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Our Policy on Leather

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Our Scope

At Sainsbury's we seek to build resilient supply chains by sourcing products ethically and sustainably.

This document details our position and sourcing requirements for all suppliers in non-food grocery, Leather and Suede General Merchandise for all product areas own-brand and licensed products.

The following products are *out of scope* of this document:

Coated and bonded leathers (see definitions)

This sustainable sourcing policy should be read alongside our <u>Supplier Handbook</u>. Depending on where in the business the products are sold, the General Merchandise Sustainability Guidelines, the Clothing Sustainability Guidelines, or the Responsible Sourcing Manual should also be consulted. The policy statements outlined in this document are in addition to all applicable UK and EU legislation. Sainsbury's suppliers must ensure they meet all requirements laid down in law at the point of manufacture and where the products are finally sold to the customer. Whilst this policy is intended to help suppliers provide products suitable for Sainsbury's Brand, they do not absolve suppliers of their responsibility to understand and comply with all the quality, legal and safety requirements for their products.



Our Position

Leather is a material obtained from tanning animal skins and hides, and is widely used in footwear, jackets, bags, and furniture. There are a range of issues surrounding the use of leather, ranging from environmental concerns with water pollution, deforestation and land degradation, social concerns with forced labour and worker health, and animal welfare issues.

Through our <u>Plan for Better</u> commitments, we are committed to sourcing deforestation and conversion free (DCF) commodities by 2025, which includes cattle products such as leather. Environmental concerns during processing include water-intensive processing techniques and toxic chemicals used in the tanning process, which have been associated with pollution due to poor waste management and damage to worker health. As a by-product of the meat industry, global leather production is linked to the expansion of cattle ranching industry, particularly in South America. When sourcing leather hides, cattle ranching has been linked to deforestation and land degradation, leading to both biodiversity loss and carbon emissions. Certification of tanneries enables us to mitigate against environmental issues during processing, but to ensure our leather is also sourced from cattle on deforestation-conversion-free land, we require further traceability information.

SECTION TWO

Statements of intent

- 100% of leather sourced from minimum bronze status LWG accredited tanneries by 2023, with a target to achieve 100% gold status by 31st December 2025.
- Leather sourcing will be verified deforestation & conversion free by 31st
 December 2025 and in line with EU/UK deforestation due diligence legislation requirements



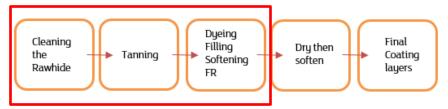
Our Approach

We recognise that traceability and transparency across leather supply chains is extremely challenging, however, to meet the requirements of deforestation legislation, traceability in high-risk sourcing regions is required – this will only be achieved through collaboration with our suppliers and Track Record Global.

Leather quality will be paramount, and products will carry the Leather Hide mark where it meets the requirements.



There are typically 5 stages of production for leather. These may, or many not take place at different facilities and locations. It is only the first 3 production processes where we require the facility to hold (as a minimum) a valid Bronze Rated classification to the Leather Working Group protocol.



The below requirements in each section must be met to mitigate the associated risks:

	General requirements				
1.	Leather manufacturing sites and commissioning manufacturing sites involving the below processes must be minimum Leather Working Group Bronze Rated: Cleaning Tanning Chrome III salts Treatment (Colour/FR/Filling) Any subcontractors are required to be audited by Leather Working Group Traders are required to be a pproved by Leather Working Group				
	Tracea bility requirements				
2,	 Suppliers to submit tracea bility information as requested via our third party, Track Record Global, on an annual basis The information requested will include: Country of slaughter (minimum requirement) Country of origin of hide Species Full details of the leather process supply chain sites including addresses 				
	Animal welfare requirements				
3.	 All leather used must be a by-product of the food industry All leather used must come from animals which have been pre-stunned prior to slaughter The use of endangered, exotic, or domestic animals is prohibited The use of leather from a borted animals, such as Kara kul sheepskin (or Astrakhan), is prohibited 				
	Leather testing requirements				
4.	 Suppliers are responsible for ensuring all relevant chemical and physical testing of leather for their product is in line with Sainsbury's testing performance standards Suppliers should also have in place robust due diligence that will be subject to surveillance testing by Sainsbury's Argos 				
	Leather Hide Marking				
5.	 All leather used for Sainsburys Argos own-brand that is labelled with the Leather Hide mark must have been certified in accordance with BS 2780: 1983+A1:2013 It is the supplier's responsibility to ensure the leather meets the leather requirements and product requirements to use the Leather Hide mark. All Leather Hide marked product will be subject to random audit checks by our third party, Track Record Global 				
	Alternative & recycled raw material (see definitions)				
6.	 If recycled or reused leather is used, the supplier must provide the appropriate chain of custody documentation beyond Purchase Orders, and certification if available We support the use of new materials that might replace animal-derived virgin leather. If an alternative raw material is used, this shall be discussed and approved with the Technical Manager at Sainsbury's on an ad-hoc basis Any alternative and recycled raw material used in place of animal-derived virgin leather must still meet all relevant leather testing requirements 				

Roles and Responsibilities

Suppliers:

All suppliers will provide goods that meet the corporate policy

- All suppliers are responsible for completing the required leather testing
- All suppliers are responsible for tanneries completing LWG audits

Sainsbury's:

- Accountable for keeping supply chain data up to date
- Responsible for sharing supplier and tannery information to Track Record Global for validation

Track Record Global:

• To validate sustainability daims on our leather supply chains and report these to Sainsbury's

SECTION FIVE

Governance

This policy has been agreed by the GM Steering Committee and will be reviewed annually by the Group Head of Environment. All changes will be communicated to the suppliers.



