

## Particulars

### About Your Organisation

#### 1.1 Member Name

Sobeys Capital Incorporated

#### 1.2 Membership Number

3-0124-21-000-00

#### 1.3 Membership Sector

Retailers

#### 1.4 Membership Category

Ordinary

#### 1.5 Country

Canada

### 2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

### 2.1 Please select ALL the palm oil-related activity(ies) that describe your company or organisation as multiple selections are allowed. ACOP reporting is NOT limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- ☐ I own and operate oil palm estate(s)
- ☐ I represent a palm oil Independent Smallholder farmer Group
- ☐ I own and operate palm oil mills
- ☐ I own and operate palm kernel crushing plants - Processors and/or Traders
- ☐ I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- ☐ I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- ☐ I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- ☐ I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- ☐ I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- ☒ I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- ☐ I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- ☐ I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- ☐ I am a social and human development NGO supporting the sustainable development of the palm oil industry

## Retailers

### 1. Operational Profile

**1.1 Please state your company's main activity(ies) within the palm oil supply chain. Please select all options that apply to your operations.**

- ☒ Retail - with own brand products
- ☐ Retail - without own brand products
- ☐ Food service providers
- ☐ Retail wholesalers
- ☒ Other

Other

Selling private label products containing palm oil, palm kernel oil and/or derivatives

### 2. Palm Oil and Certified Sustainable Palm Oil Consumption

**Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.**

**2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership**

Empire's key businesses and financial results are segmented into two reportable segments: (i) Food retailing; and (ii) Investments and other operations. With approximately \$31 billion in annual sales and \$17 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 129,000 people. Empire's Food retailing segment is carried out through Sobeys, a wholly owned subsidiary. Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. Sobeys owns, affiliates or franchises more than 1,600 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, operates grocery e-commerce under the banners Voilà, IGA.net and ThriftyFoods.com, and operates more than 145 retail fuel locations.

Pertaining to this report, Sobeys, Longo's and Farm Boy sell private label products containing palm oil, palm kernel oil and/or derivatives.

**2.1.1 In which markets does your company sell goods with palm oil and oil palm products?**

North America

**DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:**

by up to 5 individual subsidiaries. Members with more than 5 subsidiaries will be required to aggregate the volumes of remaining subsidiaries into a separate total.

**DL.2.1 Please state the number of subsidiaries you would like to declare separately (to a maximum of 5)**

2

**S1\_DL.2.1.1 Please state the name of this subsidiary**

Sobeys Capital Incorporated

**S1\_DL.2.1.2 In which markets does this subsidiary operate?**

North America

**S1\_DL.2.1.3 Please provide additional information of this subsidiary's operations**

Empire's key businesses and financial results are segmented into two reportable segments: (i) Food retailing; and (ii) Investments and other operations. With approximately \$31 billion in annual sales and \$17 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 129,000 people.

Empire's Food retailing segment is carried out through Sobeys Capital Incorporated, a wholly owned subsidiary. Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. Sobeys owns, affiliates or franchises more than 1,600 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, operates grocery e-commerce under the banners Voilà, IGA.net and ThriftyFoods.com, and operates more than 145 retail fuel locations.

With the release of our first palm oil policy and membership in the Roundtable for Sustainable Palm Oil (RSPO) in 2016, Sobeys committed to transition to the use of Certified Sustainable Palm Oil (CSPO) RSPO by 2020. In 2022 Sobeys set a goal to physically source as close to 100 per cent certified sustainable palm oil in Own Brands products by December 31, 2025, as defined by the RSPO standard. Sobeys imports and manufactures Own Brand products under the labels of Compliments, Panache, Best Buy, Eight Treasures, and Chalo.

**S1\_2.2 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Tonnes
Total volume of crude palm oil (tonnes)	1154.00
Total volume of crude palm kernel oil (tonnes)	323.70
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	110.60
Total	1588.30

**S1\_2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question RT.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.**

Description	Percentage
Palm oil-based derivatives and fractions	80
Palm kernel oil-based derivatives and fractions	20

**S1\_2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions.**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	0
North America	100
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	0
Africa	0
Rest of World	0

**S1\_2.4 Total volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.00	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	0.00
Mass Balance (MB)	973.90	301.70	0.00	100.20
Segregated (SG)	42.00	4.20	0.00	0.00
Identity Preserved (IP)	9.80	0.00	0.00	0.00
Total	1025.70	305.90	0.00	100.20

**S1\_2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question RT.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based**

Description	Percentage
Certified Palm oil-based derivatives and fractions	80
Certified Palm kernel oil-based derivatives and fractions	20

**S1\_2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's Certified Sustainable Palm Oil uptake is:**

90.15%

**S1\_2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.**

By volume, Sobeys sourced 90.2% certified sustainable palm oil used in Own Brands products, representing an increase of volume of certified sustainable palm oil by 4% . Sobeys will be purchasing credits to reach the 100%, equating to 154MT of credits.

