

SIGNET

JEWELERS

Via E-Mail to: rules-comments@sec.gov

U.S. Securities and Exchange Commission
Attn: Elizabeth M. Murphy, Secretary
100 F Street, NE
Washington, DC 20549
Electronic Address: rule-comments@sec.gov

November 1, 2011

Re: Conflict Minerals, SEC Rel. No. 34-63547; Comment File No. S7-40-10

Dear Ms. Murphy:

We commend the Securities and Exchange Commission (“Commission”) for convening the Roundtable on Conflict Minerals on October 18, 2011, and thank the Commission again for the opportunity given to Signet Jewelers Ltd. (“Signet”) to express our views on the Commission’s proposed rules to implement Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) relating to conflict minerals originating in the Democratic Republic of the Congo (“DRC”) and adjoining countries (together, “DRC Countries”). We are writing to amplify the oral remarks made during the Roundtable on behalf of Signet by David Bouffard, Vice President of Public Relations for Signet’s U.S. subsidiary, Sterling Jewelers Inc.

Signet operates several well-known retail jewelry brands in the U.S., including Kay Jewelers and Jared the Galleria of Jewelry, along with H. Samuel and Ernest Jones in the U.K.

Since early January 2010, Bermuda-domiciled Signet has been filing periodic reports with the Commission as a domestic issuer. Signet’s common stock is listed on the New York Stock Exchange (“SIG”), which is the principal market for our stock, and also is listed on the London Stock Exchange.

We are writing specifically to describe our on-going efforts to comply with the applicable requirements of Section 1502, and to urge the Commission once again to provide for a reasonable “phase-in” period for disclosure under the Commission’s final implementing rules. It is important to emphasize at the outset that we are **not** seeking a delay in the effective date of the final rules, but instead are recommending that the Commission exercise the discretion we believe is permitted under Section 1502 to allow those affected issuers that, at least in the case of gold, are even able to determine a country-of-origin with any degree of assurance pending the development of an authoritative, widely-accepted diligence infrastructure.

We have focused primarily on one conflict mineral - gold - not only because it is an essential element of most of our jewelry products - we also use tungsten and tin, to a much lesser extent - but also because the unique characteristics of the global gold supply chain present formidable obstacles to the establishment of a responsible supply chain management system. In so doing, we sincerely hope that our account of the challenges we are facing in preparing for compliance with the new Section 1502 disclosure regime will be helpful to the Commission as it proceeds to adoption of final implementing rules.

We want to make clear from the outset that we at Signet abhor the horrific human rights abuses in the DRC and agree that they must be stopped. While Signet has no reason to believe that any of our products either contain, or are made with gold sourced from DRC conflict-ridden areas, we nevertheless take our obligations under the legislation and the Commission’s implementing rules very seriously.

To that end, we have decided not to await the Commission’s adoption of final rules. As leaders in our industry and in the area of responsible gold sourcing, we have already dedicated additional resources to begin developing, despite the absence of an existing global diligence infrastructure, a responsible supplier chain-of-custody system that we anticipate will take years to fully implement - for reasons that we will explain below. We are doing this on two major fronts; first, through a rigorous analysis of our global supplier base, and second, through our active support of and participation in the initiatives undertaken by an international governmental organization, the Organisation for Economic Cooperation and Development (“OECD”), and by various industry associations engaged directly in developing a responsible chain-of-custody for the gold supply chain that is designed

specifically to conform to the still-evolving OECD due diligence standards for gold, such as the London Bullion Market Association (“LBMA”), the Global e-Sustainability Initiative - Electronics Industry Citizenship Coalition (“GeSI-EICC”), and especially the Responsible Jewellery Council (“RJC”), of which we are both a Founding and Certified Member.

Our goal is to ensure, to the maximum extent possible, that the products sold in our stores do not contain any gold originating from conflict mines in the DRC. Therefore, Signet has already instituted the following compliance measures:

1. We have informed our supplier partners, over 300 companies world-wide, that Signet is implementing a program to identify its **suppliers’** global gold supply chain, with a view, over time, toward establishing a traceable source of conflict-free gold and other metals included in products sold through our retail stores in the U.S., as well as the U.K. We are pleased to report that the response from our suppliers has been overwhelmingly cooperative, notwithstanding that most of them are **not** U.S. public companies subject to the conflict minerals reporting requirements.
2. We are working from the ground up in an attempt to create an auditable supply-chain mechanism, which will include a detailed review and analysis of gold sourcing by our suppliers, to substantiate that the gold we sell at retail originates through banks that source “London Good Delivery” gold exclusively from LBMA-accredited refineries, and refineries which will follow the GeSI-EICC refinery validation program and/or the RJC Chain-of-Custody Initiative currently in development. However, very importantly, while the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2010) (“2010 OECD Guidance”) contains a detailed Supplement on Tin, Tantalum and Tungsten, a Gold Supplement has not yet been completed. We intend to follow the OECD Due Diligence Supplement on Gold that is only now being developed, and on which the Commission and the U.S. State Department have both announced publicly they will rely as a vital benchmark for the sufficiency of industry compliance efforts.

