

# Training Document

## SRSP Compliance & Audit Preparation

The purpose of this document is to help you prepare for the Signet Responsible Sourcing Protocol (SRSP) annual report process and/or audit if required.

The guidance contained in this document is in the same order as the questions in the SRSP Report. This document and all sample documents are available in the [Signet Responsible Sourcing website toolkit](#) for reference.

### Initial Guidance

In the event of an audit, the first step is to provide the auditor a copy of your most recent SRSP Report.

### SRSP Report Questions and Supporting Information

#### Russia Policy

#### **Q 1.A Is your company compliant with Signet's Russia Sourcing Policy implemented on March 16, 2022?**

Provide invoice/delivery note examples that include the SRSP and World Diamond Council (WDC) warranty statements

Provide copies of invoices that show all Warranty Statements (SRSP, World Diamond Council SoW for Natural Diamonds and the Laboratory Grown Diamond Warranty Statement for suppliers of LGDs) are contained on all invoices which attests compliance with Signet's Russia Sourcing Policy.

#### Know Your Customer/Counterparty Policy

#### **Q 1.B Do you have a Know Your Customer/Counterparty (KYC) policy in place?**

**As stated in the Signet Responsible Sourcing Protocol (SRSP) - KYC procedures may include:**

1. Collection and analysis of basic identity information.
2. Name matching against lists of known parties.
3. Details of the supplier's policies and procedures (especially relating to identification of sources of scrap/recycled supply).
4. Determination of the supplier's risk, especially in terms of propensity to supply minerals from an area of conflict or human rights abuses and the trade of minerals on a cash transaction basis.
5. An expectation of a customer's transactional behavior.
6. Monitoring of a customer's transactions against their expected behavior and recorded profile.
7. Documentation relating to the application of KYC is required for all sources of recycled or "scrap" materials.

Provide communication documentation that shows the KYC process is applied to all companies/subcontractors that are part of your supply chain, including with the individual(s) who handle your accounting function (in-house or if you outsource to an accounting firm).

See KYC Form template [here](#).

## Human Rights – A Policy commitment to respect Human Rights

### Q 1.C: Does your supply chain follow guidance in Human Rights as defined in the SRSP?

This SRSP report question is seeking confirmation that you have a proper Human Rights policy in place that includes the below SRSP-outlined components, and that you've communicated the expectations of this policy internal within your organization and with your suppliers. Provide the Human Rights Policy and documentation of those internal and external expectation communications.

The policy statement can be a stand-alone policy or (in the case of your suppliers' compliance), incorporated in the supplier's general policies and procedures and should be: Internally.

Your policy should be:

1. Inclusive of measures that seek to identify, prevent, mitigate and account for how your address impacts on human rights and practices:
  - Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities
  - Should seek to address adverse human rights impacts which may be directly linked to its operations, products or services by its business relationships
  - Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations
  - Should be regularly updated, for example when starting a significant new activity or business relationship, recognizing that the human rights risks may change over time
2. Where suppliers identify that they have caused or contributed to adverse Human Rights impacts, they shall provide for or cooperate in legitimate processes to enable the remediation of those impacts.

See Human Rights Policy template [here](#).

## AML, Bribery and Facilitation Payments

### Q 1.D: Does your supply chain follow AML/bribery/facilitation policies as defined in the SRSP?

This SRSP report question is seeking confirmation that you have a proper AML/bribery/facilitation policy in place that includes the below SRSP-outlined components, and that you've communicated the expectations of this policy internal within your organization and with your suppliers.

The policy statement can be a stand-alone policy or (in the case of your suppliers' compliance), incorporated in the supplier's general policies and procedures and should include language to:

1. Prohibit bribery in all business practices and transactions carried out by the supplier and by agents acting on behalf of the supplier.
2. Protect Employees from any penalty or adverse consequences for identifying in good faith concerns related to suspected Bribery, for refusing to participate in Bribery, or refusing to pay a Facilitation Payment where Facilitation Payments are prohibited.
3. Set the criteria and approval procedures to be followed by Employees in respect of the offer and/or acceptance of gifts with third parties.
4. Train relevant managers and employees on policies and procedures.
5. Record relevant gifts to and from third parties in a gift register, as per the supplier's policy.
6. Investigate any incidences of suspected bribery within their organization.

Also included in the policy should be language that, where facilitation payments are permitted by applicable law, outlines suppliers shall:

7. Undertake actions to eliminate all Facilitation Payments, or to reduce the size and frequency of Facilitation Payments over time.
8. Ensure that any Facilitation Payments are of limited nature and scope.
9. Implement controls to monitor, oversee and fully account for any Facilitation Payments made by or on behalf of the supplier.

