



# Signet Responsible Sourcing Protocol (SRSP)

## *SRSP Compliance Reporting and Audit Policy*

**Effective:** Calendar Year 2020

### **SRSP Reporting Requirements**

All new suppliers to Signet will be expected to complete a SRSP compliance report before any commercial activity relating to the supply of jewelry and/or jewelry components (e.g. loose natural or lab grown/created diamonds) and/or repair services between the companies begins. Suppliers are also required to declare the status of their RJC membership.

All suppliers are required to report compliance with the SRSP annually through an online compliance report provided by Signet, covering all relevant minerals supplied to Signet. The report is normally conducted around September every year.

Suppliers are required to provide a valid contact person for completion of the SRSP Compliance report, who will receive an email notification to establish log-in credentials to complete the report on behalf of all vendor numbers for that supplier to Signet.

Suppliers must ensure that the SRSP compliance report is completed accurately, completely and on time and that the report correctly states all the criteria for compliance for each mineral, as listed in the Appendices to the SRSP.

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Suppliers must quote the SRSP compliance report confirmation number as part of the annual contract or buying agreement with Signet (Vendor Buying Agreement or “VBA”).

## Signet’s Audit Policy

Signet strongly recommends RJC certification with the Signet Responsible Sourcing Protocol (“SRSP”) for each mineral as “Provenance Claims” as the primary independent audit of compliance with the SRSP. This gives Signet independent assurances about the responsible practices of each supplier company as well as confidence regarding responsible sourcing through each supplier’s supply chain, which is an important component of Signet’s supply chain due diligence and risk assessment.

Unless there are special reasons which may cause Signet to require additional audits, RJC certification with the SRSP as Provenance Claims will exempt suppliers from all Signet audits (SRSP as well as factory/social audits) for as long as the RJC certification remains current.

Any supplier which cannot provide RJC certification with a Provenance Claim may be subject to an audit of their mandatory SRSP Compliance Report and/or their factory/social practices by an independent third party audit firm, based on a risk assessment by Signet.

In such cases, Signet will notify suppliers of the requirement for an audit as part of the annual SRSP compliance reporting procedure. Suppliers must then appoint an auditor from the SRSP accredited auditor list (see Appendix), all of which are also RJC auditors.

The audit must normally be completed within 2 months of the notice of audit from Signet. The supplier must book and pay for the audit, and provide the necessary audit report or summary to Signet.

The audit should confirm that the supplier has adequate policies in place to comply with the SRSP for the relevant minerals, and can demonstrate through transactional documentation that these policies are being implemented. The audit should validate both policy documentation and transaction documentation.

Signet may from time to time request additional audits, especially for additional and/or unforeseen compliance requirements (see above).

Detailed Audit Guidance is provided by Signet for suppliers and auditors to manage the audit process, available at <https://signetresponsiblesourcing.com/>. This Guidance is applicable for RJC audits as well as Signet audits.

## Signet Supplier Action Steps

Signet’s primary audit assurance is through the supplier’s Responsible Jewellery Council certification audit, with the relevant minerals included as “Provenance Claims”. Signet may also require suppliers which are not RJC members to undertake independent audits, based on Signet’s risk assessment relating to the supplier’s SRSP Compliance Report.

### Summary of the SRSP Audit Process:

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- All suppliers are required to complete an annual SRSP compliance report and have a successful SRSP compliance report Confirmation Number, demonstrating that the supplier is in compliance with the SRSP.
  - The audit of a Signet supplier's SRSP compliance report is intended to validate the supplier's claims of compliance with the SRSP covering gold, "3Ts", diamonds, silver, platinum group metals ("PGMs"), colored gemstones and laboratory-grown diamonds ("LGDs"). The latest annual SRSP Compliance Report to Signet is the first and fundamental element for review in the audit.
  - The audit should confirm that the supplier has adequate policies in place to comply with the relevant SRSP and can demonstrate through transactional documentation that these policies are being implemented.
  - The audit should validate policy documentation supporting human rights, "Know Your Counterparty" (KYC), management systems, anti-money laundering (AML) and transaction documentation.
  - Compliance claims for "PGMs" should specify (state) which of the metals are included in products supplied to Signet.
  - Signet requires suppliers to inform Signet immediately (at [info@signetsrsp.com](mailto:info@signetsrsp.com)) of any critical and/or major non-conformances in the SRSP audit, including RJC audits which relate to SRSP Provenance Claims. In addition, Signet may request a copy of any RJC Provenance Claim audit report from the supplier or from the RJC auditor. Signet suppliers must allow this report to be provided upon request.
  - If the supplier has RJC certification which demonstrates that the certification covers a Provenance Claim which includes compliance with the SRSP, future audit requirements by Signet will be covered by RJC certification, provided no changes are made in the supplier's supply chain which affect the terms of compliance with the SRSP and/or the Provenance Claim. Suppliers which are RJC members are required to notify Signet and RJC of changes in supply chains relating to Provenance Claims: such changes may trigger a mid-term review by RJC. Suppliers who are notified by the SRSP Project Team that an audit of the SRSP report will be required are responsible for appointing auditors, confirming the scope of the audit, booking the audit and providing audit reports to Signet; Signet will not audit suppliers.

**Please note:** If a supplier who is RJC certified would like to include an off-cycle provenance claim for any metal or mineral, this can be done through a bolt-on provenance claim audit and it can be done at any time of the year, outside of the RJC audit cycle.