In order to be able to reach our 2025 target and increase our volume of certified sustainable palm oil year over year, we have put in place internal procedures of data collection and aggregation and require collaboration from our suppliers. For example, in 2024 we implemented processes to validate supplier RSPO certifications and ensure chain of custody for palm oil and palm oil derivatives is maintained and validated.

For all reporting entities, we will continue to provide direction and support to relevant, supplier-facing business categories on sustainable and ethical sourcing considerations and strategy. Additionally, we will continue to lead and support on related policy development, implementation and governance, managing supply chain evaluation and due diligence for sustainable and ethical considerations, and engaging with industry stakeholders and suppliers on related sourcing topics.

**S1\_2.6 Please estimate the regional distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question RT.2.4) in the following countries/regions:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	0
North America	100
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	0
Africa	0
Rest of World	0

**S2\_DL.2.1.1 Please state the name of this subsidiary**

Longo Brothers Fruit Markets Inc.

**S2\_DL.2.1.2 In which markets does this subsidiary operate?**

North America

**S2\_DL.2.1.3 Please provide additional information of this subsidiary's operations**

Empire Company Limited has purchased 51% of Longo's, which operates 42 grocery retail stores in communities across Toronto and the GTA, Ontario as well as Grocery Gateway, a leader in online sales of home-delivered groceries within the GTA. Longo's imports and manufactures quality private label products under the brands of Longo's, Longo's Curato and Longo's Essentials.

In 2021, Longo's introduced their private label palm oil policy, making the commitment to completely transition to the use of 100% physical certified sustainable palm oil (CSPO) as defined by the Roundtable for Sustainable Palm Oil (RSPO) for packaged private label products by December 31, 2025.

**S2\_2.2 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Tonnes
Total volume of crude palm oil (tonnes)	15.88
Total volume of crude palm kernel oil (tonnes)	2.02
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	0.00
Total	17.90

**S2\_2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question RT.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.**

Description	Percentage
Palm oil-based derivatives and fractions	0
Palm kernel oil-based derivatives and fractions	0

S2\_2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions.

Countries/Regions	Percentage
Europe	0
North America	100
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	0
Africa	0
Rest of World	0



**S2\_2.4 Total volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.00	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	0.00
Mass Balance (MB)	8.54	1.54	0.00	0.00
Segregated (SG)	0.48	0.10	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
Total		1.64	0.00	0.00

**S2\_2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question RT.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based**

Description	Percentage
Certified Palm oil-based derivatives and fractions	0
Certified Palm kernel oil-based derivatives and fractions	0

**S2\_2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's Certified Sustainable Palm Oil uptake is:**

59.50%

**S2\_2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.**

As part of our reporting processes, we are responsible for data collection and aggregation, and we require collaboration from our suppliers. For this reporting period, we have a response rate of 86.4%. We are working with our Private Label team and supplier partners to increase participation.

In 2024, 59.5% of the palm oil used in Longo's private label products was from RSPO-certified suppliers, aligning with our Palm Oil Policy released in 2021. The decrease in the percentage from 2023, was primarily the result of a substantial decline in the total volumes on palm oil used in private label products, much of which came from RSPO-certified suppliers.

Several suppliers source palm oil and palm oil derivatives from RSPO-certified suppliers, but have not achieved RSPO Supply Chain Certification for their own facilities. If these suppliers were to be accounted for under RSPO's definition, Longo's certified sustainable palm oil in 2024 would be 80.2%, an increase since 2023.

Longo's will be purchasing the necessary credits, to reach 100%.

**S2\_2.6 Please estimate the regional distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question RT.2.4) in the following countries/regions:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	0
North America	100
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	0
Africa	0
Rest of World	0

**Aggregated\_2.2 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Tonnes
Total volume of crude palm oil (tonnes)	1169.88
Total volume of crude palm kernel oil (tonnes)	325.72
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	110.60
Total	1606.20

**Aggregated\_2.4 Total volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.**

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.00	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	0.00
Mass Balance (MB)	982.44	303.24	0.00	100.20
Segregated (SG)	42.48	4.29	0.00	0.00
Identity Preserved (IP)	9.80	0.00	0.00	0.00
Total	1034.72	307.54	0.00	100.20

**Aggregated\_2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's Certified Sustainable Palm Oil uptake is:**

89.81%

### 3. TimeBound Plan

#### 3.1 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2017

##### 3.1.1 If the previous target year has not been met, please explain why.

In this reporting period Sobeys and Longo's reached 89.8% volume certified sustainable, compared to 85.8% the previous reporting year, increasing our volume of certified sustainable palm oil by 4%.

