

Welcome to your CDP Forests Questionnaire 2022

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Empire Company Limited is proudly Canadian, with 115 years of experience in the food retail business. As one of only two national grocery retailers in Canada, we serve the food shopping needs of Canadians with more than 1,500 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, as well as more than 350 retail fuel locations. Empire also operates e-commerce grocery retail businesses, including our newest banner, Voilà.

Our core retail food formats and related businesses are designed to ensure that we have the right offering in the right-sized stores for each individual market we serve—from our full-service format to the convenience format, each tailored to satisfy the unique shopping needs of our customers.

Our core values are our strength and the foundation of who we are: Customer-Driven, People-Powered, Community-Engaged and Results-Oriented. And our purpose—we are a family nurturing families—is our collective passion and mission to nurture the things that make life better, including great experiences, families, communities and the lives of our 130,000 teammates

Sobeys 2022 Sustainable Business Report can be accessed at: <http://SobeysSBReport.ca>

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1, 2021	December 31, 2021

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

CAD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	
Palm oil	Disclosing	Retailing	
Cattle products	Not disclosing	Retailing	We are not disclosing on this commodity. As members of the National Farm Animal Care Council (NFAACC), we’re committed to the respectful treatment of all livestock animals within our supply chain. We source live-stock derived proteins—such as beef and pork—through processors and distributors who, in turn, are supplied by a wide range of, primarily, Canadian farms. Each livestock commodity has its own trade association and regulatory requirements that govern animal welfare and food safety. Each association has its own code of practice and care assessment programs that we stay well informed on.
Soy	Not disclosing	Retailing	We are not disclosing on this commodity.
Other - Rubber	Not disclosing	Retailing	We are not disclosing on this commodity.
Other - Cocoa	Not disclosing	Retailing	We are not disclosing on this commodity, but we intend to report on it in the coming years. Sobeys Own Brands offer over 270 SKUs that are third-party certified to an environmental and/or social standard. Of the 270 SKUs, three are certified 100% fair-trade cocoa.
Other - Coffee	Not disclosing	Retailing	We are not disclosing on this commodity, but we intend to report on it in the coming years. Sobeys Own Brands offer over 270 SKUs that are third-party certified to an environmental and/or social standard. Of the 270 SKUs, eight are certified 100% fair-trade coffee.

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Other, please specify Farm Boy, Longo's	The disclosure does not include Farm Boy and Longo's data.	Potential for forests-related risk but not evaluated	

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a CUSIP code	291843407
Yes, a Ticker Symbol	EMP.A

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

- Buying manufactured products
- Distributing/packaging

Form of commodity

- Paper
- Primary packaging
- Secondary packaging
- Tertiary packaging
- Goods not for resale (GNFR)

Source

- Contracted suppliers (manufacturers)

Country/Area of origin

- Canada

United States of America

% of procurement spend

Comment

Calculated based on the value of packaging of our Own Brand products, GNFR items and paper used in corporate offices.

Palm oil

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

- Refined palm oil
- Palm oil derivatives
- Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

- Indonesia
- Malaysia

% of procurement spend

Comment

Calculated based on value of palm oil used as an ingredient in our Own Brand products.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	
Palm oil	<1%	

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, and we are not planning to verify volumes as deforestation- and/or conversion-free

% of reported volume verified as deforestation- and/or conversion-free

Please explain

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

1,605.35

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

67.5

Please explain

Sobeys requires its manufacturers to use sustainable palm oil for its Own Brands products. We track the country of origin of the oil, but we do not have detailed information on the specific state(s)/equivalent jurisdiction(s) for each country of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

29.5

Please explain

Sobeys requires its manufacturers to use sustainable palm oil for its Own Brands products. We track the country of origin of the oil, but we do not have detailed information on the specific state(s)/equivalent jurisdiction(s) for each country of origin.

Forest risk commodity

Palm oil

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

2

Please explain

Sobeys requires its manufacturers to use sustainable palm oil for its Own Brands products. We track the country of origin of the oil, but we do not have detailed information on the specific state(s)/equivalent jurisdiction(s) for each country of origin.

