

Jewelry Roundtable on Responsible Gold Sourcing

**Hosted by Jewelers of America and the National Retail Federation
Sponsored by Signet Jewelers Ltd.**

Roundtable Summary

On July 27, 2014, members of the jewelry and retail industries met in New York City to discuss responsible gold sourcing, including the value of responsible sourcing, their experiences, and tools and resources to help build upon current initiatives. Meeting participants learned of the challenges in the Great Lakes Region of Africa, where armed groups in the Eastern Democratic Republic of the Congo illegally exploit minerals to fund their activities. They also learned about a suite of tools, protocols, and other resources that companies can use to address these risks in their supply chain, as well as opportunities to support responsible sourcing and economic and community development in the Great Lakes Region. Participants also highlighted needs and benefits of collaboration among industry, civil society, and government to address challenges of responsible gold sourcing.

Key themes of the roundtable (explored further below) included the following:

- Responsible sourcing is a key factor in improving the integrity of the global supply chain.
- Jewelry retailers and manufacturers have the opportunity to play a leadership role in ways that both address supply chain risks and improve conditions for communities in Central Africa.
- Tripartite (i.e., industry, government, and civil society) collaboration, information sharing, and mutual support is needed, as each sector has different spheres of influence which must be leveraged to enable a more systemic approach to responsible sourcing.
- There is already a robust set of responsible sourcing principles and practices that have been tested by industry and other partners. Sharing these tools and resources, promoting peer learning, and generally building a community of practice amongst supply chain actors can improve overall performance of the entire industry.
- While a number of tools and programs exist, straightforward approaches such as knowing suppliers and asking for their responsible sourcing policies can be powerful tools to initiate change.
- Government, NGOs, and industry alike recognize that due diligence and responsible sourcing is a process of continuous learning and improvement.

For the roundtable participant list, please see [attachment A](#). For roundtable agenda, please see [attachment B](#).

Welcome

David Bonaparte, President and CEO, Jewelers of America (JA), welcomed guests and highlighted the importance of industry attention to and collaboration around responsible gold sourcing and conflict minerals. He referenced the JA Code of Professional Practices as a summary of members'

commitment to and touchstone for high ethical standards including responsible sourcing, and encouraged industry members to stay engaged and be proactive.

Jon Gold, Vice President, Supply Chain and Customs Policy, National Retail Federation, emphasized that responsible sourcing is a critical component of what industry does, and is a shared responsibility between retailers, manufacturers, and suppliers, as well as non-governmental organizations (NGOs), to help educate industry about issues, and government, to support efforts to create change.

Responsible Gold and the African Great Lakes Region: How Jewelers Can Help

Holly Dranginis, Enough Project, presented background on the conflict in the Great Lakes Region of Africa, emphasized the value of jewelry industry engagement in responsible gold sourcing, and identified opportunities for the industry to build solutions. (Please see her presentation in [attachment C](#) and accompanying handout in [attachment D](#).) In the Great Lakes Region, the Democratic Republic of Congo (DRC) has been at war for almost 20 years, during which over 5.4 million people have died from war-related causes, hundreds of thousands have been victims of sexual violence, and children have been forced to become soldiers.

Mineral extraction and trade in the region, including tin, tantalum, tungsten, and gold, has contributed to the conflict. Militias use violence to control artisanal mines and minerals, and benefit financially when minerals are sold through illegal networks, where they enter the global supply chain.

Currently, there are a number of initiatives in progress to address the conflict in DRC that are seeing positive results. Initiatives and pilot projects led by the electronics industry have promoted positive change, especially for tin and tantalum sourcing. According to research by the Enough Project, as a result of efforts to exercise due diligence in the DRC, a two-tier system is emerging. Traceable minerals from these mines are selling at higher prices than non-traceable minerals; and therefore the armed groups are no longer getting as much money from illegal mining and trading of tin, tantalum and tungsten minerals as they once were. A November 2013 survey of dozens of tin, tantalum and tungsten mines in the Eastern DRC, revealed that two-thirds of those mines were free of armed groups, compared with prior to 2010 when the vast majority were controlled of armed groups. This shift has allowed artisanal miners and other community members to return to these areas and pursue a livelihood.

Despite these successes, gold remains the most lucrative conflict mineral in DRC today, and therefore a major ongoing driver of violent conflict in parts of Eastern DRC. Artisanal gold smuggling networks are pervasive in the region, used as a source of income by some of the most violent armed groups. , Given the high value of gold and the difficulty of tracing it, it is important to address the challenge of tracing gold in the supply chain to ensure it is not contributing to conflict in the region. The Enough Project suggests three opportunities for the jewelry industry to help end conflict gold and violence in DRC.

1. Due diligence protocols: Develop and participate in supply chain due diligence protocols. This could include a company-wide policy around purchasing protocols, and educating company stakeholders about the issues and best practices.

2. Support strategic community development initiatives: Initiatives that formalize artisanal mining, provide improved equipment and protective gear, organize cooperatives, or support education can contribute to positive outcomes.
3. Invest in a conflict-free gold mine: Investing in a conflict-free gold mine in the Great Lakes Region can support positive change locally, give companies increased opportunities to source conflict-free gold directly from DRC, and contribute to economic investment and development.

