedural issues or weaknesses that may result in a future non-compliance unless mitigated.

Suppliers will take appropriate documented steps to address any identified areas of non-compliance, unless the non-compliance relates to the presence of one or more underage workers, in which case suppliers will follow the specific remediation steps outlined below.

Child labor risks in the supply chain

Suppliers will take reasonable steps to identify and, where applicable, mitigate risks related to child labor in their upstream supply chains. This may include, but is not necessarily limited to:

- Verifying if suppliers have a policy in place that prohibits the use of child labor;
- Verifying that suppliers have age-verification controls in place and procedures related to the use of young workers; and
- Verifying that suppliers are in compliance with applicable local country law with regards to child labor and young workers.

Suppliers that identify underage workers in their upstream supply chain will take immediate risk mitigation steps, which may include suspending or terminating the business relationship with the applicable supplier(s).

Remediation of child labor

Suppliers will inform Mejuri immediately if an underage worker is found working at any of the supplier's premises and facilities. This includes indirectly employed on-premise workers employed by a third-party recruitment agency or contractor.

Suppliers that identify underage workers at their facilities will take all necessary remediation steps in accordance with local applicable law.

Training and communication

Suppliers will communicate the child labor policy and all applicable hiring and age verification procedures, including specific requirements related to the employment of young workers, to hiring managers, third-party recruitment agencies and applicable subcontractors.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a documented child labor policy, applicable documented procedures to ensure implementation of the policy, a documented child labor risk assessment, records showing the names and ages of all young workers, documented job descriptions for all young workers, copies of proof of age documentation, records of any applicable grievances raised by external stakeholders with regards to actual or potential use of child labor, and documented child labor remediation plans (if applicable and required by law).

4. Discrimination

Requirement

Suppliers will not practice or condone any form of discrimination in the workplace during any phase of the employment relationship due to race, ethnicity, caste, national origin, religion or belief, disability, gender, sexual orientation, union membership, political opinion, marital status, parental status, physical appearance, social group, veterans status, medical status, or age, or any other basis specified by law. All individuals shall be accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.

Applicability

This requirement applies to all direct suppliers.

Background

Workplace discrimination occurs when a person is treated less favorably than others because of characteristics that are not related to the person's competencies or the inherent requirements of the job. All workers and job seekers have the right to be treated equally, regardless of any attributes other than their ability to do the job. Discrimination may occur before hiring, on the job or upon leaving¹⁶.

¹⁶ International Labour Organization (ILO). Business, Non-discrimination and Equality. https://www.ilo.org/empent/areas/business-helpdesk/WCMS_DOC_ENT_HLP_BDE_EN/lang--en/index.htm

Discrimination in the workplace doesn't necessarily have to be intentional and it may occur due to a lack of awareness and/or certain cultural norms. Workplace discrimination can be found in highly developed and low-income countries and it can happen between co-workers, with job-applicants and between workers and their employers.

People might be treated unfairly or unequally for a range of reasons related to their specific personal characteristics, also commonly referred to as 'protected characteristic'¹⁷, but globally, workplace discrimination tends to disproportionately affect women, younger and older people, refugees and migrant workers, people with disabilities and ethnic minorities.

Most countries have labor practice laws that include specific provisions on non-discrimination, however in some cases these laws may be weak and/or weakly enforced. For example, many countries in the Middle East and Africa score poorly with regards to workplace equality for women¹⁸.

Policy and procedures

Suppliers will have a documented policy that prohibits all forms of discrimination in the workplace. The policy must explicitly state that:

- Workers and applicants will not be discriminated against due to race, ethnicity, caste, national origin, religion or belief, disability, gender, sexual orientation, union membership, political opinion, marital status, parental status, physical appearance, social group, veterans' status, medical status, or age, or any other basis specified by law; and
- No workers will be punished or retaliated against in any way for reporting any concerns related to actual or potential discriminatory practices.

Suppliers will ensure that the scope of their grievance and discipline procedures include addressing reports and instances of workplace discrimination. See also section 6. Discipline, and section 22. Grievance Mechanisms and Remedy.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Non-discriminatory employment practices

Workers will receive equal pay for equal work regardless of gender, race, religion, age, disability, sexual orientation, nationality, marital status, political opinion, social group or ethnic origin. Workers will have equal opportunity for promotion, training, termination and retirement based on their ability and not on personal characteristics and beliefs.

All employment decisions including but not limited to: hiring, job assignment, bonuses, allowances, and other forms of compensation and discipline shall be made solely based on education, training, and demonstrated skills or abilities. The characteristics of an

¹⁷ A protected characteristic is a specific personal characteristic, such as sex, age, religion, that is protected by law, whereby you have a legal right not to be treated less favorably by reason of that characteristic.

¹⁸ Council of Foreign Relations. Women's Workplace Equality Index. <https://www.cfr.org/legal-barriers/country-rankings/>

individual, such as race, gender, marital status, and religion shall not be the basis for such employment decisions.

Suppliers will not use medical examinations to prevent a worker from being hired or as a condition of employment. Such medical examinations may include but are not limited to Hepatitis B, HIV or other tests prohibited by law.

Suppliers will ensure compliance with applicable local country law with regards to use of non-discriminatory employment practices and equal opportunities.

Female workers and pregnancy

Suppliers will not discriminate on the basis of pregnancy and will comply with all applicable local country laws and regulations regarding pregnancy and postnatal employment protections, benefits, and pay.

Suppliers will not prohibit female workers from becoming pregnant or retaliate against female workers in any way for becoming pregnant. This includes, but is not limited to dismissing or demoting pregnant workers and/or the deduction of wages.

Suppliers will not require pregnancy testing or questioning of pregnancy as a condition of employment (subject to appropriate health and safety considerations specific to the role in question).

Diversity and inclusion

Suppliers will take reasonable steps to promote diversity and inclusion in the workplace which may include, but is not necessarily limited to:

- Providing training to workers, including managers, about the importance and benefits of diversity and inclusion in the workplace;
- Ensuring that considerations regarding diversity and inclusion are part of the recruitment process;
- Allowing workers to take time off for religious holidays and events that might not necessarily be officially observed by the company (e.g., Chinese New Year);
- Making commitments to increase the representation of diverse groups in leadership positions and the wider workforce (e.g., different ethnic groups, religions backgrounds, sexual orientations etc.); and
- Participating in specific global and national events that seek to promote and enhance diversity and inclusion (e.g., International Women's Day, Black History Month, Pride Month etc.).

Training and communication

Suppliers will communicate the non-discrimination policy and all applicable procedures, to hiring managers, third-party recruitment agencies and applicable subcontractors.

Suppliers will also communicate the non-discrimination policy to all workers, supervisors and managers and provide training to ensure that all workers understand how to identify and report instances of discrimination in the workplace..

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a documented non-discrimination policy, applicable documented procedures to ensure implementation of the policy, records of non-discrimination training, and records of any grievances and complaint resolutions regarding instances of discriminatory employment practices.

5. Harassment

Requirement

All Mejuri Suppliers are expected to provide a workplace that affords respect and dignity to all employees. The Supplier shall ensure that employees are not subjected to harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, corporal punishment, threats or other forms or mental or physical coercion, psychological or verbal harassment or intimidation to management and staff, their family, or colleagues shall not be tolerated in any circumstance.

Applicability

This requirement applies to all direct suppliers.

Background

Harassment in the workplace can be defined as a range of unacceptable behaviors, practices or threats thereof, whether a single occurrence or repeated, that aim to, result in or are likely to result in physical, psychological, sexual or economic harm¹⁹. Harassment can take many different forms which include making unwanted jokes about a person's appearance, bullying a co-worker for his/her religion or faith, making unwanted sexual comments about a co-worker or in extreme cases physical violence, including sexual assault.

Harassment can involve a range of different actors and the harasser could be the victim's manager or supervisor, a co-worker or a non-worker (i.e., a customer). Harassment at work can be a complex phenomenon and may be difficult to identify. Victims of harassment may feel too intimidated to report instances of harassment or ask for help, so it is important that companies have robust policies and procedures in place that act as a strong deterrent to would-be perpetrators of harassment and provide a means of remedy for victims.

Given its complex nature, it is impossible to create an exhaustive list covering all the possible forms of harassment, however it is possible to generalize the different forms of harassment into distinct categories.

¹⁹ International Labour Organization (ILO). 2019. p8. Safe and healthy working environments free from violence and harassment.

https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/publication/wcms_751832.pdf

Verbal harassment can consist of demeaning and offensive remarks, bullying, insults, slurs, shouting, unwanted jokes and other hurtful comments.

Psychological harassment can also involve verbal harassment and bullying and includes actions that are designed to undermine someone and lower their self-esteem. Examples include making impossible demands on a worker, constantly asking a worker to perform demeaning tasks that may not be part of their job description, intentional underutilisation of a person's skills and talents, constantly challenging or disagreeing with a co-worker or reportee.

Cyber bullying involves using social media, email and/or SMS messages to mock or belittle someone or send/share threats or demeaning comments to or about a person.

Physical harassment and violence can range from unwanted touches to the use of physical force in the form of attacks, punches, slaps, kicking, biting and pushing. In its worst forms it can result in the victim receiving serious injuries and it may include the use of weapons or other potentially dangerous objects. Physical harassment and violence also includes physical sexual assault and touching.

Sexual harassment specifically includes unwanted sexual comments and advances, sexual jokes, sharing of sexually explicit material and sending unwanted sexual messages via SMS, email and social media. It can also include physical sexual harassment and violence.

Policy and procedures

Suppliers will have a documented policy that prohibits all forms of violence and harassment in the workplace, which must specifically include:

- Harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, corporal punishment, threats or other forms of mental or physical coercion, psychological or verbal harassment or intimidation to management and workers, their family, or colleagues;
- A commitment that all reports of violence and harassment will be investigated;
- A statement that any workers found to be in breach of the policy will face disciplinary actions, which may include the termination of employment; and
- A commitment that workers will not be retaliated against for raising concerns about violence and harassment in the workplace.

Suppliers will have a documented procedure in place for implementing the policy which will include a mechanism for reporting, investigating and remedying instances of violence and harassment in the workplace. See also section 6. Discipline and section 22. Grievance Mechanisms and Remedy.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Labor practices

Suppliers will not use any form, or threat of, physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.

Suppliers will not use any form, or threat of, verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.

Suppliers will not use any form, or threat of, psychological abuse, such as forcing workers to sign letters of self-criticism or posting/publishing the names of workers subject to disciplinary measures as a means to maintain labor discipline.

Addressing violence and harassment

Suppliers will investigate all reports and complaints of violence and harassment in the workplace and will ensure that the company disciplinary procedure includes specific steps for addressing confirmed instances of violence and harassment, which will include appropriate sanctions for workers found to be in breach of the non-violence and harassment policy.

Suppliers will ensure that any sanctions and remedies are implemented in accordance with applicable local country law.

Security

Suppliers will ensure that all security practices, such as searching workers as they exit the premises are gender appropriate, non-intrusive and carried out in accordance with applicable local country law. Where permitted by applicable law, physical searches may only be carried out by security personnel of the same gender as the person being searched and must be conducted out in the open (i.e., workers cannot be forced to enter a room to be searched away from the view of others, unless voluntarily requested by the worker for cultural sensitivity reasons).

All procedures related to searching workers will be documented and consistently followed.

Training and communication

Suppliers will communicate the non-harassment policy to all workers and provide training which will include:

- General training for all workers on the topic of harassment, including clear guidance so that workers are aware of how to report concerns regarding violence and harassment. Workers will be made aware of applicable disciplinary rules and procedures;
- Specific comprehensive training for workers responsible for investigating and addressing reports of violence and harassment, which will include training related to implementation of disciplinary procedures and the application of sanctions, where applicable; and
- Harassment prevention training for security personnel specific to their roles and responsibilities.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a non-violence and harassment policy, a documented grievance mechanism and disciplinary procedure, records of any grievances and complaint resolutions regarding instances of harassment in the workplace, applicable procedures for security personnel, and records of violence and harassment training.

6. Discipline

Requirement

Suppliers shall clearly communicate disciplinary processes, and related standards, and apply them equally to all management and staff.

Applicability

This requirement applies to all direct suppliers.

Background

In order for companies to operate effectively, they need to set certain standards and rules regarding the performance and behavior of workers in the workplace. These rules need to be fair, clear and documented so that workers know what is expected of them.

In some cases, issues related to the performance and/or behavior of workers can be dealt with informally. For example, if a worker has developed a pattern of arriving to work late, then a manager or supervisor may be able to resolve the problem by just having an informal word with the worker. These informal discussions also provide an opportunity for employers to understand if the worker is experiencing any issues, either at work or in his/her personal life, that may be affecting the performance or behavior of the worker.

In other cases, the problem may be more serious which can include, for example, allegations of harassment, assault, theft and bribery. In circumstances like this where it is not appropriate to attempt to resolve the problem informally, companies should have a documented disciplinary procedure in place for investigating and addressing cases of worker misconduct.

Usually, a workplace disciplinary process should include the following elements:

Investigating the alleged misconduct to understand more about what happened, when it happened and who was involved. This may also involve interviewing witnesses and gathering evidence to support the investigation. The outcome of the investigation may be that there is no evidence of misconduct, in which case the process may end here.

