

2021 Signet Responsible Sourcing Protocol (SRSP) - COLORED GEMSTONES APPENDIX:

SRSP COMPLIANCE REQUIREMENTS FOR NATURAL COLORED GEMSTONES

1. Introduction

The SRSP is designed to ensure that all Signet jewelry materials are responsibly sourced. This SRSP appendix builds upon the Signet Responsible Sourcing program to include natural gemstones from the corundum and beryl families: ruby, sapphire and emerald.

The SRSP is risk-based and requires Signet Suppliers to use due diligence to identify and mitigate risks which may be found in their supply chain. The primary risks relate to country of origin, labor practices and undisclosed treatments.

Some gemstones are associated with human rights violations or conflict¹, and there are legal importation restrictions applicable to gemstones from certain countries. Therefore, Signet requires that Suppliers:

- maintain records documenting the original source (producer company, mining region, and country of origin) wherever this information is available; and
- have written policies requiring original source information from their suppliers wherever this information is available.

2. Scope

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).

3. Requirements

- 3.1 Suppliers must ensure that natural gemstones supplied to any Signet division are always accurately described to the buyer and in associated documentation (See also 3.7).
- 3.2 Suppliers must ensure that natural gemstones are always segregated from LGGs.
- 3.3 Suppliers of natural gemstones must undertake testing to ensure the stones are natural and to detect treatments, prior to supplying Signet. Suppliers must have written testing protocols and maintain test records.
- 3.4 Where Suppliers use a sample testing approach, testing must be undertaken on an Average Quality Limit (AQL) basis (reference ISO 2859-1), and must be performed by qualified gemological personnel, in-house or outsourced to a gemological laboratory. Signet does not specify testing equipment for colored gemstones, providing all testing is done by qualified gemological personnel.
- 3.5 All Suppliers must employ a documented inventory management system which documents their chain of gemstone ownership and can be verified by audit.

¹ See OECD Due Diligence Guidance.



- 3.6 In accordance with Signet's Supplier Code of Conduct, the same obligations and criteria that apply to Signet's direct suppliers will also apply to subcontractors. Suppliers will therefore need to pass on the requirements of this document to all subcontractors.
- 3.7 All Suppliers must always disclose all treatments
- 3.8 All Suppliers must disclose that a gemstone is laboratory grown/created, manufactured or composite product.
- 3.9 Suppliers should apply the treatments nomenclature set out in the American Gem Trade Association Gemstone Information Manual (15th Edition), [available here](#).
- 3.10 Suppliers should comply with the US Federal Trade Commission Jewelry Guides (2018 Edition), [available here](#).
- 3.11 Signet will not accept any gemstones mined in Myanmar/Burma. Suppliers must take robust and documented action to ensure that no material mined in Myanmar is supplied to Signet. As a minimum Suppliers must communicate this requirement in writing to their suppliers.

4. Minimum Compliance

4.1 Suppliers must evidence compliance across all Categories (Clause 6) as follows:

- 4.1.1 An inventory management system;
- 4.1.2 Sale & purchase documents;
- 4.1.3 Documented KYC due diligence system;
- 4.1.4 A written policy statement and standard terms of business with all suppliers (See also 5.4).

5. Definitions

5.1 The SRSP adopts the definitions of gemstones, artificial products and treatments in the CIBJO Gemstone Book. See in particular Sections 4 and 5.

5.2 The "source of gemstones includes:

- rough – direct producer
- rough – secondary market/open market
- polished – various suppliers
- recycled goods and repairs
- finished gemstone jewelry and other products including watches

5.3 "Identified and verified" sources include:

- Industrial or artisanal producers that provide information about the original source of gemstones and the standards of their operations.
- "Original Source" means the mine and/or country of origin.



- Secondary market rough or polished gemstone suppliers that provide information about original sources as far as possible.
- Polished suppliers who manufacture in facilities under their direct control or outsourced to identified subcontractors.
- Suppliers of recycled gemstones.

5.4 Management systems designed to deliver continuous improvement will be evidenced by a policy statement contained in the standard Terms of Business agreement between a Signet Supplier and their suppliers. The policy statement should state among other things, that all treatments must be fully disclosed to the Supplier and the original sources of colored gemstones must be disclosed to the Signet Supplier wherever possible.

6. Categories

Signet suppliers must identify all natural colored gemstones they supply to Signet by reference to any or all of the Categories set out below.

- Category 1. Single Stone Tracking or Parcel Tracking: Individual gemstones or parcels of gemstones supplied by or sourced from “identified and verified sources” as defined in 5.3. Recycled gemstones should be included here.
- Category 2. Mixed Sources: This category allows for the mixing of gemstones deriving from a number of different or unidentified sources, with some percentage of the gemstones deriving from original sources.