Definitions

Where relevant, our definitions align with Accountability Framework Initiative (Afi)

- Coated leather: Coated leather is defined as a product that has a finish thickness of less than 30 percent but greater than 0.15 mm. The British Standards for leather state that if the leather is coated, the thickness of the surface layer must be less than 0.15 mm to be described as genuine leather; therefore, coated leather cannot be called genuine leather. The material is coated by applying a surface layer of a chemical such as polyurethane to the grain side of the leather. The advantages of coated leather are that it is much cheaper than genuine leather and has a consistent surface finish. However, coated leather doesn't look or feel like genuine leather and is non-porous, meaning the material doesn't breathe. Coated leather is much stiffer and less flexible than genuine leather and is much more likely to crack in hot and dry conditions. For a product to be classed as genuine leather, a minimum of 80 percent of the product must be made from leather. Other forms of leather that are not classed as genuine include laminated leather, which consists of two or more layers of material with the laminate applied to the flesh side, and bonded leather fibre, which is made by disintegrating the tanned hide into fibrous particles that is then bonded into sheets of material.
- Bonded leather: Bonded leather (also called "reconstituted leather" or "blended leather") is a material consisting of leather fibres and binders. It's produced in rolls and should have a leather fibre content of at least 50%. It is produced from waste during leather production. Bonded leather and leather boards are typically produced in thicknesses of 0.25 to 6 millimetres. Such materials cannot be sold as "genuine leather", even if genuine leather fibres are a component.
- Recycled Leather: Pre- and post-consumer waste and off cuts that are re-processed.
- Deforestation: The loss of natural forest as a result of (i) conversion to agriculture or other non-forest land use; (ii) conversion to a plantation; or (ii) severe or sustained degradation.
- Conversion: Change of a natural ecosystem to another land use or profound change in the natural ecosystem's species composition, structure, or function
- **Deforestation and Conversion Free (DCF)**: a volume of commodity produced on land that was not subject to conversion or deforestation past a defined cut-off date.



Links to external resources

Sainsbury's approach to animal welfare



FAQs

Q. Where can I find a list of LWG tanneries.

A. A full list of certified tanneries can be found on the Leather Working Group website Leather Working Group - Leather Working Group

Q. What should I do if the supplier cannot meet our sustainability target by the date required?

A. We cannot begin to take product from a supplier in such instances.

Q. Can I use recyclable leather in my products?

A. Yes. Whilst recyclable leather isn't traceable back to source, its use does mean that "virgin" leather wouldn't be needed instead. The supplier must supply evidence however that the leather used in a product is from a recycled source and not simply from an unsustainable source.

Q. Should the logo be added to the product, packaging or online?

A. No, we do not hold the necessary licence.

Q. What is classed as a high-risk sourcing region for leather?

A. Brazil, Paraguay, Angola, Mozambique, Bolivia, Argentina, Colombia, Tanzania, Australia, Indonesia, Mexico & Nigeria

Sainsbury's

Our Policy on Leather

The information in this document may be supported by other Sainsbury's Documents. The information outlined in this document is in addition to all applicable UK and EU legislation.

Sainsbury's suppliers must ensure they meet all legal and regulatory requirements both at the point of manufacture and where the products are sold to the consumer. Whilst this document is intended to help you supply products suitable for the Sainsbury's brand (i.e. all brands owned by Sainsbury's), they do not absolve you of your responsibility to understand and comply with all the quality, legal and safety requirements for your products or the products you supply.

For the purpose of this document Sainsbury's means Sainsbury's Supermarkets Limited and Argos Limited only. Sainsbury's Argos is the trading name of both:

- 1) Argos Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA.. Registered number: 01081551
- 2) Sainsbury's Supermarket Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA. and Sainsbury's Supermarkets (NI) Ltd, Upper Galwally, Belfast, BT8 6FX Registered number: 03261722

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PL009-V1	CR&S Sustainability Executive	New document	June 2023
PL009-V2	CR&S Sustainability Manager (Deforestation)	Changed Eurofins BLC to Track Record Global	June 2024
PL009-V3	CR&S Sustainability Manager (Deforestation)	Sunset date updated	Sept 2024
PL009-V4	CR&S Sustainability Manager (Deforestation)	Head office location updated	June 2025