

SIGNET JEWELERS

Responsible Sourcing Protocol 2022 Audit Guidance

Au

Gold

Sn, W,

Ta

Tin, Tungsten,
Tantalum

C

Diamonds

Ag

Silver

Pt

Platinum

**Human
Rights**

Updated August 2022

1 GENERAL OVERVIEW

The Signet SRSP Audit Guidance document is updated each year and available to suppliers and auditors as part of the SRSP process. Signet conducts its responsible sourcing audit assurance program through the supplier's certification audit against the RJC 2019 Code of Practices and SRSP Report documentation audits.

This audit guidance document also outlines the factory/ethical audits, which could be requested of suppliers through Signet Responsible Sourcing (info@signetsrsp.com) as well as separately through Signet North America, Supplier Compliance (suppliercompliance@signetjewelers.com), or Signet United Kingdom's (UK), legal department.

In addition, all Signet suppliers are subject to audit for any reason, at any time.

2 COMPLIANCE WITH SIGNET'S RESPONSIBLE SOURCING PROTOCOL (SRSP)

Signet's Responsible Sourcing Protocol ("SRSP") is aligned with industry (OECD, RJC, LBMA, WDC etc.) guidance and standards and identifies compliance criteria to ensure Signet's supply chain is conflict-free, with appendices specifying compliance criteria for each mineral. All minerals within RJC's Code of Practice (CoP) 2019 scope are covered by the SRSP with the exception of tin, tungsten and tantalum (3Ts) and Laboratory-Grown Diamonds (LGDs): when a member of the RJC is certified against the CoP 2019 that includes relevant materials under RJC scope, Signet will not require a separate audit of SRSP compliance with 3Ts, LGDs or any other materials outside of RJC scope, unless Signet identifies a need based on risk assessment.

The scope of Signet suppliers' RJC Certification audit must include all materials (e.g., gold, natural diamonds, colored gemstones (natural ruby, sapphire, emerald), silver, and platinum) from all locations supplied to Signet (as confirmed by SRSP Report). The RJC auditor will check the list of materials in the SRSP report to the membership scope list of materials. Supply chain due diligence and SRSP compliance is an integral part of the audit of RJC's CoP 2019, which addresses sourcing from conflict-affected and high-risk areas.

The cornerstone of compliance with the SRSP is a requirement that suppliers report to Signet annually through an online report process that they are sourcing materials supplied to Signet responsibly and in conformance with the requirements of the SRSP.

Supplier compliance with Signet's SRSP is an annual legal requirement related to Signet's SEC reporting for gold and 3Ts. Compliance with natural diamonds, silver, platinum group metals (PGMs), colored gemstones and laboratory grown diamonds (LGDs) is a mandatory Signet requirement.

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

<p>Conduct Due Diligence</p>	<ul style="list-style-type: none"> • Map your supply chains <u>For metals (gold, 3Ts, silver, platinum)</u>, identify and certify the sources of your metals, preferably to a refinery. <u>For natural diamonds and gemstones</u>, list your suppliers, categorize the sources and list all identified entities in the supply chain. <u>For lab grown diamonds</u>, list all facilities, factories (wholly owned or third parties) where LGDs are manufactured or grown. • Ensure compliance with all active sanctions.
<p>Company Policies and Procedures</p>	<ul style="list-style-type: none"> • 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, AML policy, and Terms of business with your suppliers, ensuring your Terms of business require compliance with all current sanctions. Conduct testing of diamonds, LGDs and colored gemstones.
<p>Documents and Evidence</p>	<ul style="list-style-type: none"> • Maintain information and documentation of your due diligence, a copy of your SRSP compliance report, invoices, delivery notes, certifications, which may be required should you be asked to undergo an independent third-party audit.

Once suppliers have achieved the requirements for compliance to the SRSP, the following warranty statements should be included on all invoices and delivery notes.

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

Any natural diamonds herein invoiced 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.”

In addition, any suppliers of laboratory-grown/created diamonds (“LGDs”) should include the following additional warranty statement.

“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.”

Please note: Signet has halted all trade in precious metals (gold, silver and platinum group metals (PGMs)) and natural diamonds that originate from sanctioned Russian sources and suppliers are required not to supply the same to Signet even though the country(s) in which you operate may not have imposed sanctions on Russian precious metals and diamonds.

