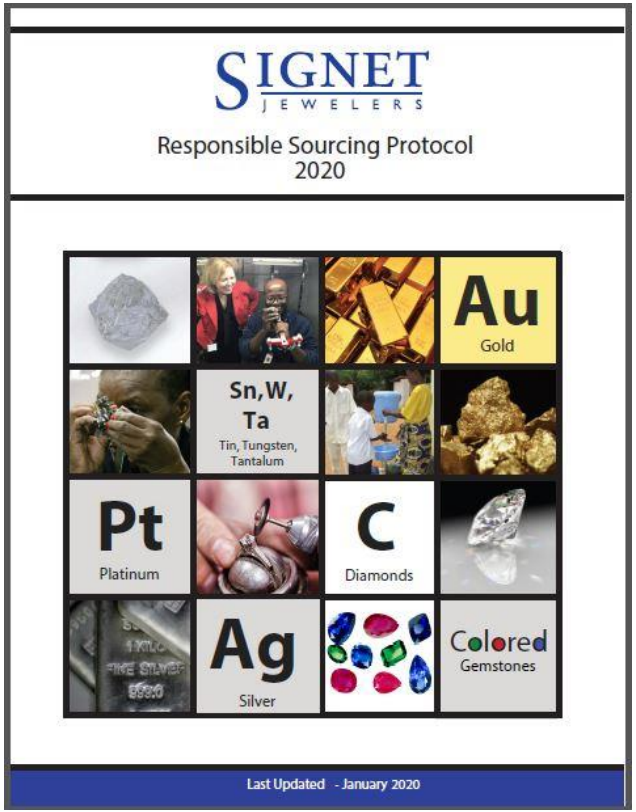
Signet Responsible Sourcing Protocol (SRSP)
2020 Compliance Reporting and Audit Webinar

- A Summary for Suppliers
- September 1, 2020

Confidential and Proprietary Property of Signet Jewelers

Topics of Discussion

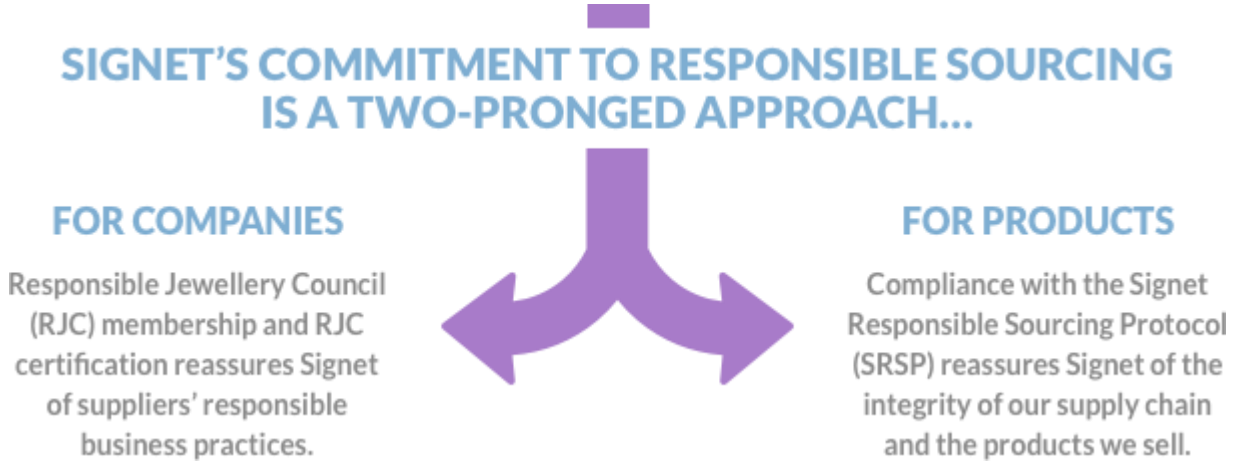


- Signet Responsible Sourcing Overview
- Compliance with the SRSP
- 2020 SRSP Updates
  - Colored Gemstones Appendix
  - Lab Grown Diamond Appendix
  - Warranty statement updates
- Signet and the Responsible Jewellery Council
- SRSP Audits - RJC Certification
- Signet Responsible Sourcing Website

ERNEST JONES LOVE & LIFE · H.SAMUEL THE JEWELLER · JAMES ALLEN · JARED The Galleria Of Jewelry · KAY JEWELERS · Piercing Pagoda · PEOPLES · ZALES THE DIAMOND STORE · SIGNET JEWELERS