Building a Responsible Gold Supply Chain: Tools and Lessons Learned

David Bouffard, Signet Vice President, Corporate Affairs, highlighted Signet's commitment and approach to responsible sourcing. (Please see [attachment E](#) for Signet's presentation slides.) Signet believes a responsible supply chain is fundamental to the reputation of the jewelry industry and its future, and has been active in collaboration around the development of industry-wide guidance and standards. Spurred by the Dodd-Frank Act requirements for minerals reporting, Signet Jewelers, Ltd. reached out to all suppliers to map their supply chain and build a responsible sourcing and supplier protocol. Mr. Bouffard shared the following information about the tools Signet used and lessons learned in building a responsible gold supply chain.

Tools

Guidance for Suppliers: Working with suppliers, civil society, and government, Signet developed a set of guidelines for its gold suppliers, the Signet Responsible Sourcing Protocols (SRSP). The SRSP is aligned with the Responsible Jewellery Council (RJC) 'Provenance Claim' provision and identifies criteria to ensure that Signet's supply chain is conflict-free. Under the SRSP, Signet suppliers are required to validate, certify, and audit supplies of gold from every source used, and supplier subcontractors must also adhere to the same standards. In 2014, suppliers provided an independent audit, verifying their compliance with SRSP standards in 2013.

Responsible Jewellery Council (RJC) Membership: Signet recognizes RJC to be the best set of standards and certification system for the jewelry industry. The company now has an expectation of RJC membership within its jewelry supply chain; in 2014, all suppliers who are SRSP compliant should become RJC members. The company will work with suppliers who are not yet SRSP compliant to help them achieve the standards necessary. In addition, the SRSP auditor list is similar to RJC, so they can be mutually recognized in the future.

Lessons Learned

Complexity of the Supply Chain: For a large company like Signet, the supply chain is complex. During the process of surveying their supply chain, Signet found the company has 400 direct suppliers. On average, each direct supplier has at least three different sources of gold, which suggests the company has at least 1,000 distinct gold supply chains.

Importance of International Support: Signet believes that trade association support of responsible sourcing protocols will help to improve awareness and compliance globally. An international coalition will also help to demonstrate the assurances customers want.

Need for Harmonization: Mr. Bouffard noted that suppliers are audited by many different parties. The burden on suppliers of completing the audits would be reduced if the standards and certifications used were harmonized across the industry (i.e., under RJC member certification).

Roundtable Discussion

A panel including representatives of international, regional, and independent jewelry retailers; a supplier; and an NGO shared their experiences with working toward responsible gold sourcing; panelists included

- Anna Bario, Co-founder, Bario Neal;
- David Bouffard, Signet Vice President, Corporate Affairs, Signet Jewelers, Ltd.;
- Holly Dranginis, Policy Associate, Enough Project;
- John Green, President and CEO, Lux Bond & Green; and
- Scott Wanstrath, CEO, Continental Jewelry USA.

Key themes of the conversation are highlighted below.

Experiences with Responsible Sourcing

To complement the prior presentations by the Enough Project and Signet Jewelers, the other panelists shared their approach to responsible gold sourcing:

Continental Jewelry: Mr. Wanstrath described his company's experience with responsible sourcing as a supplier. Continental Jewelry started to enforce responsible sourcing in 2010; today, the company is an RJC member and working to be RJC-certified by the end of 2014. Highlighting challenges in moving an existing supply chain towards responsible sourcing, Mr. Wanstrath noted that small companies, particularly those manufacturing chains, clasps, and other small parts, as well as overseas sources, tend to be unaware of responsible sourcing practices and may not monitor their supply chain for responsible sourcing performance. Rather than breaking ties with these suppliers, Continental is working to provide them with the tools needed to better manage their supply chain. Despite the challenges in achieving RJC Certification, Mr. Wanstrath supports the standard because it provides assurances to customers that Continental Jewelry is acting responsibly.

Bario Neal: Ms. Bario described her experience starting a small retail company (10 employees, approximately 20 primary suppliers) built on a responsible sourcing ethic; the company began with a limited number of suppliers who were conducting business using their understanding of 'best available' practices and a commitment to ethical sourcing. Bario Neal also focuses on the issue of artisanal mining, in which individual or family groups earn their livelihood by panning or digging for gold with basic tools. Based on her experience working with groups establishing standards of practice, such as the Fairmined Gold certification developed by the Alliance for Responsible Mining, Ms. Bario indicated that collaboration is necessary to move the industry forward. Companies focused on creating change may need to share information that was once considered proprietary; for example, Signet is sharing a list of suppliers following responsible practices.

Lux Bond & Green: Mr. Green suggested that for the family-owned Lux Bond & Green, a responsible supply chain is a company culture. Lux Bond & Green joined RJC when it was in its infancy and became certified 2 years ago. He recalled that the company experienced uncertainty going through the certification process the first time, and noted the cost, however he also learned a lot about the company and its culture in the process. Now, Lux Bond & Green asks all companies they do business with about responsible sourcing, to help start a conversation. Mr. Green recommended a unified message across the industry that minerals are good, and at the same time, make a concerted effort to continually improve practices.

