

2021 Signet Responsible Sourcing Protocol (SRSP):

Signet's Supply Chain Due Diligence

c: Due Diligence Requirements for Suppliers to Signet

All suppliers of jewelry (components and/or finished jewelry) to Signet are required to undertake due diligence on their own supply chains in accordance with the OECD's Due Diligence Guidance 5-step framework to ensure that these supplies are responsibly managed and are "conflict-free" and sourced with respect for human rights.

This includes:

- having company management systems in place and a compliance officer nominated to Signet
- undertaking a detailed mapping of the supply chains for all minerals, and identifying SRSP-compliant sources as specified for each mineral in the appendices to this SRSP
- identifying any risks in the supply chains and mitigating such risks in accordance with the SRSP requirements for each mineral and OECD due diligence guidelines
- completing the annual SRSP compliance report and the associated independent audit (if requested by Signet) accurately and on time, in accordance with Signet's requirements

4: SRSP Core References

Core references and standards which Signet suppliers should use to comply with the SRSP are;

a: OECD Due Diligence Guidance (Summary)

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals is a core reference for the SRSP. The full OECD Due Diligence Guidance can be found at

<https://www.oecd.org/corporate/mne/mining.htm>

All Signet suppliers should follow the OECD Due Diligence Guidance framework, at least and especially Steps 1 and 2, as below, as they relate to the SRSP:

1. Establish strong company management systems.

- a) Adopt and have available to Signet a company policy for the supply chain of minerals included in the SRSPs. Suppliers may wish to refer to Annex II of the OECD Due Diligence Guidance, which includes a model supply chain policy. The supplier's policy should incorporate the compliance requirements of the SRSP, against which due diligence is to be conducted.
- b) Structure internal management to support supply chain due diligence and the requirements of the SRSP.
- c) Establish a system of controls and transparency over the mineral supply chain in accordance with the SRSP compliance requirements for each mineral.
- d) Strengthen company engagement with suppliers. A supply chain policy should be incorporated into contracts and/or agreements with suppliers in accordance with the requirements of the SRSP.
- e) Establish a company-level grievance mechanism as an early-warning risk-awareness system.



2. Identify and assess risks in the supply chain.

- a) Identify any risks in their supply chain which may be contrary to the compliance requirements of the SRSP for each mineral.
- b) Assess risks of any adverse impacts in light of any non-compliance with the SRSP for each mineral.

If any risks are identified under Steps 1 and 2, these should be notified to Signet (at info@signetsrsp.com), and the supplier must design and implement a strategy and action plan to respond to these risks, in accordance with Steps 3 to 5 of the OECD Guidance, which must be agreed by Signet.

b: Responsible Jewellery Council Certification

Signet requires all suppliers to be members of the Responsible Jewellery Council (“RJC”), which is the global standard for responsible practices in the jewelry industry. RJC membership should cover all the entities under the control, influence or common ownership of the supplier which are involved in Signet’s supply chain (for example, factories in India, China, Thailand etc. as well as US sales offices), not only the company which directly supplies products to Signet, in accordance with the Application Scope of the SRSP in 2e above. Acquisitions by any supplier should be added to any existing RJC membership scope within 12 months of the acquisition.

New RJC members have two years from their join date to achieve RJC certification. Failure to achieve initial certification on time will result in their member page on the RJC website being suspended and not publicly visible.

Existing RJC members who fail to achieve re-certification prior to the expiration of their current certification will result in their member page on the RJC website being suspended and not publicly visible.

Supply chain due diligence and SRSP compliance is now an integral part of the audit of RJC’s CoP 2019, which addresses sourcing from conflict-affected and high-risk areas.

The scope of Signet suppliers’ RJC Certification audit must include all materials from all locations supplied to Signet (as confirmed by your SRSP Report). The RJC auditor will check the list of materials in your SRSP report to the membership scope list of materials.

Suppliers which achieve certification with the RJC’s CoP 2019 are not required to be audited separately by Signet for the SRSP or other factory/social audits, as long as the certification is valid (normally 3 years). Suppliers must inform Signet of any significant changes in the scope of RJC membership, lapses or failure to achieve RJC certification.

