



**Signet Responsible Sourcing Protocol (“SRSP”) for
Conflict-Free Silver and Platinum Group Metals (“PGMs”).**

December 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 undertake due diligence on their supply chains for silver and platinum group metals (platinum, ruthenium, rhodium, palladium, osmium, and iridium, collectively referred to as platinum group metals, or “PGMs”), in accordance with the OECD Guidelines for Multinational Enterprises. This due diligence is intended to ensure that supplies of all products including silver are responsibly sourced, conflict-free and conform to international guidance and standards for human rights and labor practices such as the United Nations Guiding Principles on Business and Human Rights.

This document forms part of the Signet Responsible Sourcing Protocol (“SRSP”) as it refers to silver and PGMs: it is intended for use by all suppliers and is effective 1st January 2018 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. Signet suppliers will be required to comply with the SRSPs for silver and PGMs in calendar year 2018. In calendar year 2017, suppliers are expected to “work towards” compliance by putting in place business terms and policies with suppliers in accordance with the SRSPs, especially to source silver and/or PGMs directly or indirectly from LBMA and LPPM “good delivery” refineries.
2. Any supplier wishing to report compliance with the SRSPs in 2017 should contact the Signet SRSP team at info@signetsrsp.com.
3. The SRSP for silver and PGMs is based significantly on the “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” issued by the Organisation for Economic Cooperation and Development (“OECD”). The main focus in the guidance is an ability to identify and assess the refinery source of silver and/or PGMs used in production of jewelry and other products.
4. Signet recognizes that Signet’s suppliers have multiple sources of silver and PGMs. Suppliers will need to verify and certify the source of silver and PGMs through all these sources, including subcontractors.
5. 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.
6. 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:

- Signet is a founding and certified member of the Responsible Jewellery Council (RJC): the SRSP recognizes products and materials sourced through the RJC's Chain of Custody (see www.responsiblejewellery.com/chain-of-custody-certification/) and encourages membership of the RJC for all suppliers. This gives an assurance of responsible practices by the companies with which Signet is working. Signet encourages all suppliers to adopt a "Provenance Claim" in their scope of RJC Membership, as per the RJC's Code of Practices revised 2013..
 - The SRSP recognizes the Organisation for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition, which is applicable to all minerals.
 - The SRSP recognizes that the London Bullion Market Association (LBMA) is in the process of developing Responsible Guidance for silver and PGMs, and as a stakeholder in that process, intends to adopt this Guidance as a core reference for supplies of silver and PGMs from refineries.
 - The SRSP also recognizes the London Platinum and Palladium Market (LPPM) "good delivery" standard for platinum and palladium.
 - The SRSP for silver and PGMs recognizes the MKS PAMP Group Responsible Precious Metals Standard for silver and PGMs and acknowledges that MKS PAMP Group products comply with such Guidance. For calendar year 2017, Signet recognizes that some suppliers may wish to certify their silver and PGM sources as compliant with the SRSP for silver and PGMs, in advance of the introduction of LBMA Responsible Guidance for silver and PGMs. In these cases, for calendar year 2017, suppliers are encouraged to contact the Signet SRSP team at info@signetsrsp.com. The SRSP recognizes SCS Global Services' "Responsible Source" Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)
7. 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 silver and PGMs, preferably to the refinery, and validate why these sources should be determined as responsibly sourced. An external audit of this validation may be required.
 8. Signet's suppliers will be required to define in detail which criteria are being used to certify that all silver and PGMs supplies are 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.
 9. 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, silver, platinum group metals, tin, tungsten, tantalum or diamonds have been supplied in compliance with the Signet Responsible Sourcing Protocols ("SRSPs")"*.
 10. All new suppliers to Signet will be expected to certify that all silver and PGMs supplies, with the exception of watches, are in compliance with the SRSP before any commercial activity related to the supply of silver and PGMs between the companies begins.
 11. 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").
 12. 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.

SRSP Requirements for Silver and PGMs:

The Signet Responsible Sourcing Protocol (“SRSP”) is a guide for Signet’s suppliers to ensure that silver and PGMs provided to Signet is conflict-free and in accordance with international standards for human rights and labor practices. The requirements in the SRSP apply to all silver and PGMs products (finished and components), and to all products containing silver and PGMs (including solder, plating and flashing, for example, rhodium flashing on silver or white gold), with the exception of watches.