Highlighting Positive Change in the Industry

Efforts to implement change can be a source of positive attention. Responsible sourcing protocols can be implemented by every actor in the jewelry industry, giving everyone in the industry a voice. Sharing stories and messaging that champions positive activities to make industry-wide change can help bring about beneficial responses from the public. There are also opportunities for companies to be leaders, exceeding compliance requirements and being in the forefront of industry change. Some NGOs would also like to highlight successful sourcing models and industry leaders as a way to promote broader action.

A Role for Government

Ashley Orbach, Senior Advisor, Conflict Minerals and Precious Stones, Economic and Affairs Bureau, U.S. Department of State, introduced government efforts regarding conflict minerals. She noted that the Department broadly promotes U.S. business interests overseas, and also supports economic development in foreign countries, underscoring that building peace and security in the DRC is a business interest in that it reduces risk. Related to conflict minerals, the State Department would like to work with U.S.-based companies to understand the impacts of U.S. Government initiatives on international business operations, learn about the issues companies are facing, and work together to break the link between conflict minerals and natural resources.

Education, Awareness, and Communication

Several participants identified the lack of education and awareness around responsible sourcing and achievable steps to address the problem as the biggest hurdle in fostering change across the industry. Many companies, both large and small, are not aware that they can contribute to a solution. The following approaches were suggested to address this challenge:

Start a Conversation: When meeting with vendors, participants recommended asking, “What is your policy on responsible sourcing?” In addition to informing the buyer whether a supplier is aware of the issue and responsible practices, asking this question helps to begin a conversation around the importance of responsible sourcing and can help change industry practices.

Expect RJC Certification: Ask suppliers to become RJC certified. Provide a phased approach and framework that gives suppliers the time needed to become certified and connects them to resources that will support the required practices.

Compliance and Responsibility

While compliance with SEC regulations on conflict minerals reporting must inform US public companies' sourcing programs and practices, many participants acknowledged that a commitment to and leadership in responsible sourcing can provide opportunities for greater outcomes in conflict and post-conflict mining regions, as well as improved performance industry-wide. A focus on both compliance and complementary responsible sourcing approaches is especially important in the jewelry sector, where the vast majority of the 23,000 US retailers are not subject to these conflict minerals reporting regulations.

Tools and Resources

Suzann Flamm, JVC, closed the meeting by underscoring the importance of tools and education to support compliance and other responsible sourcing policies and practices. She referenced JVC's Supply Chain Assurance Kit, which was designed to help companies seeking information from direct and indirect suppliers about the origin of the gold and tungsten that they buy, as well as assurances that the minerals were not used to fund conflict. (For more information, please see [attachment F](#) and www.jvclegal.org.)

Throughout the roundtable, participants shared a number of other tools and resources that can assist jewelry and retail companies in making progress on responsible gold sourcing:

- Jewelers of America's *Code of Professional Practices* describes members' commitment to adhere to high ethical, social and environmental standards, JA's *Responsible Gold Position Statement* and *Conflict Minerals Position Statement* further outline reflections on sourcing practices and tools to support gold extraction and processing in a manner that respects the needs of people and the earth. For more information, please see http://www.jewelers.org/about/j_whatwestandfor/.
- *The Supply Chain Assurance Kit*, developed by the Jewelers Vigilance Committee, was
- *The Signet Responsible Sourcing Protocol* for conflict-free gold is available at http://www.signetjewelers.com/files/doc_downloads/Signet-Responsible-Sourcing-Protocol-for-Gold-revised-September-2013.pdf
- *The Conflict Minerals Resource Center* was launched by the National Retail Federation and their partners. It is a membership-based website that provides access to compliance tools, regulatory expertise, case studies, and news. The resource can be found at www.conflictmineralsresources.com.
- *Fairmined Gold* is a standard developed by the Alliance for Responsible Mining to address issues of social development, environmental protection, labor conditions and economic development in their mining communities. Learn more about the standard at <http://www.fairmined.org/>. Learn more about the Alliance for Responsible Mining at <http://www.communitymining.org/>.
- *Fairtrade Gold* is a standard addressing issues including labor, women's rights, health and safety, transparency and traceability, and environmental management in artisanal mine sourcing. More information is available at <http://www.fairgold.org/>
- *Ethical Metalsmiths* is a non-profit focused on responsible sourcing in the industry. Learn more about Ethical Metalsmiths at <http://www.ethicalmetalsmiths.org/>
- *The Organisation for Economic Co-operation and Development Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* is a multistakeholder-developed approach for companies to use in building processes to avoid contributing to

conflict through their purchasing decisions. More information about the guidance is available at <http://www.oecd.org/daf/inv/mne/mining.htm>.

- The *Solutions for Hope* platform has successfully developed two closed-pipe conflict-free supply chains for tantalum, as well as inspiring a similar tin approach in the Conflict-Free Tin Initiative. There are currently discussions around developing a conflict-free gold project as well. These efforts engaging industry as well as civil society and government around conflict-free tin, tantalum, and tungsten can provide a model for responsible gold sourcing. More information is available at <http://solutions-network.org/site-solutionsforhope/>.
- *The Public-Private Alliance for Responsible Minerals Trade* is a multi-stakeholder coalition of over 40 companies, trade associations, NGOs, and government entities which supports testing of solutions to addressing conflict minerals from Central Africa while enabling economic development and stability for mining communities. Please see <http://www.resolve.org/site-ppa>.
- Experiences and tools from the implementation of the *Kimberley Process*, an initiative to stem the flow of conflict diamonds, may be a useful resource for those considering designing or participating in a supply chain certification scheme for gold.

