

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 goods for retail suppliers across all product areas own-brand and licensed products where coffee is the main primary ingredient.

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

- Roast & ground, whole beans
- Instant
- Pods & coffee bags

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

 Food and other products containing coffee ingredients e.g. bakery, confectionary etc

This sustainable sourcing policy should be read alongside the **Responsible Sourcing**Manual, the <u>Policy on Ethical Sourcing</u> and the Corporate Food Labelling Guidelines.

The policy statements outlined in this document are in addition to all applicable 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 own-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

At Sainsbury's, we are committed to respecting human rights and the environment across our value chain. We have a passion for delivering to our customers not only great products, but great products that are produced to the highest ethical, quality and sustainability standards.

Coffee is a key raw material that we source for our variety of coffee products that our customers love. Coffee crops are highly susceptible to the impacts of climate change. Rising temperatures and droughts cause a major impacts on coffee yield. The impacts of climate change on coffee production also increase the risks of stranded workers and communities.

Globally, forests constitute the largest and most significant ecosystems and are a key resource for local communities. Yet, despite their importance, there continues to be significant depletion of forests year on year. The demand for coffee is anticipated to increase, emphasising the need for sustainable management of these vital resources for future generations.

Through our <u>Plan for Better</u> commitments, we are committed to sourcing Deforestation and Conversion Free (DCF) forest-risk commodities by 2025, including coffee. Certification of coffee enables us to mitigate against environmental issues during harvesting and traceability information ensures our coffee products are sourced from deforestation and conversion free land.

SECTION TWO

Statements of intent

- 100% of our own-brand and owned-brand coffee products will be sourced to an independent sustainability standard by 2025
- 100% of our own-brand and owned-brand coffee products will be traceable to origin by 2025





Our Approach

Through certification and traceability data we can monitor progress and work towards our Plan For Better commitments. The below requirements in each section must be met to mitigate the associated risks:

	General requirements
1.	 Coffee products must be sourced to either of the below sustainability standards: Rainforest Alliance Sustainable Agriculture Standard (latest version) Fairtrade Standard for Coffee (latest version)
	• For Rainforest Alliance certification, the premium cost (including the <u>sustainability differential & sustainability investment</u>) is a negotiable rate and is agreed at point of sale by the first buyer. This minimum price and negotiable rate for the premium is agreed at point of sale from the co-operative to the first buyer.
	 Any proposed additions to the sustainability standard used must be discussed with the category and CR&S colleagues before committing to a transition. Additionally, any associated sustainability claims or additional communications must be discussed with the category and CR&S colleagues.
	• Full chain of custody documentation is required, meaning that coffee must be proven to be from sustainable sources, also importantly, the Sainsbury's supplier must have a valid Fairtrade or Rainforest Alliance chain of custody certification.
	 All downstream suppliers adhere to the data uploads and disclosure within the criteria of required information by Fairtrade or Rainforest Alliance. Traceability requirements
2.	Suppliers to submit traceability information as requested on an annual basis.
	Protection of forests and other natural ecosystems*
3.	1. We encourage suppliers to commit to eliminating deforestation and conversion from its operations, supply chains and financial investments and have a time-bound target for latest 2025.
	2. Coffee must not be harvested illegally in contravention of legislation in the country of harvest.
	3. Only coffee grown on land converted prior to 2020 will be accepted, unless preceded by existing standards or legislation.
	4. There must be no deforestation of High Conservation Value (HCV) forests.
	5. Before any activity that may affect indigenous peoples' and local communities' rights, land, resources, territories, liveliho ods, and food security, their free, prior and informed consent (FPIC) must be secured.
	Respect for human rights*
4.	• Suppliers shall have appropriate human rights due diligence processes and procedures in place to adequately identify and address human rights risks in the supply chain.
	• Suppliers shall also ensure that the supply chain complies with all requirements in the responsible sourcing manual and Sains bury's policy on ethical sourcing.

^{*}Based on definitions agreed by the <u>Accountability Framework Initiative (AFI)</u>. Requirements 3, 4 & 5 are included within the Rainforest Alliance and Fairtrade standards.

Roles and Responsibilities

Suppliers:

- All suppliers will provide goods that meet the corporate policy
- All suppliers will provide information to Fairtrade and Rainforest Alliance as requested to enable them to carry out assessments on our coffee supply chains

Sainsbury's:

- Sainsbury's technical teams are accountable for keeping internal sourcing information up to date and for following labelling guidelines for the use of logos on pack
- The CR&S team is responsible for completing verification with Fairtrade and Rainforest Alliance

Fairtrade and Rainforest Alliance:

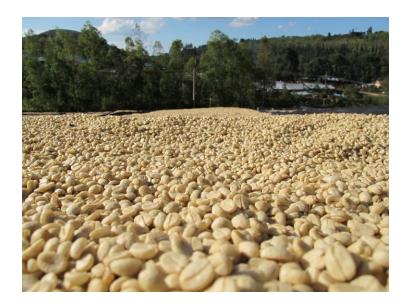
 Fairtrade and Rainforest Alliance will validate sustainability claims on our coffee supply chains

SECTION FIVE

Governance

This policy has been agreed by the Food Technical Governance Group and will be reviewed annually by the Head of Environment, or as required. All changes will be communicated to our supply partners.





Definitions

Where relevant, our definitions align with <u>Accountability Framework</u> <u>Initiative (Afi)</u>

- **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.

External links

- Rainforest Alliance certification program
- Fairtrade Standard for Coffee

Supporting documentation

(accessible via Evolve)

- Responsible Sourcing Manual
- Policy on Ethical Sourcing
- · Corporate Food Labelling Guidelines



Sainsbury's Our Policy on Coffee

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 Holborn, London, EC1N 2HT, UK Registered number: 01081551

2) Sainsbury's Supermarket Limited, Registered office: 33 Holborn, London, EC1N 2HT, UK Registered number: 03261722

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