Any supplier which cannot provide RJC certification with SRSP compliance for all metals or minerals from all locations may be subject to an audit of their SRSP Compliance Report and/or an independent /social audit of their factories by an independent third party audit firm, based on a risk assessment conducted by Signet. Signet suppliers are responsible for the expense of an audit.

c: The Kimberley Process Certification Scheme and the World Diamond Council System of Warranties

Signet requires all suppliers to comply with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties.



The Kimberley Process Civil Society Coalition has set out “Eight Key Issues” for improvement in the diamond supply chain. Signet acknowledges this important statement and supports on-going cross-sector collaboration to improve transparency in the global natural diamond supply chain.

All Signet suppliers (whether or not they supply natural diamonds or natural diamond jewelry) must include the warranty statements relating to the WDC System of Warranties in all invoices and delivery notes (see “Warranty Statements”).

d: The London Bullion Market Association Responsible Sourcing Standard

The London Bullion Market Association (LBMA) Responsible Sourcing Programme was set up to consolidate, strengthen, and formalize existing standards of refiners’ due diligence. The Responsible Gold Guidance has been mandatory for all gold “Good Delivery” refiners since 2012, and the LBMA has recently expanded the scope of its responsible sourcing framework to include silver, which became a mandatory requirement for all silver “Good Delivery” refiners from 1 January 2018.

The LBMA’s requirements for refiners’ “Good Delivery” accreditation, incorporating the Responsible Sourcing standard, are a core reference for the SRSP for precious metals - gold, silver, platinum and palladium. Signet encourages all suppliers using precious metals to ensure refiners in their supply chain are on the current LBMA “Good Delivery” list (see www.lbma.org.uk). Other compliance standards relating to precious metals refiners are listed in the appendices for compliance requirements for gold and for silver/PGMs.

e: Cross-recognition of Other Industry Standards

Signet encourages the cross-recognition and harmonization of relevant standards to reduce unnecessary audit duplication.

For natural diamonds, the SRSP is harmonized with the De Beers Best Practice Principles, the World Federation of Diamond Bourses Code of Conduct and Chain of Warranties, the Jewelers of America Code of Professional Practices, the International Diamond Manufacturers Association Code of Conduct, the ALROSA ALLIANCE Guidelines on Responsible Business Practices, the United States Diamond Source Warranty Protocol, and the Diamond Development Initiative’s Maendeleo Diamonds Standard.

For precious metals, the SRSP recognizes SCS Global Services’ “Responsible Source” Standard for Precious Metals (<https://www.scsglobalservices.com/certified-responsible-source-jewelry>), the China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters (CCCME) Guidelines for Responsible Minerals Supply Chains and, based on independent expert assessment, the SRSP also recognizes the DMCC “Dubai Good Delivery” list for gold (see <https://www.dmcc.ae/gateway-to-trade/commodities/gold/accreditation-initiatives>) as equivalent to the LBMA guidance for the supply of gold from certified refineries.

The SRSP also recognizes the CRAFT code for artisanal and small-scale mining (“ASM”) (see https://www.responsiblemines.org/en/2020/10/craft_v2-0/), the Fairtrade Gold Standard through registered refineries (<https://fairgold.org/>).

For 3Ts and gold, the SRSP recognizes the Responsible Minerals Initiative (RMI) Responsible Minerals Assurance Process (RMAP) and the list of conformant 3Ts and gold smelters and refiners at <http://www.responsiblemineralsinitiative.org/smelters-refiners-lists/>

In case any Signet supplier relies on any trade associations, membership organizations on any other organization for their responsible supply chain policy, suppliers should establish what standards or guidance are used by these organizations to provide assurance or responsible practices to the supplier’s



supply chain, and ensure that Signet confirms that these standards are consistent with the requirements of the SRSP.

f: International Policy Positions (by governments and civil society)

As a leading international jeweler, Signet works with governments, trade associations, civil society (NGOs) and jewelry suppliers around the world to implement responsible supply chain standards. The Signet Responsible Sourcing Protocol (SRSP) is designed to ensure that Signet's supply chain complies with applicable laws and does not contribute to conflict or human rights abuses.