It is worth noting that we are engaged in furthering the development of the Gold Supplement through input into the OECD Gold Working Group and its Drafting Committee. However, we do not anticipate early adoption and issuance of the OECD Gold

Supplement, which we understand will not be finalized until at least the first quarter of 2012, after the multi-stakeholder consensus process has concluded. OECD established a separate working group for gold, and has made gold the last in developing mineral-specific diligence guidelines, in recognition of the unique complexities of the gold supply chain.

This timing is problematic for Section 1502 compliance by jewelers and other companies that use gold in their products, because it means that at the beginning of 2012 there will be no acknowledged and fully-developed framework for gold supply chain due diligence practices upon which management can base the design and implementation of its own due diligence measures, and against which the required independent third-party audit can be performed. Standards for gold will not be in place to permit refineries and banks to obtain the “conflict-free” audits now underway in connection with tin and tungsten (e.g., modeled after the tantalum GeSI-EICC Conflict-Free Smelter program, known as “CFS”), which the private sector believes are necessary to obtain the reliable “choke-point” entity representations that will be a critical cornerstone for covered issuers’ conduct of **both** the threshold reasonable country-of-origin inquiry and the due diligence that must underpin the Conflict Minerals Report. In addition, despite its best efforts, the Department of State has not yet been able to successfully map the mineral-rich zones, trade routes and other areas under the control of armed terrorist groups within the DRC Countries.¹ Simply put, this combination of factors makes it impossible for issuers to comply in a meaningful way with their conflict minerals compliance obligations, unless they are able to find a way to avoid the DRC Countries entirely - a result that we believe would undermine the humanitarian goals of Section 1502.

During the Roundtable, the Commission’s Staff asked which of two potentially applicable generally accepted government auditing standards promulgated by the Government Accountability Office (“GAO”) should apply with respect to the Conflict Minerals Report - an attestation engagement that can be performed only by a registered public accounting firm, or a performance audit that can be performed by a non-accountant subject-matter expert.

¹ The State Department published an incomplete map dated June 14, 2011, indicating that serious limitations on its ability to collect and analyze the necessary data led the agency to conclude that, “this map does not provide sufficient information to serve as a substitute for information gathered by companies in order to exercise effective due diligence in their supply chains.” This map is available at https://hiu.state.gov/Products/DRC_MineralExploitation_2011June14_HIU_U357.pdf.

In our view, the Commission should allow companies to engage non-accountants to undertake a performance audit designed to determine the conformity of a particular company's due diligence practices relating to conflict-free minerals sourcing, as disclosed in a Conflict Minerals Report, to an authoritative control framework that is consistent with the objectives of Section 1502 and the Commission's implementing rules (e.g., the 2010 OECD Guidance and the Gold Supplement thereto, once completed).

Regardless of which of the GAO auditing standards the Commission ultimately identifies, in consultation with the GAO, as appropriate for Section 1502 compliance purposes - which we believe, at a minimum, should be the performance audit, but also could be an attestation, at the issuer's option - application of such standards requires a clear set of widely-accepted and authoritative criteria to which management systems and practices can be compared and assessed for conformity. In the absence of the final OECD Gold Supplement, or completion of the various gold industry initiatives that are being developed to align fully with the OECD's special diligence framework for gold, full Dodd-Frank Act gold supply chain due diligence cannot yet be defined, much less achieved.

It goes without saying that audits, therefore, would seem futile without this framework, as to the best of our knowledge there are no acceptable substitutes. We, therefore, suggest that the Commission permit a limited transitional period during which companies that use gold in their products could provide certain unaudited disclosures pending publication of the OECD Gold Supplement and the establishment of reliable, widely-recognized due diligence mechanisms thereunder that encompass all elements of the gold supply chain, including most prominently the world's gold refineries. We suggest that this one-time dispensation, which has some precedent in the Commission's phase-in of the full array of internal control over financial reporting requirements prescribed by Section 404 of the Sarbanes-Oxley Act of 2002, be accompanied by a more broadly applicable, yet specific, statement by the Commission - preferably made part of the regulatory text of the final rules - that due diligence in conformity to the 2010 OECD Guidance and its conflict mineral supplements would be recognized as sufficient to satisfy the degree of "reasonable" due diligence required by the final rule. In our view, the Commission has the authority under Section 36 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), to grant this narrow transitional relief.

This should not be perceived as a delay in gold industry efforts to preclude financing of DRC conflict and human rights abuses through the operation of responsible global gold supply chains. We are working diligently, as discussed, providing direct input into the OECD Gold Working Group and its Drafting Committee now developing a Gold Supplement, and actively participating in or supporting several on-going industry initiatives intended to help affected companies comply with this Supplement and/or Section 1502 itself. The LBMA Responsible Gold Guidance, for example, will require that its sixty-one accredited gold refiners, the first tier of gold refining worldwide, must agree by January 1, 2012, as a condition of continuing LBMA accreditation, and contingent upon finalization of the OECD Gold Supplement, to promptly implement an OECD-conforming management system to determine their sources to be conflict-free, with verification of that performance by a third party audit. GeSI-EICC is now testing a Refinery Protocol for gold refineries (more on this below). The RJC Chain-of-Custody Certification standard, we understand, is expected to be completed in early 2012, subject to the OECD timetable for gold, enabling utilization by a broad spectrum of gold supply chain participants.

