

**Sainsbury's**

# Precious Metals and Minerals Policy

## Our Policy on Precious Metals and Minerals

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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 products that contain precious metals, minerals or stones. It applies to all suppliers in food, non-food grocery and General Merchandise.

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

- **Jewellery:** gold, silver, platinum group metals, diamond, pearl, mother of pearl, gemstones
- **Cosmetics:** mica, synthetic mica
- **Other general merchandise products e.g. electricals:** gold, tin, tantalum, tungsten, cobalt

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

- Branded products
- Base metals e.g. brass, steel, copper, aluminium

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 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. We expect our suppliers to understand and conform to international sanctions on sourcing certain minerals from particular countries e.g. Russia.

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

Precious metals, minerals and gemstones are key components of our products and represent critical value to our business. We seek to build resilient supply chains by sourcing products sustainably.

The sourcing of precious metals and minerals is often associated with serious economic, environmental and social sustainability concerns due to the extraction process of mining. From destroying natural habitat and using harmful chemicals to health and safety and child labour concerns, the mining industry has often been associated with illegal practices. Tin, tungsten, tantalum and gold are defined by law as 'conflict minerals' because in politically unstable areas, the minerals trade can be used to finance armed groups, fuel forced labour and other human rights abuses, and support corruption and money laundering.

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 a significant depletion of forests year on year. Mining-related deforestation and land conversion is often driven by expanding infrastructure around mines, which are typically located in tropical regions with high biodiversity, emphasising the need for sustainable management of these ecosystems. Impacts of mining on the land include biodiversity loss, increased carbon emissions, water pollution & scarcity.



## SECTION TWO

### Statements of intent

We will:

- Source 50% of our precious metals in Jewellery from recycled sources by 2025
- Commit to increase the proportion of refurbished and reuse of parts/materials in our GM products e.g. electricals
- Achieve 100% traceability to country of extraction by 2027 and 100% traceability to extraction origin by 2030 in Jewellery

## Our Approach on Jewellery

We recognise the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) which forms the foundation of this policy and we strongly encourage suppliers to use the resources available to them through the OECD to conduct their own due diligence.

General requirements			
	Precious metals	Diamonds	Gemstones & pearls
1.	<p>We only accept gold, silver, platinum and palladium sourced from refineries that are one of the following:</p> <ul style="list-style-type: none"> <li>➤ London Bullion Market Association (LBMA) good delivery list for the reporting year for gold and silver</li> <li>➤ Responsible Minerals Initiative (RMI) Conformant Refiners list for gold</li> <li>➤ London Platinum and Palladium Market (LPPM) good delivery list for the reporting year</li> <li>➤ Certified members of the Responsible Jewellery Council</li> <li>➤ CRAFT (Code of Risk-mitigation for ASM (artisanal and small-scale miners) engaging in Formal Trade) standard.</li> </ul>	<p>We only accept diamond sources with a World Diamond Council System of Warranties and that are compliant with the Kimberley process Certification Scheme.</p> <ul style="list-style-type: none"> <li>➤ We strongly encourage manufacturers to use suppliers that adhere to the De Beers Best Practice principles or are certified RJC.</li> </ul>	<p>We only accept gemstones from facilities that are one of the following:</p> <ul style="list-style-type: none"> <li>➤ Certified members of the Responsible Jewellery Council</li> <li>➤ CRAFT (Code of Risk-mitigation for ASM (artisanal and small-scale miners) engaging in Formal Trade) standard.</li> </ul> <p>We encourage pearl suppliers to adhere to the following standards:</p> <ul style="list-style-type: none"> <li>➤ Marine Stewardship Council</li> <li>➤ Aquaculture Stewardship Council</li> </ul>
Traceability requirements			
2.	<p>Suppliers must use the <b><i>Jewellery Reporting Template</i></b> to declare traceability information every 6 months in line with range reviews.</p> <p>Suppliers should disclose the following information:</p> <ul style="list-style-type: none"> <li>➤ Country and company that performs processing (e.g. refines or smelters the metal, or cut &amp; polishes the stone) and their industry standard</li> <li>➤ Actions taken towards identifying the country of extraction origin and/or the company that owns and operates the site</li> <li>➤ Compliance with legislation</li> </ul> <p>We require evidence of <b>country of origin for all gemstones &amp; pearls</b>. We do not accept any gemstones from <b>Myanmar or Madagascar</b></p>		
Environment standards			
3.	<ul style="list-style-type: none"> <li>• Suppliers must take actions to reduce GHG emissions in line with the 1.5°C pathway by 2030 and to achieve Net Zero by 2050 including scope 3 emissions</li> <li>• Suppliers must be aware of the water risks in their supply chain</li> </ul> <p><b><i>Adherence to carbon emissions and water requirements will be audited through M2030.</i></b></p> <ul style="list-style-type: none"> <li>• We have a preference for suppliers to make a commitment to eliminating deforestation and conversion (across their operations, supply chains and financial investments) by the end of 2025</li> <li>• We encourage suppliers to ensure their sourcing does not negatively impact on nature, species and communities</li> </ul>		
Respect for human rights			
4.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Suppliers shall also ensure that the supply chain complies with all requirements in the responsible sourcing manual and Sainsbury's policy on ethical sourcing.</li> </ul>		
Alternative & recycled materials			
5.	<ul style="list-style-type: none"> <li>• We have a strong preference for suppliers to use metal from recycled sources and to provide sufficient Chain of Custody documentation – mass balance recycled sourcing is permitted.</li> <li>• We have a preference for suppliers to use man-made/created stones</li> <li>• We encourage suppliers to ensure that new product lines have the capability to be recycled</li> </ul>		