Looking Forward

Participants noted a need for and interest in tangible and practical advice for companies, especially smaller retailers, manufacturers, and other suppliers who may just be learning about responsible sourcing or who are seeking advice on how to start and make progress on challenges they face. Roundtable organizers highlighted a number of resources mentioned during the conversation, offered their own assistance, and expressed interest in planning future events to share information and practices amongst industry as well as government and civil society partners.

List of Attachments

<u>Attachment A.</u>	Roundtable Participant List
<u>Attachment B.</u>	Roundtable Agenda
<u>Attachment C.</u>	Presentation by Holly Dranginis, Enough Project
<u>Attachment D.</u>	Summary Handout, Enough Project
<u>Attachment E.</u>	Presentation by David Bouffard, Signet Jewelers, Ltd.
<u>Attachment F.</u>	Handout on JVC Supply Chain Assurance Kit

Attachment A. Meeting Attendees

- Anna Bario, Co-founder, Bario Neal
- Ruth Batson, CEO, American Gem Society
- Brad Brooks-Rubin, Global Director, Development and Beneficiation, GIA
- Maya Breitburg-Smith, Associate, RESOLVE
- David Bonaparte, President and CEO, Jewelers of America
- David Bouffard, Signet Vice President, Corporate Affairs, Signet Jewelers, Ltd.
- Jenny Caro, Owner, Jewelry by Design
- Terry Chandler, President and CEO, Diamond Council of America
- Scott Congress, President, Congress Jewelers
- Peggy Jo Donahue, Director of Education Foundation, MJSA
- Holly Dranginis, Policy Associate, Enough Project
- Fred Erani, Director of Compliance, Jacmel Jewelry, Inc.
- Bill Farmer, JA Board Chair, Jewelers of America
- Suzan Flamm, Senior Council, JVC
- James Evans Lombe, Director of Ethical Initiatives, Jewelers of America
- Georgie Gleim, President, Gleim the Jeweler
- Jon Gold, Vice President, Supply Chain and Customs Policy, National Retail Federation
- Karen Goracke, President and CEO, Borsheims
- John Green, President and CEO, Lux Bond & Green
- Bev Hori, Vice President and CLO, GIA
- Rachel Lichte, Co-founder and CEO, Clarity Project
- Ashley Orbach, Senior Advisor, U.S. Department of State
- Jennifer Peyser, Senior Mediator, RESOLVE
- Susan Posnock, Director of Public Affairs and Education, Jewelers of America
- Lane Schiffman, Owner, Schiffman's Jewelers
- Michael Singer, Director Customs and Compliance, Macy's Merchandising
- Scott Wanstrath, CEO, Continental Jewelry USA

Attachment B. Meeting Agenda

Jewelry Roundtable on Responsible Gold Sourcing

July 27, 2014
8:30 – 10:30 AM EDT

Javits Convention Center
655 W 34th Street
Room ID104
New York, NY 10001

Agenda

Roundtable Objectives:

- Share civil society and jewelry industry perspectives on the importance and value of responsible sourcing of gold, including from the Great Lakes Region of Central Africa
- Provide examples and information relevant to large and smaller jewelers to support learning and engagement in responsible sourcing
- Share progress and lessons learned about supply chains and supplier engagement the first year of conflict minerals reporting
- Identify questions and tools needed by jewelry industry
- Identify potential jewelry industry and multi-stakeholder actions to contribute enable responsible gold sourcing solutions

8:00 AM ET **Coffee and Light Breakfast**

8:30 **Welcome**
Dave Bonaparte, President and CEO, Jewelers of America
Jon Gold, Vice President, Supply Chain and Customs Policy, National Retail Federation
Jennifer Peyser, RESOLVE

8:40 **Responsible Gold and the African Great Lakes Region: How Jewelers Can Help**
Holly Dranginis, Policy Associate, Enough Project

- The challenge of conflict minerals and need for responsibly-sourced gold from the Great Lakes Region of Central Africa
- Value and importance of jeweler engagement in responsible gold sourcing
- Opportunities and roles that the jewelry industry could play in building solutions

9:00

Building a Responsible Gold Supply Chain: Tools and Lessons Learned

David Bouffard, Vice President, Signet Corporate Affairs, Signet Jewelers, Ltd.

- Signet's experience in supplier outreach and year 1 conflict minerals reporting to the US Securities and Exchange Commission
- Industry approaches and tools (Signet Responsible Sourcing Protocol)

9:20

Roundtable Discussion

Anna Bario, Co-founder, Bario Neal

David Bouffard, Vice President, Signet Corporate Affairs, Signet Jewelers Ltd.