So a delay in the applicability of **some** elements of the Commission's final rules to affected issuers that use gold - specifically, the obligation to disclose that a company is "unable to determine" the country of origin of its conflict minerals, and the obligation to submit an audited Conflict Mineral Report - will not delay achievement of the goals of the Section 1502, but instead will serve more effectively to integrate the statute and related Commission rules into a consistent world-wide diligence framework that will promote and assist in achievement of those goals. Until then, we propose that companies be permitted to provide annual, unaudited disclosures that would: (1) identify those products aggregated by category that the company reasonably believes may contain "conflict minerals" as defined by Section 1502 and the Commission's implementing rules, specifying those product categories and minerals and, if at all feasible, identifying refinery sources; (2) indicate that the origin of these conflict minerals is "indeterminate" explaining why that is - because the global diligence infrastructure is still being developed by the OECD, refineries are still being audited and testing pilots, etc.; (3) identifying those governmental, semi-governmental and private-sector diligence initiatives underway, the company's role therein, if any; and (4) describe what measures the company has

undertaken itself to develop a management due diligence system covering its supply chain for each conflict mineral.

This disclosure would be “furnished” to the Commission under cover of a Form 8-K or other, specialized form that the Commission chooses, and posted on the company’s website. We recommend that the timing of this disclosure be de-coupled completely from the periodic reporting deadlines established under the Exchange Act.

As noted, we have also been working with the RJC, the world’s leading jewelry trade association dedicated to responsible supply chains in the jewelry industry. RJC represents over 340 jewelry companies and associations world-wide, one of which was Signet as one of its 14 Founding Members in 2005. Signet is now one of RJC’s 44 Certified Members, its supply chain management practices having been independently audited against the RJC’s Code of Practices - a standard for responsible business practices in the jewelry supply chain. Signet continues actively to assist RJC in establishing robust chain-of-custody standards, and implementation guidance, applicable throughout the global gold supply chain, and one that non-RJC members can adopt, as well. The RJC Chain-of-Custody work also aims to support implementation of the OECD Due Diligence Supplement on Gold, once finalized.

In addition, Signet has been an active member of the GeSI-EICC gold working group and intends to pilot the Refinery Protocol, currently in trial, by “pushing down” the requirements of this Protocol contractually throughout the various tiers of the Signet supply chain once the Protocol is finalized in perhaps the first half of 2012.

Clearly, Signet is working with others on a number of initiatives underway, but not yet in place. These complementary initiatives have the active support and involvement of many of the major players in the global gold supply chain, from mining companies, refiners, banks, manufacturers, retailers such as Signet, and industry trade associations, such as RJC.

While these initiatives were underway before the legislation was enacted in 2010, it’s important to emphasize that final due diligence standards and other guidance from the OECD and the various private-sector initiatives in which we are actively participating will not be in place for business use until next year at the earliest, with supply chain testing and

implementation to follow over the years to come. And, importantly, OECD, RJC and others are principle- and guidance-based organizations, whose protocols have yet to be finalized, tested or implemented.

It is indicative of the complicated and highly fragmented nature of the gold supply chain, that to create a transparent and responsible supply chain in the gold industry has taken the time and resources of the world's largest corporations, and yet is still so far away from being workable. We respectfully urge the Commission to recognize this critical fact as it considers the recommendations from Signet and other commentators for a reasonable "phased-in" reporting approach to assure meaningful compliance with the full panoply of reporting, certification and audit requirements contemplated by Section 1502 of the Dodd-Frank Act.

We strongly believe that any responsible effort by participants in the global gold supply chain to meet the goals of the legislation will require considerably more time and the coordinated efforts of both governmental and non-governmental representatives.

Therefore, we recommend that the Commission adopt a calibrated, phased-in disclosure approach that envisions disclosure of what reasonably can be achieved in the near term - that is, how affected companies are creating and testing systems for conducting "reasonable" country-of-origin inquiries and performing due diligence in accordance with the timetable for development and implementation of authoritative global due diligence standards by the OECD and the various other governmental, semi-governmental and private-sector entities.

Leading companies in the gold supply chain, such as Signet, have engaged proactively in these pioneering activities to help establish reliable and workable global due diligence mechanisms, and should not bear the risk of being unfairly stigmatized by their customers and investors simply because the global mechanisms do not yet exist to permit us to determine, one way or another, whether any trace of a conflict-tainted mineral is in fact present in our products. The potentially material adverse impact on affected companies in the jewelry industry could be devastating, particularly for those of us that sell "luxury" products in an uncertain economy and are far downstream in the highly complex, multi-tiered gold supply chain, of having to disclose - for what is now potentially a period of

several years pending completion of the compliance infrastructure required to provide a reasonable basis for even the threshold country-of-origin determination - that we are “unable to determine” whether any of the designated minerals that might be present in our products originated in the DRC Countries. This result is neither fair nor reasonable from the perspective of public companies and their shareholders; nor would it help advance the core humanitarian goals of Section 1502.

In sum, although we are making every effort to comply with the Dodd-Frank conflict minerals requirements, we nonetheless face some significant obstacles - most, if not all of which are common to the gold supply chain - that will take a significant amount of time to overcome as we work toward achieving the goals of Section 1502. These obstacles include, but are not limited to, the following:

1. Supply chain traceability: The lack of a widely recognized global structure covering the gold jewelry supply chain, which is necessary to enable retailers such as Signet to trace the origins of gold in their products, pending the publication and implementation of guidelines and standards that still must be set by organizations such as OECD, LBMA, GeSI-EICC, and RJC. Currently, there is no reliable infrastructure within the DRC Countries to track the origin of minerals. We believe that the State Department is fully aware of the practical difficulties of mapping conflict-free zones within the DRC (see, e.g., note 1, above), and is very concerned that companies subject to the new rules might avoid sourcing in Africa entirely to minimize the risk of having to report that their products may contain conflict minerals. This unintended consequence, of course, would defeat one of the central purposes of Section 1502, which is to foster legitimate, conflict-free mining by the people of the DRC who are the victims of armed conflict and terrorism. The lack of established structure and systems exacerbates the significant problems outlined in Points 2 - 8 below:
2. The fragmented and non-linear supply chain: Signet operates at one end, and the DRC region’s miners at the other end, of a complicated, non-linear and fragmented supply chain. Thus, it is impossible, at present, and in the absence of a common frame of reference (as above), for Signet or any other large-scale retailer to establish relationships or systematic processes in concert with mining operations. This is why a reliable refinery certification mechanism built on the OECD Gold Supplement’s

guidance is so critical to our successful creation of a meaningful supply chain management system. As a retailer, we have no direct relationship, and therefore, no real influence, contractual or otherwise, with the entities closest to the source of the raw material that are many points removed down the supply chain from the final product sold at retail. Also, the designated minerals, and the ores from which they are derived, are fungible commodities that are part of a complex and convoluted global production and trading system, through which they are blended, combined, and substantially transformed into a multitude of other products that are sold world-wide, and over which U.S. retailers and consumer brand companies have little or no control. This is particularly true of gold.

Total global inventory is approximately 160,000 tons with varying new annual supplies to the market of approximately 4,000 tons per year. Mine supply is still 60% of the ongoing supply, with 40% from "above ground" stocks, or scrap, so only a small fraction of newly-mined gold coming from current mining operations is being added to the existing supply. Systems can and will be put in place, but they will take time to flow through the supply chain to the ultimate sources of gold.

3. Special problems associated with recycled gold: The Commission asked about requirements for recyclable materials. Gold is one of the most intensively recycled materials, for many sound reasons and with substantial beneficial effects, and we believe that legitimate recycling does not finance conflict and human rights abuse. Legitimate recyclable material should be subject to different consideration by the Commission, and in particular should not be deemed potentially to be suspect or contaminated with gold from conflict-affected sources, thus requiring a Conflict Minerals Report. This is not to seek an exemption from due diligence for recycled gold, but instead a recognition on the Commission's part that a mine or country of origin, beyond the location of a refinery or bullion bank, cannot and need not be determined in order to fulfill the purposes of Section 1502. Recyclable gold-bearing materials of course require appropriate risk-based due diligence procedures to preclude laundering of newly-mined conflict gold through false claims of being recyclable material. We understand that the forthcoming OECD Gold Supplement will provide guidance to this effect for recycled gold, which was not covered in the 2010 OECD Guidance. In our view, the Commission

should align the final rule with the practical realities that will be recognized in the OECD's final guidance for the gold supply chain.

The Commission also asked if there should be different treatment for existing stockpiles of gold. We submit that there should be different treatment, because these stockpiles cannot now be retrospectively traced back to their mining origins, cannot now finance conflict and abuse of human rights associated with those mining origins, and should not be diminished in value. There is apparent agreement upon this point in the on-going development processes, which will ultimately be reflected in the guidance provided in the OECD Gold Supplement and the various industry initiatives being developed thereunder. Accordingly, we urge the Commission to provide for a one-time "grandfathering" provision for existing gold stockpiles, with a proposed threshold date of January 1, 2012, contingent upon publication of the OECD Gold Supplement. That is, gold in existing stocks will not require determination of a mine and/or country of origin if such stocks were verifiably in existence prior to January 1, 2012, subject to the following conditions:

- a. This treatment of existing stockpiles applies only to refined gold held in stockpiles of banks and financial repositories. Other existing gold stocks, such as in refineries, in the form of privately held gold, whether bars or jewelry or any other form, will require country-of-origin inquiries and the performance of due diligence in the same manner as we have suggested above for recyclable materials, without regard to date of production.
- b. The date of refining or proof of ownership prior to the threshold date must be shown by a marking in the gold itself, imprinted at the time of its production, or by inventory records of the bank or repository, made in the ordinary course of its business. The reason for a business record verification is that until recent years it was not common to imprint the year of production into gold bars, and the reserves of many governments are not so imprinted, while reliable inventory records for such gold are common and reliable. Existing stockpiles described above are not exempt from Section 1502 coverage, in sum, because appropriate risk-based due diligence would be required to verify that the above-stated conditions are met. A threshold date based on inventory records for refined gold in existence before January 1,

2012, is considerably easier to determine and verify than a date of mining extraction, and logically the extraction date precedes the date of refinement and thus is captured.

4. Special problems associated with the gold production process: The way gold is produced and marketed presents some unique problems that particularly impact the jewelry sector. For example, 40% of the gold produced every year comes from recycled material; moreover, the gold supply chain is not linear, as refineries source from multiple mine sources, as well as, recycled material. While efforts are underway, recycled and mined gold supplies generally are not segregated at the refinery level. Gold and other recycled metals do not show a country of origin – the source is considered the refinery or smelter. Depending in particular on the form of gold (e.g., grain, or semi-finished product), even information about the refinery source is not provided with the gold. In addition, while most gold comes from certain large-producing countries, such as Canada, Russia, South Africa, and Peru, about 10% of gold is largely artisanal-mined, on a very small scale (“ASM”). ASM is not covered by the 2010 OECD Guidance for the 3-T’s and there is no established process associated either with large-scale industrial mining, or with artisanal gold mines² that will allow manufacturers or retailers of gold-containing products to track the source of gold at this level. For this reason, leading corporations in the electronics and jewelry industries that use gold in their products are dedicating large resources to establish such a process for larger scale and formal supply chains, predicated on widely-recognized guidance from authoritative bodies, such as the OECD, that can be independently audited through RJC and GeSI-EICC mechanisms (to name just two examples). These facts make establishing the provenance of gold from the refinery or other source (for example, a bank supplier of gold bullion) back to the mine, impossible for a retailer at present. Once the OECD Gold Supplement is finalized and published, ASM work still must be incorporated into the supply chain due diligence system, which necessarily will take a significant amount of time.

² To the best of our knowledge, the “fair trade” tracking standard for artisanally-mined gold developed by the Fairtrade Labelling Organisation and the Alliance for Responsible Mining does not cover the DRC Countries.

5. The U.S. retail jewelry industry is highly fragmented: While Signet is the largest specialty jewelry retailer in the U.S., we have 4.4% share of the total U.S. jewelry market, and 10.3% of the U.S. specialty jewelry market. There are approximately 22,000 jewelry-store companies, each with its own supplier base, operating approximately 25,000 jewelry stores in the U.S., and we operate one company with 1,345 stores, so our influence is limited. It is our goal to develop a tracking protocol over time that our competitors, including some 80% of which are not subject to Section 1502 and the Commissioner's proposed implementing rules, can adopt so the goals of the legislation can be achieved with even greater scale by like-minded companies. As noted above, we are also using our influence through RJC membership and support of broader industry initiatives covering parts or most of the global gold supply chain, such as those spearheaded by the OECD, LBMA, RJC and GeSI-EICC. It will take considerable time to address these obstacles effectively, and Signet is extensively involved in all relevant industry initiatives to do so. In the meantime, we strongly believe that the Commission should provide companies that are undertaking their best efforts to comply with Section 1502's letter and spirit with some flexibility in complying with their reporting responsibilities.
6. Difficulties of verifying the accuracy or inaccuracy of information from suppliers: In the absence of an international system or standards, Signet's 300+ suppliers from more than 20 countries do not have any consistent reporting structure, and many are small-scale family businesses in countries not affected by Section 1502. Nevertheless, Signet is now starting to establish such a system, working with the collaboration of these suppliers while awaiting the final guidance of the OECD and RJC standards as a reference. Even after we obtain information from our suppliers, we are dependent on them for the accuracy of that information. As discussed, there is currently no active certification and validation system at the mine, refinery or intermediate-supplier level, without which it is impossible to determine the origin of the subject minerals with any degree of reliability or accuracy. We estimate it will take at least two years to develop and launch a pilot test, and ultimately implement a refinery validation or any other supply chain traceability protocol, which can provide a reasonable basis for disclosure across fragmented supply chains. This is why a phased-in approach to disclosure is so

important. Again, we're working every day toward accomplishing our goals, but these good-faith efforts will not yield fruit overnight.