In 2022 we updated our Sustainable Palm Oil Policy (initially adopted in 2016), to advance our commitment to source as close to 100 per cent physical trace certified sustainable palm oil by 2025 for our Own Brands products. This target can only be achieved with continuous collaborative work with our suppliers. We continue to communicate with our suppliers our expectations regarding this policy and encourage our supplier facing teams to engage in continuous dialogue on this topic. Understanding the transition, we have the following stipulations:

- Suppliers can purchase GreenPalm credits to offset any unsustainable volumes as an interim option;
- Suppliers must use Palm Oil that is certified to the RSPO's standard, i.e. Identity Preserved, Segregated, and/or Mass Balance;
- Own Brands products to be made with as close to 100% physical trace Certified Sustainable Palm Oil by EOY 2025.

#### 3.2 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil, palm kernel oil and related products from any supply chain option in own-brand products.

2025

##### 3.2.1 If the previous target year has not been met, please explain why.

As of 2024, we reached 89.8% of RSPO-certified sustainable palm oil and palm oil products from physical supply chain options for Sobeys and Longo's combined. Credits will be purchased to cover the remaining 10.2%, equating to 161.3MT of credits.

#### 3.3 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2025

##### 3.3.1 If the previous target year has not been met, please explain why.

Included in our reporting processes, we are responsible for data collection and aggregation, and we do require collaboration from our suppliers. For this reporting period, we have a combined response rate of 96%.

#### 3.4 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

We report annually, please see <https://sobeyssbreport.com/sustainable-business-report/ethical-sustainable-sourcing/>

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- ☐ Challenging reputation of palm oil
- ☐ Confusion among end-consumers
- ☒ Costs of changing labels
- ☐ Difficulty of applying for RSPO Trademark
- ☒ Lack of customer demand
- ☒ Limited label space
- ☒ Low consumer awareness
- ☐ Low usage of palm oil
- ☐ Risk of supply disruption
- ☐ Others

Others

-

## 5. Actions for Next Reporting Period

### 5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

- ☐ Participation in RSPO Working Group or Task Forces
- ☐ Support Independent Smallholders (ISH)
- ☐ Contribute to the RSPO Smallholder Trainer Academy
- ☐ Financial contribution to the RSPO Smallholder Support Fund
- ☐ Direct investments in Smallholder Certification projects
- ☐ Involvement/direct investments in Jurisdictional/Landscape approach
- ☐ Direct/collective investments in conservation and restoration initiatives
- ☐ Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- ☐ Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- ☒ Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- ☐ No activities planned
- ☒ Others

Other

- Identify of all Own Brands products containing palm oil or an ingredient derivative;
- Determine the total volume of palm oil and derivatives used in these products;
- Survey vendors about the current state of their efforts to transition to CSPO including their published goals and timelines;
- Track the plans and actual transition by supplier and by product; purchase Green Palm certificates to support sustainable palm oil production while this Policy is being implemented

## Challenges and Support

### 1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- ☒ Awareness of RSPO in the market
- ☐ Difficulties in the certification process
- ☐ Certification of smallholders
- ☐ Competition with non-RSPO members
- ☒ High costs in achieving or adhering to certification
- ☒ Human rights issues
- ☐ Insufficient demand for RSPO-certified palm oil
- ☐ Low usage of palm oil
- ☐ Reputation of palm oil in the market
- ☐ Reputation of RSPO in the market
- ☒ Supply issues
- ☒ Traceability issues
- ☐ No challenges faced
- ☒ Others

Others

One challenge is the potential risk of costs increases of consumer products in an already cost sensitive recessionary economy in Canada

### 1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- ☐ Communication and/or engagement to transform the negative perception of palm oil
- ☒ Engagement with business partners or consumers on the use of CSPO
- ☐ Engagement with government agencies
- ☐ Engagement with peers and clients
- ☐ Promotion of CSPO through off product claims
- ☐ Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- ☒ Promotion of physical CSPO
- ☐ Providing funding or support for CSPO development efforts
- ☐ Research & Development support
- ☒ Stakeholder engagement
- ☐ No actions taken
- ☒ Others

Others

Supplier training as well as internal training for supplier facing teammates

### 1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

<https://sobeyssbreport.com/>

<https://sobeyssbreport.com/sustainable-business-report/esg-data-policies/>

<https://sobeyssbreport.com/sustainable-business-report/ethical-sustainable-sourcing/>

<https://www.calameo.com/longos/read/006305723bd6c3b0015f3>

