



Dear Valued Partner,

The Government of Canada has finalized their Bill S5 regulations which has resulted in a mandating of "plain and standardized" product and packaging for all tobacco products sold within Canada. Over the next few years there will be a series of changes implemented in phases to accommodate the regulations.

As a wholesaler, Sobeys Wholesale supply dates will be considered the same as Supplier mandated dates. Only entities that supply to end-consumers (retailers) are allowed a sell-through grace period after the Supplier dates.

#### **PHASE 1**

#### **CIGARETTE PLAIN PACKAGE CHANGES - NOVEMBER 9<sup>th</sup>, 2019 (Supplier & Wholesale):**

On November 9, 2019, all tobacco products (including little cigars, and excluding Large and Single Cigars), must be manufactured and wholesale distributed in compliance with the plain pack product requirements listed below:

##### **The manufacturing changes required for Phase 1**

- The exterior and interior of tobacco products must be the same mandated drab brown colour
- The tobacco product itself will also be standardized (cigarette circumference and length). As a result, only Regular and King size cigarettes will be permitted for sale after November 9<sup>th</sup>.
- All cigarettes will be standardized, including: removal of trademarks and logos from all cigarette tipping. The filter appearance will be standardized to drab brown, cork or white tipping only.
- Product brands and names cannot contain colors or numbers.
- Impacted product categories will be Cigarettes, Roll-Your-Own/Fine Cut, Heated Tobacco Products, Little Cigars and Sundries (Papers & Filtered Tubes)

During the week prior to November 9<sup>th</sup>, there will be disruption to supply as Sobeys warehouses work through removal of non-plain package product and load in the new plain-package product.

Sobeys Wholesale is in process of working out plans with suppliers to ensure the least disruption to the market while being able to fully execute the requirements.

##### **Sobeys Wholesale goals through Phase 1 transition:**

- Execute the plain packaging requirements without having to create new articles. Plain-package product (where possible) will maintain the same UPC's and Article number and will flow through as available. Some items will require new product set up, but, these are expected to be minimal.
- Execute product name changes in phases as information becomes available from suppliers (Removing Numbers and Colors)
- Transition slower moving items to plain-packaging earlier if product is available from suppliers to limit impact of inventory changes for higher velocity items which will transition closer to November 9<sup>th</sup> date.



**PHASE 1**  
**RETAIL - FEBRUARY 7th, 2020**

**Retail stores are permitted to sell through non-plain packaged product they have on site (as at November 9<sup>th</sup>, 2019) through to February 6<sup>th</sup>, 2020. On February 7<sup>th</sup> all non-plain package product will need to have been sold through or removed from shelf and only plain package product available to sell.**

**OTHER IMPORTANT CHANGE DATES:**

**Phase 2 – Cigars**

- **Suppliers and Wholesale need to be compliant with Plain-Package regulations on November 9<sup>th</sup> 2020**
- **Retail will be able to clear out their on-hand inventory for 180 extra days until May 8, 2021**

**Phase 3 – Physical change of Cigarette Packs to slide and shell packaging**

- **Suppliers and Wholesale to be compliant with regulations on November 21, 2021**
- **Retail will be able to clear out their on-hand inventory for an extra 30 days until February 9, 2022**
- **New articles will need to be created for this change**

Sincerely,  
Sobeys Wholesale