7. Consequences for retailers: Section 1502 and the Commission's proposed rules give rise to the significant, if obviously unintended, risk of stigmatization of supplies of gold from the DRC Countries (e.g., legitimately mined gold) or even from Africa and the Middle East. That's why Signet supports the view that the designation "DRC Conflict-Free" should apply only to conflict minerals sourced in the DRC, not elsewhere, to help avoid this stigmatization. With the current inability to verify the accuracy of its suppliers' information, and the absence of a workable refinery certification protocol, retailers may find themselves forced to protect their reputations in the face of uncertainty by directing their suppliers, to the extent they are able, to avoid the DRC or Africa entirely in light of the risk that gold and other conflict minerals sourced in the DRC Countries - however small the amount this might be in the case of gold, as will be discussed below - are known to be smuggled into large trading and processing centers, such as Dubai or India, with no way of tracing their origin. Again, this result ultimately could defeat an important goal of the statute, which is to help the people of the DRC overcome the terrible personal and economic burdens imposed by the now-endemic armed conflict. To guard against this unintended consequence of punishing the very people Congress has sought to protect in passing Section 1502, we again urge the Commission to consider that robust, tested and independently verifiable international standards must be put in place first, such as those currently in development by OECD and RJC, to promote continued sourcing of gold in the DRC Countries.
8. Gold production and the DRC: Although the problems in DRC are severe and must be dealt with, DRC production of around 8 tons per year is insignificant in the global supply of 4,000 tons per year (i.e., less than 0.3% per year), of which 2,500 tons are from mine supply and 1,500 from "above ground" inventory, or "scrap". As a result, the gold industry at large (which includes the world's commodities markets) is not concerned with the issues of gold production in the DRC - it is simply too easy for the DRC to be ignored entirely when companies are in search of reputable gold supplies, which clearly would undermine the goal of the legislation.

Therefore, it is incumbent on industry leaders such as Signet, with the support of the OECD, the United Nations Group of Experts (“UN”), and industry organizations such as LBMA, GeSI-EICC and RJC, to set the standards for the “best diligence practices” possible that others will follow. That will take time. Nevertheless, Signet is willing to take the necessary measures to address the conflict minerals requirements related to gold and the other conflict minerals that might be present in the products we sell. For example, the measures we are taking in our gold business will also apply to the use by our suppliers of tin and tungsten, which are extremely small but equally relevant.

Importantly, we are not asking for a delay in the applicability of the final rules. Instead, as discussed above, we are urging the Commission to provide in those rules for a phased-in disclosure schedule that is tied to progress made in the adoption and testing of an authoritative and reliable global diligence framework by the OECD, in cooperation with affected industries and other participants in the relevant supply chain. Application of the full panoply of reporting, certification and auditing requirements is appropriate only when it is practicable and feasible to determine the origin of gold and other conflict mineral “inputs” - that is, when the OECD guidance for gold and other authoritative standards now in progress are finalized and implemented globally to ensure responsible production, refining and trading of the raw materials that our suppliers then work with to produce the products we sell.

In the meantime, companies that are adopting policies and processes to comply with the law, in accordance with the timetable driven by the collective efforts of the OECD, and the UN, along with private-sector organizations, should be allowed to identify the source of any designated minerals in their products without penalty as “indeterminate” in the new disclosures required by the Commission, if, despite best efforts, they are unable to determine the source of conflict minerals in their supply chain. The use of the term “indeterminate” would be linked to the period of time between the new rules’ Effective Date and the point in time at which such companies will have a reasonable basis for making the threshold “country-of-origin” determination and performing the due diligence necessary to preparation of a meaningful Conflict Minerals Report.

The attached Calendar sets forth our current, good-faith estimates of the various milestones that must be met before we will be in a position reasonably to determine the

country-of-origin of the gold used in our products, and to provide the audited Conflict Minerals Report with respect to any of our gold-containing products that may be covered by the Commission's final rules - depending on how the Commission defines the term "contract to manufacture" as applied to pure retail companies such as Signet.

We want to be clear on this point. We are not advocating loopholes that would absolve companies from any responsibility to comply with the law. Nor are we seeking any delay in the effective date of the final Commission rules. Rather, we are looking to encourage companies to begin now to adopt current "best diligence practices" - as those practices evolve in conjunction with the nascent global diligence framework - in managing their supply chains without taking the easier route of by-passing Africa entirely as a source of any of the conflict minerals. Although this process will take more time and possibly cost more, we firmly believe it is the appropriate course of action for affected companies as it can evolve with the development and improvement of "best diligence practices" tools.

Accordingly, we strongly urge the Commission to take into account the potentially unnecessary costs that companies would bear, in terms of possible reputational and economic damage. This is particularly true for the jewelry industry, if forced prematurely to disclose that a company is "unable to determine" whether its gold originated in the DRC when the statistical risk is low given DRC gold production levels, along with uncertainty regarding the nature and scope of the required audit and certification requirements. Ultimately, premature application of the entire array of Section 1502 requirements on the Effective Date is unlikely to result in better disclosure or otherwise advance the humanitarian policy goals of Section 1502.

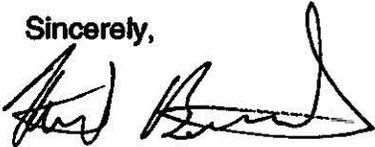
In closing, we want to emphasize that we are committed to the goals of the legislation and that we have a process currently underway to try to meet those goals. While it will take time to fully implement the process, we believe it can be done - and done effectively.