Signet Responsible Sourcing

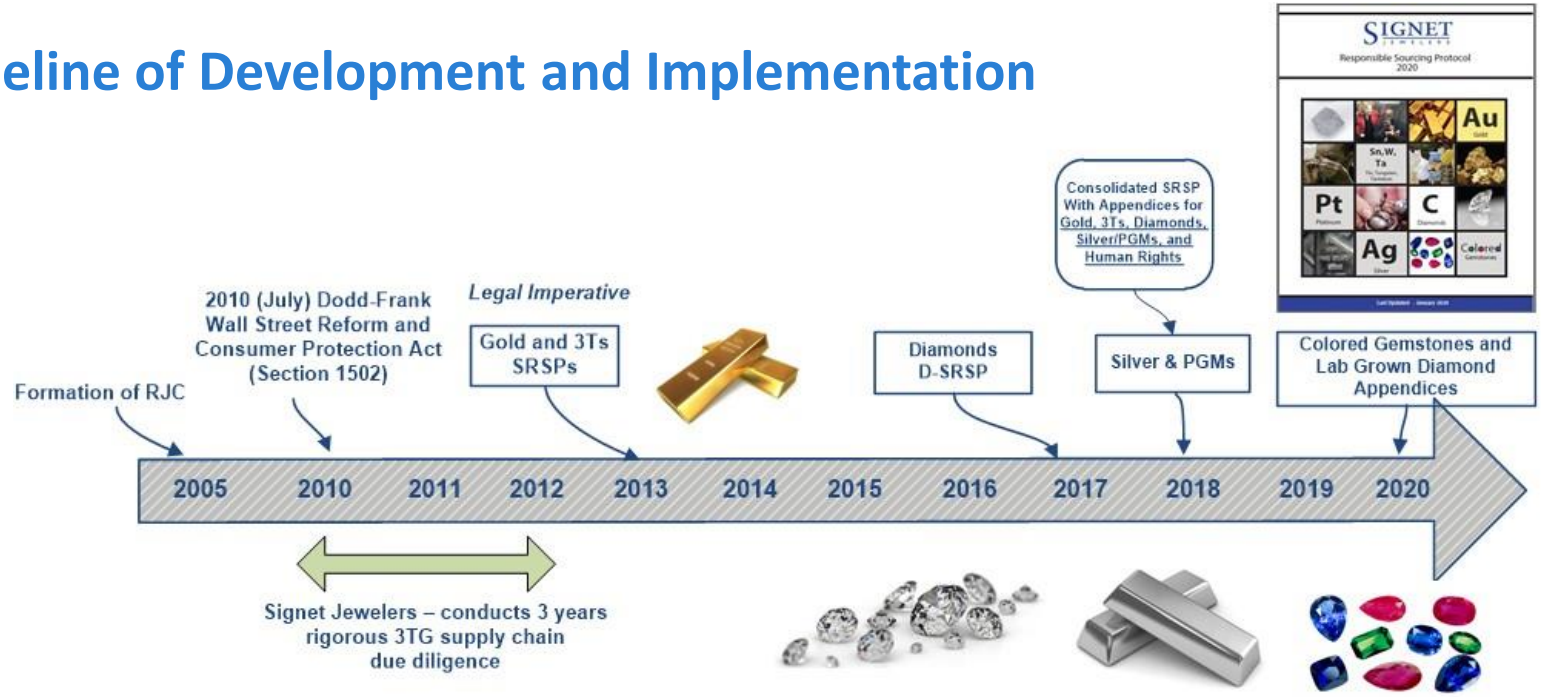
- The objective of Signet's Responsible Sourcing program is to ensure all Signet jewelry materials are responsibly sourced as defined by reference to the OECD Due Diligence Guidance (DDG) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



Confidential and Proprietary Property of Signet Jewelers

Signet Responsible Sourcing Protocol (SRSP)

Timeline of Development and Implementation



OECD Due Diligence Guidance – Applicable to All Minerals

Confidential and Proprietary Property of Signet Jewelers

ERNEST JONES LOVE & LIFE · H.SAMUEL THE JEWELLER · JAMES ALLEN · JARED The Galleria Of Jewelry · KAY JEWELERS · Piercing Pagoda · PEOPLES · ZALES THE DIAMOND STORE · SIGNET JEWELERS

Compliance with SRSP – Guideline

SRSP compliance criteria and requirements, include but are not limited to:

Conduct Due Diligence	• **Map your supply chains.** For metals (gold, 3Ts, silver, platinum), identify and certify the sources of your metals, preferably to a refinery. For diamonds and gemstones, list your suppliers, categorize the sources and list all identified entities in the supply chain.
Company Policies and Procedures	• **Establish appropriate company policies** (e.g., compliance with KP, Conflict Minerals). Establish and implement procedures which ensure the sourcing of your products do not contribute to human rights abuses. Establish Management Systems, a Know Your Counterparty ("KYC") policy and Terms of Business with all your suppliers. Conduct testing of diamonds and LGDs.
Documents and Evidence	• **Maintain information and documentation** of your due diligence, invoices, delivery notes, certifications, which may be required should you be asked to undergo an independent third party audit.

Confidential and Proprietary Property of Signet Jewelers

ERNEST JONES LOVE & LIFE · H.SAMUEL THE JEWELLER · JAMES ALLEN · JARED The Galleria Of Jewelry · KAY JEWELERS · Piercing Pagoda · PEOPLES · ZALES THE DIAMOND STORE · SIGNET JEWELERS

2020 SRSP Updates

Colored Gemstones

- Required compliance for 2020, the SRSP Colored Gemstone appendix applies to natural ruby, sapphire and emerald gemstones supplied to Signet.
- The scope of the SRSP appendix may be expanded in the future to include other natural gemstones.
- The SRSP also includes disclosure requirements for laboratory grown colored gemstones.
- Suppliers must have written testing protocols and maintain test records.
  - Signet recommends use of a qualified gemologist, in-house or a third party, to obtain initial information regarding the sourcing of colored gemstones.

2020 SRSP Updates

Lab Grown Diamonds (LGDs)

- Required compliance for 2020 for all LGDs supplied to Signet.
- The SRSP LGD appendix focuses on manufacturing processes, factory conditions, including health and safety requirements.
- Suppliers who deal in natural diamonds *and* LGDs must have clear policies and procedures to ensure LGDs are always properly segregated from natural diamond processes.
- Ensure description and marketing terms addressed in Section 5 Disclosure & Nomenclature section of the appendix are adhered to.
- Undertake testing to ensure all stones are in fact LGDs and that parcels do not contain natural diamond, diamond simulants and/or any material which is not laboratory-grown diamond.

2020 SRSP Updates

Warranty Statement Updates

- The World Diamond Council (WDC) revised their System of Warranties (SoW) in 2019, which resulted in a change to the Signet supplier warranty statements.
- This has been further updated in 2020 to define the WDC statement as being applicable to ***natural*** diamonds.
- Signet will allow suppliers to use the previous WDC warranty statement for a transition period. Suppliers should use the new warranty statement as soon as possible. The new warranty statement will be a mandatory requirement by September 30, 2020.

WORLD DIAMOND COUNCIL

Confidential and Proprietary Property of Signet Jewelers

Annual SRSP Compliance Reporting
2020 Warranty Statements for all suppliers

- Following reporting compliance to the SRSP, **all suppliers** are required to include the SRSP and diamond warranty statement on **all** invoices and delivery notes, **even** if you do not supply gold, 3Ts, diamonds, silver, PGMs, or colored gemstones.

No Change:

"The seller warrants that these products have been supplied in compliance with the Signet Responsible Sourcing Protocol ('SRSP')."

