

Signet Responsible Sourcing Protocol (“SRSP”) for conflict-free gold.

Revised, November 2016

Background

This document outlines the procedures which are required by Signet Jewelers and all Signet business units in the USA, UK and Canada for its suppliers, to ensure that supplies of all products including gold are conflict-free, such that Signet will comply with the “Dodd Frank Act” (H.R. 4173), the Wall Street Reform and Consumer Protection Act’s Amendment referred to as the Conflict Mineral, Section 1502 Amendment.

This document forms part of the Signet Responsible Sourcing Protocol (“SRSP”) as it refers to gold supplies from areas of conflict: it is intended for use by all suppliers and was effective 1st January 2013 as Signet company policy for all Signet business units in the USA, UK and Canada. All suppliers are expected to implement the SRSP and to be fully compliant with the SRSP.

Core Assumptions

The SRSP makes the following core assumptions:

1. The Dodd-Frank Act final rules were confirmed by the SEC on 22nd August 2012 (see www.sec.gov/news/press/2012/2012-163.htm), based significantly on the “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” supplement for gold issued by the Organisation for Economic Cooperation and Development (“OECD”). The main focus in the OECD guidance is an ability to identify the refinery source of gold used in production of jewelry and other products.
2. Research conducted by Signet has shown that Signet’s suppliers have multiple sources of gold, as shown in the simplified diagram below. Suppliers will need to verify and certify the source of gold through all these sources, including subcontractors.
3. In accordance with Signet’s Supplier Code of Conduct, suppliers will need to pass on the same Signet Responsible Sourcing Protocol (“SRSP”) requirements to all subcontractors, who will in turn need to assess this SRSP, ensure due diligence is undertaken on their own supply chain, and confirm a capability to certify and independently audit against the SRSP.
4. The SRSP recognizes several global industry guidance and standards as applicable to the SRSP, and identifies these at relevant points in the supply chain, especially refineries.

In particular, the SRSP recognizes and supports the following:

- a. Signet is a founding and certified member of the Responsible Jewellery Council (RJC), and the SRSP recognizes the RJC’s Chain of Custody (see www.responsiblejewellery.com/chain-of-custody-certification/) and will accept gold from any source which is certified against this standard, as it certifies gold through the supply chain. As a point of clarification, the SRSP recognizes certified membership of the RJC under the Code of Practices for refineries only, as certified RJC membership applies to the member company, not to the supply chain.

However, the SRSP does recognize RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold in accordance with the SRSP under “Provenance Claims” in the RJC’s Code of Practices revised 2013. Signet encourages all suppliers to adopt this Provenance Claim in their RJC membership scope:

certified RJC members with the SRSP as a Provenance Claim are exempt from all Signet supplier audits.

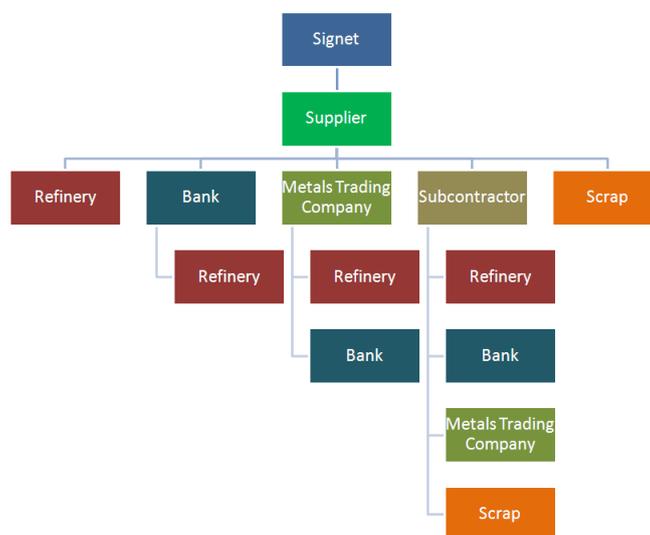
- b. The SRSP recognizes the Organisation for Economic Cooperation and Development's (OECD) Due Diligence Guidance Supplement for Gold as a core reference: www.oecd.org/corporate/guidelinesformultinationalenterprises/goldsupplementtotheduediligenceguidance.htm.
- c. The SRSP recognizes the London Bullion Market Association (LBMA) Responsible Gold Guidance as a core reference for supplies of gold from refineries (www.lbma.org.uk/pages/index.cfm?page_id=137). The LBMA requires that all LBMA "Good Delivery" Gold Refiners comply with the LBMA Responsible Gold Guidance, and has produced an Audit Guidance document to add further transparency and consistency to the Responsible Gold Programme. Suppliers to Signet are recommended to ensure their gold supplies are from current LBMA "good delivery" refineries (see gold list at www.lbma.org.uk).
- d. Based on independent expert assessment, the SRSP also recognizes the DMCC "Dubai Good Delivery" list for gold (see www.dmcc.ae/itauthority/gold/the-dubai-good-delivery-list-gold/) as equivalent to the LBMA guidance for the supply of gold from certified refineries.
- e. The SRSP recognizes SCS Global Services' "Responsible Source" Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)
- f. The SRSP recognizes the Fairtrade Gold Standard as a certified and traceable source of artisanal or small scale mining ("ASM") through registered refineries (www.fairgold.org). Other sources of ASM gold mining may be recognized by the SRSP on a case-by-case basis.