Inviting the worker to a disciplinary meeting once the initial investigation has been completed and there is sufficient evidence to demonstrate that misconduct has occurred.

Conducting the disciplinary meeting with the worker in question to discuss the outcome of the investigation and to hear the worker's version of events.

Determining the outcome of the disciplinary process may involve issuing a written warning to the employee or, depending on the severity of the misconduct, may result in termination of employment.

An appeal process may follow if the employee wishes to dispute the outcome of the disciplinary process. This will usually involve a further appeal meeting.

All of the above steps may vary subject to applicable local country law, but companies that do not address workplace misconduct in a fair and transparent way risk exposing themselves to legal action, such as from an employment tribunal, for example.

Policy and procedures

Suppliers will have a documented disciplinary policy and procedure which provides clear and concise information to workers regarding expected standards for performance and behavior in the workplace.

Suppliers will document and communicate to all workers a progressive disciplinary process e.g., escalating discipline action steps such as verbal warning, written warning, suspension, and termination. Any exceptions to this rule (e.g., immediate termination for theft or assault) shall also be in writing and clearly communicated to workers.

Suppliers will ensure that the disciplinary policy and procedure includes any specific provisions that may be required by applicable local country law.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Consistency and fairness

Suppliers will ensure that the disciplinary policy and procedure is always used in a fair and consistent manner and never used to unfairly punish, intimidate or otherwise harass a worker. Disciplinary measures must not include:

- Wage or payroll deductions;
- Retaliation for raising a grievance / complaint; or
- Punishment for associating freely, engaging in collective bargaining or for taking part in lawful strikes and demonstrations (see Section 1. Freedom of Association).

Workers must be informed when a disciplinary procedure has been initiated against them.

Workers have the right to participate and be heard in any disciplinary procedure against them.

Suppliers will have a system in place that allows workers to appeal disciplinary actions without fear of reprisal.

Suppliers will maintain written records of disciplinary actions taken, including termination records, as required by law or for a minimum of 12 months, whichever is longer.

Training and communication

Suppliers will communicate the disciplinary policy and procedure to all workers and ensure that it is accessible at all times. This can be achieved by including the policy and procedure as part of a wider employee handbook.

Suppliers will provide training to supervisors and managers about how to handle disciplinary matters appropriately and under what circumstances formal disciplinary steps should be initiated and by whom.

Suppliers will also ensure that those responsible for implementing the disciplinary policy and procedure receive specific training on how to conduct worker misconduct investigations, hold disciplinary meetings and make decisions subject to the findings of that process. Where applicable, this training will align with applicable local country law or guidelines.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a disciplinary policy and procedure, records of disciplinary investigations, decisions and appeals, evidence that the disciplinary policy and procedure has been communicated in writing to all workers (e.g. an employee handbook), and records of training for supervisors, managers and those responsible for implementation of the disciplinary policy and procedure.

7. Working Hours

Requirement

Suppliers shall comply with local laws and seek to align with ILO conventions intended to ensure employees do not work excessive hours per week. Understanding the seasonal nature of the industry, in extraordinary business circumstances with their voluntary non-induced consent, employees may be asked to work longer than standard hours. Workers shall be entitled to at least one day of rest following six consecutive days worked.

Applicability

This requirement applies to all direct suppliers.

Background

Excessive working hours and inadequate periods of rest and recuperation can damage workers' health and increase the risk of workplace accidents.

The International Labour Organization (ILO) set standards on working time that provide a framework for regulating hours of work, daily and weekly rest periods and annual holidays. Most countries have statutory limits of weekly working hours of 48 hours or less, and the hours actually worked per week in most countries are less than the 48-hour standard established in ILO conventions. These limits serve to promote higher productivity while safeguarding workers' physical and mental health²⁰.

Due to its seasonal nature, workers in the jewelry industry may be exposed to long working hours, particularly in the midstream and downstream segments of the supply chain. In many cases, workers may seek longer hours to increase their pay but it is important that employers place limits on working hours to safeguard the wellbeing of their workforce and to ensure compliance with applicable local country law.

The International Labour Organization (ILO) convention on rest days²¹ also stipulates that in every period of seven days, workers must be provided a period of rest comprising at least twenty-four consecutive hours.

Policy and procedures

Suppliers will have a documented working hours policy. The policy will include the following information:

- The maximum working hours that may be worked in a standard week as stipulated by applicable local country law (48 hours, for example);
- The maximum overtime hours that may be worked, in addition to the maximum standard weekly hours, as stipulated by applicable local country law (60 hours total, for example); and
- Details regarding mandatory rest days.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Normal working hours

The normal working week, excluding overtime, will not exceed the maximum limit permitted by applicable local country law in the Supplier's country of operation.

Overtime hours

Suppliers will establish a mechanism to determine, monitor and control the overtime hours of workers.

²⁰ International Labour Organization (ILO). Business and Working Time. https://www.ilo.org/empent/areas/business-helpdesk/WCMS_DOC_ENT_HLP_TIM_EN/lang--en/index.htm#:~:text=Most%20countries%20have%20statutory%20limits.workers'%20physical%20and%20mental%20health.

²¹ International Labour Organization (ILO). C014 - Weekly Rest (Industry) Convention, 1921 (No. 14). https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:::NO:12100:P12100_INSTRUMENT_ID:312159

The maximum working week, including the normal working week + overtime, will not exceed the maximum limit permitted by applicable local country law in the supplier's country of operation.

Mandatory overtime may only be used when:

- It permitted by applicable law; and
- Suppliers observe and comply with any specific conditions and legal limits regarding use of mandatory overtime.

In all other cases, overtime will be voluntary for workers.

ILO Conventions on Working Hours

Suppliers will seek to align with applicable ILO conventions on working hours as follows:

- A maximum working week, excluding overtime, of 48 hours; and
- A maximum working week, including overtime, of 60 hours.

Rest days and work time breaks

Suppliers will ensure that all workers are provided with rest days in accordance with applicable local law and with at least one day off (24 hours) in every 7-day period regardless of local law.

Suppliers will ensure reasonable meal and rest breaks, which, at a minimum, shall comply with local law.

Time keeping system

Suppliers will have an electronic timekeeping system to record workers' attendance and hours of work (e.g. time cards, fingerprint, face recognition and manual). Suppliers will ensure that records of working hours can measure and record each workers' time in and out of the facility and that workers are given an opportunity to acknowledge the recording of real working hours on a regular basis (at least monthly).

Suppliers will maintain complete and accurate time attendance records for each employee for at least 12 months, or longer if required by law.

Training and communication

Suppliers will ensure that the working hours policy is communicated to all workers, supervisors and managers.

Workers responsible for implementation of the working hours policy will receive additional specific training as required (e.g., monitoring of the timekeeping system).

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a working hours policy, records of hours worked by workers (i.e., records taken from the timekeeping system), a documented working hours risk assessment and records of applicable training.

8. Wages and Benefits

Requirement

Suppliers shall pay all workers a fair wage based on the higher of either the applicable legal minimum wage, or the prevailing industry standards.

Suppliers are encouraged to provide a level of compensation for a regular work week that is sufficient to meet basic needs and provide discretionary income. At a minimum, Suppliers shall comply with applicable law in the payment of wages and the provision of benefits, including holidays, leaves and statutory severance.

Suppliers shall make payments to employees on a regular basis which has been previously communicated in writing and provide wage statements to employees which clearly states the wage rate, benefits and deductions for each pay period.

Employees must be compensated for overtime hours at the rate legally required by local law or, where such laws do not exist, overtime should be at least 125% of the regular hourly compensation rate in accordance with ILO conventions.

Applicability

This requirement applies to all direct suppliers.

Background

In addition to working hours, wages and the payment of benefits are among conditions of work that have the most direct and tangible effect on the everyday life of workers. Although wages are necessary for the maintenance of workers and their families, in many parts of the world access to adequate and regular wages is not guaranteed²².

A Minimum Wage is defined as the minimum amount of remuneration that an employer is required (by law) to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract²³. Almost all countries set a national Minimum Wage which is normally calculated based on an hourly rate.

Prevailing industry standards on pay also help to guide employers on what a Fair Wage is, taking into account factors such as type of work, experience and skills required and the location of the employment. Employers that pay a Fair Wage, which in many cases may greatly exceed the minimum legal base rate, are also likely to attract the best candidates for a role.

In addition to the payment of wages, workers will usually receive additional benefits depending on the role and subject to applicable law. Generally speaking, there are three types of worker benefits; legally required benefits that employers must provide, benefits

²² The International Labour Organization (ILO). International Labour Standards on Wages.

<https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/wages/lang--en/index.htm>

²³ The International Labour Organization (ILO). Minimum wages. Definition and purpose.

https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439072/lang--en/index.htm

that may not necessarily be legally required but are considered standard industry practice, and non-standard but desirable benefits that employers may voluntarily offer to stand out from their competitors. The specific benefits that employers must provide by law vary by country and jurisdiction but they typically include things such as paid maternity leave, paid holiday leave, severance payments, sickness leave and, in some cases, pension contributions.

Policy and procedures

Suppliers will have a documented system in place for the provision of wages and benefits that, at a minimum, complies with applicable local country law.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Fair Wage

Suppliers will ensure that wages paid for regular hours worked are at least aligned with the legal minimum wage or industry wage agreed within a collective bargaining agreement, whichever is higher.

Suppliers will not pay a 'probationary' wage that falls below minimum wage or use apprenticeship schemes as a way to pay workers' below minimum wage.

Suppliers that employ part-time workers and/or pay workers using a piece rate system²⁴, will ensure that they use a clear and effective process to ensure that workers are not paid less than the legal Minimum Wage.

Benefits

Suppliers will pay workers all mandatory benefits in accordance with applicable local country law.

Pay schedule and deductions

Suppliers will pay workers within the deadline defined by applicable local country law and in accordance with workers' contracted terms and conditions of employment (e.g., fortnightly, monthly). When no time limits are defined by law, compensation shall be paid at least within thirty days.

For each pay period, suppliers will provide workers with an understandable wage statement, which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.

Deductions for services/goods to workers (e.g. housing, meals and supplies) shall not exceed the actual cost to the facility. All workers have a right to use or not to use services and goods provided by the employer.

²⁴ This means paying a worker based on the unit performed, such as how many jewelry items they produce, instead of being paid based on time spent on the job.

Suppliers will ensure that all legal withholdings are calculated accurately and in accordance with applicable local law (i.e. taxes, social security, pension, and healthcare). Suppliers will forward all legally required withholdings to appropriate government authorities in a timely manner as required by law..

Non-mandatory wage deductions (e.g., for the repayment of a wage advance or loan) must only be made where the worker has provided his/her written consent in advance.

Suppliers will ensure that wage payments are made directly to the worker using a suitable method of payment (i.e., bank transfer, cheque or cash).

Suppliers will establish a process for reviewing and, where applicable, correcting payment errors in a timely manner.

Worker severance pay will be paid correctly and on time as required by law.

Overtime payments

Suppliers will pay workers for overtime hours worked at a premium rate in accordance with applicable local country law or by contractual agreement, whichever is higher. In the absence of applicable law, suppliers will reimburse workers for overtime at a rate that is at least 125% of the standard hourly rate. Suppliers that do not pay workers by the hour, will use a suitable method of calculating overtime rates to ensure that this requirement is adhered to.

Record keeping

Suppliers will ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date. These records should be maintained by the supplier for at least 12 months, or longer if required by law.

If legally required, all hourly wages, piecework, bonuses, and other incentives shall be acknowledged by the worker as accurate in writing.

Training and communication

Suppliers will communicate, orally and in writing in a language understood by the worker, the wages, incentive systems, benefits, and bonuses to which all workers are entitled in that facility and under the applicable local law.

Suppliers will ensure that all workers understand how to read wage statements/slips.

Suppliers will provide comprehensive training to all workers responsible for payroll and contract management.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, policies and procedures related to the provision of wages and benefits, records of wage payments and deductions, payroll records and wage slips for each worker.

9. General Employment Terms

Requirement

All employees shall be provided with a written, legally binding labor contract in a language the employee can understand.

Applicability

This requirement applies to all direct suppliers.

Background

In most countries a written labor/employment contract is mandatory. Some countries do not explicitly require written employment contracts, but the employer usually has to provide a written statement with some key details regarding the employment relationship.

Employment contracts provide protection for the employer and the worker and they are typically used to outline specific details regarding the employment relationship including, payment of wages, hours of work, payment of benefits, conditions regarding the termination of employment and any specific requirements regarding confidentiality.

Policy and procedures

Suppliers will have a documented policy commitment to provide all workers with a labor/employment contract²⁵. Suppliers will implement any necessary procedures to ensure that this commitment is adhered to.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources and/or Legal, responsible for implementation and oversight of this requirement.

Labor/employment contract

Suppliers will require workers to sign a labor contract/agreement of employment prior to the commencement of employment. Suppliers will provide a copy of their labor contract and/or agreement of employment terms and conditions signed by the facility and worker, at the time of the worker's signature.

Suppliers will ensure that the contract is written in a language that is understood by the worker.