WDC SoW Update:

"Any natural diamonds herein supplied have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations Resolutions and corresponding national laws. The seller hereby guarantees that these natural diamonds are conflict-free and confirms adherence to the WDC SOW Guidelines."

For LGDs only:

"Any laboratory-grown diamonds herein supplied comply with the SRSP and are warranted not to include any natural diamonds or any material which is not laboratory-grown diamond. "

Confidential and Proprietary Property of Signet Jewelers

Signet Responsible Sourcing

The Responsible Jewellery Council (RJC)

- Signet is a proud founding and Certified Member of the Responsible Jewellery Council (RJC), the leading jewelry industry standards and certification organization, with over 1,200 members globally.
- Signet has been very active in RJC committees, such as its Legal, Standards and Communications Committees, as well as serving as Chair (current).
- Signet requires all suppliers* to join the RJC, to provide assurance of the supplier's responsible practices.
- Approximately 95% of Signet's purchases come from RJC member companies.

FOR COMPANIES

Responsible Jewellery Council (RJC) membership and RJC certification reassures Signet of suppliers' responsible business practices.

RESPONSIBLE JEWELLERY COUNCIL

** Suppliers of Gold, Platinum, Diamonds, Silver and Colored Gemstones*

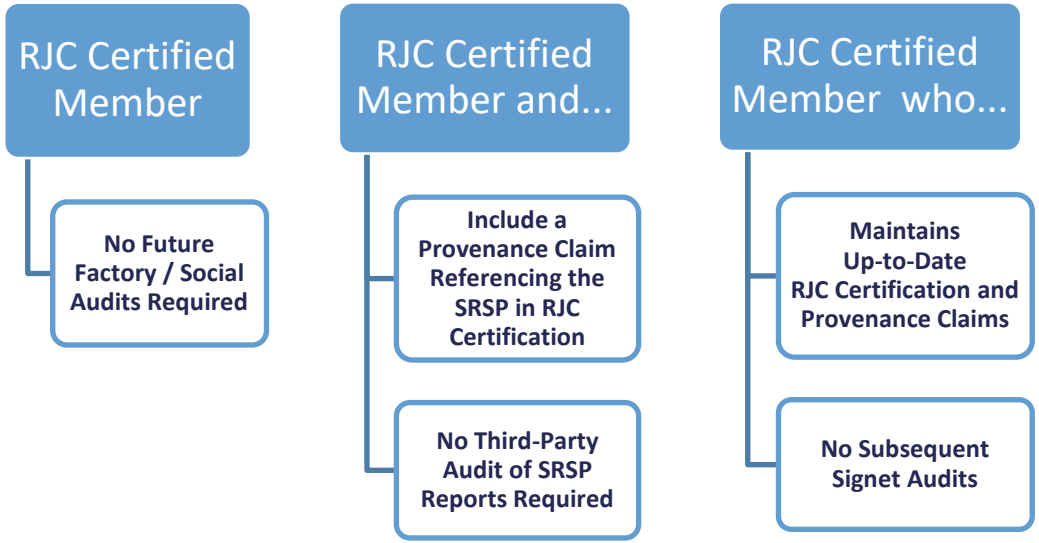
Confidential and Proprietary Property of Signet Jewelers

Signet's SRSP Audits – RJC certification

- RJC certification audits are Signet's primary verification.
- Certified RJC members with the relevant SRSP appendices as a "Provenance Claim(s)" are exempt from all Signet audits (SRSP and social/factory audits).
- Provenance Claims should refer specifically to the SRSP, for example: ***"[Company name] sources [relevant material: gold, diamonds, silver, colored gemstones etc.] in accordance with the Signet Responsible Sourcing Protocol."***
- The Provenance Claim section of the audit will relate to the latest SRSP compliance report (keep a copy of your report and confirmation number).
- RJC provides members and auditors with audit guidance and training for the 2019 RJC Code of Practices and Signet's requirements for Provenance Claims.

Signet Supplier Benefits – Audit Harmonization

Suppliers to Signet Who Are:



Signet <u>strongly</u> recommends adding SRSP appendices compliance as a RJC "Provenance Claim(s)".

Certified membership with Provenance Claim(s) = no Signet audits

⇨ *RJC Certification Audits Conducted Once Every Three Years (Upon First Certification)*

⇨ *RJC Certification and BPP Compliance Conducted Together*

Confidential and Proprietary Property of Signet Jewelers

Signet's SRSP Audits – others

- Suppliers who are not RJC certified members may be subject to Signet SRSP audits as well as social/factory audits, based on Signet's risk assessment.
- Suppliers will be asked to liaise with auditors to agree scope, timing and cost of audit.
  - Ensure the SRSP compliance criteria and documentation requirements are met and ready for inspection.
  - Maintain a copy of your SRSP 2020 Compliance Report answers, as well as the SRSP Confirmation Number.
  - Ensure all information contained in your SRSP Compliance Report is accurate and can be validated by policy and transaction documentation.

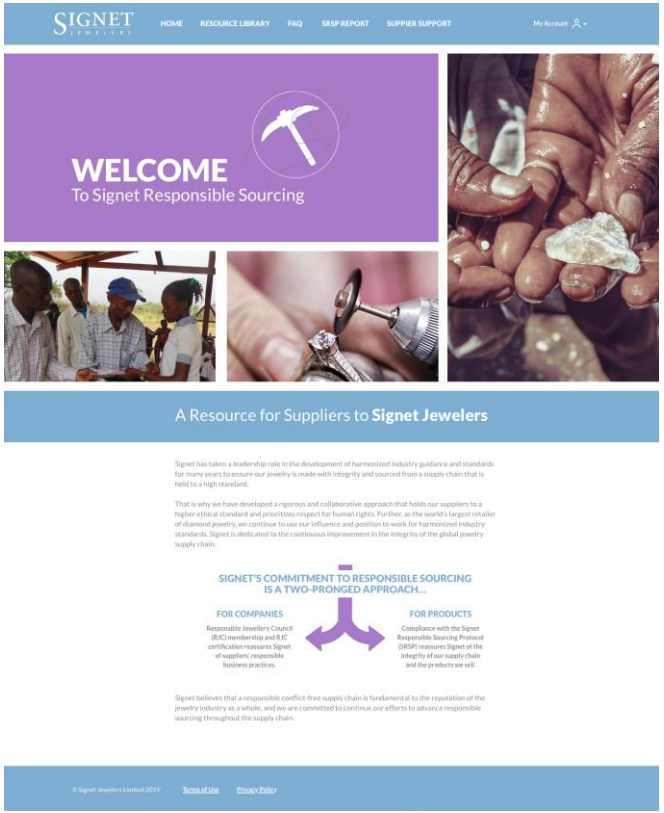
Confidential and Proprietary Property of Signet Jewelers