By including the existing Signet SRSP warranty statement on each invoice that accompanies product to Signet, you are certifying that no precious metals or natural diamonds of Russian origin purchased after February 24, 2022 are included. This policy will remain in effect until an international consensus is reached that the human right violations have ceased, and Signet notifies you of the same.

3 SIGNET'S SRSP AUDIT POLICY

Signet Jewelers requires all suppliers to join the Responsible Jewellery Council (RJC), especially those supplying products containing gold, platinum, silver, natural diamonds and/or colored gemstones.

Signet's primary audit assurance is through the supplier's Responsible Jewellery Council certification audit against the CoP 2019 and must include all materials (e.g., gold, natural diamonds, colored gemstones, silver, platinum) from all locations supplied to Signet (as confirmed by their current SRSP Report). RJC Certified Members who achieve and maintain this level of certification are not required to undertake third-party audits of SRSP reports and/or factory/ethical audits.

For non-RJC members, for RJC members who have not yet achieved certification, or whose RJC current certification scope does not cover all products supplied to Signet, Signet may require suppliers to undertake an independent SRSP audit and/or factory/ethical audit, based on Signet's risk assessment.

Suppliers should reference [the RJC's accredited audit firms](#), ensuring the audit firm selected by the Supplier is accredited for *Signet Responsible Sourcing Protocol* in the "scope of accreditation."

Suppliers are notified by e-mail from info@signetsrsp.com if an independent Signet audit of their SRSP Compliance Report and if applicable a factory/ethical audit is required. (If a factory/ethical audit is requested, please see Section 5 for details). Suppliers will be responsible for appointing auditors for RJC certification and standalone SRSP Report audits, confirming the scope of the audit, booking the audit and providing audit reports to Signet; Signet does not conduct the audit directly but relies on independent third-party auditors.

To summarize, Signet suppliers who receive notification for an **SRSP report audit** are responsible to:

1. Select and contact an audit firm from the list of RJC accredited auditors.
2. Agree the timing of audit (date of audit, date of report) to ensure the report or confirmation letter from audit is available to Signet in accordance with the schedule given by Signet.
3. Ensure the SRSP compliance criteria and documentation requirements are met.
4. Ensure all relevant personnel are informed and available.
5. The supplier should conduct a mapping exercise of its supply chain, identifying each direct source of supply and where possible, the sources which in turn supply the direct sources. Providing this supply chain map can help significantly in preparation and efficiency of the audit process.
6. Ensure all information contained in the SRSP Compliance Report is accurate and can be validated by policy and transaction documentation.
7. Provide the auditor with a copy of the supplier's SRSP Compliance Report for the relevant calendar year which must contain the SRSP Confirmation Number.
8. Upon successful completion of the audit, **the supplier is responsible for furnishing Signet with a copy of the Audit Report** through info@signetsrsp.com, in a timely manner.

4 SRSP REPORTING AND AUDIT PROCEDURES

Each September, Signet requires all suppliers to report compliance with the Signet Responsible Sourcing Protocol ('SRSP').

Suppliers are asked to acknowledge and understand the SRSP and report compliance for gold, 3Ts, natural diamonds, silver, PGMs, colored gemstones and laboratory-grown diamonds.

For suppliers with multiple locations which supply directly to Signet, Signet will allow sampling for those suppliers through a central point (e.g. a head office), based on ISO Guidance, however the audit report should specify compliance for each location (i.e. for each vendor number).

The report asks suppliers to confirm the company's compliance with the SRSP, what criteria the suppliers are using to make a statement of compliance. If the company is not yet compliant, the report asks suppliers to confirm why, what action the company needs to take, and when the supplier expects the company to be compliant.

On successful completion of the annual SRSP compliance report, the Supplier is issued a SRSP confirmation number by Signet.

1. Summary of the SRSP Audit Process:

- 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", natural 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 SRSP and relevant appendices 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) of any critical and/or major non-conformances in the SRSP audit, including RJC audits which relate to any materials provided to Signet, which were included in the RJC certification scope. In addition, Signet may request a copy of any RJC audit report from the supplier or from the RJC auditor. Signet suppliers must allow this report to be provided upon request.
- The full audit cost is the supplier's responsibility.