## Our Approach on Cosmetics (Mica)

The mica group represents 37 types of minerals, with layered structures that allow them to be split into thin flakes or sheets. It is largely used in cosmetic products and paint but is also used in insulation, heat resistance and in some electronic and automotive products. India and Madagascar are the major mica-producing countries, relying heavily on artisanal and small-scale extraction and manual processing.

General requirements	
1.	<p>The Responsible Minerals Initiative (RMI) has developed a Global Workplace Responsible Sourcing, Environmental, Health &amp; Safety Due Diligence Standard for Mica Processors and will pilot independent third-party assessments of mica processors. In future, we will only accept mica in our cosmetic ranges from processing companies on the RMI's conformant list but the programme is still a work in progress.</p> <ul style="list-style-type: none"> <li>➤ We encourage processors to participate in this programme, once available, to demonstrate due diligence and address risks present in the mica supply chains.</li> </ul>
Traceability requirements	
2.	<p>Suppliers must use the <b><i>RMI_MRT_1.0 template followed by our Cosmetics Reporting Template - Mica</i></b> to declare traceability information every 6 months in line with range reviews</p> <p>Suppliers must disclose the following information:</p> <ul style="list-style-type: none"> <li>➤ Country and company that processes the mica</li> <li>➤ The name and country of origin of the mineral mines (if possible)</li> <li>➤ Sustainability standards or initiatives implemented at each stage of the supply chain such as CRAFT (Code of Risk-mitigation for ASM (artisanal and small-scale miners) engaging in Formal Trade) or engagement with the Responsible Mica Initiative</li> </ul>
Environment standards	
3.	<ul style="list-style-type: none"> <li>• Suppliers must take actions to reduce GHG emissions in line with the 1.5°C pathway by 2030 and to achieve Net Zero by 2050 (including scope 3 emissions)</li> <li>• Suppliers must be aware of the water risks in their supply chain</li> </ul> <p><b><i>Adherence to carbon emissions and water requirements will be audited through M2030.</i></b></p> <ul style="list-style-type: none"> <li>• We have a preference for suppliers to make a commitment to eliminating deforestation and conversion (across their operations, supply chains and financial investments) by the end of 2025</li> <li>• We encourage suppliers to ensure their sourcing does not negatively impact on nature, species and communities</li> </ul>
Respect for human rights	
4.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Suppliers shall also ensure that the supply chain complies with all requirements in the responsible sourcing manual and Sainsbury's policy on ethical sourcing.</li> </ul>
Alternative materials	
5.	<ul style="list-style-type: none"> <li>• We encourage suppliers to use synthetic mica where possible.</li> </ul>



## Our Approach on other GM products e.g. Electricals

We recognise the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) which forms the foundation of this policy and we strongly encourage suppliers to use the resources available to them through the OECD to conduct their own due diligence.