Suppliers that operate in jurisdictions where employers are legally required to provide workers with a written labor contract/agreement of employment, will comply with all applicable legal requirements concerning the content of the contract or agreement.

²⁵ Not required if the worker is indirectly employed via a third-party, such as a labor provider or recruitment agency.

Suppliers that operate in jurisdictions where employers are not required to provide workers with a written labor contract/agreement of employment, will nevertheless provide all workers with a written labor contract/agreement of employment that includes, as a minimum, the following details:

- Worker's full name and date of birth;
- The nature of work and place where it will be performed;
- The term of contract (if applicable);
- Expected regular working hours, overtime hours, frequency of rest days, and holidays;
- Base wages for regular hours;
- Clearly defined regular, overtime, and holiday wage rates, including maximum allowable overtime Hours;
- Details of wage deductions;
- Benefits (including all legally required benefits);
- Frequency of wage payments and date of first payment; and
- Contract termination/resignation procedures and terms (including notice period).

Once the contract/agreement has been signed by the supplier and the worker, it will be legally binding.

Suppliers will follow all legal hiring practice requirements for apprenticeships, probationers, temporary workers and contractor workers.

Suppliers will ensure that all labor agents or brokers used by them are legally registered, and written agreements with labor agents are available as legally required.

Training and communication

Suppliers will ensure that workers understand the terms and conditions of employment before signing the labor/employment contract.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, copies of signed labor/employment contracts for each worker, evidence that labor/employment contracts comply with applicable local country law, where applicable.

10. Subcontracting

Requirement

Suppliers shall not contract out any part of the work without disclosing such off-premise, homework, or subcontracting relationships to Mejuri. Any person working on behalf of the Supplier on Mejuri goods will be subject to this Code and the Supplier is responsible for compliance with these requirements.

Applicability

This requirement applies to any supplier of Mejuri that intends to subcontract out any part of an agreed work order to a third-party²⁶.

Background

Subcontracting is the practice of assigning, or outsourcing, part or all of the obligations a company has under a contract, to another party known as a subcontractor.

In the jewelry industry, manufacturers may use subcontractors for a variety of reasons. A supplier may decide, for example, to subcontract part or all of an order to another company during very busy periods to ensure that the order can be completed on time.

While subcontracting in itself is not necessarily something to be avoided, it is crucial that suppliers are transparent with customers if they intend to outsource any part of their obligations to another company. This is especially the case where the supplier and customer have a legally binding contract in place.

Policy and procedures

Suppliers that use subcontractors will adopt a documented policy and procedure that will include measures to ensure that the supplier remains compliant with Mejuri's requirements on the use of subcontractors.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Approving subcontractors

Suppliers will request approval from Mejuri before outsourcing any part of the work related to the production of Mejuri goods to a third-party subcontractor. This also includes subcontractors that carry out work at the supplier's premises/facilities.

Only subcontractors that have been pre-approved by Mejuri will be permitted to carry out work on behalf of the supplier.

Compliance of subcontractors with the Mejuri Supplier Code

Suppliers will be responsible for ensuring that approved subcontractors comply with the Mejuri Supplier Code of Conduct. This will include, but is not necessarily limited to:

- A review of the subcontractor's policies, procedures and other documentation relevant to this Supplier Code of Conduct;
- A documented desktop compliance evaluation; and

²⁶ This does not apply to Mejuri suppliers that are sourcing materials from another supplier to complete a work order for Mejuri at their own facility (e.g., a jewelry manufacturer that sources precious metal from a refiner for the purpose of manufacturing jewelry items for Mejuri). It only applies when the work that the supplier has originally agreed to complete for Mejuri is subcontracted to another company (either partially or fully).

- Visit(s) to the subcontractors' facilities.

When requested, suppliers will provide to Mejuri evidence that approved subcontractors are complying with the requirements of the Supplier Code of Conduct. Mejuri reserves the right to conduct announced or unannounced on-site audits at subcontractor facilities and it is the responsibility of Mejuri's direct suppliers to ensure that any approved subcontractors are made aware of this requirement.

Home Working arrangements

Home working arrangements are permitted but only when this does not include the removal of materials and/or products that are part of the Mejuri supply chain from the supplier's official premises and facilities. For the avoidance of doubt, this means that workers will not remove Mejuri products (in any form) from the supplier's facility to work on at home or at any other location that is not owned and controlled by the supplier.

Training and communication

Suppliers will ensure that approved subcontractors receive a copy of the Mejuri Supplier Code of Conduct Guidance and are provided with applicable compliance training.

Suppliers will ensure that any workers responsible for the management of subcontractors receive specific training to ensure compliance with this requirement.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a subcontractor policy and procedure, contract terms with subcontractors, records of training and communication with subcontractors and, assessments of subcontractor conformance with the Mejuri Supplier Code of Conduct.

11. Health and Safety

Requirement

Appropriate procedures should be in place to regularly assess the workplace for hazards and implement appropriate programs and engineering controls to minimize the risks of work-related accidents. Suppliers will strive to continually improve the effectiveness of their health and safety programs and seek to implement best practices in their industries. Suppliers should be encouraged to have a nominated health & safety representative who monitors the facility's compliance with procedures.

Suppliers will provide employees with the necessary health and safety training and/or education and will secure adequate systems to detect and avoid potential threats and to ensure the ongoing continuous improvement of the health and safety program.

Applicability

This requirement applies to all direct suppliers.

Background

According to the International Labour Organization (ILO), around 2.7 million work-related deaths are recorded every year²⁷. Most countries have health and safety laws that require companies to implement controls to manage and minimize risks related to workplace hazards, injury and illness. However, these requirements vary significantly between countries and in some cases, they may not be adequately enforced.

The main goal of a health and safety program is to prevent workplace injuries, illnesses, and deaths, as well as the suffering and financial hardship these events can create for workers, their families, and employers. The complexity and scope of the health and safety program will necessarily vary depending on the type of activities each company is involved in. A precious metal refinery will, for example, need to implement specific health and safety controls that will look very different to those needed by a small office-based gemstone trader.

A typical health and safety program will, however, usually include the following core elements:

- Policies and procedures that guide the governance and implementation of the program;
- Hazard identification and assessment;
- Hazard prevention and control;
- Incident reporting, evaluation and improvement; and
- Communication and training.

Having strong health and safety management systems not only benefits workers but it also benefits employers by ensuring there are fewer injuries and illnesses in the workforce, fewer sick days, reduced exposure to insurance claims and fines, and stronger worker motivation and performance.

Policy and procedures

Suppliers will have an overarching documented health and safety policy and program, which will include procedures for ensuring the implementation of all requirements outlined in this chapter.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function and/or health and safety committee, responsible for implementation and oversight of this requirement.

Legal compliance and permits

²⁷ International Labour Organization (ILO). International Labour Standards on Occupational Safety and Health. <https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/occupational-safety-and-health/lang--en/index.htm>

Suppliers will obtain, retain, and manage all necessary occupational health and safety related permits, licenses, registrations, and regulatory approvals as required by applicable local country law. Suppliers will ensure that all such permits, licenses, registrations and regulatory approvals are valid and up to date.

Suppliers will fully comply with applicable local country law with regards to mandatory health and safety inspections.

General requirements

Suppliers will:

- Regularly assess the workplace for hazards and implement appropriate programs and controls to minimize the risks of work-related accidents;
- Ensure that risk assessments are conducted by personnel with the necessary expertise (it may be necessary to use different personnel to assess different types of risks);
- Conduct a risk assessment of new or changed operations including new or changed equipment, workplace station, workplace location, or processes;
- Ensure that all risk assessment results and findings are documented;
- Respond appropriately to risks identified using a hierarchy of hazard controls as follows:
 - **Eliminate the hazard** – physically remove the hazard.
 - **Substitution** – using a safer alternative.
 - **Engineering controls** – modifying equipment or the workspace, using protective barriers, ventilation etc.
 - **Administrative controls** – training, adequate rest breaks, limiting access to hazardous areas etc.
 - **PPE** – providing and enforcing the use of personal protective equipment.
- Implement monitoring and evaluation processes that include health and safety incident reporting and improvement planning.

Workspaces

Suppliers will ensure that workspaces are clean, tidy, in a good state of repair and free from tripping hazards and other unnecessary obstructions.

Use of machinery

Suppliers will develop and implement processes and procedures to reduce or eliminate the risks associated with machinery that includes:

- **Machine installation** - a process for reducing health and safety risks related to machine installation. Consideration should also be made as to how the installation of new machinery may impact other areas of the health and safety program such as use of PPE, ventilation, fire safety and hazardous substances. Where applicable suppliers will update other processes and procedures;
- **Machine operation** - a process for reducing health and safety risks related to the operation of machinery which will include the provision of training for machine operators; and

- **Machine maintenance** - a process for reducing health and safety risks related to the maintenance of machinery which will include lockout tagout (LOTO) procedures to prevent an unexpected start-up or release of stored energy. Machinery maintenance will only be carried out by a qualified technician and in accordance with pre-defined procedures.

Suppliers will use machine guarding controls including, but not limited to, detectors and alarms, interlock systems²⁸, machine guarding, and automated systems. Suppliers will ensure that all machine guarding controls are functional and non-defective.

Suppliers involved in the cutting and polishing of diamonds will only use cobalt-free diamond scaifes.

Electrical safety

Suppliers will develop and implement processes and procedures to reduce or eliminate the risk associated with electrical hazards. This will include but is not limited to:

- Ensuring that only qualified and authorized personal or service providers may carry out maintenance and repairs to electrical equipment and systems;
- Ensuring that electrical distribution areas are guarded against accidental damage;
- Ensuring that all electrical distribution panels, breakers, switches, and junction boxes are completely enclosed and protected from wet conditions;
- Ensuring that all electrical wiring and cables are in good condition and that there are no exposed cables or circuits; and
- Ensuring that electrical equipment and systems are inspected on a regular basis and in accordance with applicable local country law.

Lighting

Suppliers will ensure that all workspaces are sufficiently illuminated to allow workers to perform their jobs safely.

Fall prevention

Suppliers will implement procedures to reduce or eliminate the risk of a fall or being struck by a falling object which will cover, at a minimum, the following:

- Full body harness is required for any unprotected height of 1.8m (6ft) or greater;
- Restricted access to areas where there is a risk of fall or a falling object;
- All fixed ladders greater than 2.1 m (7 ft) will have a cage built around them at a height of 2.1 m (7 ft); and
- Any place where people can fall greater than 1.2 m (4 ft) will be guarded by a rail.

Heat/cold stress

Suppliers will implement procedures to eliminate or reduce the risks associated with heat and cold stress. This will include:

- Identifying risk factors related to heat and cold hazards;

²⁸ a device that prevents the machine operator from making an inappropriate maneuver, or adjusts the system to a safe state if the operator makes an inappropriate maneuver.

- Distributing protective clothing;
- Ensuring drinking water is available at all times;
- Providing worker access to shade for preventative recovery periods;
- Responding to symptoms of heat and cold stress (e.g., providing access to medical treatment); and
- Maintaining workspace temperatures at comfortable levels²⁹.

Ventilation

Suppliers will provide appropriate ventilation in all workspaces including natural ventilation (windows, doors, air bricks/grills) and/or mechanical ventilation (air ducts and filtration systems, fans etc).

Where applicable, exhaust ventilation will be installed in the work area to effectively collect and remove air emissions of hazardous chemicals.

Fire safety equipment

Suppliers will evaluate and seek to prevent risks of fire through the control of heat sources, such as electrical systems and equipment, ignition sources (e.g., smoking), and the control of ignitable materials and their separation.

Suppliers will have fully operational and appropriate numbers of fire safety equipment, including fire extinguishers, smoke alarms and, as applicable per local law, water hoses and fire suppression systems, at all facilities and sites (including at accommodation areas) that as a minimum fully complies with applicable local country law, is appropriate to the type of potential fire risk and is situated close to the source of potential ignition.

Suppliers will have an inspection, testing and maintenance program in place to ensure that all fire safety equipment is well maintained and functional.

Emergency exits

In accordance with applicable local country law, suppliers will have an appropriate number of visibly signposted emergency exits at all facilities and sites (including at accommodation areas) that are situated appropriately based on the structure and layout of each building.

Emergency exits will be illuminated (with the use of back-up power during a power outage), unobstructed and unlocked at all times. Workers will not be impeded from leaving the supplier's facilities and premises during an emergency.

Emergency preparedness

In accordance with applicable local country law and based on the results of the risk assessment, suppliers will establish emergency procedures and evacuation plans for all foreseeable health and safety emergencies including, but not necessarily limited to; fire, medical emergencies, explosions, bomb threats, armed confrontations and natural disasters (e.g., storms, earthquakes, flooding). This will include:

²⁹ This may not always be feasible for certain work activities, such as metal casting, refining etc. In such cases suppliers must implement appropriate controls to minimize risks as outlined above.

- A documented emergency evacuation procedure that is communicated to all workers, including on-site agency workers and contractors;
- Procedures for triggering emergency evacuation alarms;
- Responsibilities for specific workers in the event of an emergency (e.g., for emergency/fire safety wardens, evacuation coordinators etc.);
- Procedures for contacting local emergency services (this may also be automated in the event that an emergency evacuation alarm is triggered);
- Details of external assembly points where workers should meet in the event of an evacuation; and
- Procedures for accounting for all workers following an emergency evacuation (e.g., a roll call at meeting points).