2. RJC Code of Practices 2019 certification and SRSP Report Audit Scope:

The audit assessment must validate the following in relation to the supplier's SRSP compliance report:

1. Confirmation that the supplier has claimed compliance with the SRSPs, and for which material (gold, natural diamonds, colored gemstones, silver or "PGMs"). Suppliers should retain a copy of the online compliance report made by the supplier from September 2022. Once the report is approved by the Signet Responsible Sourcing Team, a copy is sent to the supplier via email from info@signetsrsp.com.
2. Confirmation of the date of compliance. The audit should validate that the supplier was compliant within the relevant calendar year (1st January to 31st December).
3. Documentary evidence provided for the audit, which includes:

a: Documentation for:

- Evidence of complying with all active sanctions.
- Evidence of an established human rights policy, existing management systems which includes terms of business with suppliers, anti-money laundering (AML), and Know Your Counterparty ("KYC") policies.
- **For gold, 3Ts, silver and PGMs:** a letter or email from a bank, metal trading company or refinery confirming that these precious metals will only be supplied as stipulated in the appendices of the SRSP.
- **For diamonds:** a policy statement by the Supplier or by the Supplier's supplier that the Supplier and/or the Supplier's sub-contractor has taken reasonable steps to ensure that the diamonds it supplies to Signet are responsibly sourced and parcels do not include laboratory-grown/laboratory-created/synthetic diamonds or diamond simulants, in accordance with the SRSP diamond appendix.
- Documented evidence of management processes designed to deliver continuous improvement over time relating to the proportion of diamonds that can be reported as being from identified sources.
- **For colored gemstones:** a policy statement by the Supplier or by the Supplier's supplier that the Supplier and/or the Supplier's sub-contractor has taken reasonable steps to ensure the gemstones supplies to Signet are responsibly sourced in accordance with the SRSP colored gemstones appendix.
- **For laboratory-grown/created diamonds:** a policy statement by the Supplier that all LGDs are produced in accordance with the requirements in the SRSP LGD appendix for product disclosure and testing. Audit of factory and production facilities requirements in the SRSP appendix for LGDs should follow RJC Code of Practices guidelines or Signet factory/ethical audit scope.

b: Transaction documentation: this should support the policy documentation above: (e.g. gold bullion and/or KP certificates, delivery notes, invoices, etc.). Such transaction documentation should cross-refer with policy documentation whenever possible.

c: Validation, certification, and wherever possible, audit reports of compliance claims from subcontractors. Auditors are not required to validate subcontractors' compliance claims, but over time, it is anticipated that suppliers should receive equivalent audit reports from subcontractors to validate compliance claims.

d: Validation that such policy and transaction documentation covers the full scope of activity (e.g. that the material supplied cover all material supplied to the company over the period), and that there is no reason to believe there is any additional risk of contamination of the supply chain from any other source. If the scope does not cover the supplier's full business, then the supplier will need to provide proof to the auditor that the materials used in supplies to Signet have been isolated and segregated from all other relevant material; such segregation is expected to be extremely rare.

e: Signet suppliers must identify all the diamonds they supply by each of the four categories. If diamonds are supplied from Category 1, 2, and/or 4, all diamonds in these categories should be identifiable as being sourced from the producer/mining company or small-scale, or artisanal producers.

- **For Category 3 diamonds**, it is assumed that the level of knowledge about original sources should improve over time. Continuous improvement will be satisfied by written terms of business between a supplier and his supplier/contractor which includes a request for original source information where this is available.
 - The % of diamonds with original source information claimed by a supplier in Category 3 for the first reporting year by the Supplier should constitute a baseline against which improvement can be measured in subsequent years. Suppliers should be able to demonstrate to the auditor how these calculations were made, and what management systems and/or plans are in place for continuous improvement.
 - Establish that this validation is reasonable evidence to cover the scope of the company claim, either:
 - that the claim and supporting documentation cover total company purchases of the minerals over the period since the claimed compliance date, **or**
 - that the claim and supporting documentation cover the proportion of the purchases since the claimed compliance date which have been used only for supplies to Signet, with evidence that this proportion is segregated and isolated through the production process.
4. Confirmation that the supplier is including the required warranty statements on all relevant documentation to Signet is a required reference on all invoices, delivery notes and all other relevant documentation accompanying deliveries to Signet (for example, alongside and in the same way as Kimberley Process statements). The current warranty statements are:

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

Any natural diamonds herein invoiced 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.”