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Not defined

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Issues considered

Regulation

Climate change

Tariffs or price increases
Loss of markets
Brand damage related to forests risk commodities

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain

Risks exist but no substantive impact anticipated due to the low volume of packaging material coming from areas at risk of tropical deforestation. Our strategy to reduce the environmental impacts of our packaging has at its core a clear focus on driving down the usage of single-use plastics and optimizing packaging for recycling.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods
Other, please specify
Consulted with RSPO to assess and identify risks

Issues considered

Regulation
Climate change
Tariffs or price increases
Loss of markets
Brand damage related to forests risk commodities

Stakeholders considered

Employees

- Investors
- Local communities
- NGOs
- Regulators
- Suppliers

Please explain

Sobeys had made a commitment to 100% sustainable palm oil in our Own Brands products by 2020. As of December 31, 2021, we reached 98.94% of Roundtable on Sustainable Palm Oil (RSPO) -certified sustainable palm oil and palm oil products from physical supply chain options in our Own Brands products. Credits were purchased to cover the remaining 1.06%. Considerable progress has been made to ensure we get closer to our goal and we are committed to using sustainable palm oil in our Own Brands products, continuing to report to the RSPO.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	No, and we do not plan to map the value chain within the next two years	Important, but not an immediate business priority	
Palm oil	No, and we do not plan to map the value chain within the next two years	Important, but not an immediate business priority	

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

A substantive impact for Sobeys would constitute a reduction in profits, public perception of the business changes, brand risk, proportion of business units affected and potential for shareholder concern.

Sobeys continually works to minimize regulatory and reputation risks. Sobeys impacts extend farther than its own facilities, especially throughout our value chain and the communities we operate in.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Negative media coverage

Primary potential impact

Brand damage

Company-specific description

Reducing and mitigating brand risk is a core pillar for Sobeys External Communications team. Through effective reputation management, a commitment to transparency and maintaining consistent brand messaging across touchpoints (media, suppliers and stakeholders), Sobeys has both differentiated ourselves from the competition and built a solid foundation for risk mitigation. We have, and continue to, innovate and commit to sustainability best-practices across our company and supply chain, as well as create positive brand-associations that will serve as Sobeys' key strength in the occasion of a crisis management or brand risk scenario.

Timeframe

Unknown

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

We are unable to estimate a potential financial impact at this time due to the lack of quantified materials.

Primary response to risk

Promotion of best practice and awareness

Description of response

Cost of response

Explanation of cost of response

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Negative media coverage

Primary potential impact

Brand damage

Company-specific description

Reducing and mitigating brand risk is a core pillar for Sobeys External Communications team. Through effective reputation management, a commitment to transparency and maintaining consistent brand messaging across touchpoints (media, suppliers and stakeholders), Sobeys has both differentiated ourselves from the competition and built a solid foundation for risk mitigation. We have, and continue to, innovate and commit to sustainability best-practices across our company and supply chain, as well as create positive brand-associations that will serve as Sobeys' key strength in the occasion of a crisis management or brand risk scenario.

Timeframe

Unknown

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

We are unable to estimate a potential financial impact at this time due to the lack of quantified materials.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Cost of response

Explanation of cost of response

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	No
Palm oil	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Palm oil

Type of opportunity

Other

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Other, please specify

Increased brand & shareholder value

Company-specific description & strategy to realize opportunity

Sobeys developed and released Sustainable Palm Oil Policy in 2006 and our expectation is that all supplier partners will have moved to using 100% CSPO for the products manufactured for Sobeys by December 2020 in conjunction with the Consumer Goods Forum's zero-net deforestation commitment. We will continue to work with our supplier partners to ensure they are using 100% physical trace CSPO. By switching to 100% CSPO in our Own Brands products, Sobeys benefits from a positive brand image as we can demonstrate our commitment to using quality ingredients that also lower environmental impacts in areas where palm oil is produced. This initiative is outlined in our corporate website and in our annual report for customers and shareholders to review.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Timber products