Emergency evacuation plans will be posted in conspicuous locations throughout the facility that include detailed evacuation procedures in the event of an emergency.

Suppliers will have an emergency evacuation alarm system in accordance with applicable local country law that is tested regularly.

Suppliers will carry out periodic emergency evacuation drills for all personnel on at least an annual basis.

Hazardous substances

Suppliers will maintain an inventory of hazardous substances at their facilities. Safety data sheets (SDS) will be accessible wherever hazardous substances are used and their associated risks will be clearly and actively communicated to all workers who work with them (including any on-site contractors). Chemicals and hazardous substances are labeled per label instructions and SDS requirements.

Suppliers will establish procedures for the handling, storage and disposal of hazardous substances in accordance with applicable local country law.

Suppliers will ensure that anyone working with hazardous substances receives adequate safety training and is provided with appropriate PPE.

Suppliers will not use any hazardous substances that are subject to international bans. Examples include ozone depleting substances and persistent organic pollutants.

Suppliers will ensure that workers are not exposed to levels of hazardous substances that exceed the local regulatory Occupational Exposure Limit (OEL). Testing of occupational hazard factors will be conducted at least once a year, or as required by applicable laws and regulations. The results of these tests must be recorded, retained, and made available for review. If testing results indicate that exposure levels have exceeded the OEL, the facility must take immediate action to mitigate the exposure and bring it within acceptable limits.

First aid

Suppliers will complete a documented medical risk assessment to identify workplace hazards and activities that could result in a worker becoming injured or unwell.

Suppliers will have a documented first-aid procedure and plan for responding to incidents and accidents in the workplace that require a medical response. This will include, but is not necessarily limited to:

- Details on specific roles and responsibilities;
- Providing access to at least one well-stocked first aid kit on every floor. One stocked first aid kit shall be made available for every 100 workers or as legally required;
- Ensuring that there are an adequate number of certified first-aid responders on site during working hours;
- Procedures for transporting injured or unwell personnel to local medical facilities; and
- Contact telephone numbers for emergency medical services.

Suppliers will conduct and cover the cost of regular occupational health checks for workers, as mandated by applicable laws and regulations.

Personal Protective Equipment (PPE) and respiratory protection

Suppliers will conduct a documented PPE risk assessment to identify tasks and related hazards that may require the use of PPE.

In accordance with local applicable country law, suppliers will provide workers with appropriate PPE free of charge, ensure that it is used as instructed, and place appropriate signage next to all workstations and equipment where the use of PPE is required.

Suppliers will develop documented procedures for using PPE which will include:

- A description of the types of PPE that workers must wear for different tasks and activities;
- Procedures for inspecting and maintaining PPE in good working order; and
- Procedures for reporting and replacing faulty or defective PPE.

Suppliers will ensure that all PPE used complies with applicable national or international standards.

Typical types of PPE that Suppliers should consider include, but are not necessarily limited to:

- **Footwear** – industrial shoes or boots that protect the feet from impacts, chemical spills, broken glass, and other debris;
- **Gloves** – that protect hands from harsh chemicals or abrasion;
- **Protective coats/jackets/trousers** – specialist clothing that provides protection from chemicals, extreme temperature, acids, debris etc;
- **Eyewear** – goggles that protect the user's eyes from potentially harmful substances, chemicals and debris;
- **Masks and face protection** – respirator masks to protect the user's lungs from dust, chemicals and other airborne particles and face shields to provide protection from chemicals, debris, acids, molten/hot metals etc;
- **Earplugs or earmuffs** – to protect the user's hearing from loud noises; and

- **Head protection** – safety helmets to protect the user’s head from falling objects and impacts.

Suppliers will ensure that any worker required to wear PPE receives initial and ongoing training in its proper use and care, as required.

Drinking water

Suppliers will provide all workers with access to potable water, regardless of applicable local country law.

Potable water will be freely available at all times and within a reasonable distance from the workplace and, where applicable, accommodation areas.

Toilet facilities

Suppliers shall provide a sufficient number of male and female toilets consistent with local applicable law. When local law requirements do not exist, suppliers should have at least one toilet for every 25 workers for both male and female employees respectively. Suppliers will not place any undue restriction on toilet use.

Toilet facilities will be sanitary, cleaned on at least a daily basis, and provide appropriate privacy (stalls with doors). Toilets shall be stocked with toilet paper, clean running water, and soap. Workers shall have access to clean water for washing within nearby proximity to toilets.

Ergonomics

Suppliers will have a system for identifying, evaluating and minimizing risk from physically demanding work and highly repetitive tasks, to prevent work-related injuries or health impacts.

Ergonomic risk assessments will be conducted on all new or modified production lines, equipment, tools, and workstations prior to being put into production. Potential risk factor activities include, but are not necessarily limited to:

- Heavy lifting;
- Pushing and pulling;
- Carrying;
- Gripping;
- Awkward or prolonged postures (including sitting or standing for long periods of time);
- Repetitive activities;
- Contact stress (i.e., force concentrated on a small area of the body); and
- Vibration.

Suppliers will eliminate or reduce ergonomic risks using:

- **Engineering improvements** - rearranging, modifying, redesigning, or replacing tools, equipment, workstations, packaging, parts, or products;
- **Administrative improvements** – modifying work practices, providing recovery time, adjusting work pace and schedule; and

- **Personal Protective Equipment (PPE)** – use of gloves, footwear, knee and elbow pads etc.

Suppliers will ensure that supervisors and managers are trained on how to recognise ergonomic hazards and stress and that workers know how to report and raise concerns regarding ergonomic issues.

Dormitories

Suppliers that provide dormitory accommodation will complete a documented risk assessment prior to occupancy, and annually (or more frequently if required by law), to identify hazards associated with operating and maintaining dormitory facilities.

In accordance with applicable local country law, suppliers will implement procedures for dormitory management which will include:

General

Dormitories are separated from production buildings and warehouses as legally required.

Dormitory buildings will be structurally sound, in good repair, clean, secure, free of pests and provide safe protection to the occupants against the elements.

Dormitories are well ventilated, with windows to the outside or fans and/or air conditioners/heaters in all sleeping areas for adequate temperature and air circulation.

The living space per resident in sleeping rooms will meet or exceed local laws/industry standards.

Each resident shall have a storage space for clothes and personal possessions that can be locked and is freely accessible by the worker/resident.

Potable water and facilities to boil water shall be available to dormitory residents.

Adequate lighting and electricity will be provided in all living areas.

Provisions for the sanitary collection and disposal of garbage will be provided.

Stairways shall have handrails and be well lit.

Suppliers will develop and implement processes and procedures to reduce or eliminate the risk associated with electrical hazards in dormitories.

Dormitory residents are free to come and go during non-working hours, except for reasonable limitations imposed for safety. All dormitory rooms can be opened from the inside without a key.

Sleeping quarters

Individual beds, cots, or bunks (no triple bunks allowed) will be provided to each occupant and any bedding materials provided by the supplier will be clean and sanitary.

Separate sleeping areas will be provided for each gender.

Shower and toilet facilities

Dormitory residents have free access to sufficient toilets and showers according to local law or industry standards; these are separated by gender, provide adequate privacy, and are kept safe and sanitary.

Toilet facilities will be cleaned and sanitized daily and all shower and washing areas will provide pressurized, hot, and cold potable water.

Fire Safety and First Aid

Emergency evacuation plans will be posted in conspicuous locations throughout the dormitory that include detailed evacuation procedures in the event of an emergency.

Fire extinguishing equipment will be provided in a readily accessible location not more than 30 meters from each living area.

Suppliers have a suitable fire detection system (e.g. smoke detectors) covering the dormitory.

There are sufficient numbers of emergency exits on each dormitory floor as legally required. Emergency exits are clearly marked with illuminated exit signs and unlocked at all times.

Doors that are not exits are clearly marked with "Not an Exit".

Emergency exits, hallways and staircases are kept clear of obstructions to allow for safe and rapid evacuation in case of emergency.

Fire escapes and main exits in dormitories are discharged directly to the exterior of the building.

Emergency evacuation drills will be carried out at least annually or more often if required by local applicable law

Emergency lighting, with backup power, is included in all stairways, and where needed, on exit routes. The lighting is industry grade and inspected regularly.

The facility shall place at least one well-stocked first aid kit on every floor. Approximately 1 kit for every 75 reside

Monthly inspections

Regular inspections will take place to make sure that common areas, stairwell, fire extinguishing equipment and emergency exits are free from obstructions.

Canteen and food services

All food made available to workers will be prepared, stored, and served in a safe and sanitary manner. All areas of food preparation will meet the hygiene and sanitary standards specified by applicable local country law.

Sanitary licenses and permits and inspection records will be maintained and posted in areas of food preparation and serving as required by law.

Child care and nursing women

Where applicable and/or required by applicable local country law, suppliers will provide on-site child care facilities for workers.

Suppliers will implement documented procedures to ensure that all child care facilities are operated in accordance with applicable local country law.

Suppliers will ensure that children do not have access to workspace areas.

Suppliers will ensure that nursing female workers are provided with access to clean and sanitary breast-feeding facilities in accordance with applicable local country law.

Incident management and reporting

Suppliers will implement a documented incident management system for reporting and responding to all health and safety incidents and near misses³⁰.

The procedure will include a mechanism that enables workers to report health and safety incidents and/or near misses to management.

Suppliers will document and investigate all incidents with details of the following:

- A description of the incident;
- The date and time of the incident;
- The names of the workers involved;
- The root cause of the incident;
- Actions taken to prevent recurrences; and
- Any other relevant details, such as compensation paid for lost earnings or productivity time lost during machine replacements.

Suppliers will feed the results into reviews of relevant hazard controls to identify opportunities for improvement.

Training and communication

Suppliers will implement a health and safety training program with a strategy and execution plan that meets the demands of regulatory requirements, industry standards, and Mejuri's specific health and safety requirements as outlined in this guidance chapter.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, Health and Safety policies and procedures, permits and regulatory approvals, hazard risk assessments and corrective actions plans, emergency procedures, Safety Data Sheets (SDS) for hazardous chemicals, inspection and site audit reports, incident reports, all equipment inspection and maintenance records and training records.

12. Environment

Requirement

³⁰ Near misses are situations that almost resulted in an injury or accident

Suppliers shall meet or exceed all environmental laws and regulations, and strive to meet or exceed the standards of international environmental treaties and best practices in their industries. Suppliers shall identify environmental risks and impacts, as well as opportunities for improving environmental performance. Suppliers shall implement and regularly review controls to mitigate identified environmental risks and minimize environmental impacts, including resource use, discharges, emissions and waste disposal, and take a proactive approach to monitoring and collecting data on these topics. Supplier operations and sourcing practices should strive to place special emphasis on the mitigation of climate change and the preservation and rehabilitation of biodiversity and ecosystems.

Applicability

This requirement applies to all direct suppliers.

Background

All types of businesses large and small produce negative impacts to the environment in one form or another. These negative impacts which include air pollution, soil degradation, water contamination, habitat loss, biodiversity loss and natural resource depletion all impact an ecosystem's ability to function.

Ecosystems provide many of the basic services that make life possible for people. Plants clean air and filter water, bacteria decompose wastes, bees pollinate flowers, and tree roots hold soil in place to prevent erosion³¹. Over time, the degradation of the natural environment is therefore also associated with a range of negative societal and economic impacts such as flooding, severe weather events, droughts, disease epidemics, food insecurity, and instability of the global economy and those that depend on it.

The impacts of climate change on different sectors of society are interrelated. Drought can harm food production and human health. Flooding can lead to disease spread and negative impacts to ecosystems and infrastructure. Human health issues can increase mortality, impact food availability, and limit worker productivity³².

Businesses therefore have an important role to play in protecting the planet's ecosystems and natural resources from further degradation. Increased regulatory control and the growing expectations of investors and other stakeholders means that there is also a strong business case for doing so. Improved environmental performance can also result in financial benefits in the form of efficiency improvements, waste reduction and enhanced consumer confidence.

Policy and procedures

³¹ The National Wildlife Federation. Ecosystem services. <https://www.nwf.org/Educational-Resources/Wildlife-Guide/Understanding-Conservation/Ecosystem-Services#:~:text=Ecosystems%20provide%20many%20of%20the,in%20place%20to%20prevent%20erosion>.

³² The National Oceanic and Atmospheric Administration. Climate change impacts. <https://www.noaa.gov/education/resource-collections/climate/climate-change-impacts>

Suppliers will adopt a documented environmental policy that outlines their commitment to minimizing environmental risks and impacts.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Legal compliance and permits

Suppliers will obtain, retain, and manage all necessary environmental permits, licenses, registrations, and regulatory approvals as required by applicable local country law. Suppliers will ensure that all such permits, licenses, registrations and regulatory approvals are valid and up to date.

Suppliers will fully comply with applicable local country law with regards to mandatory environmental inspections.