Additionally, for an appropriate policy, suppliers shall apply Know Your Counterparty ("KYC", see above) principles for business partners that are suppliers or customers, including monitoring transactions for unusual or suspicious activity and reporting suspicions of money laundering or finance of terrorism to the relevant designated authority.

Suppliers shall maintain records of all cash or cash-like transactions which occur above the relevant defined financial threshold under applicable law and, where required, report these to the relevant designated authority.

**See AML Policy template [here](#):**

**Q 1.00:**

**Does your company supply ONLY loose natural or lab grown diamonds (polished or rough) to Signet (including brokers, traders, or auctioneers)?**

If you answered "Yes" to this question you will need to supply documentation supporting your answers related to the natural and/or lab-grown diamonds you supply based on the requirements of the Natural and Lab-grown Diamond Appendices.

**Q 1.01:**

**Does your company supply any of the below, used in any product, including components and findings to Signet?:**

- Natural Diamonds (loose rough, or polished, and/or set in jewelry)
- Lab grown Diamonds (loose rough, or polished, and/or set in jewelry)
- Colored gemstones (loose rough, or polished, and/or set in jewelry)
- Gold
- Tin, Tungsten, and/or Tantalum
- Silver, platinum group metals (PGMs)
- Plated or fashion jewelry
- Repair Services
- Watches

If you answered **“Yes”** to this question you will need to supply documentation supporting your answers related to all the product you supply based on the requirements of the applicable appendix/appendices.

**Q 1.17: Do you have management systems, supplier terms of business and a compliance officer in place?**

Provide documentation to the auditor supporting this claim. Samples are provided below.

**See Management Systems Policy for compliance with Signet Responsible Sourcing Protocol (SRSP) template [here](#).**

**See Responsible Sourcing Terms of Business Letter template [here](#).**

**See Compliance Officer Designation Communication template [here](#).**

**Q 1.18:**

**Have you undertaken due diligence in your supply chain of all materials/minerals supplied to Signet?**

To verify this diligence, map your supply chain and provide it to the auditor using the Supply Chain mapping tool to ensure you are accounting for all suppliers of materials that are covered by the SRSP.

**For metals (Gold, 3Ts, Silver/Platinum Group Metals):**

Identify and certify the sources of your metals, preferably to a refinery.

**For Natural Diamonds and Colored Gemstones:**

List your suppliers, categorize the sources and list all identified entities in the supply chain.

**For Lab-grown Diamonds:**

List all facilities, factories (wholly owned or third parties) where LGDs are manufactured or grown.

**See Supply Chain Mapping tool [here](#).**

**Q 1.19:**

**Have you identified any risks in the Signet supply chain which need reporting to Signet?**

Review all relevant information for all suppliers to identify any risk. Relevant information includes information gathered as a result of your KYC, Human Rights and AML polices and processes.

**Q 1.21:**

**Are your products "conflict-free" as defined in the Signet Responsible Sourcing Protocol (SRSP)?**

**See Conflict-Free Policy template [here](#).**

## Suppliers of Product Containing Gold

**Q 2.0: Does your company currently supply or plan to supply products of any kind containing gold to any Signet Jewelers' business units?**

If you supply product containing gold you will need to provide documentary evidence (e.g., terms of business, delivery certificates, invoices etc.) to the auditor to support these statements of compliance. As part of your Terms of Business with each supplier of gold you should receive confirmation that the gold is sourced from one of the acceptable sources below.

**Q 2.3.a. Gold sourced directly from a refinery, or obtained from a bank or metals trading company where the gold originated from (please select all that apply):**

**Q 2.3.b. Gold sourced from scrap/recycled, other sources (please select all that apply):**

**Q 2.3.c. Gold sourced directly from a subcontractors or outside manufacturing partners where gold was obtained from a refinery, bank, or metals trading company with gold being sourced from (please select all that apply):**

If you supply product containing gold you will need to provide documentary evidence (e.g., terms of business, delivery certificates, invoices etc.) to the auditor confirming the sources of gold as stated on your SRSP report.

## Suppliers of Product Containing Any of the 3Ts (tin, tungsten, tantalum)

### TIN

**Q 3.0 Does your company currently supply or plan to supply products of any kind containing tin to any Signet Jewelers' business units?**

### TUNGSTEN

**Q 4.0 Does your company currently supply or plan to supply products of any kind containing tungsten to any Signet Jewelers' business unit?**

### TANTALUM

**Q 5.0 Does your company currently supply or plan to supply products of any kind containing tantalum to any Signet Jewelers' business unit?**

If you supply product containing tin, tungsten or tantalum (3Ts) you will need to provide documentary evidence (e.g., terms of business, delivery certificates, invoices etc.) to the auditor confirming the sources of 3Ts as stated on your SRSP report.