Primary reason

Not yet evaluated

Please explain

Expected opportunities are related to reputational advantage.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	Key responsibilities of our Corporate Governance & Social Responsibility Committee include: <ul style="list-style-type: none"> • Annually assessing the effectiveness of the Board as a whole, the effectiveness of the committees of the Board and the contributions of individual Directors, and reporting to the Board on the results of the assessments, including recommended actions to address any issues arising from the assessments • Recommending to the Board the composition of the committees of the Board

	<ul style="list-style-type: none"> • Receiving and reviewing periodic reports of the Company’s policies, activities and progress pertaining to social responsibility initiatives, including sustainability, as well as updates on regulatory and general market developments relating to such matters • Assisting the Board in fulfilling its responsibilities as they relate to corporate governance and social responsibility <p>To learn more about our Corporate Responsibility Governance, please visit: http://SobeysSBReport.ca</p>
Other, please specify President & CEO	Our CEO provides strategic input on ESG issues and oversees key sustainability initiatives across the three pillars of People, Planet, Products. The SVP Innovation, Sustainability and Strategy informs the CEO on sustainability issues and initiatives on a weekly basis
Board-level committee	<p>Key responsibilities of our Executive Committee include:</p> <ul style="list-style-type: none"> • Leading business and sustainability strategy development and review • Overseeing leadership committees and operational teams responsible for implementing sustainability strategy
Other, please specify Board of Directors	<p>Key Environment Social and Governance (ESG) responsibilities of our Board of Directors are:</p> <ul style="list-style-type: none"> • Overseeing the development of the Company’s corporate governance policies, principles and guidelines • Developing and monitoring compliance with the Company’s Code of Business Conduct and Ethics for directors, officers and employees, including Ethics Line reporting • Overseeing stewardship of the Company, including the strategic planning process, approval of the strategic plan, identification of principal risks and implementation of systems to manage these risks • Encouraging a culture of ethical conduct by appointing officers of high integrity and monitoring their performance • Delegating certain ESG responsibilities to the Corporate Governance & Social Responsibility Committee, the HR Committee and the Audit Committee, which are each verified on applicable ESG issues on a regular basis • Overseeing the ethical, legal and social conduct of the Company
Other C-Suite Officer	SVP Innovation, Sustainability and Strategy focuses on enhancing our existing and new ESG initiatives. Reporting directly to the President & CEO, and providing quarterly updates to our Board of Directors, the SVP Innovation, Sustainability and Strategy oversees the success of our ESG goals including measurement our progress and tracking of goals, setting standard reporting mechanisms and disclosures where required.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

Frequency that forests-related issues are a	Governance mechanisms into which forests-	Please explain
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	scheduled agenda item	related issues are integrated	
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	For CY 2021, Corporate Governance & Social Responsibility Committee reviewed ESG trends and how investor-related disclosures are evolving, including the Sustainability Accounting Standards Board (SASB) <ul style="list-style-type: none"> • Received an update on the fiduciary duties of board members in relation to ESG matters • Reviewed the 2021 Sustainable Business Report including updates to the materiality assessment and the various reported-on metrics • Received updates on initiatives including the company's plan to set a science-based net zero target and how it would be implemented via a bold, new Climate Action Plan, GHG emissions reductions, energy management, labour practices, food waste and plastics reduction • Requested additional ESG education seminars for Committee and Board The SVP Innovation, Sustainability and Strategy is responsible for the sustainability and climate-related initiatives that are presented to and approved by the Corporate Governance and Social Responsibility Committee of the Board of Directors. His role is to ensure that Sobeys Inc. sustainability approach aligns with business strategy and is integrated into all our operations.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

No, but we plan to address this within the next two years

Primary reason for no board-level competence on forests-related issues

Other, please specify

Our Board of Directors are building their competence on.