Holly Dranginis, Policy Associate, Enough Project

John Green, President and CEO, Lux Bond & Green

Scott Wanstrath, CEO, Continental Jewelry USA

Jennifer Peyser, Senior Mediator, RESOLVE, moderator

- Perspective on challenges and opportunities from suppliers to the jewelry and retail industry, large and smaller jewelers, and civil society
- Questions and tools needed by jewelry industry to support responsible gold sourcing
- Potential jewelry industry and multi-stakeholder actions to contribute to solutions

10:20

Summary of Opportunities and Closing Remarks

Suzan Flamm, Senior Counsel, Jeweler's Vigilance Committee

Jen Peyser, RESOLVE

10:30

Adjourn

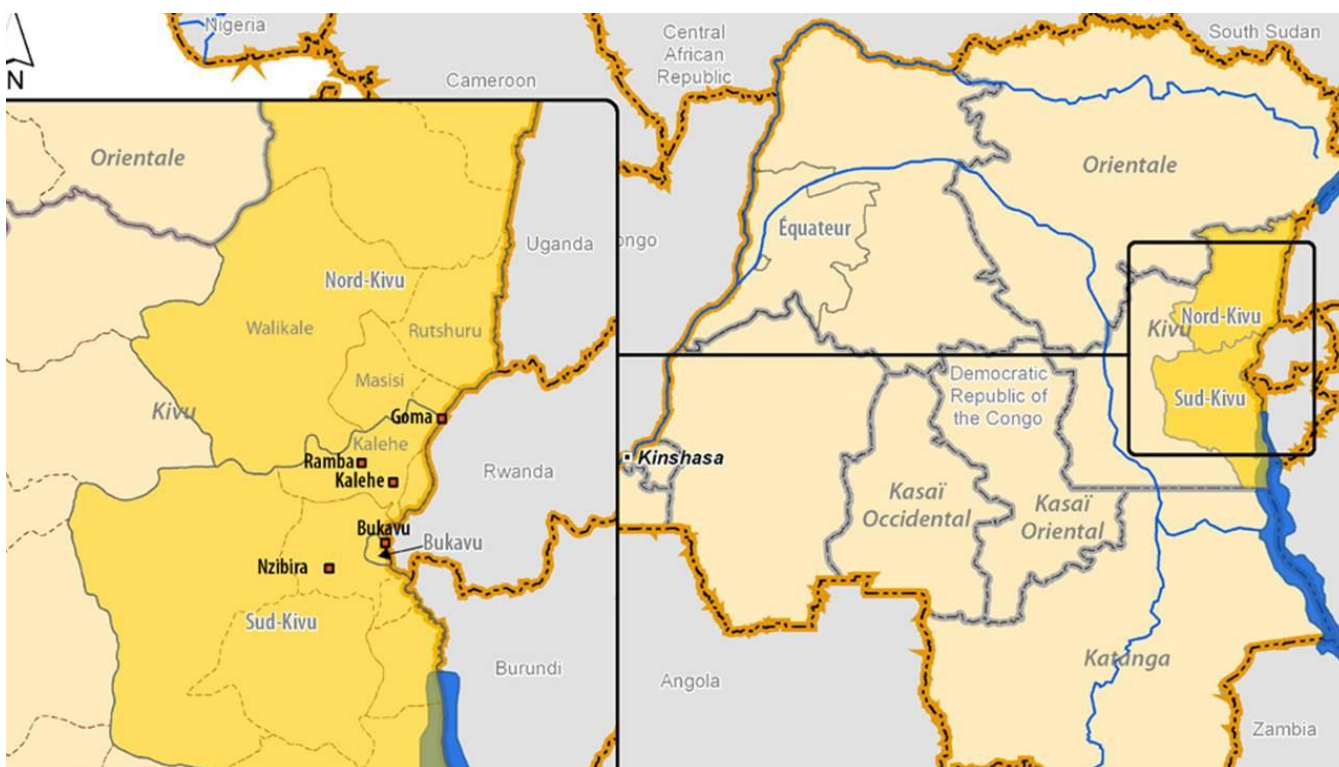
Attachment C. Presentation by Holly Dranginis, Enough Project





**The Problem: Decades of armed conflict,
fueled in part by natural resources**





The Solution: Due diligence, market pressure, and investment



**Intel and the electronics industry:
Pioneering new approaches**



2: Support local community development initiatives



3: Invest in a conflict-free gold mine in the Great Lakes region of Africa





Join us.

Attachment D. Summary Handout, Enough Project



The Enough Project

The Enough Project works to promote leadership among companies committed to solving the conflict minerals crisis in Congo. We are a U.S.-based nonprofit organization dedicated to ending atrocities and crimes against humanity. We work directly with policymakers, companies, and the public, including celebrities and a network of 150 college campuses to help achieve peace in the world's worst conflicts.

Illicit Gold and Violence in Congo

We are deeply concerned about ties between the illicit gold trade in the Great Lakes region of Africa and the ongoing war in Congo that is the deadliest since World War II. Army and rebel fighters responsible for widespread atrocities benefit significantly from gold that comes from militia-controlled mines in eastern Congo, particularly the Kivu provinces. Gold in Congo enters opaque supply chains through neighboring countries, tainting the entire gold industry.