Suppliers are required to undertake due diligence on all sources of supply of silver and PGMs, even if the quantity of these materials are small. There is no “de minimis”/minimum level of supply, so for such small volumes (e.g. of plated materials, repair solders), suppliers are required at a minimum to ask subcontractors to verify their sources of silver and PGMs, and this inquiry should be documented.

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

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

1: Refineries

From January 1st 2018, the SRSP only accepts silver and PGMs from Refinery sources as follows:

- Silver refiners which are certified under the LBMA Responsible Silver Guidance for silver and are on the LBMA good delivery list (anticipated from calendar year 2018)
 - (see www.lbma.org.uk , “Silver List”)
- Platinum group metals (PGM) refiners which are certified by the London Platinum and Palladium Market (“LPPM”) and are on the LPPM “good delivery” refinery list (anticipated from calendar year 2018)
 - (see www.lppm.com , “Platinum List”, “Palladium List”)

or

- Silver and PGMs refiners which certify and independently audit that all silver and PGMs supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - The MKS PAMP Group Responsible Precious Metals Guidance for silver and PGMs
 - RJC Chain of Custody Standard for Precious Metals
 - (see www.responsiblejewellery.com/chain-of-custody-certification)
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Third Edition
 - (see www.oecd.org, search “conflict minerals”)
 - Silver and/or PGMs refiner which are certified under SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

or

- Silver and PGMs which is certified as recycled/scrap from previously manufactured sources (see “Scrap and Recycled Silver”, section 5 below), from a refiner which certifies these recycled sources and which has public “Know Your Counterparty” procedures in place.

2: Banks

The SRSP only accepts silver and PGMs from Banks as follows:

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

or

- Banks which certify and independently audit that all silver and PGMs supplies are conflict-free, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Third Edition

3: Precious Metals Trading Companies/Alloy/Solder/Plating Solutions Suppliers

The SRSP only accepts silver and PGMs from Precious Metals Trading Companies, Alloy Suppliers, Solder Suppliers and Suppliers of Plating Solutions as follows:

- Companies which certify and independently audit that all silver and PGMs is supplied from refineries and/or banks which fulfil the SRSP criteria under “Refineries” and “Banks” as above.
- Companies which certify and independently audit that all silver and PGMs supplies are conflict-free, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, Third Edition
- SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

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 silver and PGMs from Subcontractors of Component Parts or Finished Products as follows:

- Subcontractors which certify and independently audit that all silver and/or PGMs are 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 silver and PGMs as below.

or

- Subcontractors which certify and independently audit that all silver and PGMs supplies are conflict-free, in accordance with one of the following guidelines/standards;
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (see www.oecd.org, search “conflict minerals”)
 - SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

5: Scrap and Recycled Silver and PGMs

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

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

or

- Suppliers which certify and independently audit that all scrap and recycled silver and PGMs are 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;
 - Collection and analysis of basic identity information.
 - Identification of ultimate beneficial owner.
 - Name matching against lists of known parties.
 - Determination of the supplier's risk in terms of propensity to supply silver from an area of conflict.
 - Assurances on human rights and labor practices.
 - An expectation of a customer's transactional behavior.
 - Monitoring of a customer's transactions against their expected behavior and recorded profile.

or

- Companies which certify and independently audit that all silver and PGMs supplies including recycled sources are conflict-free, in accordance with one of the following guidelines/standards;
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (see www.oecd.org, search “conflict minerals”)
 - LBMA Responsible Silver Guidance for silver from refiners on the LBMA good delivery list (anticipated from calendar year 2018)
 - The MKS PAMP Group Responsible Precious Metals Guidance for silver
 - SCS Global Services’ “Responsible Source” Standard for Precious Metals (www.scsglobalservices.com/certified-responsible-source-jewelry)

6: “Grandfathered” Silver and PGMs

The SRSP accepts silver and PGMs in any form from any of the sources listed above, which is then held by suppliers, banks, refiners, metals trading companies, scrap suppliers or subcontractors and which has a verifiable date prior to **January 1 2018**.

A verifiable date is one which can be verified through inspection of physical date stamps on products such as silver and/or PGM bars, jewellery hallmarks and/or auditable inventory lists which are specific to the individual item of silver or PGMs, 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 silver and PGMs, preferably to the refinery, and validate why these sources should be determined as conflict-free and otherwise compliant with the SRSP for silver and PGMs. 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.