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

Our Board of Directors is building their climate competency.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other committee, please specify Corporate Governance and Social Responsibility Committee	Both assessing and managing forests-related risks and opportunities	Quarterly	Responsible for stewardship of the Corporation and provide oversight over ESG issues.
Other, please specify Executive Committee	Both assessing and managing forests-related risks and opportunities	Quarterly	Sobeys Executive Committee has responsibility for the Corporation's sustainability initiatives, provide strategic input on ESG issues and oversee key initiatives.
Chief Executive Officer (CEO)	Managing forests-related risks and opportunities	Quarterly	
Other C-Suite Officer, please specify	Both assessing and managing forests-related risks and opportunities	Quarterly	
Other, please specify Director, Corporate Sustainability	Both assessing and managing forests-related risks and opportunities	Not reported to board	
Other committee, please specify Sustainability Committee	Both assessing and managing forests-related risks and opportunities	Not reported to board	

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

Provide incentives for management of forests-related issues	Comment
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Row 1	No, and we do not plan to introduce them in the next two years	
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F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

No, but we plan to develop one within the next two years

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

Consumer Goods Forum Zero Net Deforestation

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

Other, please specify

100% Certified Sustainable Palm Oil in all Own Brands products

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2019

Commitment target date

2020

Please explain

Sobeys had developed and implemented palm oil supplier sourcing policy and all vendors supplying Own Brands products disclose their use of palm oil and its derivatives in the products. The policy requires that all vendors transition to 100% physical trace CSPO, with an interim solution of purchasing RSPO credits if they were unable to switch to 100% physical trace CSPO in their operations by 2020. In 2022, this sourcing policy will be refreshed with a new target of 100% physical trace CSPO in Own Brands products. This target will be achieved without the purchase of palm credits. Sobeys will continue to work with suppliers to switching to 100% physical trace CSPO to achieve 100% sustainable palm oil usage in Own Brands products.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Please explain
Long-term business objectives	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	In July 2020, Empire unveiled Project Horizon, a new three-year growth strategy for core business expansion and e-commerce acceleration.
Strategy for long-term objectives	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	To build our strong emotional connection with Canadians, we'll continue to evolve being strong partners in the community through meaningful community investment and sustainability initiatives. Among the priorities that will drive our plan forward, we intend to make further progress on ESG-specific plan within the next fiscal year.
Financial planning	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	As part of the Project Horizon, Empire's three-year strategy, the Company is well positioned to accelerate a new ambitious growth plan. Among the priorities that will drive our plan forward, growing Empire's Own Brands Portfolio will be one.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Other, please specify

100% CSPO certified palm oil in all Own Brands products

Description of target

Sobeys is committed to completely transition to the use of certified sustainable palm oil as defined by the RSPO for our Own Brands products.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2016

Target year

2020

Quantitative metric

Percentage

Target (number)

Target (%)

100

% of target achieved

98.94

Please explain

We are committed to using sustainable palm oil in Own Brands products, reporting to the Roundtable on Sustainable Palm Oil (RSPO). As of December 2021, 98.94 per cent of the palm oil used for our Own Brands products was fully physically traceable certified sustainable palm oil. Palm credits will be purchased to cover the remaining 1.06 per cent,

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?
Timber products	No
Palm oil	No

F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Palm oil

Primary reason

We are planning to track and monitor the origin of forest risk commodities within the next two years

Please explain

Plan to implement a system to track and monitor palm oil origins of our Own Brands products in the next two years.

Forest risk commodity

Timber products

Primary reason

Important, but not an immediate business priority

Please explain

Most of Sobeys pulp and paper products derive from North America with little anticipated deforestation impacts.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	
Palm oil	Yes	98.94

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO (any type)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

98.94

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives

Volume of production/ consumption certified

1,588.3

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

Form of commodity

- Paper
- Primary packaging
- Secondary packaging
- Tertiary packaging

Volume of production/ consumption certified

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No, but we plan to develop one within the next two years	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

We annually request and review data from all suppliers using palm oil in our Own Brands products.

