



## **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 and General Merchandise across all product areas own-brand and licensed products containing timber or timber-derived material e.g. paper, pulp and charcoal.

The following products are <u>out of scope</u> of this document:

- Labels, decals, foils, stickers on products
- Instruction manuals
- Packaging (refer to FAQ section)
- Non-timber forest products e.g. cork, rattan, bamboo and rubber

This sustainable sourcing policy should be read alongside our Supplier Handbook. 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 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.





#### **SECTION ONE**

#### **Our Position**

Across our combined business, timber, and timber-derived materials are used in a wide range of products, from toilet roll and paper to homewares, furniture and garden accessories. Furthermore, within certain General Merchandise product categories, timber is one of the most important raw materials.

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 forest products 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 timber. Certification of timber enables us to mitigate against environmental issues during harvesting and traceability information ensures our timber products are sourced from deforestation and conversion free land.

#### **SECTION TWO**

#### Statements of intent

- 100% of our own-brand timber and timber-derived products will be sourced to an independent sustainability standard by 31st December 2025
- 100% of timber and timber-derived products will be traceable to origin by 31st December 2025



#### **Our Approach**

Timber production can be linked to deforestation and land conversion, which can lead to wider environmental concerns such as soil degradation and biodiversity loss, driven by monoculture forestry. Through certification and traceability data we can monitor progress work towards our DCF commitment.

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

<u> </u>	General requirements
1.	<ul> <li>Timber and timber-derived products must be sourced to either of the below sustainability standards:         Our preferred proof of sustainable product quality         <ul> <li>Forest Stewardship Council - FSC 100% or FSC Mix</li> <li>Programme for the Endorsement of Forest Certification (PEFC) "A Grade"</li> <li>Independently verified Recycled Material</li></ul></li></ul>
	Traceability requirements
2.	Suppliers to submit traceability information as requested via our third party, Track Record Global, on an annual basis. Technical colleagues should refer to our Guide to Validating Sustainable Timber Supply Chains.
	Protection of forests and other natural ecosystems*
3.	<ul> <li>Timber must not be harvested illegally in contravention of legislation in the country of harvest</li> <li>Only plantation material grown on land converted prior to 31st December 2020 will be accepted, unless preceded by existing st andards or legislation</li> <li>There must be no deforestation of High Conservation Value (HCV) forests</li> <li>Species listed on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) appendices must be traded in compliance with the appropriate licencing system</li> <li>Species categorised on the International Union for Conservation of Nature (IUCN) Red List as 'CR - Critically Endangered', 'EN - Endangered', or 'VU - Vulnerable' must not be sourced</li> </ul>
	Respect for human rights*
4.	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
	Alternative & recycled raw material
5.	<ul> <li>If recycled or reused timber or timber-derived material is used, the supplier must provide the appropriate chain of custody documentation beyond Purchase Orders, and certification if available. There is a preference for post-consumer recycled waste</li> <li>Where chain of custody documentation is unavailable, purchase orders or some other form of documentation may be accepted on a case-by-case basis</li> <li>We support the use of new materials that might replace virgin timber or timber-derived material. 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</li> </ul>

<sup>\*</sup>Based on definitions agreed by the Accountability Framework Initiative (AFi). Requirements 3 & 4 are included within the FSC Principles & Criteria for Forest Stewardship and PEFC Forest Management Requirements therefore if using an approved 3rd Party Scheme please refer to CR&S and Technical Team SME for advice on how to provide additional assurance on these requirements.

#### **Roles and Responsibilities**

#### **Suppliers:**

- All suppliers will provide goods that meet the corporate policy
- All suppliers will provide information to Track Record Global (TRG) as requested to enable them to carry out assessments on our timber supply chains

#### Sainsbury's:

 Sainsbury's is accountable for informing TRG of in scope products via the New Line product trackers (see PRA060)

#### Track Record Global (TRG):

• TRG will validate sustainability claims on our timber supply chains

#### **SECTION FIVE**

#### Governance

This policy has been agreed by the GM Steering Committee 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> Initiative (Afi)

- **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.
- **Recycled materials:** Timber or timber-based materials proven to be from a preferred post-consumer waste stream.
- Third party certification: a process where the origin and status of timber and timber products is validated by a recognized, independent body e.g. FSC or PEFC. Typically, this includes two main components: forest management certification and product certification. This provides assurance and traceability to the certified forests.