APPENDIX

Signet Responsible Sourcing Website and Online SRSP Reporting

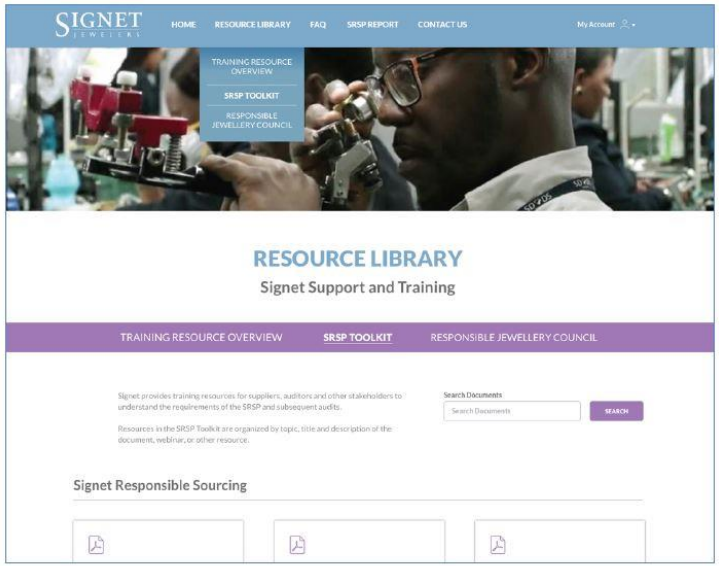
SRS Website and Online SRSP Reporting

- Signetresponsiblesourcing.com
  - Resource Library
  - Supplier Account Sign In
  - Completing the SRSP Report
    - Diamond-only supplier
  - SRSP Report Review Process
  - Supplier Support

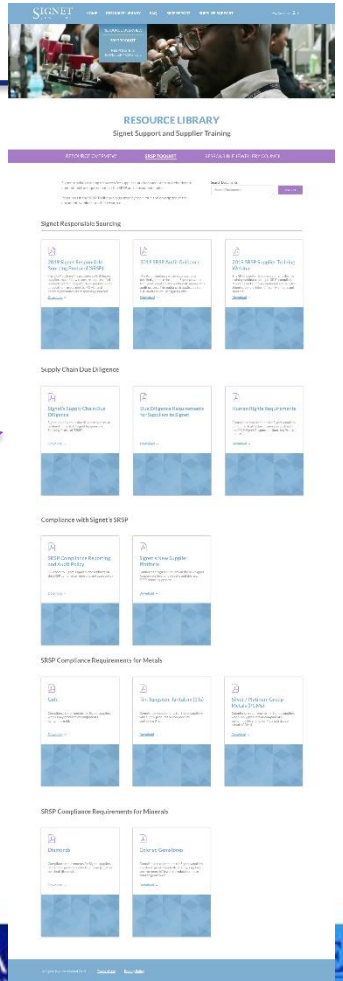


SRS Website and Online SRSP Reporting

The Resource Library:



- Under **"Resource Library,"** you will find key resources for online viewing or downloading:
  - Resource Overview
  - SRSP Toolkit (includes 2020 SRSP, audit guidance, copy of this webinar, Responsible Sourcing checklist, Supply Chain Map template, etc.)
  - Responsible Jewellery Council information

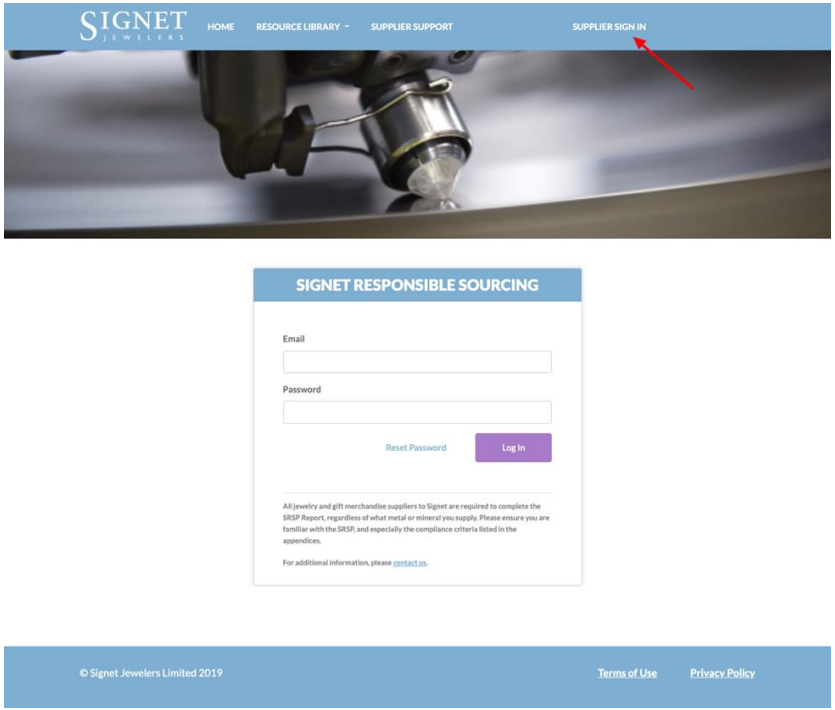


Confidential and Proprietary Property of Signet Jewelers

SRS Website and Online SRSP Reporting

SRSP Report Timing and Process:

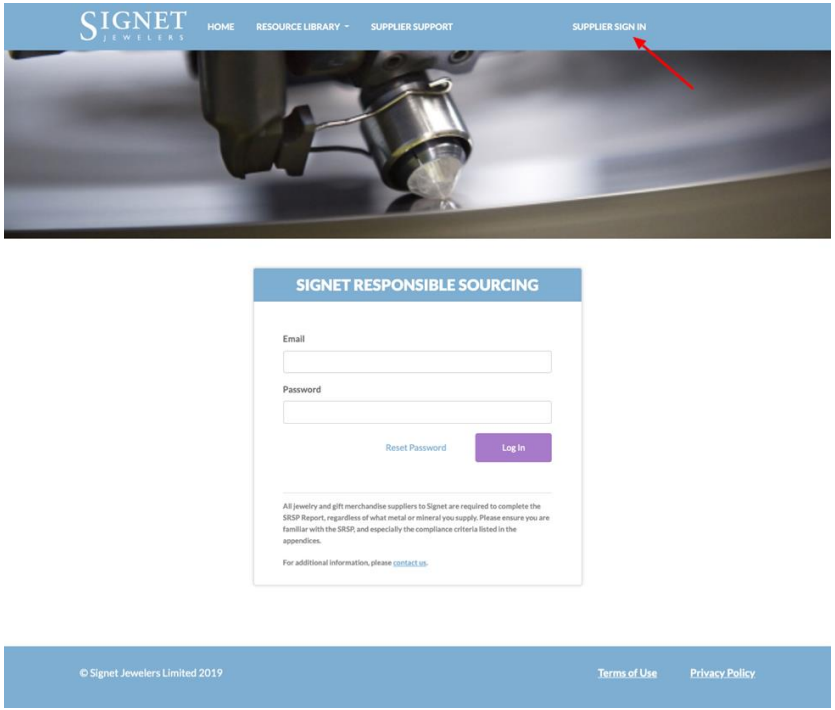
- All Signet suppliers will be notified by email in mid-September to complete the SRSP compliance report, available at signetresponsiblesourcing.com.
- SRSP compliance reports must be completed every year to meet Signet's due diligence and legal requirements.
- Online Compliance Reporting **should be completed by the end of October 2020**.
- The 2020 SRSP Confirmation number will be required for your annual Vendor Buying Agreement (VBA).



SRS Website and Online SRSP Reporting

SRSP Compliance Report Guidance:

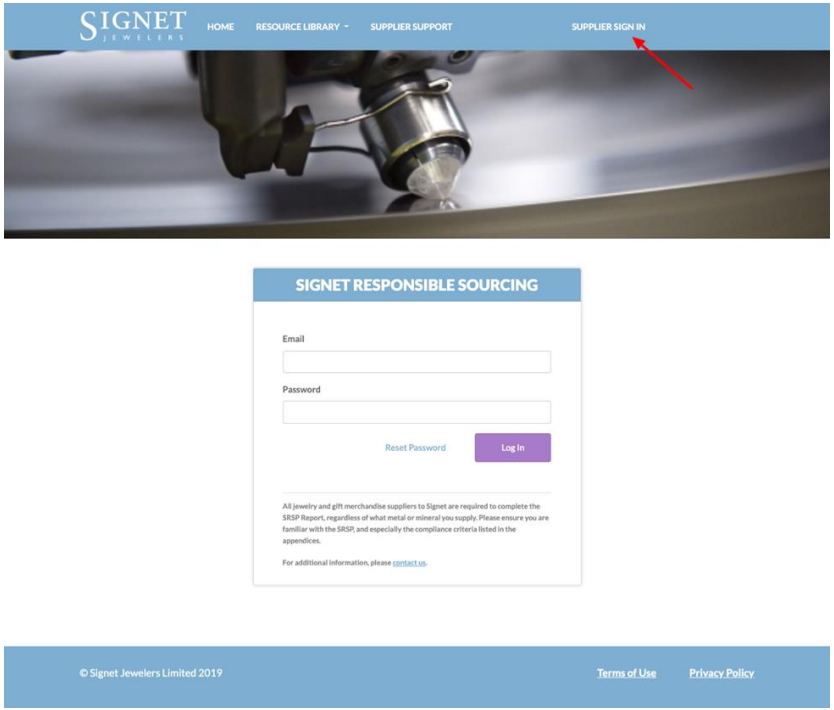
- Suppliers identify the metals or minerals (Gold, 3Ts, Natural or Lab Grown Diamonds, Silver / PGMs, and Colored Gemstones) they supply to Signet, covering the current calendar year.
- If you supply any of these metals or minerals, confirm whether you are "**compliant**" or "**not compliant**" with the SRSP appendix for that metal or mineral.
- If you report compliance with a SRSP appendix, you will need to identify your sources of supply, which should apply to all your supply chain.



SRS Website and Online SRSP Reporting

Changes and Impact of COVID 19 on Supply Chain:

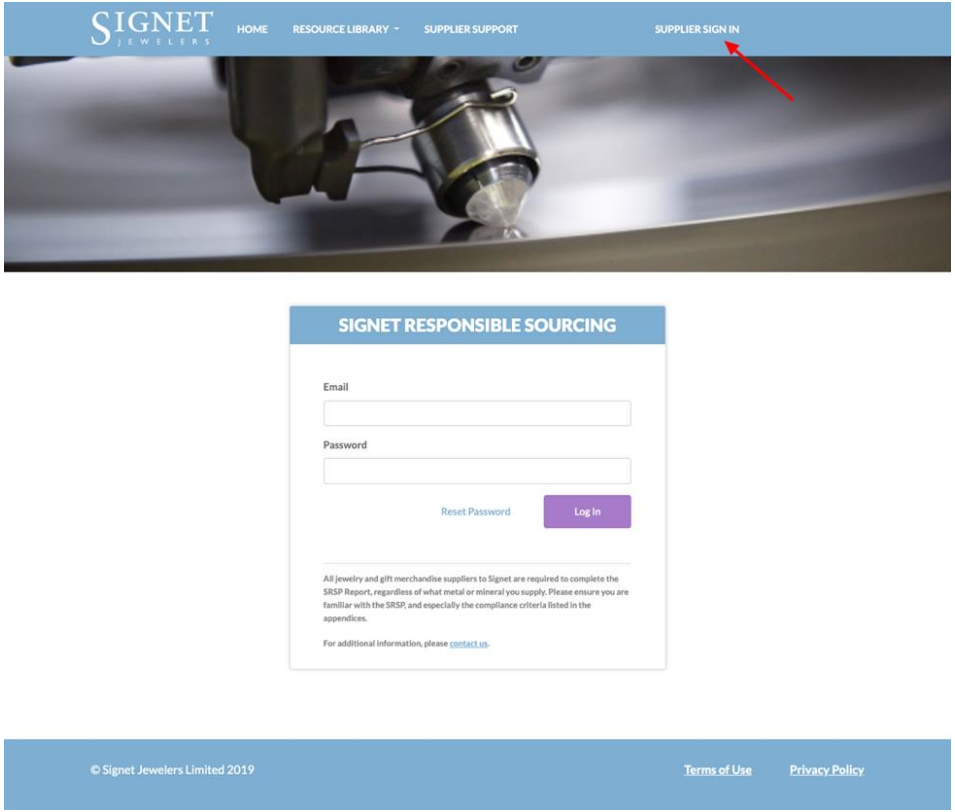
- Considering the impact of the COVID-19 pandemic on the jewelry supply chain, suppliers will be asked to identify if anything has changed in your supply chain since your last SRSP report.
- If changes did occur, did these new changes identify any risk for the supply chain?
- If you have changes in supply chain or new suppliers this year, have you verified the new suppliers are compliant with the SRSP and its appendices?



SRS Website and Online SRSP Reporting

Supplier Sign In

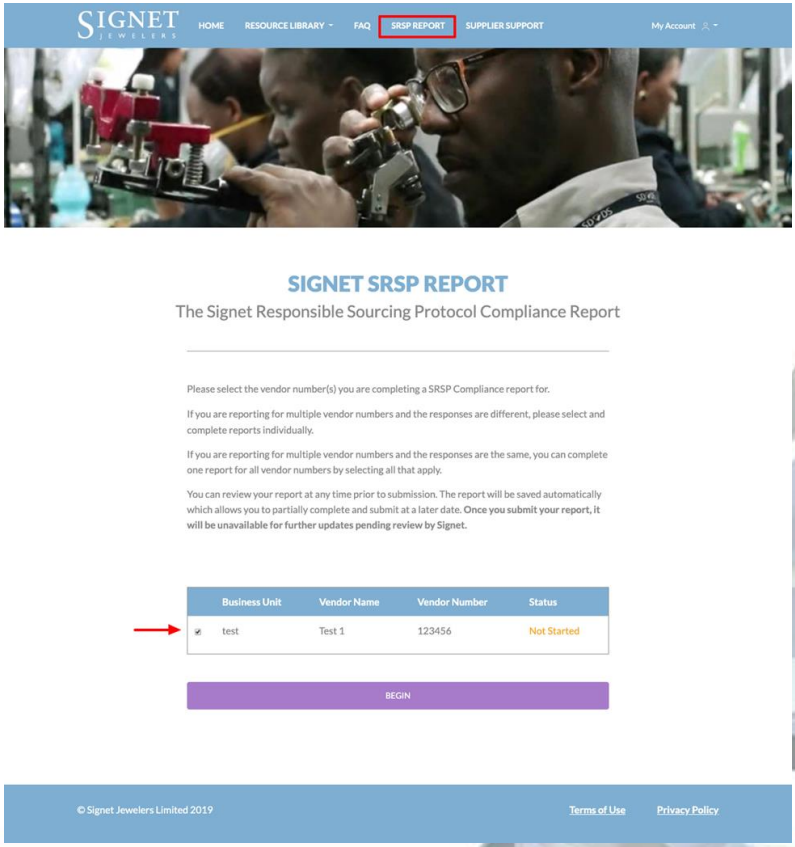
- You will receive an e-mail notification from info@signetsrsp.com to reset your password.
- Once you have established a new password, you can login to complete your SRSP Report.
- You should be familiar with the SRSP, its due diligence requirements, the appendices for Gold, 3Ts, Diamonds, Silver, PGMs, Colored Gemstones, Lab Grown Diamonds and Human Rights *before* you complete the report.



SRS Website and Online SRSP Reporting

Completing SRSP Report

- Once logged in:
  - "SRSP Report," added to top navigation
  - Select the Vendor Number(s) the report is being completed for.
  - Most suppliers will have multiple vendor numbers assigned.
  - One report for all vendor numbers can be completed by selecting ALL vendor numbers.
  - If the supply chains differ by vendor number, separate reports can be completed.



SRS Website and Online SRSP Reporting

RJC Membership Status:

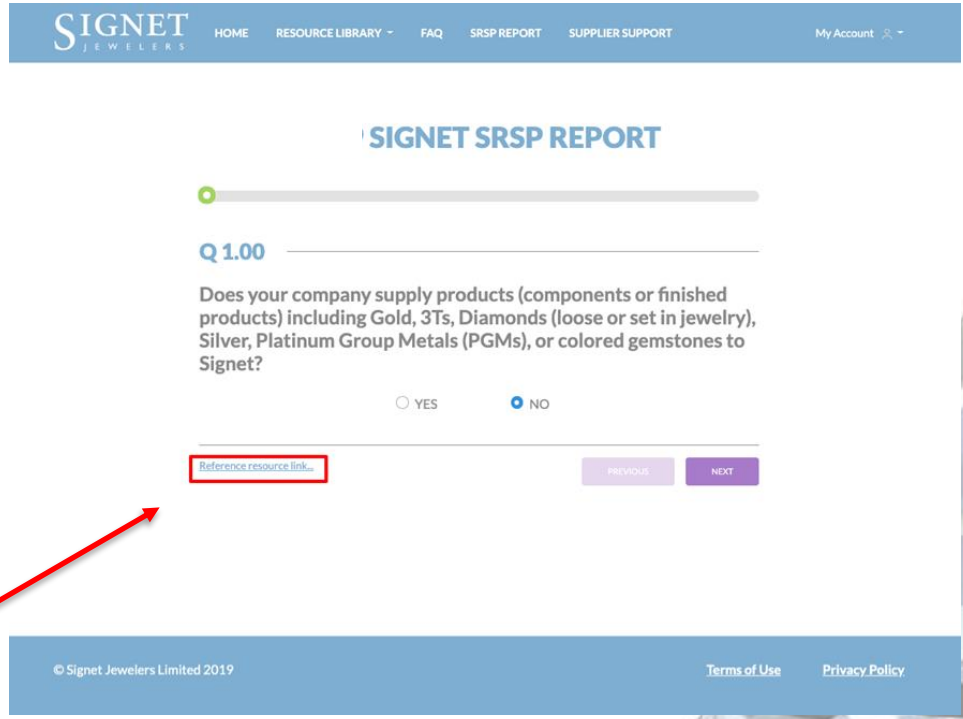
- Suppliers are asked to confirm their current RJC membership status, if a Member or a Certified Member.
- Confirm the membership covers the supplies of all products supplied to Signet.
- If a Certified Member, whether the certification includes Provenance Claim(s) for the SRSP for gold, diamonds, silver / PGMs, and/or colored gemstones.