In 2016, we released our corporate Palm Oil Sourcing Policy to supplier partners that manufacture products containing palm oil for our Own Brands products and we continuously engage with them to ensure that all our Own Brands products use only Certified Sustainable Palm Oil (CSPO) as defined by the Roundtable on Sustainable Palm Oil (RSPO).

Monitoring and verification approach

Other, please specify

We carry out an annual survey of all our suppliers using palm oil for our Own Brands products.

% of total volume in compliance

100%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance

Please explain

As of December 2021, 100% of the palm oil used in our Own Brands products was certified sustainable. Of that, 98.94 % of the palm oil used was fully physically traceable Certified Sustainable Palm Oil (CSPO). The remaining 1.06% of our palm oil usage was certified using book and claim credits. Supplier partners using book and claim credits are advised to transition to fully physically traceable Certified Sustainable Palm Oil (CSPO).

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Palm oil	No, we do not assess legal compliance	All of our suppliers have an obligation to respect all applicable laws. Sobeys also recognizes that some suppliers may have entered into agreements with agents or brokers in the course of their supply activities to us. Such third parties are also expected to respect all applicable laws.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	No, not working with smallholders	
Palm oil	No, not working with smallholders	

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building	Other, please specify Encouraging certification, Contractual agreements		All of our Own Brands packaging supplier partners are asked for FSC certified board and 100% recycled board. For GNFR team, as we update our sustainability strategy we will explore ways to work with our supplier partners more closely.

Palm oil	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators		All Sobeys supplier partners that use palm oil or its derivatives in the manufacturing of packaged private label goods are required to guarantee that all palm oil and derivatives are CSPO.
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F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Please explain
Timber products	No, not working beyond the first tier	
Palm oil	No, not working beyond the first tier	

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No	Important, but not an immediate priority	

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

We annually disclose and report on our palm oil consumption within our Own Brands products (RSPO/ACOP and CDP Forests). Sobeys is also a signatory to the CGF net-zero tropical deforestation initiative 2020.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Reforestation

Primary motivation

Voluntary

Description of project

We donate to the international charity One Tree Planted [link: <https://onetreepanted.org/>], which uses that funding to offset carbon in the atmosphere by planting trees. With our support, the group has planted over 14,000 trees in Nova Scotia, reforesting more than 27 acres of former agriculture land with local tree species carefully chosen with biodiversity, climate stability and the surrounding community in mind. Our partnership with One Tree Planted continues in Nova Scotia, British Columbia, Ontario and Québec.

Start year

2020

Target year

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Latitude

Longitude

Monitoring frequency

Measured outcomes to date

No measured outcomes

Please explain

Our partnership with One Tree Planted was formalized in 2019 and planting began in late 2020.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F1. Current State

Data points verified

Timber Volume, Palm Oil Volume

Verification standard

Timber volume verified internally. Palm Oil volume is verified by RSPO ACOP submission.

Please explain

Timber volume is verified by Sobeys Sustainability team internally. Palm Oil volume is verified by RSPO ACOP submission.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited value chain engagement

Comment

The limited data availability related to sourcing, traceability and environmental impacts of timber commodities used is a major challenge.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

The challenge that large companies face when addressing issues like deforestation is the complexity of the global supply chain. Although the majority of our products are sourced within North America and thus have well defined sources, the challenge lies within products outside of North America.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater customer awareness

Comment

Guidelines support sourcing products from sustainably managed forests. There is an opportunity to further educate consumers with respect to these efforts.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The three primary measures that would improve our ability to manage deforestation risk are the responsiveness of supply chain partners and their willingness to engage on deforestation-related projects, continued representation for Canadian specific businesses across industry groups and collaborative initiatives (similar to the RSPO) and visibility into parts of our supply chain beyond our current capabilities. While there has been increasing collaboration and stakeholder engagement related to the need to responsibly source palm oil, greater efforts in this area would allow for increased knowledge and awareness of initiatives underway and remaining challenges to be addressed.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Senior Vice President Innovation, Sustainability and Strategy	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms