

Particulars

About Your Organisation

1.1 Name of your organisation

Sobeys National Merchandising Group

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

3-0076-14-000-00

1.4 Membership category

Retailers

1.5 Membership sector

Ordinary

Retailers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain

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

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

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

We sell private label products containing palm oil

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

Canada

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	686.673
Total volume of crude/refined palm kernel oil (tonnes)	158.871
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	589.522
Total	1435.066

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question RT.2.2.4) 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	80.0
Palm kernel oil-based derivatives and fractions	20.0

2.3 Volume of RSPO-certified palm oil and oil palm products (palm-content only) used in your company's own brand products in the year (tonnes):

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	7.04	0.0	0.0	84.04
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	579.94	137.81	0.0	375.86
Segregated (SG)	96.95	21.06	0.0	127.86
Identity Preserved (IP)	2.73	0.0	0.0	1.76
Total	686.66	158.87	0.0	589.52

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question RT.2.3) 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 derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	80.0
Certified Palm kernel oil-based derivatives and fractions	20.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

100.00%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question RT.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	0.0
North America	100.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	0.0

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

2015

3.1.1 If the previous target year for RT.3.1 has not been met, please explain why.

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3.2 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2016

3.2.1 If the previous target year for RT.3.2 has not been met, please explain why.

Sobeys released its Palm Oil Sourcing Policy to Suppliers in January 2016. Sobeys expectation at that time was that Suppliers would move to CSPO for the products manufactured for Sobeys by December 31, 2020.

3.3 Which year did your company begin (or expects to begin) using 100% 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.

2020

3.3.1 If the previous target year for RT.3.3 has not been met, please explain why.

As per our commitment, Sobeys purchased credits on behalf suppliers, as some had difficulty making the transition to 100% physical trace supply chain CSPO. As we progress towards our 2020 goal, Sobeys will be reviewing the standing of those suppliers with Sobeys supplier agreement to ensure they are using 100% physical trace supply chain CSPO.

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

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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

Sobeys does not currently use the RSPO Trademark on our own branded products. Over the coming years, we plan to assess the opportunity to use RSPO Trademark on applicable Sobeys private label products and on our corporate website outlining our efforts.

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)

Our membership in the RSPO and 2020 commitment will continue to be promoted on our public-facing website. In line with our policy, we will also continue to work with suppliers to advance our approach and meet our goals. Progress towards our 2020 goal will be highlighted in the Sobeys F20 annual report.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

No

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

No

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

No

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?No

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**No

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**No

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**No

6.7.3 Do you have any future plans to support oil palm Independent Smallholders?No

6.7.4 Please explain why you are not planning to support oil palm independent smallholders

Sobeys doesn't buy palm oil directly. Our suppliers of private label products are required to source from CSPO for the products manufactured for Sobeys, but we let them choose their palm oil supplier.

7. Challenges

7.1 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

Most of our suppliers have successfully transitioned to 100% physical trace supply chain CSPO, but a few have continued to require credits. Sobeys will work to determine why the outstanding suppliers have not been able to fully transition and support them in their transition.

7.2 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?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- 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

The Sobeys Sustainability team works collaboratively with the Private Label team to provide updates on progress towards our 2020 goal. Further, we are engaged with our suppliers to support their transition. Sobeys VP of Sustainability conducts updates to the business (internally with key stakeholders) on the status of our transition to physical trace. It is important to achieve internal buy-in and support as we progress in this space. We supported the production of CSPO through the purchase of RSPO Credits and by working with suppliers that source approximately 94% of the palm oil in our supply chain from RSPO-certified trace supply.

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

We are finalizing our Corporate Responsibility online report, which will be publicly-available over the summer of 2020. The link is not yet available.