#### **External links**

- EUTR legislation
- <u>Guidance on UK Timber Regulations and Forest Law</u> <u>Enforcement, Governance and Trade Regulations</u>
- FSC and FSC Principles & Criteria for Forest Stewardship
- PEFC and PEFC Forest Management Requirements
- CITES/IUCN



#### **FAQs**

## Q. The timber used in the product is sustainably sourced as FSC or PEFC, however the supplier to Sainsbury's Argos does not have their own chain of custody licence, is this acceptable?

**A.** No, we require the complete supply chain to have a chain of custody, from forest to the end supplier. The only exception to this may be in the case where the supplier is an agent and therefore never takes any physical ownership of the goods. In this scenario (and if the goods are own brand), only the primary manufacturer and the supply chain back to forest is required to hold a valid licence.

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

**A**. If you have exhausted all options whereby the supplier cannot procure sustainably sourced timber; this will require a change in supplier.

#### Q. My product includes paper, and I'm unsure if this component is required to be sustainably sourced.

**A.** If the component forms part of the external or internal packaging, it is out of scope. This will also include components that have no detrimental impact on the function or aesthetics of the product if removed. An example may be a paper insert within a photo frame, which is included for display purposes only.

## Q. The product is sustainably sourced to the FSC or PEFC schemes, should the accompanying logo be added to the primary and/or tertiary packaging?

A. Yes – Specifically for FSC as this will then enable us to market the product online, in store, and on in any printed material (Christmas gift guide) as being FSC.

#### Q. I have a non timber forest material not listed in the scope section, what do I do?

A. Please refer to the CR&S and Technical Team SME for advice.

#### **FAQs** - continued

#### Q. What packaging is out of scope?

**A**. If the product itself is sold onto customers for the intended function of being packaging, for example carton boxes, then this is in scope. If the packaging is used as protection for a different product, then this is out of scope.

#### Q. What is the difference between FSC 100% and FSC Mix

A. All the timber or fibre within a FSC 100% product originates entirely from FSC certified sources. FSC 100% products will always be processed using the transfer system. Typically, FSC 100% will comprise relatively simple, single species products such as an outdoor furniture range or a children's toy set. Please note that previously FSC 100% was labelled as 'FSC Pure'. Whilst this nomenclature is now redundant, some suppliers may continue to refer to their products using this term. Broadly, FSC Mix products contain a combination of FSC certified and non-certified materials. The materials within an FSC Mix product will comprise some, or all, of the following: (a) Virgin timber or fibre from FSC certified sources. (b) Virgin timber or fibre from non-FSC sources, known as 'Controlled Wood'

#### Q. I am using recycled or reused timber, to what extent do I need to provide chain of custody?

A. We require the complete supply chain to have a chain of custody, from forest to the end supplier. For higher risk sourcing areas (e.g. outside of Europe), a more robust chain of custody is preferred. Please refer to the CR&S and Technical Team SME for advice.

# Sainsbury's Our Policy on Timber

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

Document Reference	Document Owner	Amendment History	Date
PLO01-V1	Category Technical Manager	New document replacing P007 Timber Policy Statement and HP040 technical Policy for Sustainable Sourcing of Materials from the Wild for Non Food	December 2020
PLO01-V2	Category Technical Manager	Amendments to scope. Inclusion of point 7.	January 2023
PL001-V3	CR&S Sustainability Manager – Deforestation	Amendments to reflect DCF 2025 target, compliance with upcoming EU legislation and scope of policy	July 2023
PL001- V4	CR&S Sustainability Manager – Deforestation and technical manager, furniture	Updated sunset date and clarified cut-off date	Sept 2024
PL001-V5	CR&S Sustainability Manager – Deforestation and technical manager, furniture	Head office location updated	June 2025