



EARTHWORKS

Feb 3, 2015

Mr. Mark Light
President and Chief Executive Officer
Signet Jewelers Ltd.
375 Ghent Road
Akron, OH 44333

Sent via email to: milight@jewels.com, corporatesecretary@jewels.com,
dbouffard@jewels.com

Dear Mr. Light,

We are writing to express our concerns about the irresponsible business practices of one of your suppliers, Rio Tinto. We call on Signet to demand that Rio Tinto abide by your company's own responsible sourcing policy and your commitments to responsible metals sourcing.

In 2006, your company was one of the first to sign the No Dirty Gold campaign's Golden Rules for responsible sourcing. [We publicly commended you for this step with a full-page ad in the *New York Times*.](#) We urge you to uphold your commitment by holding Rio Tinto accountable for its routine violations of not only the Golden Rules, but also your company's own responsible sourcing policy.

Signet's responsible sourcing policy states: "Signet expects our business partners to adhere to socially and environmentally responsible business practices. We take the impact of our company's supply chain seriously and we believe that gold should be extracted and processed in a manner that respects the needs of current and future generations."

Signet has taken some positive steps to improve its sourcing — including public support for the Golden Rules, and filing a conflict minerals disclosure report with the Securities and Exchange Commission.

However, your business partner Rio Tinto routinely violates the socially and environmentally responsible business standards referred to in the sourcing policy. Some of Rio Tinto's egregious practices include:

- The company successfully de-unionized much of its Australian workforce by replacing union agreements with “personal contracts.” [The company has also imposed lockouts of employees in the US and Canada after workers opposed proposed salary and benefits cuts.](#)ⁱ
- Rio Tinto’s Oyu Tolgoi project in Mongolia has come under serious criticism for its inadequate plans to address impacts relating to water scarcity, biodiversity and waste management. The company plans to divert the Udai river to construct an open-pit mine, threatening a water supply crucial to herders and wildlife.ⁱⁱ A group of herders who were forcibly resettled also filed a complaint with the International Finance Corporation for lack of compensation and failure to obtain their informed consent for the project. The US government has abstained from voting for financing the project due to these concerns.ⁱⁱⁱ
- Rio Tinto and BHP Billiton acquired 2,400 acres of federally protected forestland in Arizona on which they plan to build a copper mine. [The Oak Flat site is considered sacred by the San Carlos Apache Tribe and other southwestern nations, who have vigorously opposed the project.](#)^{iv}
- About 27 percent of Rio Tinto’s gold production comes from the Grasberg mine in Indonesia – one of the world’s most environmentally destructive mines, and one that is not certified by the Responsible Jewellery Council. Decades of mine waste disposal into the Fly River system has left it unsuitable for aquatic life. In addition, it has a long history of human rights abuses inflicted by security forces.^v

The list above includes just a few examples of how Rio Tinto has violated the principles of the [Golden Rules](#) -- which are based on broadly accepted international human rights laws and basic principles of sustainable development. These standards include obtaining the free and informed consent of indigenous peoples, respecting workers’ rights, preventing contamination of air and water and avoiding mining in fragile or high-value ecosystems.

We recognize your support of industry initiatives such as the Responsible Jewelry Council. This is a commendable step, but we do not believe that your membership in the RJC is an adequate fulfillment of your commitments to the No Dirty Gold campaign. [The RJC’s industry-controlled governance, lack of inclusiveness, significant auditing loopholes, lack of transparency, and weak grievance mechanisms are among the inadequacies we see in this system.](#) We see its merits as a trade association, but not as an independent guarantor of sustainable or ethical practices.

As the world’s largest jewelry retailer and industry-leader, we strongly urge Signet to require that Rio Tinto improve its practices in order to continue to do business with your company. We hope that Signet will remain a retailer that abides by the Golden Rules. But in order to remain on this list, your company must make a good faith effort to comply with the commitments you have made to more responsible sourcing – and to hold Rio Tinto and other suppliers accountable for their practices.

We would welcome an opportunity to discuss this with you further. We look forward to continuing to work with you on responsible metals sourcing.

Sincerely,



Jennifer Krill
Executive Director
Earthworks

ⁱ IndustriALL Global Union report, "[Unsustainable: The Ugly Truth about Rio Tinto.](#)"

ⁱⁱ Bank Information Center, [Letter](#) to World Bank Group President Re: Ongoing concerns and key recommendations.

ⁱⁱⁱ Interpress News Service, "[U.S. Abstains from Controversial World Bank Mongolia Gold Mine Project.](#)"

^{iv} Huffington Post, "[Congress Raids Ancestral Native American Lands with Defense Bill.](#)"

^v IndustriALL, CFMEU, Earthworks and MiningWatch Canada, "[More Shine than Substance: How RJC Certification Fails to Create Responsible Jewelry.](#)"