In addition, any suppliers of laboratory-grown/created diamonds (“LGDs”) should include the following additional warranty statement.

“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.”

Please note: Signet has halted all trade in precious metals (gold, silver and platinum group metals (PGMs)) and natural diamonds that originate from sanctioned Russian sources and suppliers are therefore required to stop supplying the same to Signet even though the country(s) in which you operate may not have imposed sanctions on Russian precious metals and diamonds.

By including the existing Signet SRSP warranty statement on each invoice that accompanies product to Signet, you are certifying that no precious metals or natural diamonds of Russian origin purchased after February 24, 2022 are included. This policy will remain in effect until an international consensus is reached that the human right violations have ceased, and Signet notifies you of the same.

3. Corrective Actions:

Corrective actions may be negotiated and agreed between the auditor and the supplier: Signet's Responsible Sourcing team may be consulted by the auditor or supplier for clarification purposes if required. Auditors may confirm the supplier's compliance in the case of minor non-conformances, agreed between the supplier and the auditor.

If corrective actions are insufficient for the auditor to confirm the supplier's compliance with the SRSP, then the auditor should report that the supplier is not compliant, and the supplier and auditor should agree the corrective actions to achieve future compliance in line with RJC's audit policy.

Minor non-conformances to the SRSP can be agreed between the auditor and the supplier during the audit. In such cases, the minor non-conformance must be recorded in the audit report, along with details of the recommendations, suggested business improvements and/or corrective actions agreed between the auditor and the supplier. Minor non-conformances are not likely to be acceptable in documentation relating to the supplier's own direct supply chain. Minor non-conformances are likely to be in the following areas:

- Failure to produce transactional documentation from subcontractors relating to the subcontractor's own compliance with the SRSP (i.e. the subcontractor's upstream supply chain). In such cases, the supplier to Signet should still receive written assurances from the subcontractor that the subcontractor complies with the SRSP or has undertaken due diligence to identify and assess risks in its supply chain.
- Failure to produce assurance or documentation from suppliers authorized by Signet ("Authorized Suppliers"). Suppliers which source from suppliers authorized by Signet can assume that these subcontractors are SRSP-compliant, and suppliers or auditors can seek assurance from the Responsible Sourcing team to that effect.
- Inability to identify the reasons for a refiner/smelter's exclusion or de-listing from an SRSP-accredited "good delivery" or "conflict-free" list. The supplier should validate that the refiners/smelters used to claim compliance with the SRSP are listed in the LBMA/DMCC/RMI websites in the calendar year relating to the SRSP report.

The audit report should include statements referring to the supplier's compliance for applicable minerals (i.e. those minerals which are included in products supplied to Signet by the supplier).

5 FACTORY/ETHICAL AUDITS:

Scope of a Factory/Ethical Audit:

- Hygiene health and safety
- Waste management
- Child and young labor
- Working hours and wages
- Labor practices, including forced labor, worker representation, disciplinary practices and discrimination.

If a factory/ethical audit is required:

1. Signet will request that suppliers provide a detailed and accurate list of all factory locations and contact information. This should be returned to sender in a timely manner.
2. Signet will appoint the independent third-party auditor.
3. The audit firm will reach out to the supplier's factories to set dates for the audit(s)

6 SIGNET “SRSP” COMPLIANCE AUDIT QUESTIONNAIRE TEMPLATE:

Signet's primary audit assurance is through the supplier's Responsible Jewellery Council certification audit against the CoP 2019 and must include all materials (e.g., gold, natural diamonds, colored gemstones, silver, platinum) from all locations supplied to Signet (as confirmed by their SRSP Report). Signet may also require suppliers which are not members to undertake an independent audit of their SRSP Compliance Report, based on Signet's risk assessment relating to the supplier's report.