Models of change

Electronics companies and policymakers have made great strides in stemming the flow of revenues from smuggled tin, tungsten, and tantalum to armed groups in eastern Congo by engaging in supply chain due diligence and in-region reforms. Earlier this year, Intel announced the first conflict-free product made with minerals from Congo. Many jewelry companies have also taken steps to create transparent, responsible supply chains. However, gold smuggling remains a large source of funding for armed groups.

Opportunities for Jewelry Companies

Our aim is to engage jewelers by presenting a variety of positive leadership opportunities for companies to help lead in the fight against conflict gold and violence in Congo. Jewelers, as one of the world's largest purchasers of gold, can help create a market for clean, conflict-free gold from Congo.

- **Develop supply chain due diligence protocols.** The first step for companies to ensure their respect for human rights and avoid contributing to violence in Congo through their minerals and product purchasing practices is to create supply chain due diligence protocols. This includes developing a company-wide policy committing to responsible sourcing and engaging with vendors and suppliers.

- **Invest in a conflict-free gold mine.** There are currently at least two conflict-free gold mining projects under development in the Kivus, Mukungwe and Masisi in South Kivu. These projects, run by Banro (publicly listed on the TSX and NYSE) and Casa Mining (local company with investments from Denham Capital from Cambridge, Mass.), could have a meaningful positive impact on local communities and on wider development and investment in the region.
- **Support strategic community initiatives like the formalization of artisanal mining.** The artisanal gold trade is linked to the war and in desperate need of reform. Companies and nonprofit organizations are partnering to help formalize the artisanal gold trade by registering miners, providing improved equipment and protective gear, and facilitating the increased organization of cooperatives. Jewelry companies can support these or other initiatives like women's jewelry cooperatives, microfinance, and education initiatives to improve the lives of those affected by illegal mining and violence in eastern Congo.



Building A Responsible Gold Supply Chain: Tools and Lessons Learned

David Bouffard
Signet Vice President, Corporate Affairs
Signet Jewelers Ltd.



1

Signet: #1 Specialty Jeweler in the U.S., U.K. & Canada.



Total Annual Pro-Forma Sales: Approximately \$6 billion



Kay Jewelers
#1 Jewelry store in the U.S.
Stores: 1,055 in 50 states



Jared The Galleria Of Jewelry
#1 U.S. Off-Mall Specialty Jeweler
Stores: 203 in 39 states



Zales Jewelers
A leading brand in jewelry retailing in the U.S.
Stores: 614 in 50 states and Puerto Rico



H. Samuel
#1 in the U.K.
Stores: 304



Ernest Jones
#2 in the U.K.
Stores: 189



Peoples Jewellers
A leading brand in jewelry retailing in Canada
Stores: 146 in 9 provinces

Note: Sales and store numbers for Fiscal 2014

2

Signet's Commitment to Responsible Sourcing



- Signet believes that a responsible supply chain is fundamental to the reputation of the jewelry industry and its future.
- Conflict-free gold has been a first step in a broader initiative of responsible sourcing.
- Signet has been active in the development of harmonized industry guidance and standards (Organisation for Economic Co-operation and Development, Responsible Jewellery Council, London Bullion Market Association, Conflict-Free Sourcing Initiative, Dubai Multi Commodities Centre, etc).
- Signet has produced global guidance for all suppliers of gold – the Signet Responsible Sourcing Protocol (“SRSP”), which is aligned with these guidance and standards, and identifies compliance criteria to ensure Signet’s supply chain is conflict-free.
- Signet now has an expectation of RJC Membership within its jewelry supply chain.

Confidential & Proprietary Information of Signet Jewelers Ltd

3

Signet's Commitment to RJC

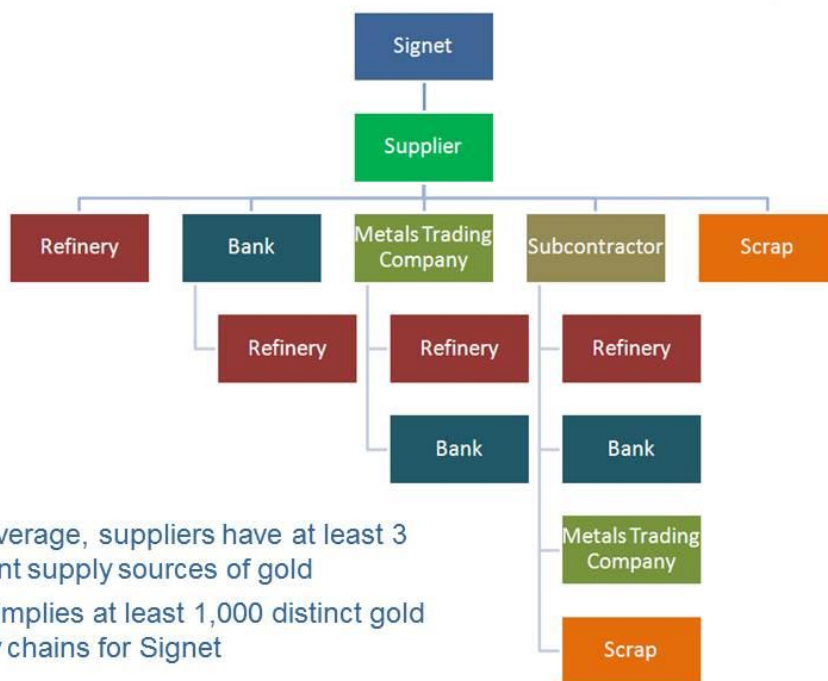


- Signet is a Founding and Certified Member of RJC.
- Signet is active in RJC committees.
- Signet has aligned its SRSP for gold with the RJC’s new “Provenance Claim” provision – a first step in Signet’s further commitment to RJC.
- Signet sees RJC as the pre-eminent standards and certification organization for the jewelry industry.
- Signet now expects its suppliers to support that commitment:
 - Signet suppliers which are existing RJC members.
 - SRSP compliant suppliers which are asked to join RJC by end 2014.
 - Focus on Signet suppliers in India and HK/China.