With reference to (c) and (d) above, suppliers are strongly advised to check that their refinery sources are listed in the LBMA or DMCC "Good Delivery" lists for the calendar year for which the supplier is reporting compliance.

5. Additional certification to the international guidance and standards set out in the SRSP may be available in individual countries and in individual circumstances, which the SRSP may recognize. Any additional certification will be assessed and confirmed on a case-by-case basis by Signet. Suppliers requesting such certification must in all cases be able to identify and certify the sources of gold, preferably to the refinery, and validate why these sources should be determined as conflict-free. An external audit of this validation may be required.
6. Signet's suppliers will be required to define in detail which criteria are being used to certify all gold supplies as compliant with the SRSP (from the list of requirements below), and will remain responsible and accountable for certification and external audit of supplies to Signet, based on this SRSP.
7. Suppliers will be required to declare compliance with the SRSP in commercial documentation as defined by Signet, such as supplier agreements, invoices, delivery notes etc. The declaration must state: *"The seller warrants that any products containing gold, tin, tungsten or tantalum have been supplied in compliance with the Signet Responsible Sourcing Protocol ('SRSP')"*.
8. All new suppliers to Signet will be expected to certify all gold supplies, with the exception of watches, are in compliance with the SRSP before any commercial activity related to the supply of gold between the companies begins.
9. All suppliers are required to report compliance with the SRSP annually through an online compliance report provided by Signet: suppliers must quote the SRSP compliance report confirmation number as part of the annual contract or buying agreement with Signet (Vendor Buying Agreement or "VBA").
10. Supplier SRSP compliance reports may be subject to independent third-party audit, as requested by Signet. The audit must be arranged by the supplier with an accredited SRSP auditor and a

summary report or a full audit report must be supplied to Signet in accordance with Signet's requirements.

Simplified Diagram of Signet's Supply Chain for Gold



Signet's suppliers will be required to validate, certify and audit supplies of gold from every source used, including subcontractors; the SRSP is intended as a guide for suppliers to enable this certification.

SRSP Requirements for Conflict-Free Gold:

The Signet Responsible Sourcing Protocol ("SRSP") is a guide for Signet's suppliers to ensure that gold provided to Signet is conflict-free. The requirements in the SRSP apply to all gold products (finished and components), and to all products containing gold, with the exception of watches.

Suppliers are required to undertake due diligence on all sources of supply of gold, 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, repairs, flashing etc.), suppliers are required at a minimum to ask subcontractors to verify their sources of gold, and this inquiry should be documented.

Suppliers are required to certify the gold supplied to Signet, either by certification of all gold manufacture and supply, or, if this is not possible, by segregating manufacture and supply of gold to Signet from manufacture and supply of gold to other customers.

The SRSP identifies the requirements for conflict-free gold at all levels in the supply chain, as below:

1: Refineries

The SRSP only accepts gold from Refinery sources as follows:

- Gold refiners on the LBMA good delivery list for the reporting year
 - (see www.lbma.org.uk , "Good Delivery", "Gold List")

or

- Gold refiners on the EICC/GeSI/CFSI conflict-free compliant smelter list for the reporting year
 - (see www.conflictreesmelter.org)

or

- Gold refiners on the DMCC “Dubai Good Delivery” list for gold for the reporting year
 - (see www.dmcc.ae/jltauthority/gold/the-dubai-good-delivery-list-gold/)

or

- Gold refiners which are certified Members of the Responsible Jewellery Council (RJC)
 - (see www.responsiblejewellery.com/members/certified-members)

or

- Gold refiners which certify and independently audit that all gold supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold under “Provenance Claims” in the RJC’s Code of Practices revised 2013
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Supplement on Gold
 - (see www.oecd.org, search “conflict minerals”)
 - Fairtrade Gold Standard (see www.fairgold.org)

or

- Gold refiner which are certified under SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

or

- Gold refiners which certified that all supplies to the refinery are from mines which comply with the World Gold Council Conflict-free Standard
 - (see www.gold.org/about_gold/sustainability/conflict_free_standard)

or

- Gold refiners which certify that all supplies to and by the refinery are in accordance with the China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exports “Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains” (see www.cccmc.org.cn). Supplies of gold through the Shanghai Gold Exchange are deemed to be compliant with the SRSP.