Please use the following "**SRSP COMPLIANCE REPORT AUDIT TEMPLATE**" for audits pertaining to Signet Jewelers suppliers. For additional information regarding Signet's Responsible Sourcing Protocol (SRSP) compliance report and audit process, please reference all documentation on Signet Responsible Sourcing website [Resource Library, SRSP Toolkit](#).

SIGNET'S SRSP COMPLIANCE REPORT AUDIT TEMPLATE

	Yes	No
1. Did the supplier provide a copy of their 2022 SRSP Report?	<input type="checkbox"/>	<input type="checkbox"/>
If No, supplier must provide report:		
2. For which of the minerals does the company claim compliance?	<input type="checkbox"/>	<input type="checkbox"/>
Gold <input type="checkbox"/> 3Ts <input type="checkbox"/> Diamonds <input type="checkbox"/> Silver <input type="checkbox"/> Platinum Group Metals <input type="checkbox"/>		
Colored Gemstones <input type="checkbox"/> Laboratory-Grown Diamonds <input type="checkbox"/>		
	Yes	No
3. Is the compliance claim valid within the calendar year with which the Supplier claims compliance with the SRSP?	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the company provided documentary evidence of compliance consistent with the compliance criteria in the SRSPs, and provided for the auditor's review?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does this documentary evidence include:		
a. Policy documentation (e.g. terms of business and conditions from suppliers, KYC due diligence process, AML and human rights policies)?	<input type="checkbox"/>	<input type="checkbox"/>
b. Transaction documentation which supports the policy documentation above (e.g. certificates, delivery notes, invoices, etc.?)	<input type="checkbox"/>	<input type="checkbox"/>
c. Where applicable, statements of compliance from subcontractors?	<input type="checkbox"/>	<input type="checkbox"/>
5. Has the supplier provided documented evidence of continuous improvement in identifying and verifying its sources of diamonds, if required?	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the supplier follow Signet's requirements for testing as stipulated in the "Natural Diamonds, Natural Colored Gemstones, and Lab-Grown Diamond" Appendices where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
7. Has the company provided sufficient documentation to demonstrate that the compliance claim covers the scope of activity (e.g. that the material supplies cover <u>all</u> material supplied to the company over the period), and that there is no reason to believe there is any additional risk of contamination of the supply chain from any other source, or sanctioned country?	<input type="checkbox"/>	<input type="checkbox"/>
8. Has the company confirmed and demonstrated that it is including the required warranty statement(s) on all relevant documentation to Signet, such as invoices, delivery notes?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are there any minor non-conformances identified?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does this documentary evidence include:		
a. Are the minor non-conformances agreed between the auditor and the supplier?	<input type="checkbox"/>	<input type="checkbox"/>
b. Are recommendations and corrective actions agreed between the auditor and supplier?	<input type="checkbox"/>	<input type="checkbox"/>

Auditor Compliance Statement

Based on the scope and findings of the supplier audit and the available information provided by the supplier;

1. The auditor confirms that **the supplier complies** with the Signet Responsible Sourcing Protocol (SRSP) for the applicable minerals below:
(Select where applicable)

- For Gold
- For 3Ts (Tin, Tungsten, and Tantalum)
- For Diamonds
- For Silver
- For Platinum Group Metals
- For Colored Gemstones
- For LGDs (Laboratory-Grown/Created Diamonds)

And / Or;

2. The auditor confirms that **the supplier does not comply** with the Signet Responsible Sourcing Protocol (SRSP) due to the identification of non-conformance(s) which are being addressed by the supplier for the applicable minerals;

- For Gold
- For 3Ts (tin, tungsten, and tantalum)
- For Diamonds
- For Silver
- For Platinum group metals
- For Colored Gemstones
- For LGDs (Laboratory-Grown/Created Diamonds)

The auditor confirms that:

- The information provided by the Supplier is true and accurate to the best knowledge of the auditor(s) preparing this report.
- The scope of the assessment and the method used are sufficient to establish confidence that the findings are indicative of the scope of audit of the Supplier's supplies of gold, 3Ts, diamonds, silver, PGMs, colored gemstones and LGDs.