Confidential & Proprietary Information of Signet Jewelers Ltd

4

Signet Supply Sources (Simplified) **SIGNET** JEWELERS



5

Project Timeline of “SRSP”s

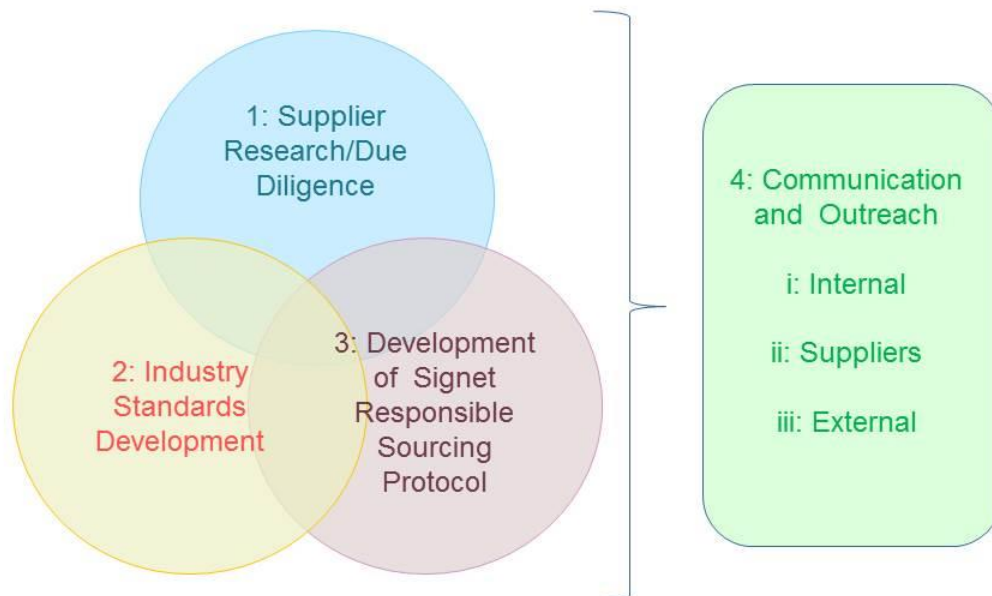
SIGNET
JEWELERS

<u>Year</u>	<u>Key Activities</u>
2011	Research suppliers to understand supply chains Identify focal points in supply chain (esp. smelters/refiners, banks) Map Signet’s supply chain
2012	Build database of Signet’s gold & 3Ts supply chain Development of SRSPs and supplier testing Harmonization of SRSPs with industry guidance and standards Implementation of SRSPs, eff. 1/1/13
2013	SRSP compliance reporting ⁶ Identify and support any non-compliant suppliers Establish audit criteria and test SRSP compliance report for full year 2013
2014	Audit of SRSPs, preparation of SEC filing, filed “DRC Conflict Free”

Confidential & Proprietary Information of Signet Jewelers Ltd

6

Signet Activity has been in 4 Inter-Related Areas



7

SRSP Supplier Requirements



- Signet's suppliers are required to validate, certify and audit supplies of gold from every source used, including subcontractors.
- Suppliers need to pass on the same SRSP requirements to all subcontractors.
- After reporting compliance, include ***"The seller warrants that any products containing gold, tin, tungsten or tantalum have been supplied in compliance with the Signet Responsible Sourcing Protocol ('SRSP')"*** on all invoices, delivery notes and any other documentation accompanying future supplies to Signet.
- Suppliers provided an independent audit of compliance in Jan/Feb 2014 to validate their 2013 compliance claims.
- The SRSP for gold can be aligned with the RJC's new "Provenance Claim" provision.
- Signet SRSP auditor list is aligned with RJC, so audits can be mutually recognized and harmonized in future.

Confidential & Proprietary Information of Signet Jewelers Ltd

8

Signet's Guidance for Suppliers Which are New to the Process:



- Evaluate your supply chain and understand all your sources of gold, and their responsible sourcing policies (if any).
- Start discussions with banks, manufacturers, refineries now.
- Identify areas of possible compliance with conflict minerals guidance (esp. RJC, LBMA, OECD).
- Especially: identify the ability of sources to ensure all gold is ultimately from certified refineries (via banks, metals trading companies, suppliers).
- Remember, it takes time to do this due diligence and put proper processes in place.
- Even if your customer is not US-listed, you may still need to certify your products, as your customer's customer may be listed.
- We recognize your supply chains are complicated due to your use of multiple sources for gold (e.g., refineries, banks, subcontractors, scrap).
- However, we believe you can ensure a "conflict-free" supply chain, over time, without fundamentally altering your suppliers' businesses or increasing costs.