2: Banks

The SRSP only accepts gold from Banks as follows:

- Banks which certify and independently audit that all gold is supplied from refineries which fulfill the SRSP criteria under “Refineries” as above.

or

- Banks which certify and independently audit that all gold supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold under “Provenance Claims” in the RJC’s Code of Practices revised 2013
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Supplement on Gold
 - (see www.oecd.org, search “conflict minerals”)

3: Precious Metals Trading Companies/Alloy Suppliers

The SRSP only accepts gold from Precious Metals Trading Companies and Alloy Suppliers as follows:

- Companies which certify and independently audit that all gold is supplied from refineries and/or banks which fulfil the SRSP criteria under “Refineries” and “Banks” as above.

or

- Companies which certify and independently audit that all gold supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - i. RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - ii. RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold under “Provenance Claims” in the RJC’s Code of Practices revised 2013
 - iii. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Supplement on Gold
 - (see www.oecd.org, search “conflict minerals”)
 - iv. SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)
 - v. Fairtrade Gold Standard (www.fairgold.org.)

4: Subcontractors of Component Parts or Finished Products

Note: 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.

SRSP only accepts gold from Subcontractors of Component Parts or Finished Products as follows:

- Subcontractors which certify and independently audit that all gold is supplied from refineries, banks and/or precious metals trading companies which fulfil the SRSP criteria under “Refineries”, “Banks” and “Precious Metals Trading Companies” as above, and scrap/recycled gold as below.

or

- Subcontractors which certify and independently audit that all gold supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - i. RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - ii. RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold under “Provenance Claims” in the RJC’s Code of Practices revised 2013
 - iii. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Supplement on Gold
 - (see www.oecd.org, search “conflict minerals”)
 - iv. SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)
 - v. Fairtrade Gold Standard (www.fairgold.org)

5: Scrap and Recycled Gold

The SRSP only accepts scrap and/or recycled gold as follows:

- Suppliers which certify and independently audit that all scrap and recycled gold is identifiable as its own production and supply, i.e. that the scrap gold is;
 - i. Returned product from customers
 - ii. Faulty inventory
 - iii. Scrap and waste gold arising during manufacturing

or

- Suppliers which certify and independently audit that all scrap and recycled gold is acquired according to Know Your Customer/Counterparty principles (“KYC”), which require businesses to establish the identity of all organisations 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. Determination of the supplier's risk in terms of propensity to supply gold from an area of conflict.
 - iv. An expectation of a customer's transactional behavior.
 - v. Monitoring of a customer's transactions against their expected behavior and recorded profile.

or

- Companies which certify and independently audit that all gold supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - i. RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - ii. RJC Membership certification which includes statements relating to sources and/or supply of conflict-free gold under “Provenance Claims” in the RJC’s Code of Practices revised 2013
 - iii. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Supplement on Gold
 - (see www.oecd.org, search “conflict minerals
 - iv. SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

6: “Grandfathered” Gold

The SRSP accepts gold in any form from any of the sources listed above which is held by suppliers, banks, refiners, metals trading companies, scrap suppliers or subcontractors and which has a verifiable date prior to 1 January 2012, in accordance with OECD, LBMA and RJC guidelines.

It is noted that the US “Dodd-Frank” Act Section 1502 rules have an equivalent “grandfathered” date of 1 January 2013: however the SRSP verifiable date remains 1 January 2012, to remain in accordance with the OECD, LBMA and RJC guidelines.

A verifiable date is one which can be verified through inspection of physical date stamps on products such as gold bars, jewellery hallmarks and/or auditable inventory lists which are specific to the individual item of gold, the component, subcomponent or finished item of jewelry.

7: Exceptions

Exceptions to the SRSP standards listed above may be made on a case-by-case basis. In all such cases, suppliers will be expected to identify and certify the sources of gold, preferably to the refinery, and validate why these sources should be determined as conflict-free. All exceptions must be confirmed in advance and in writing by Signet, and an external assessment and/or independent audit of this validation may be required.