

SOURCING WITH INTEGRITY

Sainsbury's Argos Non-Food Ethical Trade

Code of Conduct

Version 1.1

Introduction

At Sainsbury's Argos our customers care about where the products they buy come from and they put their trust in us to do the right thing on their behalf. This is why Sourcing with Integrity is key to our work with our suppliers, their sites and our extended supply chain both here in the UK and around the world.

Ethical trading is all about the conditions of workers in our supply chain. By trading ethically, we work with our suppliers to ensure that basic human and labour rights, the development of safe and decent working conditions and improved general standards of living are adhered to within our supply chain.

Our ethical trade programme is not just about ensuring minimum standards, it is about supporting suppliers to get the best out of their workers by investing in training, safe work places and decent conditions. Such workplaces help us to find suppliers that can help deliver the Sainsbury's Non-Food strategy of providing **quality that should surprise and delight** our customers.

Categories this policy applies to



General Merchandise



Clothing



Entertainment

Who should implement this policy document?

This document was put together to explain to our approach to ethical trading. It lays out clearly Sainsbury's requirements for our suppliers to ensure compliance with our Ethical Trade Policy.

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Sainsbury's Argos Ethical Trade Policy

Our Ethical Trade Policy governs how we manage the social standards relating to workplace conditions in our supply chain. At its heart is the **Sainsbury's Argos Supplier Code of Conduct**.

Our Code of Conduct

Our Code covers 12 areas:

1. Employment is Freely Chosen
2. Freedom of Association and the Right to Collective Bargaining
3. Working Conditions are safe and hygienic
4. Child labour shall not be used
5. Living Wages are paid
6. Working Hours are not excessive
7. No Discrimination
8. Regular Employment
9. No Harsh or Inhumane Treatment
10. Entitlement to Work
11. Labour Agencies
12. Protection of the Environment

The Code is based on the Ethical Trading Initiative (ETI) Base Code². The ETI, of which Sainsbury's was a founding member, is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

We expect all our suppliers to meet both the local legal requirements as well as any higher standards contained within our Supplier Code of Conduct, and show improvement over time.

Our Requirements

The requirements set out in this document relate to all suppliers to Sainsbury's Argos. Our site approval process is primarily focused on sites supplying completed own brand product or any outsourced activities.

We expect suppliers of branded products to take responsibility for standards in their supply chain. This will include setting and communicating their standards to suppliers and having procedures in place to monitor and drive improvement. We may require branded supplier sites to undergo our site approval process to check implementation of their ethical trade standards and processes.

We expect our own brand supplier sites to have processes in place to ensure adequate standards within their own sites.

² <http://www.ethicaltrade.org/eti-base-code>

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Our Principles

At Sainsbury's Argos we expect strong social and environmental standards from suppliers and support those suppliers that need practical help and support in implementing more sustainable practices. Our challenge is to build supply chains that are resilient to the social and environmental challenges facing the industry, working closely with suppliers to champion and embed excellence in ethics.

The principles below set out our shared responsibilities with suppliers:

Commitment to ethical trade: Ethical trading is an important company objective. We are committed to providing sufficient resources to ensure our commitments are fulfilled. We recognise the need to communicate our commitment to key stakeholders including our customers, investors, NGO's, suppliers and the people who work in our supply chains.

Fair terms of trading: We recognise the contribution that stable business relationships make to the observance of good labour practices and endeavour to establish long-term and productive relationships with our suppliers. We are committed to dealing openly and fairly with suppliers, adhering to contract terms and avoiding the exertion of undue pressure.

Building the capacity of others and ourselves: We are aware that both colleagues and our suppliers need to understand the importance of ethical trade and they must be able to identify and resolve ethical issues. We are committed to providing guidance, training and support to suppliers where needed and to ensuring workers in our supply chains are aware of the provisions of the Sainsbury's Argos Code of Conduct and our commitment to ethical trade. We view effective management systems as crucial for monitoring and tracking our own and our suppliers' issues. We view it as essential that workers have knowledge of their rights and are able to report any issues confidentially and without detriment to a designated person/committee.

Monitoring our supply chains: We recognise the importance of being aware of labour practices in our supply chains and the need to monitor, evaluate and act on information about our suppliers' performance. We view worker and supplier communication and collaboration as critical for identifying and resolving supply chain issues.

Suppliers will need to facilitate the assessment by a nominated third party, of all sites that they wish to use in the supply of product to Sainsbury's Argos. This will include the facilitation of Sainsbury's Argos colleagues and third party auditors on site.

Being transparent: We aim to be transparent with all our stakeholders and our customers on our ethical trade performance and encourage our suppliers to do likewise. We appreciate that ethical trade issues are often sensitive and suppliers may be worried about sharing issues with us, however it is better that we understand and work together to improve the situation. Together, we aim to respond rapidly and fully to ethical issues in our supply chains.

Striving for improvement: We recognise that many ethical trade issues can take time and effort to resolve. As a minimum, we require our suppliers to work towards compliance with our Code of Conduct or the local law – whichever provision affords the greater protection to workers. We expect suppliers to work to resolve issues identified within an agreed timescale and to engage workers' organisations in identifying and resolving issues. In the longer-term, we will work with suppliers and workers to develop best practice on ethical trade and provide positive examples, which secure workers' rights alongside benefitting our suppliers' businesses and our own.

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