Confidential and Proprietary Property of Signet Jewelers

SRS Website and Online SRSP Reporting

Completing SRSP Report

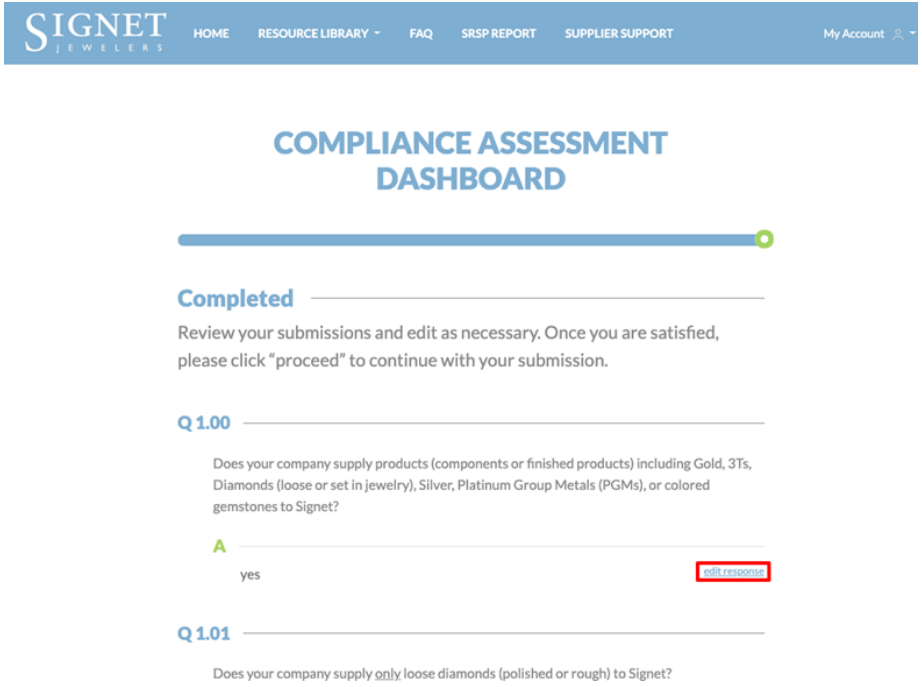
- Questions are answered by selecting choices (yes / no), multiple choice, and/or typing in a text field.
- Suppliers of only “diamonds” (natural and/or Lab Grown) answer questions only relevant to diamonds.
- *Resource documents* are available for reference and assistance on each question in the report.



SRS Website and Online SRSP Reporting

Reviewing Responses

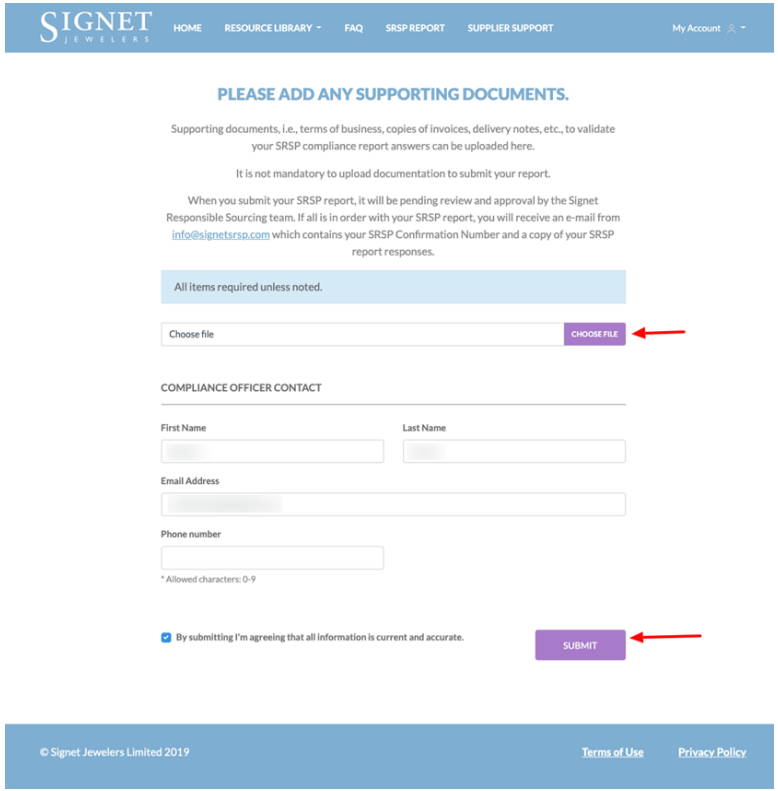
- You can review all questions and responses on one page prior to submitting a report.
- A link to make updates to responses is available for each question.