Signet will not purchase jewelry in any form from companies or entities subject to United Nations, US, UK, Canadian or EU sanctions. Suppliers must conduct thorough due diligence in support of Signet's legal requirements in this and all current or future areas of regulatory compliance.

Signet reserves the right to restrict or forbid without notice the supply of any materials in response to policy positions by governments and/or reports by civil society, which may relate to human rights abuses, contribution to conflict, or social and environmental disturbance.

5: Compliance with the Signet Responsible Sourcing Protocol (SRSP)

Summary:

Suppliers must ensure that they follow these compliance procedures and ensure all criteria are met for the minerals supplied to Signet as listed in the relevant Appendices to the SRSP.

Compliance with the SRSP is based on the OECD's Due Diligence Guidance and the Responsible Jewellery Council Code of Practices.

"Responsibly sourced" means that suppliers will avoid contributing to human rights abuses and/or conflict through their sourcing practices. Suppliers must map their supply chain and employ due diligence to identify risks and take appropriate measures to mitigate any identified risks.

In accordance with Signet's Supplier Code of Conduct, the same obligations and criteria will apply to subcontractors as apply to Signet's direct suppliers. Suppliers will therefore need to pass on the requirements of the SRSP to all subcontractors.

General Compliance Requirements

a: Management Systems

All suppliers should have a dedicated contact person for Signet who acts as "compliance officer" for the SRSP and who is responsible for the annual SRSP compliance report and management of any related audits (e.g. RJC certification or SRSP audits).

Suppliers must have terms of business with suppliers and policies and procedures in place which are consistent with the SRSP compliance criteria. These terms of business must be documented and available for review by audit if requested.

Suppliers must be able to demonstrate through transaction documentation that these terms of business and policies have been implemented throughout their business, through documentation such as invoices, delivery notes, product certificates etc.



b: Supply Chain Due Diligence

Suppliers must have a demonstrable due diligence procedure to analyse and map their supply chains (including clear identification of their own suppliers, KYC details, terms of business in accordance with the SRSP and any provenance of materials).

Suppliers are required to undertake due diligence on all sources of jewelry materials included in the SRSP, even if the quantity of the material is small. There is no “de minimis”/minimum level of supply, so for such small volumes (e.g. of plated materials, diamond accents, repairs etc.), suppliers are required at a minimum to ask subcontractors to verify their sources, and this inquiry should be documented.

Through this due diligence, suppliers should be able to identify any risks in their supply chain, especially any risks relating to the compliance requirements of the SRSP.

Suppliers must have a procedure to assess the possibility of adverse impacts of these risks relating to the compliance criteria of the SRSP and be prepared to take measures to mitigate or eliminate these risks.

c: Identification of Risks, “Red Flags” and Enhanced Due Diligence

If a supplier identifies a risk in their supply chain to Signet, the supplier should undertake enhanced due diligence as follows:

- i: Report findings of the supply chain risk assessment to Signet at info@signetsrsp.com
- ii: Devise and adopt a risk management plan. Devise a strategy for risk management by either
 - (a) continuing trade throughout the course of measurable risk mitigation efforts;
 - (b) temporarily suspending trade while pursuing ongoing measurable risk mitigation;
 - (c) disengaging with a supplier after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable.
- iii: Implement the supplier’s risk management plan, monitor and track performance of risk mitigation efforts and report back to Signet.
- iv: Undertake additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances.

d: Know Your Counterparty (KYC)

Suppliers are required to apply Know Your Customer/Counterparty principles (“KYC”) to their supply chains, which require businesses to establish the identity of all organizations with which they deal, have a clear understanding of their business relationships and have a reasonable ability to identify and react to transaction patterns appearing out of the ordinary or suspicious. KYC procedures may include;

- i. Collection and analysis of basic identity information.
- ii. Name matching against lists of known parties.
- iii. Details of the supplier’s policies and procedures (especially relating to identification of sources of scrap/recycled supply).
- iv. 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.
- v. An expectation of a customer’s transactional behavior.
- vi. Monitoring of a customer’s transactions against their expected behavior and recorded profile.