General requirements		
	<b>Tin, Tungsten, Tangtalam &amp; Cobalt</b>	<b>Gold</b>
1.	We require suppliers to source from smelters that are on the Responsible Minerals Initiative (RMI) Conformant Smelters List	<p>We only accept gold sourced from refineries that are one of the following:</p> <ul style="list-style-type: none"> <li>➤ London Bullion Market Association (LBMA) good delivery list for the reporting year for gold and silver</li> <li>➤ Responsible Minerals Initiative (RMI) Conformant Refiners list for gold</li> <li>➤ Certified members of the Responsible Jewellery Council</li> <li>➤ CRAFT (Code of Risk-mitigation for ASM (artisanal and small-scale miners) engaging in Formal Trade) standard.</li> </ul>

Traceability requirements	
2.	<p>Suppliers should use the <b>Electricals Reporting Template</b> to declare traceability information every 6 months in line with range reviews.</p> <p>Suppliers should disclose the following information:</p> <ul style="list-style-type: none"> <li>➤ Country and company that performs processing (e.g. refines or smelters the metal)</li> <li>➤ Conformance with the Responsible Minerals Initiative or CRAFT/LBMA/RJC for gold</li> <li>➤ The country of origin of the mine, and/or the company that owns and operates the mine (if possible)</li> <li>➤ Compliance with legislation</li> </ul>
Environment standards	
3.	<ul style="list-style-type: none"> <li>• Take actions to reduce GHG emissions in line with the 1.5°C pathway by 2030 and to achieve Net Zero by 2050 (including scope 3 emissions)</li> <li>• Be aware of the water risks in their supply chain</li> </ul> <p><b>Adherence to carbon emissions and water requirements will be audited through M2030.</b></p> <ul style="list-style-type: none"> <li>• We have a preference for suppliers to make a commitment to eliminating deforestation and conversion (across their operations, supply chains and financial investments) by the end of 2025</li> <li>• We encourage suppliers to ensure their sourcing does not negatively impact on nature, species and communities</li> </ul>
Respect for human rights	
4.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Suppliers shall also ensure that the supply chain complies with all requirements in the responsible sourcing manual and Sainsbury's policy on ethical sourcing.</li> </ul>
Alternative & recycled materials	
5.	<ul style="list-style-type: none"> <li>• We have a strong preference to use refurbished and/or recycled components rather than virgin materials and for suppliers to provide sufficient Chain of Custody documentation</li> <li>• Suppliers must ensure that new product lines are future proofed for recyclability and encourage use of recycled content upfront (e.g. destruction ability)</li> <li>• Suppliers must ensure that sufficient spare parts are supplied to mitigate products being disposed</li> </ul>

## SECTION FOUR

### Roles and Responsibilities

#### Suppliers:

- All suppliers will provide goods that meet the corporate policy requirements
- Suppliers should use the relevant Reporting Template to declare mineral & metal supply chains up to refiner and smelter level to us every six months in line with range reviews, or as requested by our technical team.
- Suppliers should also inform us immediately if they identify certain high risks in their supply chains, as defined in Annex II of the OECD Due Diligence Guidance. These include serious abuses associated with the extraction, transport or trade of minerals, non-state armed groups, money laundering, and misrepresentation of the origin or minerals and security forces amongst others.

#### Sainsbury's:

- Sainsbury's is accountable for informing suppliers of the policy and ensuring products meet corporate policy requirement



## 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 the suppliers.



## Definitions

- **Synthetic mica** - Mica that is artificial and lab created from a mineral called fluorophlogopite, which has similar properties to natural mica.
- **Man-made & created stones** – A synthetic gemstone or diamond material that is made in the laboratory which shares almost identical properties to its natural mineral counterpart. Also may be referred to as ‘synthetic’ or ‘lab-grown’ stones.
- **Refurbished materials** – any product component that has been previously used within a product that has been removed, inspected, potentially repaired and is suitable for re-use.
- **Recycled precious metal** – Gold or Silver that has had a previous use prior to being sourced for the product. Recycled sources are typically discarded electronics, old jewellery, silverware, manufacturing scrap and other waste from industry.
- **Conflict mineral** – minerals that come from a particular location where conflict is occurring and resources are mined and used to influence and finance armed conflict. This often leads to corruption, risk of violence and forced labor within the mining industry.
- **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.





# Our Policy on Precious Metals and Minerals

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, England, EC1N 2HT. Registered number: 01081551
- 2) Sainsbury's Supermarket Limited, Registered office: 33 Holborn, London, EC1N 2HT, UK and Sainsbury's Supermarkets (NI) Ltd, Upper Galwally, Belfast, BT8 6FX Registered number: 03261722

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PLO04-V1	CR&S Sustainability Manager	New document	January 2021
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