

# TIFFANY & CO.

## PROCEDURE

SUBJECT: Responsible Purchasing Policy – Worldwide

DEPARTMENT: Responsible Sourcing

DATE: August 2020

ISSUED BY: Diamond & Jewelry Supply

### Overview

At Tiffany & Co., we hold ourselves and our Suppliers to the highest standards, which are outlined in the Business Conduct Policy and Supplier Code of Conduct, among other Tiffany policies. We believe that when it comes to crafting our products, human rights, health and safety and the environment must be protected. We manufacture the majority of our jewelry in Tiffany internal manufacturing facilities and we hold our own operations to these standards. For our products produced by third-party suppliers, we choose to work with likeminded, value-oriented suppliers as well.

We understand that how we plan, communicate, design, and source our raw materials and finished goods influences our manufacturing partner’s ability to meet our high expectations. We seek partnerships with Suppliers that are agile and resilient enabling them to drive sustainable growth through minimizing environmental impacts, supporting a strong culture of safety, and valuing their workforce. We strive to not only maintain business agility while minimizing social and environmental impacts, but also to proactively address potential issues in the industry and create positive impacts through our business.

We expect all Tiffany Suppliers to share our commitment to the goals of respecting the rights of workers with particular care for the needs of groups such as women, migrants, and temporary workers, and to advancing the welfare of workers and communities, reducing waste, using resources responsibly and efficiently and working to reduce carbon in line with international climate targets.

We understand that meeting our Sustainability vision, focused on product, people, and planet, requires an engaged and supportive supply chain. This level of engagement with our suppliers will offer benefits from a long-term view of supplier relationships, emphasizing transparency and progress and mutual respect to achieve these goals. Together we can all achieve greater improvements in labor, health and safety and environment in the countries where we operate and source, in addition to meeting our compliance expectations.

### Scope

This policy applies to departments of Tiffany engaged in sourcing and purchasing of merchandise-related goods for sale and customer-facing packaging, as well as key materials used in our retail stores.

### Key Purchasing Criteria

The following is a set of general principles which should frame procurement practices of Tiffany & Co. departments, alongside other factors that are considered in making procurement decisions such as cost and quality. Not all are applicable, or can be achieved for each purchasing decision, but should be taken into account along with other important factors to help make procurement decisions.

**1. Work with Suppliers committed to strong ethics and good business practices.**

Work with Suppliers demonstrating a commitment to ethical business conduct, sound governance, and business practices that promote sustainability and social and environmental responsibility.

**2. Work with Suppliers committed to following our Supplier Code of Conduct and Supplier Code Guidance in the procurement of our goods.**

We expect all Suppliers to hold themselves and their supply chains to the same high social and environmental standards we expect of ourselves. We therefore ask all Suppliers to commit to compliance with our Supplier Code of Conduct and meet the expectations of our Social & Environmental Accountability Program, or standards that incorporate similar requirements. Tiffany seeks to work collaboratively with its Suppliers towards continuous improvement in responsible business practices. However, we reserve the right to end a relationship with a Supplier who does not address these opportunities, where circumstances demand. Priority should be given to those Suppliers that are transparent about their progress, including those that report against global frameworks such as the UN Global Compact and the UN Sustainable Development Goals, Global Reporting Initiative, and Sustainability Accounting Standards Board or other internationally recognized sustainability reporting frameworks.

**3. Work with Suppliers committed to protecting human rights and advancing diversity, equity and inclusion.**

Work with Suppliers committed to respecting human rights and those endeavoring to pay a living wage to their employees. Priority should be given to Suppliers that align with the United Nations Guiding Principles on Business and Human Rights and work consciously to operate within that framework. We also want to work with Suppliers that share our commitment to embracing diversity, building an inclusive culture, and embedding respect and equality in the workplace through their policies and commitments. Priority should be given to those Suppliers that have signed on to the United Nations Women's Empowerment Principles and the CEO Action for Diversity & Inclusion™ pledge or similar initiatives.

**4. Work with Suppliers that demonstrate respect for the environment, protect biodiversity, and strive to limit their impact on the climate.**

Priority should be given to Suppliers that assess and address environmental impacts, including those that have a climate strategy in place and those that follow guidance from organizations such as International Union for Conservation of Nature (IUCN) Red List.

**5. Work with Suppliers that prioritize minimizing material use and waste.**

Suppliers should be encouraged to prioritize utilizing durable and reusable, recyclable and/or compostable materials and goods. Priority should be given to Suppliers that work to minimize single-use items including packaging, in particular those items made from plastics, to reduce the amount of waste generated and reduce our impact on waste management infrastructure. Suppliers should be encouraged to use recycled materials in all packaging and goods wherever possible.

**6. Work with both large-scale and small-scale and artisanal Suppliers.**

We value the work of artisans and small-scale suppliers for their craftsmanship and commitment to passing down craft generationally. We continue to seek opportunities to increase sourcing from responsible artisanal and small-scale suppliers (including artisanal mines) around the world. At the same time, we also require that that artisanal and small-scale suppliers meet the same high standards that we require of all our Suppliers.

**7. Work with Suppliers that strive to minimize the use of hazardous chemicals in production processes.**

All Suppliers are required to comply with applicable law, including laws restricting the use of hazardous chemicals, as well as Tiffany standards for product compliance and quality. Beyond this, Suppliers should be encouraged to avoid chemicals that harm or have the potential to harm the environment, as well as those who work to replace potentially hazardous chemicals or goods with more environmentally sensitive options.

**8. Work with Suppliers sourcing from countries that are free from conflict.**

All Suppliers must have in place policies and due diligence measures that will provide reasonable assurance to that the finished goods and components purchased by Tiffany do not contain any minerals that finance conflict in line with our [Conflict Minerals Policy](#).

**9. Work with Suppliers that demonstrate commitment to source raw materials sustainably.**

Where applicable, prioritize Suppliers that are committed to complying with Tiffany & Co. expectations around responsible sourcing of raw materials. These include the Sustainable Wood and Paper Guidance and other expectations that may be communicated. Tiffany & Co. has long been committed to advancing responsible mining practices and believes that the manner in which precious metals, diamonds and gemstones are extracted is of the utmost importance. We also carefully consider how other materials are procured and crafted and do not use certain materials, such as coral and ivory, because we believe they cannot be sourced responsibly. Priority should be given to those Suppliers committed to continuous improvement in materials and best practices.

**10. Work with Suppliers that demonstrate a commitment to operate in accordance with third-party standards that incorporate multi-stakeholder governance**

Suppliers are encouraged to go beyond audits of their supply chain and obtain certification and commit to regular re-certification under external third-party standards, where such standards are available. Priority should be given to certifications under standards bodies which are governed by stakeholders that include civil society and the private sector.

### **Roles and Responsibilities**

All employees who have responsibilities relating to sourcing or purchasing the type of material identified above under “Scope” are expected to conduct their work consistently with the principles of this policy. Managers in such roles are expected to align their procurement-related policies and procedures with the principles of this policy.

Responsible Sourcing, along with senior management, will regularly review this policy to ensure it remains relevant and effective.

Contacts: Any questions regarding this policy should be directed to the [ResponsibleSourcing@Tiffany.com](mailto:ResponsibleSourcing@Tiffany.com).