SRS Website and Online SRSP Reporting

Prior to Submitting the SRSP Report

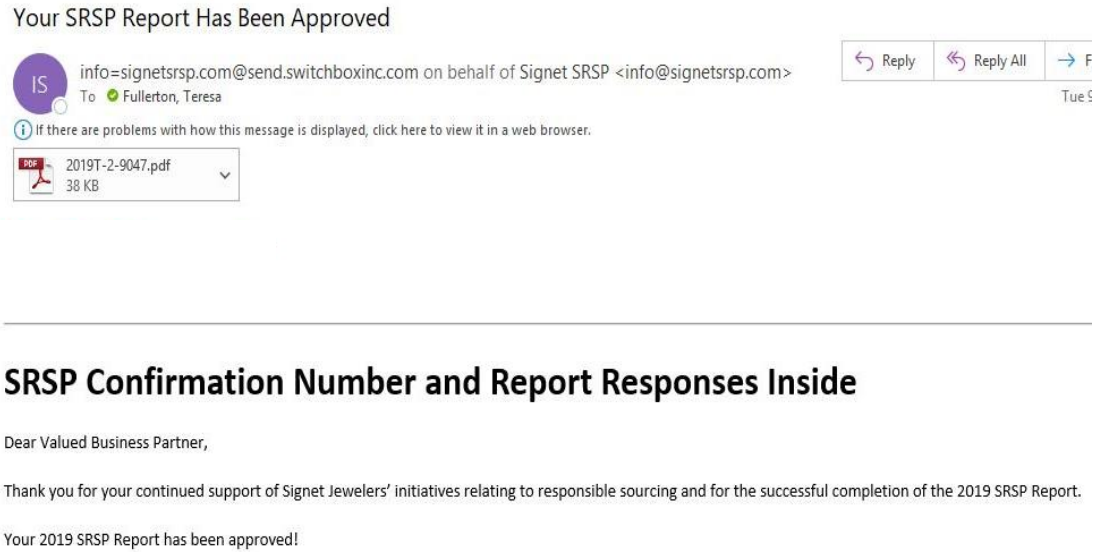
- At the conclusion of the report, you have the option of uploading any supporting documentation to verify your claims.
- Compliance Officer contact information can be updated.
- Submitting the report, places your report in a “pending” status.



SRS Website and Online SRSP Reporting

SRSP Report Approval and Confirmation Number:

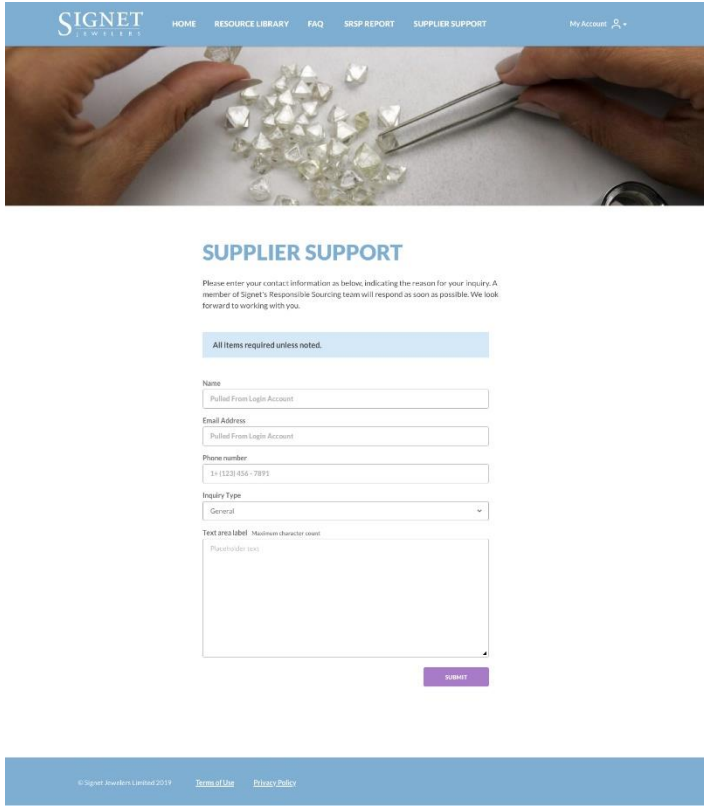
- If all is in order with your report, the report will be approved by the SRS Team.
- You will receive a copy of your report (PDF) and the SRSP Confirmation Number via e-mail from info@signetsrsp.com.
- 2020 SRSP Confirmation Number will be required for the VBA.



Annual SRSP Compliance Reporting

Supplier Support:

- If you have any questions, you can reach us through the “Supplier Support” contact form.
- A “FAQs” page is also available which contains a list of the frequently asked SRSP and RJC-related questions.
- **Reminder:** All 2020 SRSP Reports are due by October 31, 2020.



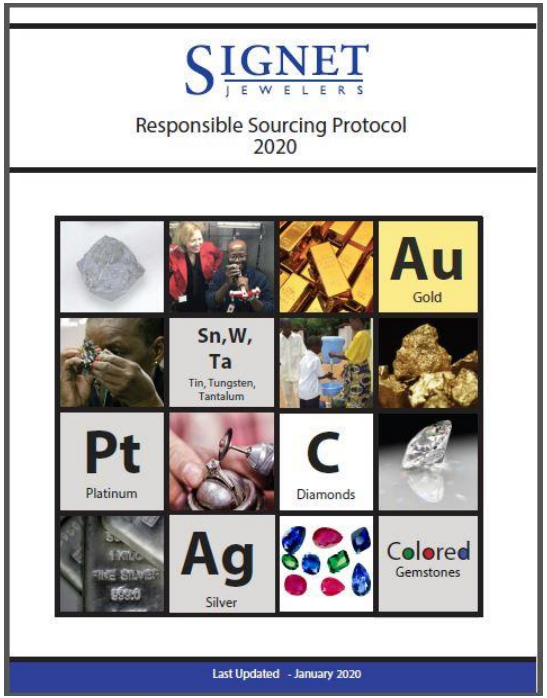
Confidential and Proprietary Property of Signet Jewelers

Thank You!

Contact Information:

- SRSP questions, contact info@signetsrsp.com / or Supplier Contact form at: signetresponsiblesourcing.com
- RJC questions, contact training@responsiblejewellery.com

RESPONSIBLE JEWELLERY COUNCIL



Confidential and Proprietary Property of Signet Jewelers