Therefore, we are pleased to offer our direct assistance to the Commission and its Staff as the Commission moves to adoption, in particular to share the details of our attached timetable, to help you, as rule-makers, better understand what we, as one of the world's leaders in the specialty retail jewelry industry, believe it's really going to take in terms of time and infrastructure to comply with the new conflict minerals disclosure requirements.

At the end of the day, we fully expect that the Commission's final rules will be fair, reasonable and based on a careful balancing of the time and costs that companies must expend to comply, the impact on the people of the DRC whom the statute is designed to protect, and the needs of investors for meaningful disclosure.

The recommendation from Signet is, therefore, that the Commission align the implementation of its final rules to the adoption and subsequent implementation of the authoritative guidelines and standards currently in development, especially by the OECD, as buttressed by the efforts of the LBMA, GeSI-EICC and RJC. These rules should accommodate the establishment of global industry guidelines and standards in 2012, and permit graduated disclosure annually thereafter by affected companies, with a three-year external auditing horizon (based on current OECD draft guidelines). Please see the attached "Recommended Conflict Minerals Disclosure Phase-in Calendar" showing our suggested disclosure phase-in timetable based on what we believe to be the important milestones.

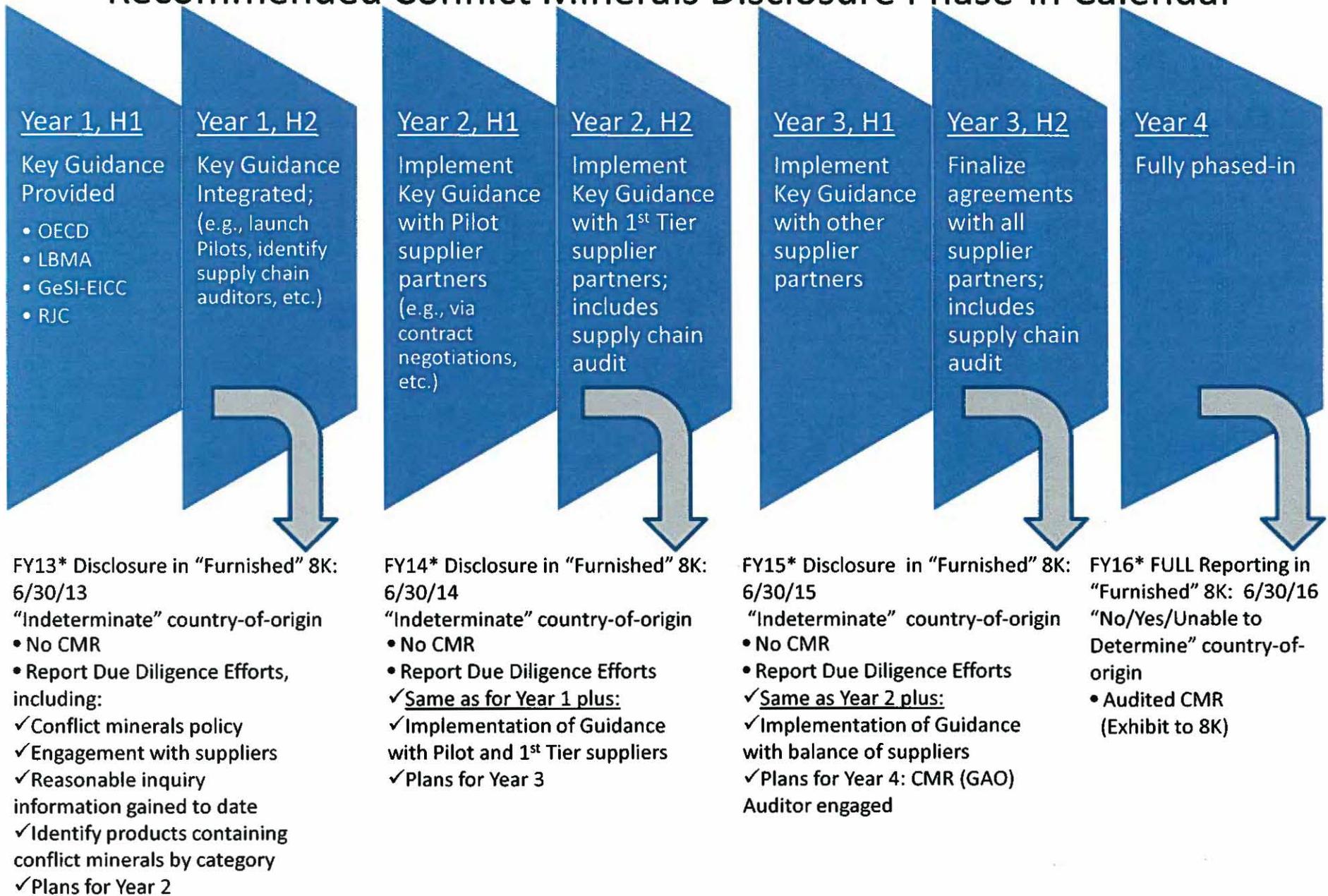
Sincerely,

A handwritten signature in black ink, appearing to read "Michael Barnes", written over a horizontal line.