Documentation relating to the application of KYC is required for all sources of recycled or “scrap” materials.



e: Conflict-Free

Signet will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals used in supplies to Signet.

Direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who;

- i: Illegally control mine or manufacturing sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain and/or
- ii: Illegally tax or extort money or minerals at points of access to mine or manufacturing sites, along transportation routes or at points where minerals are traded; and/or
- iii: Illegally tax or extort intermediaries, export companies or international traders.

Suppliers must ensure that all minerals supplied to Signet do not directly or indirectly contribute to conflict.

Suppliers should ensure that the minerals are “conflict-free” through compliance with the criteria listed in the Appendices to the SRSP and associated standards and guidance (e.g. RJC certification, Kimberley Process certification, LBMA Responsible Sourcing standards).

Suppliers may source from areas of conflict (e.g. DRC and neighbouring countries) providing those sources are certified in accordance with international minerals standards as listed in the Appendices to the SRSP, and any such certification must require an independent third-party audit.

In the absence of verification against such accredited standards in the SRSP, suppliers must undertake due diligence to ensure minerals are not sourced from areas of conflict.

f: Human Rights

Suppliers shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways appropriate to their size and circumstances, including as a minimum;

- i. A policy commitment to respect Human Rights
- ii. Inclusion of measures in the supplier’s due diligence process that seek to identify, prevent, mitigate and account for how they address their impacts on Human Rights
- iii. 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

Suppliers due diligence on their supply chains should also verify that their own suppliers also follow these minimum Human Rights requirements.

Suppliers’ policies and practices relating to the respect and protection of Human Rights should follow SA 8000 standard (found at <https://sa-intl.org/resources/sa8000-standard/>) and/or the RJC Code of Practices standard’s section on Human Rights (see <https://responsiblejewellery.com/standards/code-of-practices-2019/>). For further details see the Human Rights Appendix.

g: Product Integrity & Disclosure



Suppliers must ensure that the minerals and products supplied to Signet and to the supplier through the supplier's supply chain are correctly and accurately represented, including providing certificates where applicable (e.g. diamond grading certificates, gold purity/assay certificates).

Suppliers must adhere to the US Federal Trade Commission's Guides for the Jewelry, Precious Metals, and Pewter Industries, as amended in 2018. The FTC Guides apply to all levels of the industry and are especially focused on the avoidance of misleading or deceptive language.

h: AML, Bribery and Facilitation Payments

Suppliers must establish policies that:

- i. Prohibit bribery in all business practices and transactions carried out by the supplier and by agents acting on behalf of the supplier.
- ii. 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.
- iii. Set the criteria and approval procedures to be followed by Employees in respect of the offer and/or acceptance of gifts with third parties.
- iv. Train relevant managers and employees on policies and procedures.
- v. Record relevant gifts to and from third parties in a gift register, as per the supplier's policy.
- vi. Investigate any incidences of suspected bribery within their organisation.

Where facilitation payments are permitted by applicable law, suppliers shall:

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

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.

i: Early Warnings, Grievances and Whistle-Blowing

Suppliers must have evidence of a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system. Suppliers can also use the annual SRSP Compliance Report as a means of communicated grievances relating to the SRSP to Signet. Suppliers can also report risks in their own or others' supply chains through the SRSP Compliance Report.

All grievances or reporting of identified risks will be treated in strict confidence by Signet.

j: Additional or Unforeseen Compliance Requirements

Signet may require suppliers to comply with additional or unforeseen requirements from time to time.



In these circumstances, Signet will advise the supplier's designated contact person for SRSP compliance of any additional compliance requirements, with details of the compliance requirements, compliance criteria and required timescales for compliance.

Compliance for additional or unforeseen circumstances may be outside the normal SRSP reporting procedures and timescales.