Environmental Management System (EMS)

Suppliers will implement a documented Environmental Management System (EMS) to manage environmental risks and identify opportunities to improve environmental performance. The scope of the EMS will include, as a minimum, natural resource use (including energy and water), discharges and/or emissions to air, water and soil (including greenhouse gasses and other pollutants), waste disposal and biodiversity. The EMS will include the following elements:

Assess environmental risks

Suppliers will review all business processes and activities to understand how their operations interact with the environment and to identify any actual and potential environmental impacts. The risk assessment will include the following steps:

- **Identify environmental hazards and activities** that may result in environmental harm (e.g., disposal of hazardous chemicals, waste water discharge, air emissions (including greenhouse gas (GHG) emissions), land use, use of natural resources in packaging etc); and
- **Describe and evaluate the impacts that these activities** are likely to have on the environment (e.g., water pollution, air pollution, habitat and biodiversity loss, soil contamination etc.)

Identify improvement opportunities

Based on the results of the environmental risk assessment, suppliers will identify opportunities to eliminate or minimize environmental risks.

Suppliers will ensure that improvement opportunities are specific to the type of risk identified and are measurable (i.e., the effectiveness of the improvement opportunity can be measured and evaluated).

When identifying opportunities for addressing environmental risks, suppliers will give preference to mitigative actions that are preventative in accordance with the following mitigation hierarchy:

- **Avoid** – eliminate the impact entirely by designing it out of the process (most effective);
- **Minimize** – minimize or mitigate the impact through controls that reduce its duration; intensity or extent;
- **Restore** - rehabilitate or restore impacted environments; and
- **Offset** - Compensate or offset residual impacts as a last resort (least effective).

Set targets

Suppliers will establish objectives, targets and key performance indicators that can be used to guide and evaluate improvements in environmental performance. Examples include, but are not limited to, reducing energy and water consumption, using more environmentally friendly materials, reducing GHG emissions, switching to the use of 100% recycled packaging etc.

Implement and monitor an environmental management plan

Suppliers will implement an environmental management plan to address identified environmental risks and monitor its effectiveness.

Suppliers will adjust the environmental management plan accordingly to ensure that goals, objectives and targets are met.

Wastes and emissions

Suppliers will identify and quantify all wastes and emissions to air, water and land (in liquid, gas or solid form) generated by their business operations in accordance with local applicable law. This may include, but is not necessarily limited to:

- **Air emissions** – includes dust and particulate matter, GHGs (carbon dioxide, methane etc.), ozone depleting substances;
- **Water emissions** – wastewater discharge, chemicals, surface run-off, groundwater leaching, liquid spills;
- **General waste** – wood, paper, plastics, food, metals, Waste Electrical and Electronic Equipment (WEEE); and
- **Hazardous waste** – residues, chemicals and cleaning agents, used oils, batteries, hazardous substance packaging/containers.

Suppliers will ensure that procedures are implemented so that all wastes and emissions are reduced, reused, recycled, recovered and/or disposed of in accordance with applicable local country law and the supplier's EMS.

Suppliers will take steps to quantify their greenhouse gas emissions (scope 1 and 2) and will set targets to reduce emissions as part of the broader EMS.

Energy and water

Suppliers will quantify energy and water consumption and establish water and energy efficiency measures. Where feasible, suppliers will use electricity produced from renewable sources.

Other natural resources

Suppliers will identify, quantify and take steps to ensure the efficient use of other natural resources used.

Biodiversity

Suppliers will, as part of their risk assessment process, determine if their operations are located near to:

- **Protected Areas:** a clearly defined geographical space, recognized, dedicated and managed through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values³³, and;
- **Key Biodiversity Areas (KBAs):** among the most diverse places on Earth, Key Biodiversity Areas (KBAs) contribute significantly to the planet's biodiversity and overall health. These sites have proven to be a key tool for guiding decisions on conservation and sustainable management³⁴.

Suppliers that have operations that are located near Protected Areas and/or KBAs will assess the potential and actual impacts of their operations on these sites. The assessment will include, but will not necessarily be limited to, the actual and potential impacts of land use, air emissions, waste disposal, water consumption and water contamination.

Suppliers will, subject to the findings of the biodiversity risk assessment, implement appropriate measures to address identified biodiversity impacts in accordance with applicable local country law and the mitigation hierarchy outlined above.

Training and communication

Suppliers will implement an environmental management training program for workers that is appropriate to the scale and impacts of the supplier's operations. Suppliers will ensure that personnel that are responsible for overseeing implementation of the EMS receive specific training as necessary.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, environmental permits and regulatory approvals, a documented Environmental Management System (EMS) including documented risk assessment findings and improvement plans, inspection and site audit reports (as applicable) and training records.

³³ Convention on Biological Diversity. Protected Areas.

<https://www.cbd.int/undb/media/factsheets/undb-factsheet-pa-en.pdf>

³⁴ International Union for the Conservation of Nature (IUCN). Key Biodiversity Areas.

<https://www.iucn.org/resources/conservation-tool/key-biodiversity-areas>

13. Community Development

Requirement

Suppliers shall make every effort to proactively engage with and support development in the local communities where their operations and supply chains are located, and to employ, procure and build within those communities.

Applicability

This requirement applies to all direct suppliers.

Background

Companies have an important role to play in the economic and social development of nearby communities. The means by which companies can support community development will vary depending on the size, type and culture of each company, but approaches to community development should always be guided by local conditions and the specific needs of the community in question.

The economic development of nearby communities can, for example, be directly supported by providing employment opportunities to the local population, investing in local financial institutions and procuring from local suppliers (e.g., suppliers of equipment, materials, contractors etc.).

Companies can also support the social development of the communities in which they operate by initiating and/or engaging in educational initiatives for children and/or adults, developing physical and mental health programs, supporting professional skills development or working with local charities.

In addition to supporting or initiating local programs and initiatives, companies can also support the development of communities along their supply chains. For example, companies in the jewelry supply chain (e.g., gemstone traders, jewelry manufacturers) could engage with organizations and initiatives that are focused on supporting social and economic development in and around mining communities, including Artisanal and Small-Scale Mining (ASM) communities.

Companies can also involve their workers in community development by offering opportunities for them to volunteer with local programs, charities and initiatives³⁵.

Successful approaches to community development are based on community consultation, regional cooperation and partnership, and they are framed by local community priorities, national development goals and existing programmes of work³⁶.

Policy and procedures

³⁵ Companies should never force workers to participate in charity or community development work.

³⁶ Responsible Jewellery Council (RJC) 2019 Code of Practices (CoP) Guidance. p102.

https://www.responsiblejewellery.com/wp-content/uploads/SD_RJC_COP-guidance-V1.4-August2022.pdf

Suppliers will have a documented policy that outlines their approach to community development, including details of applicable initiatives and programs that they are engaged in.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Stakeholder engagement

Suppliers will identify stakeholders (groups and individuals, including community members, rights holders, and others) who may be affected by or interested in the supplier's projects or business activities.

Suppliers will seek to engage and consult with relevant stakeholders to identify community needs and priorities.

Community development plan

Suppliers will document a community development plan that specifies the following:

- Projects / initiatives that the supplier has chosen to support and/or initiate;
- Goals and objectives of the chosen project(s) / initiative(s);
- Type(s) of support that the supplier will provide (e.g., financial, expertise, training etc.); and
- Measurable impact / performance indicators (e.g., outlining how the company will measure the success of its community development activities).

Monitoring and evaluation (M&E)

Suppliers will monitor the performance of their community development efforts against defined goals and objectives. Suppliers will adjust the community development plan accordingly as needed based on M&E findings and data.

Training and communication

Suppliers will provide applicable training for any workers that are involved in the implementation or oversight of the community development plan.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a community development policy, a community development plan, evidence of stakeholder engagement, monitoring and evaluation data, training records.

14. Security

Requirement

Suppliers shall take measures to ensure the safety and security of its workers, contractors and visitors. This includes assessing security risks and implementing measures to protect against product theft, intellectual property theft or loss of employee or customer data during manufacturing and transport of goods.

Suppliers shall take steps to ensure that human rights are protected in all aspects of its security operations, including in interactions among security personnel, workers and visitors. Suppliers are encouraged to align with the Voluntary Principles on Security and Human Rights where applicable.

Applicability

This requirement applies to all direct suppliers.

Background

Given the high-value nature of the jewelry industry, it is vital that companies implement robust security practices to protect workers, product and property (including intellectual property) from security threats such as theft, robbery, armed confrontations and data breaches.

Security is relevant to all parts of the jewelry supply chain. Precious metals and precious stones are high value materials that can be targeted by criminal elements for financial gain. The resulting risks for personal safety and property require that responsible measures be put in place to minimize security threats.

Policy and procedures

Suppliers will adopt a documented security policy for the protection of workers, product and property and will have appropriate procedures in place to ensure that the policy is effectively implemented.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Risk assessment and security controls

Suppliers will carry out a documented security risk assessment to identify security risks and threats to workers, product, property and information. The risk assessment should include the following steps:

- Step 1: Map company assets (people, product, property, information);
- Step 2: Identify security threats and vulnerabilities;
- Step 3: Determine and prioritize risks; and
- Step 4: Develop security controls.

Suppliers will ensure that security controls and procedures prioritize the protection of people over products.

Security controls will also include measures for ensuring the safety of product and security personnel during product transportation.

Use of security personnel

Suppliers that use security personnel (either directly employed or employed via a third-party security provider) will ensure that such personnel operate in accordance with applicable local country law at all times, particularly with regards to the use of force and respect for human rights (see also section 4. Discrimination and section 5. Harassment).

Cyber security

Suppliers will take all reasonable precautions to protect against data breaches and data theft. This will include, but is not necessarily limited to:

- Restricting access to sensitive / confidential data and information;
- Use of professional security software, VPN's, firewalls, anti-virus software;
- Develop data backup and recovery procedures;
- Implementing complex user authentication procedures; and
- Regularly evaluating cyber security measures to identify weaknesses and emerging threats.

Suppliers will inform Mejuri immediately in the event that a cyber security breach is detected that involves data and information related to Mejuri contracts and orders.

Training and communication

Suppliers will provide applicable training to all workers to ensure that they are aware of, and comply with, the company's security policy and procedures.

Suppliers will ensure, where applicable, that the security policy and procedures are communicated to third-party security providers and their personnel. Security personnel will receive specific training to ensure that they respect human rights at all times in accordance with the non-harassment and non-discrimination requirements of this code.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a security policy and procedures, a security risk assessment, records of security breaches and incidents (including follow up actions), training records.

15. Business Integrity

Requirement

Mejuri expects the highest standards of business integrity are upheld in all business interactions. Ethical business conduct and dealings, and transparency of those

operations, are accurately reflected on their business books and records. Suppliers shall have a policy mandating business integrity.

Applicability

This requirement applies to all types of direct suppliers.

Background

Business Integrity (also known as business ethics or ethical business conduct) refers to the standards for morally right and wrong conduct in business. Although ethical business conduct is partially guided by applicable law, what is 'legal' and what is 'ethical' are not always the same thing, so business integrity enhances the law by outlining acceptable behaviors that may be beyond government control³⁷.

Companies will usually outline their expectations for business integrity in the form of a Corporate Ethics Policy or Employee Code of Conduct. These communication tools help to provide workers with concrete guidelines about what is and is not accepted in the workplace without the need for constant oversight from management.

Standards for business integrity usually focus on issues that might potentially present workers with an ethical dilemma and typically cover, but are not limited to, legal compliance, conflicts of interest, rules for giving and receiving gifts and hospitality, record keeping, insider trading, confidentiality, diversity and inclusion, honesty and fairness in business dealings.

Policy and procedures

Suppliers will adopt a documented Business Ethics Policy or Code of Conduct that outlines expectations and rules for workers with respect to business ethics and integrity.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Define ethical business values

Suppliers will define their values for ethical business conduct and ensure that these expectations are clearly communicated to workers.

Implement a business ethics program

Suppliers will implement a business ethics program that should include the following elements:

³⁷ University of Redlands. 3 Reasons Why Business Ethics is Important. <https://www.redlands.edu/study/schools-and-centers/business/sbblog/2019/may-2019/3-reasons-why-business-ethics-is-important/#:~:text=What%20is%20Business%20Ethics%3F,acceptable%20behaviors%20beyond%20government%20control>

- Standards and procedures to guide the behavior of workers and foster stakeholder expectations;
- Adequate structures for ensuring responsibility and accountability for the business ethics program;
- Communication of the business ethics values and expectations to all workers, including company directors;
- A mechanism that workers and other stakeholders can use to confidentially report concerns with regards to violation of the Business Ethics Policy or Code of Conduct;
- A process for investigating allegations of non-compliance with the Business Ethics Policy or Code of Conduct; and
- Monitoring compliance and regular evaluation of program effectiveness.

Training and communication

Suppliers will provide applicable training to all workers to ensure that they are aware of, and comply with, the company's Business Ethics Policy or Code of Conduct.

Suppliers will integrate ethics and compliance training materials into multiple delivery sources, including new worker orientations, management courses, sales training, business meetings, business plans and other aspects of day-to-day activities.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a Business Ethics Policy or Code of Conduct, records of compliance breaches and follow up actions, training records.