Michael Barnes, Chief Executive Officer
Signet Jewelers Ltd.
367 Ghent Road
Akron OH 44333

Attachment

Recommended Conflict Minerals Disclosure Phase-in Calendar



*Begins Jan. 29, 2012

*Begins Feb. 3, 2013

*Begins Feb. 2, 2014

*Begins Feb. 1, 2015

Oral Statement of Signet Jewelers Ltd.

SEC Roundtable on Conflict Minerals

SEC File Number S7-40-10

October 18, 2011

Good afternoon. My name is David Bouffard, Vice President of Public Relations with Sterling Jewelers Inc., headquartered in Akron, Ohio, the US operations of the world's largest specialty retail jeweler, Signet Jewelers Limited.

We appreciate the invitation to appear at today's Roundtable facilitated through the National Retail Federation, and commend the Commission for bringing together a wide array of divergent viewpoints to discuss this important topic. Today, I am speaking on behalf of Signet in describing our on-going efforts to comply with the applicable requirements of Section 1502.

Importantly, we are committed to the goals of this legislation, and we sincerely hope sharing our efforts today in preparing for compliance will be helpful to the Commission.

I want to make clear from the outset, that we at Signet, and the jewelry and retail industries as a whole, abhor the horrific human rights abuses in the DRC. And while Signet has no reason to believe that any of our products contain gold sourced from DRC conflict-ridden areas, we nevertheless take our responsibilities under this legislation very seriously.

To that end, we have decided not to await the Commission's adoption of the final rules. As leaders in our industry and in the area of responsible gold sourcing, we have already begun developing - despite the absence of an existing global infrastructure - a responsible supplier chain of custody program.

Our goal is to ensure - to the maximum extent possible - that the products sold in our stores do not contain any gold originating from conflict mines in the DRC.

Therefore, Signet has already instituted the following compliance measures:

1. We have already informed our supplier partners, over 300 companies world-wide, that Signet is implementing a program to identify our suppliers' gold supply chain, with a view, over time, toward establishing a traceable source of conflict-free gold and other metals included in products sold through our retail stores in the US, as well as the UK.
2. We are working from the ground up - essentially starting from scratch - to create an auditable supply chain mechanism to confirm that the gold we sell at retail originates through banks defined as "good delivery" by the LBMA, and refineries which will follow the GeSI-EICC refinery validation program, currently in development. Also, very importantly, we intend to follow OECD Guidelines on gold, that are only now being developed. It's worth noting that the OECD established a separate working group for gold, and has made gold the last in developing mineral-specific diligence guidelines, recognizing the unique complexities of the gold supply chain.

3. We have been working with the Responsible Jewellery Council, the world's leading jewelry trade association dedicated to a responsible supply chain, in establishing robust chain-of-custody standards, and implementation guidance, applicable throughout the gold supply chain, and one that non-RJC members can adopt, as well. The RJC chain-of-custody work also aims to support implementation of the OECD Guidance.

While the OECD, GeSI-EICC and RJC initiatives were all underway well before the legislation was enacted in 2010, it's important to emphasize that final standards and other guidance from the OECD and the various private-sector initiatives will not be in place until next year at the earliest, and we cannot reach our goal until the standards are finalized. Supply chain testing and implementation would then follow over the years to come.

And although we are committed to complying with section 1502, we face some significant obstacles:

First, there is no reliable infrastructure within the DRC and neighboring countries to track the origin of minerals from any potentially conflict-tainted mine, and we understand that such an infrastructure may be years away from implementation.

Second, we have no direct relationship with refineries closest to the source of the raw material that are many points removed down the supply chain from the final product sold at retail.

Third, even after we obtain information from our suppliers, we are dependent on **them** for the accuracy of that information, there is currently no viable certification and validation system at the mine, refinery or intermediate-supplier level. And, it will take time after development to ultimately implement a refinery validation, or any other supply-chain traceability protocol, which can provide a reasonable basis for disclosure. This is why a phased-in approach to reporting and disclosure is so important.

I want to be clear on that point. We are not advocating loopholes that would absolve companies from any responsibility to comply with the law. Nor are we seeking any delay in the effective date of the final Commission rules. Again, we believe a reasonable phased-in approach to reporting recognizes the complexities of the global gold supply chain.

In closing, I want to emphasize that we are committed to the goals of the legislation and that we have a process currently underway to try to meet those goals. While it will take time to fully implement the process, we believe it can be done -- and done effectively. We are pleased to offer our direct assistance to the Commission and its Staff to share our detailed work plan and progress. We offer that assistance beginning today, and for as long as it takes the SEC to adopt its final rules.

Thank you, and I would be happy to answer any questions.