## Suppliers of Product Containing Silver and Platinum Group Metals (PGMs)

**Q 6.0 Does your company currently supply or plan to supply products of any kind containing silver and/or platinum group metals (PGMs), which include platinum, ruthenium, rhodium, palladium, osmium, iridium to any Signet Jewelers' business unit?**

If you supply product containing silver or PGMs ) you will need to provide documentary evidence (e.g., terms of business, delivery certificates, invoices etc.) to the auditor confirming the sources of silver or PGMs as stated on your SRSP report.

## Suppliers of Product Containing Natural Diamonds

### **Q 7.0 Does your company currently supply or plan to supply products of any kind containing natural diamonds (loose, rough or polished, or set in any type of jewelry or watch product) to any Signet Jewelers' business units?**

If you supply product containing natural diamonds you will need to provide documentary evidence (e.g., terms of business, delivery certificates, etc.) to the auditor to support these statements of compliance.

You will need to maintain and present documentation to support your answers regarding the categories of the diamonds you supply.

**Category 1. Single Stone Tracking:** Individual natural diamonds supplied by or sourced from identified diamond producers (mining companies) which are independently certified under separate, relevant international standards (such as the RJC Code of Practices). All natural diamonds in this category should be identifiable as being sourced from the producer/mining company.

**Category 2. Parcel Tracking:** Parcels of natural diamonds supplied by or sourced from identified diamond producers which are independently certified under separate, relevant international standards (such as the RJC Code of Practices). All parcels of natural diamonds in this category should be identifiable as being sourced from the producers/mining companies.

**Category 3. Mixed Sources:** This category allows for the mixing of natural diamonds deriving from a number of different sources, with some percentage of the diamonds deriving from identified and verified sources.

**Category 4. Other Identified and Verified Sources:** This category applies to natural diamonds which derive from small-scale or artisanal producers. All diamonds in this category should be identifiable as being sourced from small-scale or artisanal producers.

### **Q 7.07 Are you following the requirements of the SRSP, Natural Diamond appendix to establish the processes and procedures to detect lab-grown diamonds?**

All suppliers of natural diamonds whether loose or set in jewelry must have procedures in place to test diamonds in-house or outsource the testing to a third-party testing laboratory.

You must provide:

- Evidence of the diamond testing machine and/or the third party testing laboratory you use
- Evidence of the policies and procedures for handling diamonds and documentation showing details of the testing results

## Suppliers of Product Containing Lab Grown Diamonds

### **Q 8.0 Does your company currently supply or plan to supply products of any kind containing lab grown diamonds (LGD) (loose, rough or polished, or set in any type of jewelry or watch product) to any Signet Jewelers' business unit?**

Suppliers that provide LGDs sourced from a sub-contractor must ensure that their sub-contractors are compliant with all requirements the SRSP and the Lab-grown Diamond Appendix.

Suppliers that provide lab-grown diamonds that are grown/manufactured in their own facility must ensure that the LGD production facilities provide safe and healthy working conditions for all employees in accordance with SRSP and the Lab-grown Diamond Appendix and with all applicable laws and other relevant industry standards. LGD production facilities should be certified under appropriate occupational health and safety management system standards, such as ISO 45001 or equivalent.

A separate Ethical/Factory audit may be required.

## Suppliers of Product Containing Colored Gemstones

The SRSP applies to all-natural ruby, sapphire and emerald gemstones supplied to Signet. The scope of the SRSP may be expanded to include other natural gemstones in the future, following Signet's risk based approach. The SRSP also includes disclosure requirements for laboratory-grown/created gemstones (LGGs).

### **Q 9.04 Are you following the requirements of the SRSP for Colored Gemstones appendix to detect treatments and undertake testing to ensure all colored gemstones provided to Signet are natural?**

If you supply product containing Colored Gemstones (natural emerald, ruby, and / or sapphire) you will need to provide documentary evidence (e.g., terms of business, delivery certificates, testing policies and procedures, etc.) to the auditor to support these statements of compliance.

## Warranty Statement

### **Q 12.0 The following warranty statements are required on ALL invoices, even on invoices that do not contain Gold, any of the 3Ts, Natural or Lab Grown Diamonds, Silver / PGMs, Colored Gemstones or Other Metals.**

By including the current SRSP warranty statement, you are certifying that no diamonds (natural or lab grown), precious metals and/or colored gemstones of Russian origin purchased after February 24, 2022, are present in any Signet products.

Provide copies of invoices that show all Warranty Statements (SRSP, World Diamond Council SoW for Natural Diamonds and the Laboratory Grown Diamond Warranty Statement for suppliers of LGDs) are contained on all invoices.