

JA Supplier Code of Conduct

In seeking to uphold the JA Statement of Principles, Jewelers of America members will encourage those with whom they do business directly, including their agents and suppliers, to adopt similar business practices. We would like these business partners to join us in affecting positive change throughout the jewelry supply chain, and encourage them to adopt this code of conduct in their operations and business dealings.

JA and its members recognize that suppliers may need time to address areas in which they may not currently be in compliance. We believe that compliance can only be achieved through a process of continuous improvement over a period of time.

JA Members' Commitment to Suppliers

JA members aim to pursue their business activities in what is considered to be an ethical and professional manner. Specifically and subject to the needs of their businesses, JA members aim to promote stable, sustainable, long-term relationships with their suppliers and other business partners.

Legal Compliance

JA members expect their suppliers to comply with their national labor and environmental laws and regulations and to respect the fundamental International Labor Organization conventions and the Universal Declaration of Human Rights.

Where the Code or applicable laws address the same issue, the higher of the two standards should apply.

Health & Safety

JA members will encourage their suppliers to provide a safe and healthy environment for their employees in accordance with applicable local laws and regulations. Appropriate procedures should be in place to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Suppliers should be encouraged to have a nominated health & safety representative who monitors the facilities compliance with the procedures.

Specifically suppliers should ensure that:

- Safe alternatives to the use of hazardous substances are adopted.
- The use of cobalt discs is avoided.
- Workers' eyesight is protected by ensuring the availability and use of appropriate magnifying tools when working on jewelry, diamonds and gemstones, and by providing appropriate lighting.
- Workers are protected from repetitive strain injury as far as possible by considering the ergonomics of their workplace.
- Facilities have adequate ventilation for harmful fumes or dust.
- Appropriate protective clothing is provided and use of protective clothing is ensured.

- Facilities need to have adequate fire safety, including regular fire drills for all employees, appropriate fire fighting equipment and easily accessible, marked and open fire exits in cases of emergency.
- Residential facilities for workers are also safe and healthy in accordance with local laws and regulations.
- Facilities should have easy access to adequate and clean bathrooms.
- Potable water should be available at all times.
- Where HIV/AIDS is a significant issue in the supplier's location of operations, suppliers should educate workers about the risks of HIV/AIDS and assist in providing access to treatment and medication as necessary.

Remuneration

JA members expect their suppliers to comply with local laws relative to minimum wages, working hours, and employee benefits. Suppliers are encouraged to pay a 'living wage'.

Working Hours

JA members expect their suppliers to comply with applicable laws and industry standards on working hours.

JA members recognize that those in management positions may exceed these limits in the course of carrying out their roles and responsibilities. Also, in light of the seasonal nature of business, JA members recognize that suppliers' employees may be expected in special circumstances to work longer hours for relatively short periods of time. Where this occurs it should be in compliance with the regulations of the country of employment. Working hours exceeding 48 hours per week should be planned in a way to ensure safe and humane working conditions.

All overtime work should be voluntary. Where the company is party to a collective bargaining agreement freely negotiated with worker organizations (as defined by the ILO) representing a significant portion of its workforce, it may require overtime work in accordance with such agreement to meet short-term business demand.

Discrimination

JA members expect that their suppliers will not discriminate based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age.

Harassment and Abuse

JA members expect that their suppliers will provide a safe workplace free from harassment, and that they discourage the use of monetary fines, corporal punishment or other forms of mental or physical abuse, coercion, or intimidation.

Forced Labor

JA members expect that their suppliers will not permit the use of any forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. Forced labor should be considered to include any work or service, which is extracted from any

person under the threat of penalty for its non-performance and for which the worker does not offer himself or herself voluntarily.

Child Laborers and Young Workers

JA members object to the employment of persons at an age younger than 15 (or 14 where the law of the country permits) or younger than the age for completing compulsory education where this is greater than 15 in the relevant country.

In addition, employers must comply with all their local legal requirements for young workers, particularly those pertaining to hours of work, wages, health and safety and general working conditions. A young worker is defined as any worker over the age of a child as defined above and under the age of 18.

Child labor should be phased out in a responsible manner that does not harm the welfare of the child and ensures that the child's rights to health and education are met.

Freedom of Association

JA members expect that their suppliers will not prevent employees and other workers from associating freely with any lawful workers' association or collective bargaining association. Where laws prohibit these freedoms, the supplier is encouraged to facilitate parallel means of association and bargaining.

Environment

JA members expect their suppliers to protect the environment within their respective spheres of influence. This includes undertaking and/or supporting initiatives to promote greater environmental responsibility along the entire jewelry supply chain well as complying with relevant locally applicable environmental laws and regulations. More specifically JA members believe that natural resources should be developed in a manner that respects the needs of current and future generations. The jewelry industry uses metals and other minerals for a wide variety of purposes and it is therefore in the industry's best interest to ensure that the minerals upon which it depends are obtained, produced and used in environmentally and socially responsible ways.

Ethics & Integrity

Jewelers of America must have the respect and confidence of the public and of the jewelry industry. To hold this confidence and respect, Jewelers of America members must maintain the highest possible ethical standards in their business dealings. Every member of Jewelers of America acknowledges and pledges adherence to the ethical standards, principles and practices of this association, as defined in the association's Code of Ethics and Rules of Professional Conduct and Business Practices.

It follows that JA members expect their suppliers will conduct business with integrity and communicate honestly regarding the nature of the products they supply, disclosing accurately the 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 regulations.

Conflict Diamonds

JA members will make every effort possible to ensure that they do not deal in the flow of Conflict Diamonds. They will notify their vendors that they will not knowingly deal in Conflict Diamonds and train their staffs to be knowledgeable on the issue. The core of that commitment is a set of warranties that will follow rough diamonds, polished diamonds, and jewelry containing diamonds through the supply chain in accordance with the provisions of the Kimberley Process Certification Scheme. For any product fabricated from rough diamonds mined from January 1, 2003 onward, JA members will require a warranty in the form agreed by the World Diamond Congress, namely:

“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations Resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”

Monitoring

Suppliers are encouraged to institute a self-monitoring system based on this code, and move toward independent verification of code compliance. [We expect that this section will be developed in greater detail through the continuing work of the JA Ethical Initiatives Committee and through JA’s ongoing engagement with various stakeholders in their respective fields of concern].

Communication

Suppliers are encouraged to take appropriate steps to ensure the provisions of this Code are communicated to their employees and their own supply chain. Suppliers are also encouraged to ensure that the principles referred to above are adopted and applied by their employees, suppliers, agents and contractors so far as reasonably possible.