16. Product Disclosure

Requirement

All disclosures on the nature and quality of materials and products sold to Mejuri must be accurately communicated. This includes but is not limited to location of origin, weight, color and clarity, treatments of gemstones, the standard of fineness and trademarks of articles of precious metals and other matters as required by applicable federal, state and local laws and in accordance with internationally accepted jewelry industry product disclosure standards.

Suppliers of diamonds (including diamonds set in jewelry) will take appropriate measures to mitigate the risk of undisclosed synthetic diamonds from entering Mejuri's supply chain.

Applicability

This requirement applies to all direct suppliers of natural diamonds, laboratory grown diamonds, natural coloured gemstones, laboratory grown colored gemstones and precious metals (in any form).

Background

Product disclosure within the jewelry industry depends on honesty and transparency about the nature and quality of products being bought and sold. Increasing use of technologies to treat precious stones, create synthetic or simulant precious stones or develop new alloys add to the complexity of the jewelry supply chain and consumer market and increase the relevance of product disclosure³⁸.

Laws and regulations exist in most countries that govern product disclosure in the jewelry industry. These legal requirements specify the type of information that companies must disclose and the terminology that they must use when doing so. These requirements cover a range of areas including, but not limited to, precious metal assaying and the use of quality marks, diamond grading, disclosing diamond and coloured gemstone treatments and differentiating natural diamonds and coloured gemstones from their synthetic counterparts.

In addition to legal requirements, a number of trade organizations working in the jewelry industry have also developed internationally accepted standards that aim to harmonize and align the industry to an agreed set of practices on product disclosure. These standards include the World Jewellery Confederation (CIBJO) Blue Books, the American Gem Trade Association (AGTA) Disclosure Codes and the International Diamond Council (IDC) Rules for Grading Polished Diamonds. Most of these organizations consult and collaborate with each other to ensure that there is alignment and consistency within the industry.

Policy and procedures

Suppliers will have a policy commitment on product disclosure and, where applicable, documented procedures to ensure that the policy is implemented.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Honesty and transparency

Suppliers will not make any untruthful, misleading or deceptive representation, or make any material omission in the selling of any jewelry materials or products to Mejuri.

Legal compliance

Suppliers will disclose information on the physical characteristics of jewelry materials in compliance with applicable local country law.

³⁸ Responsible Jewellery Council (RJC) 2019 Code of Practices (CoP) Guidance. p234.
https://www.responsiblejewellery.com/wp-content/uploads/SD_RJC_COP-guidance-V1.4-August2022.pdf

Disclosure

Unless a conflict with applicable law exists, members will apply the following requirements to support disclosure about the physical characteristics of jewelry materials in accordance with the Responsible Jewellery Council (RJC) Code of Practices (COP) Standard product disclosure requirements³⁹.

Gold, Silver and Platinum Group Metals (PGMs)

- The fineness of gold, silver or PGM will be accurately disclosed. Any quality marks used will be applied in accordance with applicable law or industry standards; and
- The use of gold, silver and PGM as a plating material will be accurately disclosed.

Diamonds and Coloured Gemstones

- Treated diamonds and treated or heated coloured gemstones will be disclosed as either 'treated' or with specific reference to the treatment. Any special care requirements that the treatment creates will be disclosed;
- Wholly or partially synthetic diamonds or synthetic coloured gemstones will be disclosed as 'laboratory created', 'laboratory grown' and/or 'synthetic';
- Composite (or assembled) diamonds and coloured gemstones constructed of two or more parts will be disclosed as 'composite', 'assembled', 'doublet' or 'triplet', and by the correct name of the material of which it is composed;
- Reconstructed diamonds and coloured gemstones will be disclosed as such;
- Any artificial product used to imitate the appearance of diamonds or coloured gemstones without having their chemical composition, physical properties and/or their structure will be disclosed as 'imitation' or 'simulant' along with the correct name of the material of which it is composed;
- Suppliers will describe the size or carat weight, color, clarity or cut of diamonds and the quality of coloured gemstones in accordance with the recognised guidelines appropriate to the particular jurisdiction; and
- When describing the place of origin of a coloured gemstone, the information on how this was determined will be disclosed. The place of origin will only be used when it denotes a geographical area where gemstones have been mined.

Undisclosed synthetic diamonds

Suppliers that supply diamonds to Mejuri (loose and set in jewelry) will take substantive and documented action to avoid buying or selling undisclosed synthetic diamonds. Suppliers will:

- Include the World Federation of Diamond Bourses (WFDB) Warranty Statement on all invoices to Mejuri:

"The diamonds herein invoiced are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.";

³⁹ Responsible Jewellery Council (RJC) 2019 Code of Practices (CoP) Guidance. p242-246.
https://www.responsiblejewellery.com/wp-content/uploads/SD_RJC_COP-guidance-V1.4-August2022.pdf

- Have effective policies, procedures, training and monitoring systems in place to avoid the possibility of undisclosed synthetic diamonds being switched for natural diamonds at their facilities;
- Employ a documented due diligence process to identify and mitigate risks related to undisclosed synthetic diamonds entering Mejuri's supply chain and identify possible high-risk contamination points; and
- For polished diamonds classified as high risk, carry out testing using a defined, credible and transparent protocol. This can be an existing industry-accepted protocol or one that is defined by the Supplier⁴⁰.

Training and communication

Suppliers will provide training to applicable workers to ensure that Mejuri's product disclosure requirements are adhered to. This will include training concerning any relevant legal compliance requirements and disclosure standards that are in use by Suppliers.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a product disclosure policy and register, relevant documented procedures, details of applicable local country product disclosure laws and regulations, training records.

17. Anti-Corruption, Bribery, Money Laundering

Requirement

Suppliers shall not engage in any form of corrupt practices, including bribery, extortion, embezzlement, fraud, money laundering or any business related to terrorist or armed activity.

Suppliers shall not violate or cause any Mejuri employee to violate the Canadian Corruption of Foreign Public Officials Act, United States Foreign Corrupt Practices Act, and the UK Bribery Act or any other applicable anti-corruption or bribery laws. Monitoring and enforcement procedures shall be implemented to ensure compliance with applicable anti-corruption and bribery laws.

Suppliers shall maintain financial accounts of all business transactions where required by applicable law and in accordance with national or international accounting standards.

Applicability

This requirement applies to all direct suppliers.

Background

⁴⁰ Responsible Jewellery Council (RJC) 2019 Code of Practices (CoP) Guidance. p247.
https://www.responsiblejewellery.com/wp-content/uploads/SD_RJC_COP-guidance-V1.4-August2022.pdf

Corruption is a considerable obstacle to economic and social development around the world. It has negative impacts on sustainable development and particularly affects poor communities. Examples of corruption include defrauding investors, blackmail, extortion, embezzlement and insider trading.

For companies, corruption impedes business growth, escalates costs and poses serious legal and reputational risks. It also raises transaction costs, undermines fair competition, impedes long-term foreign and domestic investment, and distorts development priorities. Investors also understand that corruption can negatively impact value and pose financial, operational and reputational risks to their investments⁴¹.

Bribery, a common form of corruption, involves the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust⁴². Bribery can include the giving and receiving of money, gifts in kind, hospitality, expenses and verbal commitments to influence a decision-making process, for example.

Money laundering is the process of disguising the origin of money that has been generated as a result of illegal activities. Illegal arms sales, smuggling, and the activities of organized crime, including for example drug trafficking, can generate huge proceeds and there is therefore an incentive to legitimize these gains through money laundering activities⁴³. Illegal profits can be disguised by channeling such funds through multiple accounts, investments and legitimate businesses that help to obscure its origin.

Given the high-value nature of the jewelry industry, it is particularly susceptible to money laundering risks since jewelry has intrinsic value and can be easily bought and sold. Jewelry therefore provides criminals with an ideal means for legitimizing illegally obtained profits.

Companies can address these risks through the implementation of robust anti-corruption and anti-money laundering controls.

Policy and procedures

Suppliers will have a documented anti-corruption and anti-money laundering policy and procedure⁴⁴.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement. This will include appointing a dedicated Anti-Money Laundering Program Compliance Officer (AMLCO)⁴⁵.

⁴¹ United Nations Global Compact. Anti-Corruption.

<https://www.unglobalcompact.org/what-is-gc/our-work/governance/anti-corruption>

⁴² Transparency International UK. Global Anti-Bribery Guidance. What is Bribery?

<https://www.antibriberyguidance.org/guidance/5-what-bribery/guidance>

⁴³ Financial Action Task Force (FATF). <https://www.fatf-gafi.org/faq/moneylaundering/>

⁴⁴ It is recommended that suppliers include an anti-corruption and anti-laundersing statement as part of the Business Ethics Policy or Code of Conduct for workers. See also chapter 15. Business Integrity.

⁴⁵ This can be an existing worker.

Bribery and Corruption

Suppliers will prohibit bribery and corruption in all business practices and transactions carried out by themselves and by contractors or any other third parties acting on their behalf.

Suppliers will have a documented anti-corruption and anti-bribery policy and procedure which will include as a minimum:

- A definition of corruption and bribery;
- A statement making clear that the supplier has a zero-tolerance policy for corruption and bribery;
- Rules with regards to the use of facilitation payments⁴⁶;
- Criteria and approval procedures for workers to follow when offering and/or accepting gifts and hospitality to or from third parties;
- Rules regarding the use of cash; and
- A mechanism that workers can use for confidentially reporting concerns related to corruption and bribery in the workplace to senior management and a statement making clear that workers will not be punished or retaliated against for reporting corruption and bribery concerns.

Suppliers will maintain a gift register to record gifts and hospitality given and received⁴⁷.

Suppliers will investigate all allegations of corruption and bribery in the workplace and will administer sanctions for any workers found to be in breach of the anti-corruption and anti-money laundering policy and procedure, in accordance with the supplier's disciplinary procedure and in accordance with applicable local country law.

Know Your Counterparty (KYC) and Anti-Money Laundering (AML)

Suppliers will have a documented KYC-AML policy and procedure that will include as a minimum:

- A definition of money laundering;
- Name and contact information for the Anti-Money Laundering Program Compliance Officer;
- A statement making clear that the supplier will not engage in or contribute to money laundering or the finance of terrorism;
- A process for establishing the identity of counterparties⁴⁸ by checking government-issued identification;
- A process for establishing the identity of the beneficial owners of counterparties (if triggered by a risk assessment);
- A process to verify that counterparties and, if applicable, their beneficial owners are not named on relevant government lists for individuals or organizations

⁴⁶ Facilitation payments are regarded as a form of bribery in most countries. Suppliers are responsible for ensuring that facilitation payments are made only where this is permitted by applicable local country law.

⁴⁷ Suppliers may set a reasonable threshold for the recording of gifts and hospitality. For example, gifts of a nominal value (e.g., a box of chocolates for a supplier) do not necessarily need to be recorded.

⁴⁸ Counterparties include suppliers and business customers.

implicated in money laundering, fraud or involvement with prohibited organizations and/or those financing conflict⁴⁹; and

- A process for carrying out a money laundering red-flag assessment of counterparties⁵⁰

Record keeping

Suppliers will maintain financial accounts of all business transactions in accordance with national or international accounting standards and applicable local country law.

Suppliers will maintain records of all cash transactions in accordance with applicable local country law.

Training and communication

Suppliers will communicate the anti-corruption and anti-money laundering policy to all workers and applicable contractors.

Suppliers will provide training to applicable workers that have responsibility for implementation of the anti-corruption and anti-money laundering procedures. This will also include training concerning any relevant legal compliance requirements.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, anti-corruption and anti-money laundering policies and procedures, details of applicable local country laws and regulations regarding corruption and money laundering, records of gifts, hospitality and expenses, records of KYC and sanctions list checks, financial and transaction records, incident records (e.g., breaches of the anti-corruption and/or anti-money laundering policy) and training records.

18. Due Diligence and Conflict-Affected and High-Risk Areas

Requirement

Suppliers of gold, silver, platinum group metals, natural diamonds and natural coloured gemstones will undertake supply chain due diligence in accordance with the 5-Step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance).

Applicability

⁴⁹ Sanctions lists include the US Office of Foreign Assets Control (OFAC) sanctions list, the UK Office of Financial Sanctions Implementation (OFSI) sanctions list, the Consolidated Canadian Autonomous Sanctions List and the EU Sanctions Map.

⁵⁰ Red-flags include, but are not limited to, requests for unusual financial terms and conditions, use of unusual or distant banks, frequent and unexplained changes in bank accounts or accounting personnel, unexplained involvement of third parties in transactions etc.

This requirement applies to all direct suppliers of natural diamonds, natural coloured gemstones and precious metals.

Background

Materials that are important to the jewelry industry such as gold, diamonds and coloured gemstones are sometimes mined and/or transported through countries that are associated with armed conflict, widespread violence and serious human rights abuses. The extraction and trade of minerals and metals in these regions, known as Conflict-Affected and High-Risk Areas (CAHRAs), can exacerbate these negative impacts by providing a revenue source for illegal armed groups and perpetrators of human rights abuses. However, this is not necessarily always the case and jewelry materials can be sourced responsibly from CAHRAs, as long as this is done so in accordance with a robust and credible due diligence process.

It is estimated that around 80% of the world's supply of coloured gemstones and 20% of world gold supply originates from Artisanal and Small-Scale Mining (ASM) operations, many of which are located in CAHRAs. Much of this sector is informal and unregulated and therefore at greater risk of exploitation from illegal armed groups and other negative actors in the supply chain.

Supply chain due diligence is a process by which companies can identify and mitigate supply chain risks, thereby avoiding or minimizing negative adverse impacts associated with their sourcing practices.

The OECD Due Diligence Guidance provides a 5-Step framework and detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The OECD Due Diligence Guidance is global in scope and can be applied to any mineral type.

For the avoidance of doubt, the requirements outlined in this chapter apply to any Mejuri supplier that sources gold, silver, platinum group metals, natural diamonds and/or natural coloured gemstones in any form either in finished, semi-finished or pre-fabricated/raw material form⁵¹

Policy and procedures

Suppliers will adopt a documented supply chain policy that is aligned with Annex II of the OECD Due Diligence Guidance that:

- Includes a commitment by the supplier to undertake supply chain due diligence in accordance with the OECD Due Diligence Guidance 5-step framework (and where applicable, relevant Supplements);
- Is publicly available and communicated to the supplier's own applicable suppliers; and
- Covers all of the risks outlined in Annex II of the OECD Due Diligence Guidance.

Suppliers will implement appropriate procedures for implementing the policy as outlined in the remainder of this chapter.

⁵¹ For example, refined gold (bars, granules, wire), loose natural diamonds, loose natural coloured gemstones etc.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Management systems

Suppliers will develop and implement a management system to support supply chain due diligence that includes:

- Allocating sufficient resources to ensure the operation and monitoring of supply chain due diligence, taking into account company size and circumstances;
- Establishing communication processes to ensure that critical information about supply chain due diligence, including the company's supply chain policy, reaches relevant workers (including senior management) and suppliers; and
- Maintaining records of findings and decisions made related to the implementation of the supply chain policy and associated due diligence activities. (e.g., meeting minutes and documented actions plans).

Transparency and controls over the supply chain

Suppliers will establish a system of controls and transparency in order to identify upstream actors in the mineral supply chain, including:

- Maintaining inventory and transaction documentation that includes information on the form, type and physical descriptions of jewelry material inputs as well as supplier details, including KYC information (see also chapter 17).
- Identifying the origin of jewelry materials in accordance with chapter 20 of this Guidance document.
- Maintaining due diligence information for a minimum of five years and making due diligence information available to Mejuri with reasonable consideration for commercial confidentiality.

Engagement with suppliers

Suppliers will communicate their expectations with regards to supply chain due diligence and transparency with their own suppliers. It is recommended that suppliers achieve this by incorporating disclosure requirements and the company's supply chain policy into commercial contracts with suppliers in order to collect information on the origin of jewelry materials.

Identifying CAHRAs and other red-flags

Suppliers will, using reasonable and good faith efforts, assess risks in the supply chain to determine if further due diligence steps are required.

Suppliers using precious metals will determine if refiners have been independently third-party audited against a standard that is aligned with the OECD Due Diligence Guidance (e.g. RJC COP, LBMA, RMI) and will review available information to determine if refiners have identified any red-flags in their supply chains.

Suppliers will use evidence gathered from credible sources and a review of information gathered to identify and assess whether the locations of mineral or metal origin and transit, the nature of suppliers or the circumstances within the supply chain may trigger any of the following 'red flags', as defined in the OECD Due Diligence Guidance, which are⁵²:

Red-flag locations of mineral/metal origin and transit: Jewelry materials that originate from, or have been transported through, a CAHRA;

Red-flag suppliers: Suppliers that source from, or are known to have sourced from, a CAHRA; and

Red-flag circumstances: Anomalies or unusual circumstances identified, which give rise to a reasonable suspicion the mineral/metal may have contributed to conflict or serious human rights abuses.

Suppliers will have a credible documented system in place for identifying CAHRAs in their supply chain which will include the following elements:

- The assessment must be global in scope, meaning that suppliers must apply the screening process to ALL countries that they source from to determine if any of them meet the definition of a CAHRA;
- Suppliers are expected to use credible sources of information to identify CAHRA's. Credible sources may include reports and other information (e.g., maps, statements) from governments, international organizations, NGOs, industry, media, United Nations or others relating to mineral extraction, and its impact on conflict and human rights in the country of origin, as well as criteria and indicators of CAHRA's developed through multi-stakeholder initiatives. Examples include:
 - Fund for Peace. Fragile States Index;
 - Heidelberg Institute for International Conflict Research. Conflict Barometer - research on the emergence, dynamics and settlement of political conflicts worldwide;
 - International Alert Screening Tool contained in Conflict Sensitive Business Practices (2005). Chapter 3, Screen tool;
 - Know your Country (country reports of money laundering and sanction information);
 - Maplecroft's political risk atlas which evaluates traditional political risks including: conflict; terrorism; rule of law; and the regulatory and business environment; as well as structural challenges affecting political stability, such as resource security; infrastructure readiness; and human rights. Includes: 50 political risk indices and interactive maps, in addition to scorecards for 197 countries;
 - Responsible Minerals Initiative (RMI) Conflict-Affected and High-Risk Areas: Key Resources;
 - Transparency International Corruption Reports (by country); and
 - World Bank Group. Harmonized List of Fragile Situations.

Risk review

⁵² Suppliers are encouraged to refer to the OECD Due Diligence Guidance for a detailed description of each red flag.

Suppliers will establish if further due diligence is required based on the following criteria:

No red-flags identified: if the supplier can reasonably determine that these red-flags do not arise in its supply chain, no additional due diligence is required. The management systems established will be maintained and reviewed on a regular basis and conflict-related risks will be monitored at a level commensurate with the potential that red-flags may arise in the supply chain in the future. If new risks emerge, screening will take place to determine if risks are significant enough to warrant undertaking the additional due diligence steps outlined in the remainder of this chapter.

Red-flags identified: if the supplier identifies one or more red-flags in its supply chain then it will implement an appropriate risk mitigation strategy.

Risk mitigation

Suppliers that have identified red-flags in the supply chain will develop an appropriate risk management plan to respond to actual or potential risks.

Suppliers will inform Mejuri if any jewelry materials entering Mejuri's supply chain are found to have originated from a CAHRA and/or are associated with any other red-flags.

Suppliers will carry out additional enhanced due diligence on red-flag supply chains to identify the presence of adverse impacts and will take appropriate action to mitigate identified impacts in accordance with the following guidelines.

Adverse impact	Response ⁵³
Serious human rights abuses associated with the extraction, trade and transport of jewelry materials.	Immediately suspend or disengage from suppliers
Direct or indirect support to non-state armed groups.	Immediately suspend or disengage from suppliers
Direct or indirect support to public or private security forces who illegally control mine sites, transport routes and upstream actors (including illegal taxation)	Continue, or temporarily suspend, trade with suppliers, but implement measurable mitigative actions. Suspend or disengage if mitigation measures are ineffective
Bribery and fraudulent misrepresentation of the origin of jewelry materials	Continue, or temporarily suspend, trade with suppliers, but implement measurable mitigative actions. Suspend or disengage if mitigation measures are ineffective

Reporting

Suppliers will report annually and publicly on their supply chain due diligence with respect to implementation of the OECD Due Diligence Guidance 5-Step framework.

Training and communication

⁵³ Where the material in question is part of the Mejuri supply chain, any actions taken by suppliers in response to identified risks should be carried out in coordination with Mejuri. Mejuri reserves the right to refuse any material which does not meet its responsible sourcing requirements.

Suppliers will establish communication processes to ensure that critical information about supply chain due diligence, including the supply chain policy, reaches relevant workers (including senior management) and suppliers.

Suppliers will ensure that any workers responsible for implementing the supply chain policy and related due diligence processes receive adequate training and support.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, applicable documented policies and procedures, training records, supplier KYC information, chain of custody documentation (i.e. invoices, shipping documents, export licenses), inventory records, written contracts and agreements with suppliers, meeting minutes, action plans, a methodology for identifying CAHRAs, traceability documentation, certificates of origin, maps, risk mitigation plans, research reports from governments, international organizations, NGOs and media, correspondence with suppliers, audit reports, annual due diligence reports.

19. Kimberley Process Certification Scheme and System of Warranties

Requirement

Mejuri supports the Kimberley Process Certification Scheme and the country-specific legislation that supports the legal trade of diamonds. All Suppliers involved in the sale or trade of diamonds, whether rough, polished, or set in jewelry, shall adhere to the World Diamond Council System of Warranties and, where relevant, Kimberley Process Certification Scheme and have systems to ensure that all relevant invoices contain the required warranty statement to ensure all diamonds under that invoice meet warranty requirements.

Applicability

This requirement applies to all direct suppliers of natural diamonds⁵⁴

Background

The Kimberley Process Certification Scheme (KPCS) is an international certification scheme that regulates trade in rough diamonds. It aims to prevent the flow of conflict diamonds, while helping to protect legitimate trade in rough diamonds. The Kimberley Process Certification Scheme (KPCS) outlines the rules that govern the trade in rough diamonds. The KPCS has developed a set of minimum requirements that each participant must meet. There are currently 59 participants representing 85 countries, with the

⁵⁴ Includes loose diamonds and diamonds set in jewelry.

European Community counting as a single participant. The participants include all major rough diamond producing, exporting and importing countries⁵⁵.

Under the scheme, all imports and exports of rough diamonds must go through a government-monitored process that ensures those engaged in the export of rough diamonds⁵⁶:

- Keep records on the rough diamonds they ship, to demonstrate they are not conflict diamonds;
- Ensure that diamonds are packed in tamper-resistant containers; and
- Employ a forgery-resistant, government-verified certificate with a unique identity number and data to describe the shipment's contents, value, exporter and importer.

The System of Warranties (SoW), which was updated in 2020, is a voluntary self-regulation system created by the World Diamond Council (WDC) to protect the integrity of the natural diamond supply chain. It aims to ensure that diamonds traded are Kimberley Process compliant, and also have been handled in accordance with universal principles of human rights, labor rights, anti-corruption and anti-money laundering.

The SoW is applied each time ownership of any natural diamond changes hands within the industry.

Companies that participate in the SoW are required to include a warranty statement on all invoices that they issue for diamonds guaranteeing that the diamonds are 'conflict free'. Based on the updated 2020 SoW requirements, participants in the scheme are also required to commit to the WDC SoW Guidelines by completing an annual online self-assessment questionnaire which asks participants to declare that diamonds were handled in accordance with responsible business practices related to human and labor rights, anti-money laundering and anti-corruption.

Note: Given that the WDC SoW and the OECD Due Diligence Guidance have differing scopes and expectations for due diligence, Suppliers that provide diamonds to Mejuri (loose and set in jewelry) will implement both requirements in accordance with chapters 18 and 19 of this guidance document.

Policy and procedures

Suppliers will implement procedures as necessary to ensure that the requirements outlined below are implemented and adhered to.

Practical implementation

Responsibility

Suppliers that are involved in the buying and selling of natural diamonds will make an appropriate senior management function responsible for implementation and oversight of this requirement.

⁵⁵ The Kimberley Process. What is the Kimberley Process? <https://www.kimberleyprocess.com/en/what-kp>

⁵⁶ Responsible Jewellery Council (RJC) 2019 Code of Practices (CoP) Guidance. p251. https://www.responsiblejewellery.com/wp-content/uploads/SD_RJC_COP-guidance-V1.4-August2022.pdf

Kimberley Process Certification Scheme (KPCS)

Suppliers involved in the buying and selling of natural rough diamonds will comply with the requirements of the KPCS as incorporated into the applicable legislation of the countries where they operate.

Suppliers will not participate in the import or export of rough diamonds that have not been certified by the KPCS.

World Diamond Council (WDC) System of Warranties (SoW)

Suppliers involved in the buying and selling of natural rough and/or polished diamonds whether loose or set in jewelry, will adopt the World Diamond Council System of Warranties (SoW)⁵⁷.

Each invoice issued to Mejuri that relates to products that include natural diamonds will include the following warranty statement:

"The diamonds herein invoiced have been {sourced} purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}**. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines."*

*{sourced} - may be used by companies that do not purchase from the open market, but source and aggregate diamonds from production facilities that are owned/partly owned by them.

**{where the invoice is generated} - may be used by companies if they specifically want to reference the country of invoice issuance.

Suppliers will only trade with natural diamond suppliers that also include the SoW statement on their invoices.

Adherence to the 2020 WDC SoW Guidelines

In addition to including the above warranty statement on all applicable invoices to Mejuri, suppliers of diamonds will commit to implementation of the WDC SoW Guidelines by registering on the [WDC website and completing the self-assessment](#).

Record keeping and reconciliation of invoices

Suppliers will carry out a reconciliation at least annually to ensure that all invoices they receive and issue for natural diamonds entering Mejuri's supply chain, include the WDC SoW statement.

Training and communication

Suppliers will provide training with regards to implementation of the above requirements to all workers that are involved in the buying and selling of natural diamonds (including diamonds set in jewelry) and workers that are involved in the issuing and receipt of invoices relating to natural diamonds.

Documentation

⁵⁷ Suppliers will follow the latest version of the WDC SoW, which as of the time of this publication is the 2020 version. https://www.worlddiamondcouncil.org/wp-content/uploads/2020/11/WDC-SoW-Guidelines_revised_2020_2nd-Edition.pdf

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, KPCS and WDC SoW rules and guidance documents, invoices for diamonds, records of invoice reconciliations, WDC SoW Guidelines Self-Assessment and training records.

20. Traceability and Transparency of Materials

Requirement

Traceability and transparency are key to avoiding unintended negative impacts at any stage of the jewelry-making process and we are committed to the highest level of responsible sourcing. Suppliers shall make every effort to provide accurate traceability information related to raw materials, processing, and final assembly of all products manufactured for Mejuri's subsequent sale or distribution. Accurate and consistent inventory controls shall be implemented in all levels of the supply chain to ensure traceability and sourcing data is available for applicable raw materials through the supply chain. Suppliers are encouraged, where applicable, to complete Reasonable Country of Origin Inquiries for materials entering the recycled market.

Suppliers shall provide accurate reporting on the annual percentage of mined, pre-consumer, and post-consumer recycled precious metals from their smelting and refining suppliers.

Applicability

This requirement applies to, but is not necessarily limited to, all direct suppliers of natural diamonds, laboratory grown diamonds, natural coloured gemstones, laboratory grown colored gemstones, precious metals (mined and recycled), pearls, leather and paper/wood materials and products⁵⁸.

Background

Traceability is a cornerstone of responsible sourcing, particularly in industries where the origins of materials are closely tied to social and environmental impacts. In the jewelry sector, where precious metals and gemstones often pass through complex global supply chains, traceability plays a crucial role in ensuring that these materials are sourced responsibly. By tracing the journey of each material from mine to market, companies can gain critical insights into the conditions under which these resources are extracted, processed, and traded. This transparency not only helps businesses meet regulatory requirements but also fosters consumer trust and brand integrity.

The extraction of gold, diamonds, and other precious materials has historically been linked to issues such as environmental degradation, human rights abuses, and funding of armed conflicts (see also chapter 18). Without effective traceability mechanisms, these issues can remain hidden, making it difficult for companies to ensure that their products are free

⁵⁸ When requested, suppliers will share traceability information for any other materials supplied to Mejuri that are not listed here.

from these risks. By implementing robust traceability systems, jewelry companies can identify and address potential problems at every stage of the supply chain, from the mines where raw materials are extracted to the workshops and factories where they are crafted into finished pieces.

Moreover, traceability supports a company's commitment to sustainability by enabling more informed decision-making. It allows businesses to prioritize suppliers who adhere to high environmental and social standards, thereby promoting ethical practices across the industry. As consumers increasingly demand transparency and accountability, traceability becomes a powerful tool for brands to demonstrate their commitment to responsible sourcing, ultimately contributing to a more sustainable and equitable global jewelry market.

Policy and procedures

Suppliers will implement appropriate procedures to ensure that traceability and chain of custody information related to jewelry materials entering Mejuri's supply chain are accurately maintained.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement. In practice, this may involve coordination and communication across multiple functions of the supplier's business operations.

Systems of transparency, information collection and control over the jewelry supply chain

Suppliers will maintain internal inventory and transaction documentation that can be retrieved and used to retrospectively identify material inputs and outputs. This will include:

- Information regarding the form, type, weight and physical description of materials;
- Systems for tracking all material inputs and outputs that are part of Mejuri's supply chain, including dates of purchase and sale; and
- Traceability information for all materials in Mejuri's supply chain, which will include, but may not necessarily be limited to:

Mined Precious Metals:

- The identity of all actors in the mined precious metals supply chain, which may include but is not necessarily limited to the identity of the mines and mine operators, countries and regions⁵⁹ of mining origin, precious metal refiners, refined precious metal traders, bullion banks and component manufacturers..

Recycled Precious Metals:

⁵⁹ Geographical locations within countries such as the names of provinces and districts etc.

- The identity of all actors in the recycled precious metals supply chain, which may include but is not necessarily limited to the identity of the upstream precious metal recyclers, precious metal refiners, refined precious metal traders, bullion banks and component manufacturers.

Annual precious metal reporting

- Suppliers of precious metals will report annually (or when requested) on the percentage of mined vs. recycled precious metals used in products delivered to Mejuri.

Natural Diamonds and Natural Coloured Gemstones:

- The identity of all actors in the natural diamond and natural coloured gemstone supply chain which may include but is not necessarily limited to the identity of the mines and mine operators, countries and regions of mining origin, rough stone exporters, international rough stone traders, cutters and polishers and polished stone traders..

Laboratory Grown Diamonds and Laboratory Grown Colored Gemstones

- The identity of all actors in the laboratory grown diamond and laboratory grown colored gemstone supply chain, which may include but is not necessarily limited to the identity of the growers and countries of operation, cutters and polishers and polished stone traders.

Pearls

- The identity of all actors in the pearl supply chain, which may include but is not necessarily limited to the identity of the pearl farms and pearl farm operators, the countries and regions of farming origin, pearl traders and international wholesalers.

Leather

- The identity of all actors in the leather supply chain, which may include but is not necessarily limited to the identity of cattle farms and farm operators, the countries and regions of farming origin, hide processing sites and facilities, finishing tanneries, leather manufacturers and wholesalers.

Paper and Wood Materials and Products

- The identity of all actors in the paper and wood products supply chain, which may include but is not necessarily limited to the identity of forests and logging operators including countries and regions of operation, sawmills, pulp, paper and wood product procedures and wholesalers.

Training and communication

Suppliers will provide training to all applicable workers to ensure that Mejuri's requirements for traceability and transparency are adhered to.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, inventory records, invoices and sales documentation, transport and shipping documentation, documentation confirming origin, chain of custody records, training records.

21. Non-mined Materials

Requirement

Suppliers of non-mined materials, including but not limited to, pearls, leather/hide and paper-based products, will ensure that these materials are responsibly sourced and produced in accordance with applicable laws, regulations and relevant industry best practices and/or standards.

Applicability

This requirement applies to all direct suppliers of non-mined materials⁶⁰

Background

A range of different materials are used by the jewelry industry and not all of these originate from mined mineral and metal ores. Pearls, which are produced by marine oysters and freshwater mussels, are commonly used in necklace jewelry and earrings. Leather is used for making watch straps and is also sometimes used as a packaging material. Paper, in the form of cardboard, is also used for producing jewelry packaging including ring boxes.

The environmental and social issues associated with these types of materials will, in most cases, be quite different to the issues that are important in mineral and metals supply chains. Nevertheless, companies that benefit from these supply chains have a responsibility to ensure that these non-mined materials are produced and sourced responsibly.

Policy and procedures

Suppliers will implement appropriate policies and procedures to ensure that non-mined materials supplied to Mejuri are produced and sourced responsibly in accordance with applicable local country law and relevant industry standards.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement. In practice, this may involve coordination and communication across multiple functions of the supplier's business operations.

⁶⁰ Specifically including pearls, paper/wood-based materials and leather, however, suppliers are expected to ensure the responsible sourcing of all non-mined materials supplied to Mejuri

Pearls

Suppliers of pearls will ensure that:

- All pearl farms in Mehuri's supply chain are managed and operated in accordance with applicable local country law, including but not limited to all applicable environmental laws and regulations that govern the pearl farming industry; and
- All pearl farms in Mehuri's supply chain adhere to safe working conditions and provide fair wages to regular and seasonal workers.

Mehuri has preference for pearl producers that have attained certification against the Marine Stewardship Council (MSC) and/or Aquaculture Stewardship Council (ASC).

Leather

Suppliers of leather products will ensure that:

- No Endangered or Threatened Species (defined as species listed on the red list by the International Union for Conservation of Nature and Natural Resources) are used;
- The highest standards of animal welfare are adhered to which will, at a minimum, comply with applicable local country law; and
- Leather producers adhere to safe working conditions and provide fair wages to regular and seasonal workers.

Mehuri has preference for leather that has been produced and sourced in accordance with applicable voluntary sustainability standards and initiatives, including but not necessarily limited to, the Textile Exchange's Responsible Leather Roundtable and the Leather Working Group.

Paper and wood materials and products

Suppliers of paper and wood-based products will:

- Where possible, use raw materials with recycled content;
- Choose raw materials that are from certified and sustainably-managed sources, with preference given to sources certified by the Forest Stewardship Council (FSC); and
- Ensure that all raw materials have been produced and sourced in accordance with applicable local country law.

Training and communication

Suppliers will provide training to all applicable workers to ensure that Mehuri's requirements with regards to the production and sourcing of non-mined materials are adhered to.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, evidence of relevant certifications associated with non-mined materials, evidence of due

diligence carried out on material origin, traceability information associated with the sourcing of non-mined materials.

22. Grievance Mechanisms and Remedy

Requirement

Suppliers shall maintain grievance mechanisms to respond to concerns and complaints that ensure effective, timely, respectful and transparent communication among workers, their representatives, management and the community.

Applicability

This requirement applies to all direct suppliers.

Background

A grievance can refer to problems and issues that workers experience over the course of their employment. Grievances can cover a broad range of concerns, from potentially illegal actions such as unethical recruitment, workplace discrimination, sexual harassment or victimisation, to concerns about wages, how a poor relationship between two workers has been managed, a complaint about the quality of food in the canteen or a disagreement over holiday arrangements⁶¹.

Grievances may also be raised against a company by other types of stakeholders, such as community representatives, civil society organizations, consumers and other businesses.

A grievance mechanism is a formal way for a worker or other stakeholder to raise a problem or complaint to their employer or the company. This typically takes the form of a procedure for complaints, followed by consideration and management response and feedback. Companies will usually have an internal grievance mechanism for workers and a separate publicly available grievance mechanism for external stakeholders.

Policy and procedures

Suppliers will have a documented grievance policy and procedures that can be used by workers and external stakeholders.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function, such as Human Resources, responsible for implementation and oversight of this requirement.

Grievance mechanisms

⁶¹ European Bank for Reconstruction and Development (EBRD). EBRD Performance Requirement 2 Labour and working conditions. Employee grievance mechanism: Guidance note. p1.
<https://www.ebrd.com/documents/admin/employee-grievance-mechanism.pdf>

Suppliers will implement an effective, accessible grievance mechanism for all workers and external stakeholders to raise complaints and concerns to the company. Grievance processes will be documented and, at a minimum, will define:

- How workers and other stakeholders can file grievances;
- How management investigates grievances and decides how to remedy them;
- How management communicates the outcomes after a grievance investigation; and
- How outcomes are documented and kept confidentially.

Suppliers should have multiple systems in place that allow for workers to confidentially report grievances which may include, but not necessarily limited to, suggestion boxes, hotlines, email, workers committees, designated spaces for worker meetings, and meetings between management and workers' representatives.

Suppliers will keep an accurate and updated record of all grievances and follow-up actions. To protect the confidentiality of those raising grievances, suppliers will ensure that these records are kept in a secure location and are only accessible by authorized workers.

Non-retaliation

The grievance mechanism must ensure the confidentiality and anonymity of the person raising the grievance and the documented worker grievance procedure will explicitly state that workers will not be retaliated against for filing complaints or engaging with the grievance mechanism(s).

Training and communication

Suppliers will communicate the applicable grievance mechanism(s) to all workers and will provide training to workers that are responsible for overseeing the mechanism and responding to complaints and grievances raised.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a documented grievance policy and procedure, records of grievances raised and follow up actions/decisions and training records.

23. Legal Compliance

Requirement

Suppliers must, in addition to meeting the requirements of this Code, comply with all applicable local and national, rules, regulations and industry standards pertaining to Suppliers' operations and services. Where a difference between the code and legal requirements exists, the higher of the two standards shall prevail.

Applicability

This requirement applies to all direct suppliers.

Background

Compliance with applicable local country laws and regulations is a minimum requirement for all Mejuri suppliers.

Mejuri does not give its suppliers specific advice on applicable law because legal requirements vary depending on the type of supplier, its location and the type of facilities it operates.

Practical implementation

Responsibility

Suppliers will make an appropriate senior management function responsible for implementation and oversight of this requirement.

Systems for ensuring legal compliance

Suppliers will have systems in place that maintain awareness of, and ensure compliance with, applicable law. This may include, but is not necessarily limited to:

- legislation, regulations and legally required codes or standards;
- permits, licenses and other forms of authorisation;
- local by-laws; and
- decisions, directions, rulings or interpretations issued by relevant courts and tribunals.

Suppliers will regularly review their legal compliance status and, where required, seek advice from a lawyer or qualified legal advisor.

Suppliers will inform Mejuri immediately should they become aware that they are in a position of non-compliance with any legal requirements that apply to their business operations and activities.

Training and communication

Suppliers will communicate legal compliance requirements to workers and provide training as necessary to ensure that they understand what they need to do to remain legally compliant.

Documentation

Suppliers will implement robust document control procedures and maintain all relevant documents related to this requirement which includes, but is not necessarily limited to, a register of all legal requirements that apply to the business and its operations, records relating to any instances of non-compliance with the law, permits, licenses, mandatory inspection audit reports, details of any fines and/or restrictions placed on the business as a result of legal non-compliance and training records.