9

Signet SRSP Diamonds



- Signet believes that a responsible supply chain is fundamental to the reputation of the jewelry industry and its future. We are selling an aspirational product. Consumers assume that our sourcing protocols guarantee certain standards, such as human rights and conflict-free (OECD) assurances.
- Signet believes that if standards can be established for gold, it can be achieved for precious stones and diamonds too, both rough and polished, over time.
- Signet is therefore also researching the potential for an SRSP for diamonds.

10

Trade Association Support is Important to Improve Awareness, Confidence and to Ensure Compliance



- **Global** guidance and standards: OECD, LBMA, RJC, CFSI, WGC
- **USA:** Jewelers of America, Jewelers Vigilance Committee, National Retail Federation
- **India:** Gold and Jewellery Export Promotion Council, SEEPZ Gems & Jewellery Manufacturers' Association
- **Italy:** Chamber of Commerce, Vicenza Fair, Federorafi
- **Middle East:** Dubai Multi Commodities Centre
- **U.K:** British Jewellers' Association
- **China:** Shanghai Gold Exchange (efforts underway)

Most industry trade associations have adopted and/or recognized global guidance and standards, many aligned to OECD guidance, to protect future exports of jewelry to USA.

11

Conclusion



- Signet supports harmonization with international alignment of guidance, standards and auditing, especially to avoid “audit fatigue.”
- Signet’s SRSPs are public and we welcome their adoption by others in the industry.
- Signet recognizes its leadership position in the development and implementation of industry standards.
- Consumers have certain expectations of the retail store brand when they walk in, whether it’s in the US, UK, Canada or around the world, and we need to meet those expectations for product integrity wherever they buy jewelry.

12

Thank You



For more information, contact:

David A. Bouffard

Signet Jewelers Ltd.

Signet Vice President, Corporate Affairs

375 Ghent Road

Akron OH 44333

davidb@jewels.com

330-668-5369

www.signetjewelers.com

Confidential & Proprietary Information of Signet Jewelers Ltd

13

Appendix: Helpful Links



- Signet Responsible Sourcing Protocol (“SRSP”) for conflict-free gold:
http://www.signetjewelers.com/files/doc_downloads/Signet-Responsible-Sourcing-Protocol-for-Gold-revised-September-2013.pdf
- Signet Jewelers Limited “DRC Conflict Free” Conflict Minerals Report:
http://www.signetjewelers.com/files/doc_downloads/Signet-Form-SD-and-CMR.pdf
- OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas:
<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>
- OECD Gold Industry and Sector Initiatives for the Responsible Sourcing of Minerals:
<http://www.oecd.org/daf/inv/mne/Gold-Industry-and-Sector-Initiatives-Guide.pdf>

14

Attachment F. Handout on JVC Supply Chain Assurance Kit



JVC'S SUPPLY CHAIN ASSURANCE KIT FOR GOLD AND TUNGSTEN

Who Needs JVC's Kit?

The *Dodd-Frank Act* requires SEC-listed companies to publicly disclose if their products contain gold or tungsten from a violent region of Africa, and to also disclose if their products are not “conflict free.” To meet *Dodd-Frank* requirements, these companies are seeking information from their direct and indirect suppliers about the origin of the gold and tungsten that they buy, as well as assurances that the minerals were not used to fund conflict. JVC's do-it-yourself kit is for these suppliers, and any others who seek to implement responsible supply chains, enabling them to meet that goal and also provide the information and assurances needed by their customers.

Overview: JVC's Supply Chain Assurance Kit

JVC's supply chain assurance system is risk based, meaning that companies using the kit must determine whether there is a risk that their gold or tungsten was used to fund conflict. Determining risk is primarily done by gathering information from suppliers, including details about where minerals were purified, or where they originated. Assessing risk also requires that companies find out if their suppliers have implemented their own supply chain assurance systems. If a company concludes that there is risk in their supply chain – because, for example, their suppliers cannot identify where the gold they use was purified, or because the tungsten they use originated in the Democratic Republic of Congo - they must next devise a strategy to manage the risk. JVC's kit has the templates and guidance you need to gather required information, as well as to assess and manage risk. These include:

- Sample letters requesting information about the gold or tungsten that you buy
- Sample logs to track information you receive
- A sample policy showing your commitment to responsible mineral supply chains
- Sample language to include in vendor contracts, indicating your requirements regarding responsible supply chains
- Templates to use to assess risk, and to manage risk if any is found

Are the Kit Materials the Same for Every Business?

The kit materials are not the same for every business. Because assurance systems differ, depending on where a company is on the mineral supply chain, and whether it is supplying gold or tungsten, JVC's kit offers customized guidance and templates to meet the obligations created by *Dodd Frank*. The kit also includes an explanation – and examples – to help users determine their position on the supply chain and exactly which kit materials to use.

JVC's kit is \$100 for members and \$250 for non-members. See JVC's website, www.jvclegal.org, or call JVC at 212-997-2002, for more information.