

Sobeys Sustainable Palm Oil Sourcing Policy

(January 2025)
V2025.01.09



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Introduction

Empire, Sobeys Inc. (Sobeys) and their banners have a responsibility to ensure that palm oil sourcing and any derivatives used in the production of its Own Brands products do not contribute to tropical deforestation. Sobeys has developed this Policy for implementation across its Own Brands supplier network for its Compliments and related brands.

Palm oil is used in some of the company's Own Brands products. Our palm oil use is modest compared to global consumption; however, it is important that we work to responsibly source the palm oil we do use.

Increased demand for agricultural land for palm plantations has led to substantial tropical deforestation in Indonesia and Malaysia. Clear cutting and forest burning have resulted in loss of valuable biodiversity and release of large amounts of carbon dioxide into the atmosphere. Offsetting this are industry initiatives that ensure plantations and associated processing facilities operate in a socially and environmentally responsible way.

Sobeys expects Suppliers to adopt/adhere to the principles of ethical and sustainable forestry practices by taking appropriate steps to ensure palm oil is sourced in accordance with the guidelines set out by the Roundtable for Sustainable Palm Oil (RSPO).

Scope

This Policy applies to palm oil, palm kernel oil and all derivative ingredients in the company's packaged Own Brands goods sold at Empire, Sobeys Inc. (Sobeys) and their banner stores under Compliments and related brands.¹ This includes all full-service, community and discount banners, convenience, fuel locations and pharmacies, as well as our e-commerce grocery business. Through extensive internal work, we have identified those products that contain palm oil, palm kernel oil and all derivatives.

Goal

Sobeys is committed to physically sourcing as close to 100 per cent certified sustainable palm oil as possible by December 31, 2025, as defined by the RSPO standard, for all Own Brands products, without the purchase of palm oil credits.

Transparency

Annually, Sobeys discloses our palm oil use to the RSPO. We also update our progress towards our palm oil goals in our annual [Sustainable Business Report](#) with the percentage of certified

¹ Sobeys related businesses brands, Longo's and Farm Boy, are not included in the scope of this Policy



sustainable palm oil used in Own Brands products, and the percentage of purchased palm oil credits.

Governance

The Executive Committee, and the Corporate Governance and Social Responsibility Committee of the Board of Directors provide oversight on all issues related to Environment, Social and Governance (ESG), including sustainable palm oil. The Corporate Governance and Social Responsibility Committee is briefed quarterly on issues related to ESG by senior leaders, who empower and provide strategic direction to the dedicated teams that oversee the day-to-day management of palm oil in our supply chain.

The Sustainability team is responsible for day-to-day management of reporting on sustainable palm oil, including monitoring sustainable palm oil use in Own Brands products, engaging with Suppliers that use palm oil and its derivatives as ingredients, disclosing our palm oil use to the RSPO, and reporting on progress of our palm oil goals through our annual Sustainable Business Report.

Approach

Sobeys takes a methodical approach to implementing our commitment. We:

- 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 GreenPalm certificates to support sustainable palm oil production while this Policy is being implemented
- Report annually to the RSPO

Supplier Expectation - Deadline

Sobeys expects Suppliers to move to physical trace CSPO for products manufactured for Sobeys by December 31, 2025. The purchase of GreenPalm certificates is acceptable as an interim option to reach the December 2025 deadline; however, Suppliers are expected to transition to physical trace CSPO no later than December 31, 2025. This transition must be demonstrated through the verification process outlined below.



Verification

The minimum recommended mechanism to comply with this Policy is the RSPO standard. The RSPO supplier options are: 'Identity Preserved,' 'Segregated' and 'Mass Balance.' Suppliers must ensure that certification claims are robust and verified by third-party audits and copies of these audits must be shared with Sobeys.

