



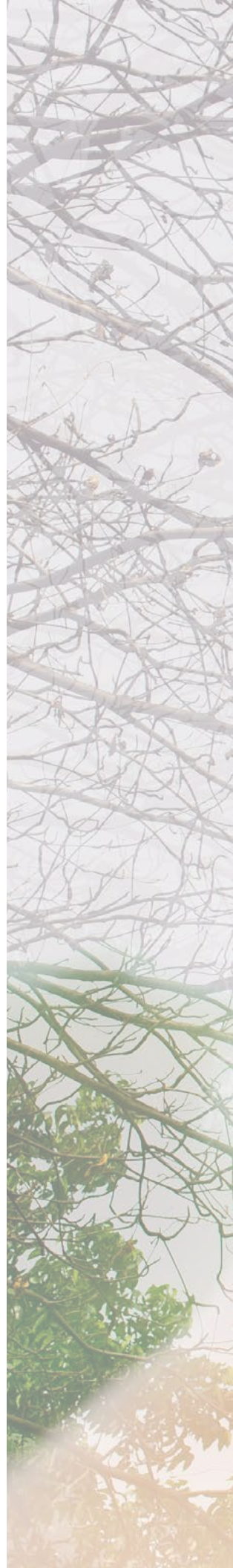
**BEER
STORE**

The Beer Store Responsible Stewardship 2019

***Reducing Ontario's Footprint
with Every Container***

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Message from the *President*

It is my pleasure to introduce you to The Beer Store's 2019 stewardship report!

This year we've seen an increased awareness of the effects of our changing climate and a necessary urgency for positive change. At The Beer Store, we believe that we can all do our part to reduce our impact on the environment, which is why we've established a system dedicated to sustainable practices and one that has helped to re-use and recycle containers and packaging used by the beer industry in Ontario for the last 92 years.

The chosen title for this year's report is *Reducing Ontario's Footprint With Every Container*. While the impact of reusing or recycling one container might seem small, over 1 billion containers were collected through our system in 2019 alone. The reuse or recycling of these materials, in conjunction with the associated packaging we collect, results in the avoidance of several hundred thousand tonnes of carbon dioxide and other harmful emissions every single year. That's why we really mean it when we say, "every container counts!"

The empty containers we collect not only help to reduce emissions but have also played a role in supporting and enhancing our communities and the lives of fellow Ontarians. Through our

annual Leukemia Bottle Drive, hosted in partnership with UFCW Local 12R24 and the Leukemia & Lymphoma Society of Canada, we have been able to raise over \$18 million over the last 14 years to support those affected with blood cancers. Through initiatives such as this, our staff and local communities have found numerous ways where the donation of empty container deposits can make a huge difference in the lives of those in need.

In the following report, we'll highlight these initiatives as well as some of the other ways we've supported sustainable practices and positive development both in our own business and in the communities we live and operate in. These are some of the core values we've abided by throughout our history and that will continue to shape our business in the future. Cheers!



Ted Moroz

PRESIDENT

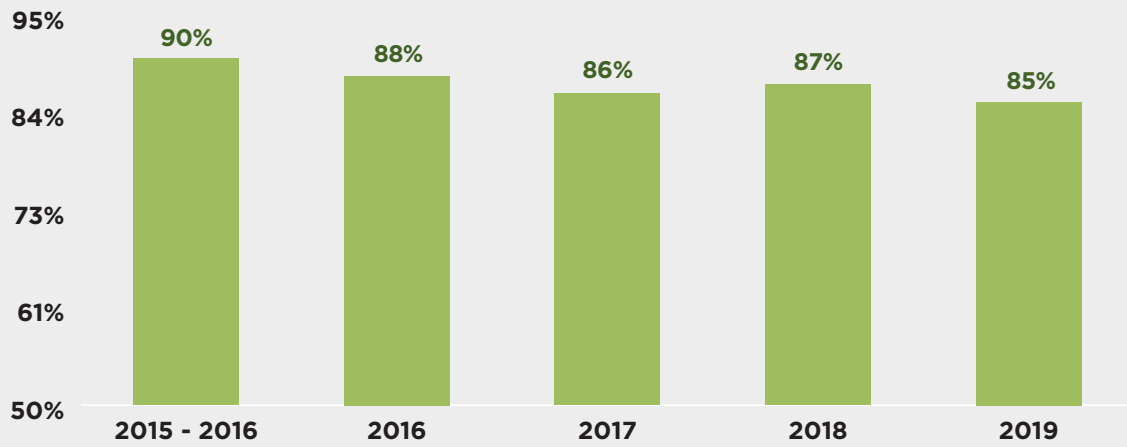
Responsible Stewardship 2019 *Summary Results*



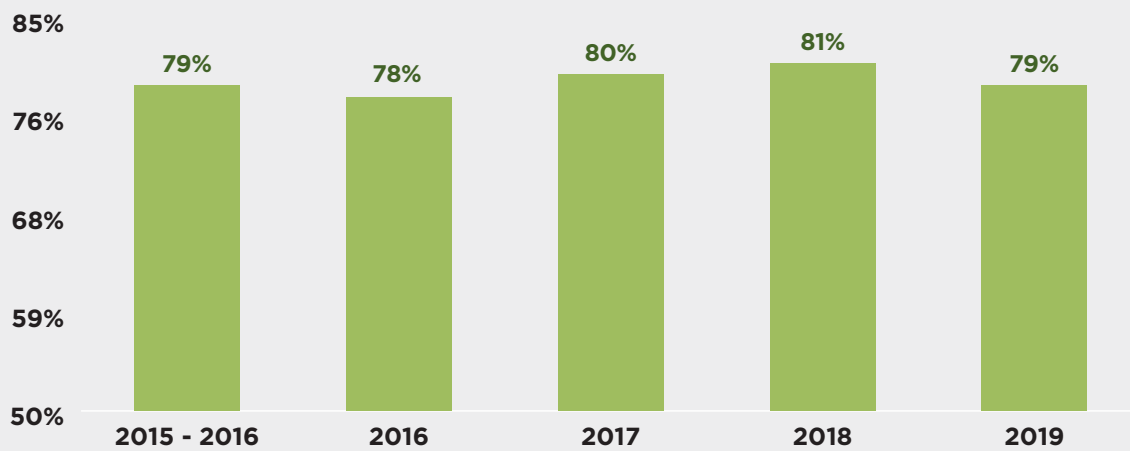
Summary Results	Beer Store Containers	Ontario Deposit Return (ODRP) Containers
Containers Collected	1,415,143,761	406,313,514
Tonnes Diverted from Disposal	201,822	109,624
Recovery Rate (%)	85%	79%
Glass Bottle Reuse by Brewers (Tonnes)	129,670	-
Material Recycled in 2019 (Tonnes)		
Coloured Glass	27,084	66,205
Clear Glass	12,036	39,944
Aluminum Cans	11,921	2,503
Corrugated Cardboard & Boxboard	19,835	-
PET Products	-	972

Trending Of Return Rates

Beer Store System Containers



Ontario Deposit Return Program (ODRP) Containers



Sale Locations

as of December 31st, 2019

#	Type Of Location
440	Beer Store Locations (includes 5 Beer Store locations that do not accept empty returns)
320	On-site Brewery Stores (beer containers only)*
327	Beer Store Retail Partner Stores & LCBO Convenience Outlets
671	LCBO Stores*
446	Grocery Stores
549	Ontario Winery Retail Stores*
50	Ontario Distillery Retail Stores*
17,807	Licensed Establishments (bars, restaurants, etc.)*
20,610	Total Beverage Alcohol Sales Locations

Redemption Locations

as of December 31st, 2019

#	Type Of Location
435	Beer Store Locations
320	On-site Brewery Stores (beer containers only)*
327	Beer Store Retail Partner Stores & LCBO Convenience Outlets
3	LCBO Stores
80	Beer Store Contracted Empty Bottle Dealers
1,165	Total Beverage Alcohol Container Redemption Locations

**Figures from LCBO and AGCO*

Packaging *Management*

2019 Highlights

- Collected more containers and associated packaging for reuse or recycling than was sold within our system
- Expanded the network of authorized returns locations resulting in improved accessibility, particularly in more rural communities

Every day, Ontarians are becoming increasingly aware of the pressures placed on the environment and are more conscious of how waste is managed. At The Beer Store, these are concerns we've looked to address for a long time. After the end of Prohibition in 1927, Brewers Warehousing Company Limited (now The Beer Store) was established as a brewer co-operative to warehouse, deliver, and sell beer. The concept of waste reduction was also involved at the forefront of our establishment, and since then TBS has continued to be responsible for the collection of empty beer containers and packaging sold within the system and maximizing their value either through reuse or recycling.

The co-operative nature of The Beer Store was, and still is, highly conducive to our focus on environmental conservation. Today, The Beer Store is privately owned by 30 Ontario-based brewers. By consolidating the resources required to transport, sell, and collect containers from this co-operative of brewers, we are able to save on costs, use resources more efficiently, and reduce emissions. Similarly, many of these brewers commit to sharing the use of a standardized bottle, called the industry standard bottle (ISB). The ISB is a specially designed bottle structured to be reused 15 times on average, making it one of the most environmentally efficient forms of packaging in

Ontario. Sharing a container with a standard size and packaging requirements also makes warehousing and transportation more efficient, meaning that the bottle will get collected, washed, sanitized, refilled, and shipped back to a store near you even sooner! Along the same lines, The Beer Store also manages a standardized keg float that is shared amongst several brewers in Ontario. This allows brewers consistent access to sturdy, steel kegs that can be repaired inhouse and reused for many years.

In addition to the ISB, some brewers elect to use their own proprietary refillable bottles and/or kegs, which The Beer Store sorts by brewer to be returned for refilling. Other containers sold in our system include one-way bottles, aluminum cans, and one-way kegs. The brewers within our system commit to selling in our stores only containers that can be easily reused or recycled. The Beer Store works with brewers to identify materials that are problematic in recycling streams and

continues to work with them to explore and implement alternatives. For example, we do not permit the sale of ceramic bottles in our stores, that in addition to not being recyclable to high-end use, also cause contamination issues when mixed with recyclable glass.

By doing so, we are then able to accept back any containers used in the sale of beer at our retail locations and either coordinate its return to a brewer to be reused or ensure it is sent for high-end recycling. When beer containers and their associated packaging are returned to one of our authorized return locations, the different materials are carefully sorted before being shipped to their destination. Our comprehensive process of sorting and processing these materials before shipping prevents cross-contamination, which retains their recyclability and helps unlock their full value as part of the circular economy. For example, many of the used glass bottles and aluminum cans we collect are able to retain their full value by being used as input for the creation of more bottles and cans.

A deposit system has been integral to the success of our returns program by pairing environmental savings with financial incentives. A 10-cent deposit is applied to the purchase of any beer bottle under 630 ml and beer can under 1 L, and a 20-cent deposit to containers above those content levels.

Not only does the TBS system boast immense environmental savings, it has also created numerous jobs and economic opportunities in Ontario in order to handle and process the vast amounts of materials that flow through our system. Thanks to the hard work of our 7,000+ employees and the customers who participate in our returns program, we were able to send nearly all the refillable bottles and kegs sold in 2019 back to brewers for reuse and collected the vast majority of non-refillable containers for recycling. The following tables detail the amount of TBS system containers and packaging purchased and returned in 2019:

Table 1

The Beer Store Container Sales and Recovery by Container Type

January 1st, 2019 – December 31st, 2019

Container Type	Beer Store Sales (units)	LCBO Sales (units)	Returns (units)	System Recovery Rate (2019)	System Recovery Rate (2018)
All Glass Bottles (Refillable and Non-Refillable)	587,366,611	106,627,156	653,945,626	94%	94%
Refillable Bottles (Industry Standard Bottle (ISB) and Non-Standard)	489,806,685	57,478,002	531,593,605	97%	96%
Non-Refillable Bottles	97,559,926	49,149,154	122,352,021	83%	83%
Metal Cans	588,798,083	382,678,257	759,989,097	78%	81%
Kegs	1,167,686	-	1,209,038	104%	103%
Total (by Units)	1,177,332,380	489,305,413	1,415,143,761	84.9%	86.7%

Table 2

Secondary Packaging

January 1st, 2019 – December 31st, 2019

Packaging Type	Beer Store (Tonnes Sold)	LCBO (Tonnes Sold)	Total (Tonnes Sold)	Recovered Tonnes (2019)	Recovered Tonnes (2018)
Corrugated/ Boxboard*	14,896	4,256	19,152	19,835	18,946
Metal	1,239	224	1,463	158	182
Plastic	519	264	782	894	814
Total	16,654	4,744	21,398	20,887	19,942

Note:

'Tonnes Sold' reported at both The Beer Store and the LCBO is the packaging associated with the sale of beer products only.

*"Tonnes Recovered" reflects all packaging returned to The Beer Store, including non-beer packaging.

Taking *Action*

While we commit to reusing or recycling the containers and packaging associated with our business, our efforts don't stop there. With environmental leadership as one of our core values, we are always looking for ways to continuously improve as an environmental steward in every aspect of our business. Here's some of the steps we took this year to reduce our environmental footprint:



Elimination of Single Use Plastic Bags

In 2019, we proudly announced that as of January 2020 we would no longer be providing single-use plastic shopping bags in any of our stores. While we currently accept back any of our existing used plastic bags to ensure they are recycled, we also strongly support the other 2 R's: reducing and reusing. Our goal is to reduce the environmental footprint of every sale in our stores. Instead of using new plastic bags for purchases, we will be encouraging our customers to bring their own reusable bags and will also provide a reusable bag option for purchase at our stores.

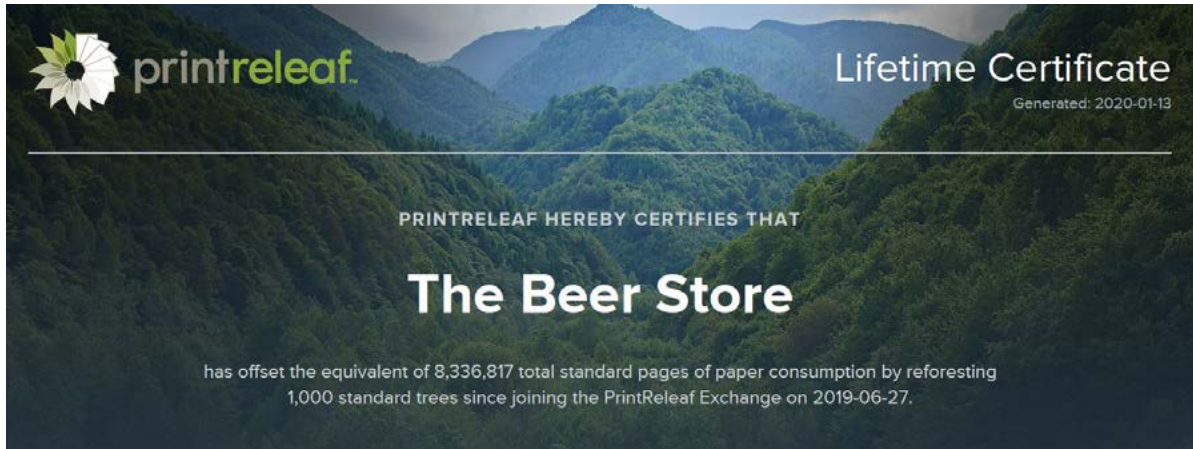


IMAGE: Certification from PrintReleaf stating the total pages of paper consumed since TBS joined the program on June 27, 2019, and the equivalent number of trees reforested to offset the paper used.

Lexmark Sustainability Program

While we may be the beer experts, we rely on partnerships with other businesses to ensure we're adhering to the highest environmental standards in other areas of our business.

This is why we've partnered with Lexmark, our printer/copier/scanner provider, in their sustainability program. Through the Lexmark Cartridge Collection Program, we collect the used toners from our retail, distribution, and corporate locations and return to them to Lexmark, where they can be recycled into new toners and other products. In addition, we joined Lexmark's PrintReleaf program in 2019. With this program, we are able to keep track of our paper consumption to demonstrate our use and potentially highlight areas where we can reduce our consumption. For the paper that we do use, we have enlisted replantation experts to replant the amount of trees equivalent to our consumption. Since joining the program in June 2019, we've reforested 1,000 trees in areas that need it most.



IMAGE: TBS truck wrap graphic stating that 1.8 billion empties are diverted from landfill each year.

Transportation Efficiency

In 2018, we entered into a pilot with the LCBO to deliver wine, spirits, and coolers along with our own beer deliveries on our existing service routes. The pilot, which began in the London and Whitby areas, reduced the total amount of trucks on the road previously required to deliver beverage alcohol products, maximized the content of each load to reduce the overall environmental impact of beverage alcohol deliveries in Ontario, and allowed for efficiencies on the receiving end as customers now are able to receive more of their stock in a single delivery.

Given the success and clear benefits of this strategy, this program was expanded in 2019 to include more delivery points. With the expansion of beverage alcohol sales points in communities across Ontario in 2019, the need for improved consolidation of loads was greater than ever, to accommodate both additional delivery points and additional products. The Beer Store will continue to work with the LCBO in 2020 to identify more service routes where co-delivery of beverage alcohol products might prove beneficial.

Upgrading Our Stores

The Beer Store continuously practices measures to reduce energy consumption in our stores by proactively maintaining systems to ensure they are operating efficiently, and by replacing old methods with more effective models. For example, refrigeration systems were fully replaced in 18 stores in 2019, and another 37 stores had their refrigeration systems further upgraded for improved efficiency. The new systems are 70% more efficient than prior models, meaning less electricity is required to keep our beer cold.



E-Waste Collection Event

In the spring of 2019, we held an event at our corporate office to collect electronic waste for recycling. In addition to material from our office, we encouraged employees to bring any unused electronics from their own homes as well. We managed to fill an entire bin of recyclable electronics, ensuring that they avoided landfills.

Ontario Deposit Return Program Results

Since 2007, The Beer Store, under contract with the Ontario Government, has run the Ontario Deposit Return Program (ODRP). Under the ODRP, any alcohol container sold in Ontario (greater than 100 ml) is purchased with a deposit applied of 10 or 20-cents that is fully refundable when that empty container is returned to any TBS return location.

The ODRP helps divert recyclable materials from landfills and redirects this material for high-end recycling. Through the ODRP, the overall return rate of recyclable material has risen from 63% in the first year of the program to 79% in 2019. The Beer Store also accepts back any cardboard, plastic, or other packaging associated with the sale of ODRP containers to ensure they are recycled.

Table 3

ODRP Sales, Deposit Value by Container Type, & Market Share

January 1st, 2019 - December 31st, 2019

ODRP Containers*	Deposit Value	Sales (Units)	Sales Distribution**	Sales by Material Type
Glass containers less than or equal to 630ml	\$0.10	58,873,361	11.4%	52.4%
Glass containers greater than 630ml	\$0.20	210,772,343	41.0%	
Aluminum or steel cans less than or equal to 1L	\$0.10	203,997,123	39.7%	39.7%
Aluminum or steel cans greater than 1L	\$0.20			
Tetra Pak and Bag-In-Box containers less than or equal to 630ml	\$0.10	1,257,962	0.2%	2.6%
Tetra Pak and Bag-In-Box containers greater than 630ml	\$0.20	11,977,691	2.3%	
Polyethylene Terephthalate (PET) or plastic containers less than or equal to 630ml	\$0.10	17,996,319	3.5%	5.4%
Polyethylene Terephthalate (PET) or plastic containers greater than 630ml	\$0.20	9,595,377	1.9%	
Total		514,470,178	100.0%	100.0%

* Containers larger than 100 ml qualify for deposit return refunds under the program.

** Figures may not sum to 100% due to rounding.

The success of the ODRP is further demonstrated by the increasing number of containers returned year after year. In October 2019, we reached the return of the 4 billionth ODRP container! All of these containers avoided landfills and were instead recirculated into the economy to be recycled into high-end products.

Table 4

ODRP Containers: Sales & Recovery

January 1st, 2019 – December 31st, 2019

Container Type	Sales in Units*		Returns in Units		Recovery Rate					
	Small Containers	Large Containers	Small Containers	Large Containers	Small Containers (2019)	Small Containers (2018)	Large Containers (2019)	Large Containers (2018)	Combined (2019)	Combined (2018)
Glass	58,873,361	210,772,343	45,696,056	182,680,534	78%	81%	87%	88%	85%	86%
PET	17,996,319	9,595,377	7,858,740	6,874,367	44%	44%	72%	72%	53%	54%
Tetra/BIB	1,257,962	11,977,691	208,038	3,408,166	17%	8%	28%	27%	27%	25%
Subtotal	78,127,643	232,345,411	53,762,834	192,963,067	69%	72%	83%	84%	79%	81%
Cans	203,997,123		159,587,612						78%	81%
Grand Total	514,470,178		406,313,514						79%	81%

*Domestic distillery container sales reporting no longer submitted to LCBO.

Combined Environmental Performance Results

The following table demonstrates the avoided GHG emissions and energy consumption as a result of the containers reused or recycled through The Beer Store's collection program and the Ontario Deposit Return Program.

Table 5

The Beer Store & ODRP Disposal Diversion Estimated Avoided GHG Emissions & Avoided Energy Consumption (2019)

January 1st, 2019 - December 31st, 2019

	Glass Reuse	Clear Glass Bottle Recycling	Coloured Glass Bottle Recycling	Aluminum Recycling	Steel Recycling	PET Recycling	Mixed Plastic Recycling*	Total Diversion
Beer Store Tonnes Diverted	129,670	12,036	27,084	11,921	158	0	1,117	181,987
ODRP Tonnes Diverted	-	39,944	66,205	2,503	-	972	-	109,624
TOTAL Tonnes Diverted	129,670	51,980	93,289	14,425	158	972	1,117	291,611
Avoided GHG Emissions (MTCO ₂ E)	49,275	5,718	5,131	139,342	188	3,538	4,068	207,260
Avoided Energy Consumption (GJ)	881,755	87,326	101,685	1,260,139	1,989	82,931	95,332	2,511,158

Figures in table may not add to the total due to rounding.

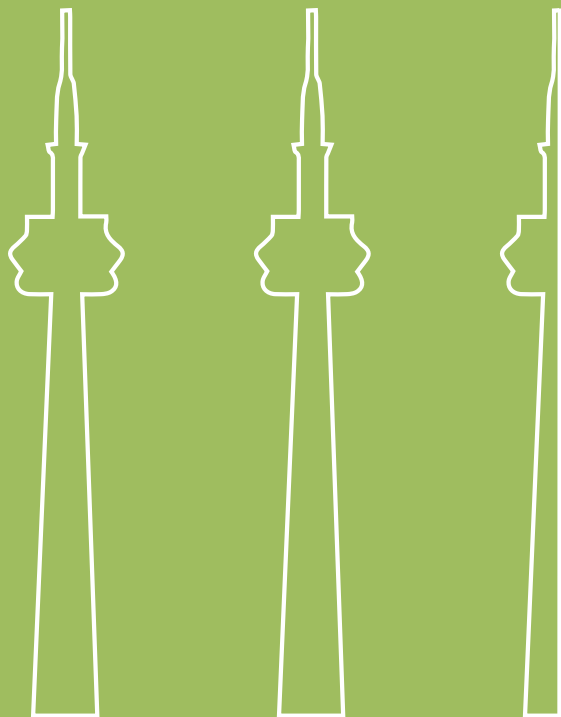
* "Avoided GHG" and "Avoided Energy" coefficients for PET Recycling used for Mixed Plastic figures.

Source for avoided energy and emissions multipliers: Determination of the Impact of Waste Management activities on Greenhouse Gas Emissions: 2005 Update Final Report, ICF Consulting for Environment Canada & Natural Resources Canada, October 2005 and GHG Calculator for Waste Management, Update Oct 2009, ICF Consulting for Environment Canada. Multipliers for avoided GHG Emissions (eCO₂/tonne) used were 0.38 for glass reuse and 9.66 for aluminum recycling. Avoided GHGs from glass bottle reuse (0.38) is not presented in the Determination of the Impact of Waste Management activities on Greenhouse Gas Emissions: 2005 Update Final Report. This multiplier was provided in the previous version of the report from 2004. Pollutant reductions associated with recycled versus virgin aluminum production and glass production from Weitz, Keith A. et al. 2003. Life-Cycle Inventory Data Sets for Materials Production of Aluminum, Glass, Paper, Plastic and Steel in North America. Report prepared by RTI International for the U.S. EPA, Office of Research and Development. EPA-600/Q-03-001. Research Triangle Park, NC.



If we were able to stack all
1.8 BILLION
containers recovered in 2019 from
end to end, they would almost reach
the moon!*

The weight of all the containers and associated
packaging recovered for reuse or recycling in 2019 is over
290,000 TONNES!



That's
about
2.5 X
as
HEAVY
as
the
**CN
TOWER!****

* "306,351 km". *The Measure of Things*. Bluebulb Projects' *The Measure of Things*. Web. 02-20-2020.

**"290,000 tonnes". *The Measure of Things*. Bluebulb Projects' *The Measure of Things*. Web. 02-20-2020.

Community ***Involvement***

Fall Bottle Drive

Given the success of our first ever Fall Bottle Drive in 2018, we wanted to make the event a tradition. Held this year on Saturday, October 19th, our Fall Bottle Drive was dedicated to giving back to local communities more directly and in the ways they needed it most. Prior to the event, every MPP in the province was asked to tell us what charity their community would most value directing donations to. Every dollar raised from the bottle drive in each community was directed to their chosen charity, and where one was not chosen, was directed towards local women's shelters.

Roger's House Bottle Drive

Roger Neilson House is one of the few pediatric palliative care facilities in the province. It provides support, care, and refuge for children undergoing treatment at The Children's Hospital of Eastern Ontario and their families. For over 10 years, TBS stores in the Ottawa and Peterborough areas have run a bottle drive for one weekend in September to collect donations for Roger's House, raising hundreds of thousands of dollars over the years in support of the organization.

Fire Safety Day

On June 15th, 175 Beer Stores across the province welcomed their local fire departments to the store to promote fire safety. Over 100 fire departments participated and found the event to be extremely successful in spreading valuable, live-saving information to our communities. By partnering with The Beer Store, the fire departments found they were able to reach a broader audience and considered the event to be a great success.



Returns for Leukemia Bottle Drive

For 14 years, The Beer Store, along with the UFCW Local 12R24, has partnered with the Leukemia and Lymphoma Society of Canada to help raise funds for the more than 138,000 Canadians affected by blood cancers. Every year, we hold a Returns for Leukemia bottle drive, where all of our stores as well as community volunteers across the province participate in collecting container and monetary donations for a full weekend. Our dedicated staff and volunteers amaze us with their creativity and dedication every year, planning bake sales, barbeques, prizes, and more to drive more donations. Their efforts haven't gone unnoticed, as we raised over \$1.6 million dollars at our event this year! These donations are extremely invaluable to the LLSC and go towards supporting numerous causes, such as funding important research, developing new treatments, or by directly providing support for patients and their families.

Since 2006, we've raised over \$18 million dollars through the generous donations of our customers and the hard work of our staff and volunteers. In recognition of these efforts, in 2019 TBS received a special award of recognition from the Leukemia and Lymphoma Society. A special research grant was created in the name of The Beer Store, that will be used to support a highly esteemed team here in Canada to research promising new treatment methods.

Habitat for Humanity

In 2019, 218 TBS stores in the GTA and surrounding areas participated in the 5th annual bottle drive to raise donations for Habitat for Humanity. Not only has Habitat for Humanity built hundreds of homes, providing families in need a safe and affordable space, their work has also built stronger communities and invested in the future of numerous children. At this year's event, participating stores raised over \$54,000 due to the generous donations of our customers.

Terry Fox Bottle Drive

Beer Stores in the Ontario north-east continued to run their annual bottle drive for The Terry Fox Foundation in 2019. The money raised from the bottle drive has gone to numerous research initiatives dedicated to Terry's goal of finding a cure for cancer.

Juravinski Bottle Drive

For the last 5 years, TBS locations across Hamilton have participated in an annual bottle drive to raise money for the Juravinski Cancer Centre. This year, \$32,964 was raised, which was directed to investing in new equipment at the hospital.



The Bottle Shed

Operating in Stouffville, The Bottle Shed Foundation accepts empty container returns at a dedicated return location. The depot employs a number of staff with intellectual disabilities, providing social employment opportunities for those in need. The money raised from the donated deposits goes towards their wages and to various charities in the area. The Beer Store supports The Bottle Shed by helping to cover operating costs and through the provision of necessary supplies.

Motorsport Park Bottle Drive

For the past several years, TBS volunteers have organized bottle drives during races at the Canadian Tire Motorsport Park in Bowmanville. For 3 race weekends in 2019, the volunteers collected empty alcohol containers to both ensure the material is recycled and to direct the value of the deposits for donations.

Empties for Paws

Empties for Paws is an organization dedicated to raising funds for much needed food, supplies, and support for animal shelters across the province. They help to organize bottle drives and container drop off locations, supported by The Beer Store through the provision of these vital supplies. Check out www.emptiesforpaws.com to find a collection location near you!



Sponsorships

Recycling Council of Ontario

The Recycling Council of Ontario is an organization dedicated to the promotion of recycling and waste reduction in Ontario, through both public educational promotions and by providing support to businesses to better adhere to the principals of a circular economy. With a shared core value of environmental sustainability, The Beer Store is a proud sponsor of the RCO year after year.

Association of Municipalities of Ontario

The Beer Store was a sponsor of the annual Association of Municipalities of Ontario conference in Ottawa this summer. TBS president Ted Moroz hosted a seminar that was attended by dozens of municipalities, where he emphasized the positive role that the TBS returns system plays across all municipalities in Ontario. By successfully maintaining high return rates for beverage alcohol containers, significant material is diverted from municipal streams and instead largely managed privately through The Beer Store. Through the success of our collection program, we are also able to supply additional material to the glass and packaging manufacturing market in Ontario to increase the amount recycled content in new glass containers.

Commerce & Engineering Environmental Conference (CEEC)

Held annually at Queen's University in Kingston, the Commerce & Engineering Environmental Conference is open to students with a passion for environmental sustainability. The conference offers opportunities for learning about emerging trends, showcasing businesses, and networking. The Beer Store helps to bring attendees together to network and socialize through sponsoring a Beer and Cheese event.



Waste Reduction Week

Waste Reduction Week is an annual event led by the Recycling Council of Ontario that promotes environmental efforts and sustainable solutions across Canada. Each day of the week hosts a different theme, and this year The Beer Store was the sponsor for the kick-off to Waste Reduction Week, where the day was devoted to promoting the Circular Economy. The Beer Store is no stranger to the concept of a Circular Economy, having a system designed to manage the full life cycle of our products since 1927.

To highlight The Beer Store's success and promote Waste Reduction Week, TBS and RCO teamed up for a live feature on CTV News, where TBS president Ted Moroz and RCO Executive Director Jo-Anne St. Godard discussed the importance of a circular economy and how the beer industry in Ontario exemplifies this concept through key factors like the use of the reusable containers and supply chain efficiencies, all made possible through The Beer Store system.

At the TBS corporate office, we hosted a Zero Waste lunch during the live segment on CTV. Staff were provided reusable lunch containers and were encouraged to bring a waste-less lunch while tuning in to CTV news to watch the segment.



Canadian Stewardship Conference

In November 2019, TBS helped sponsor and attended the Conference on Canadian Stewardship, which was held in Vancouver. Attendees had the chance to collaborate with other stewardship groups from around the world and learn more about current trends around sustainability and environmental leadership. In addition to sponsoring the event, TBS set up an informational booth where the team was able to promote our returns programs and invite questions and discussions from both Canadian and international stewardship representatives.



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Cheers to making
a difference!

832,884,234

empty beer containers were
refilled last year.

BDL
BREWERS DISTRIBUTOR LTD.



IMAGE: Signage demonstrating the total number of empty beer containers refilled in 2018.

Promotional & Educational *Activities*

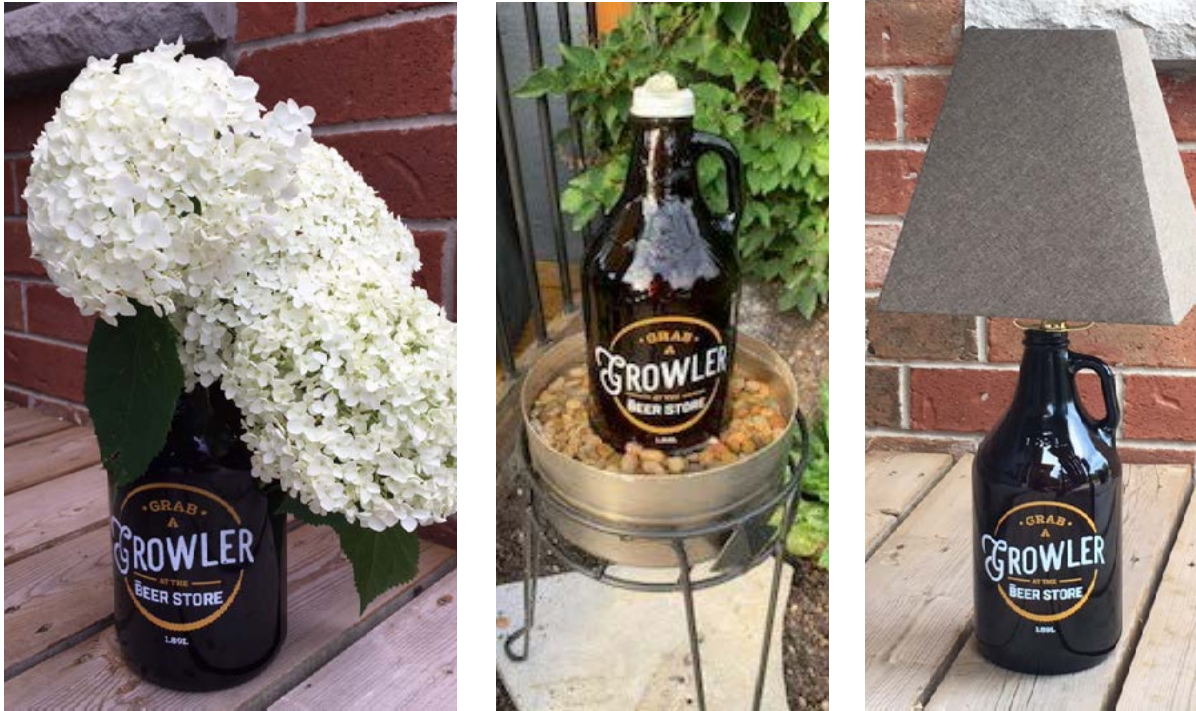


Ontario Craft Brewers Conference

The Ontario Craft Brewers Conference is an annual event dedicated to education, trends, and networking within the craft beer market in Ontario. With the theme of this year's conference being "Collaborating Through Community," a discussion around The Beer Store system was fitting. TBS president Ted Moroz highlighted how the collaborative nature of our system can benefit both brewers and the environment through increased efficiencies, reduced emissions, and by keeping operational costs low. Ted's presentation reminded attendees of the value of applying deposits to containers to incentivize returns to The Beer Store, so more material can be sent for re-use or high-end recycling.

Restaurants Canada Trade Show

In 2019, The Beer Store participated in the Restaurants Canada Trade Show, held in Toronto at the beginning of the year. The TBS booth provided information catered to restaurants and bars, with displays for draught services, information on the Beer for Business application, and beer and food pairings sessions. The Beer Store team was also able to address questions on empty alcohol container returns, and how restaurants and bars can effectively use The Beer Store's return system, merging well with the Sustainability theme of the 2019 show.



Earth Day 2019

The TBS corporate office celebrated Earth Day this year by actively exploring the concept of upcycling. In 2019, TBS discontinued the use of growler containers, which were previously used at select stores to allow customers to refill the container with beer on site. Rather than immediately recycling the remaining containers at the end of this pilot, employees were challenged to upcycle them into a new life. Participants found numerous uses for the containers, such as lamp stands, storage containers, and even a water fountain. The team also learned about the value of instilling new life into common products and how we can use creative solutions to break the mold of the linear economy by viewing our “waste” as a valuable resource that can be repurposed or recycled in order to help conserve our natural resources.

TBS also partnered with local businesses to give a new life to the unused growlers and support their low-waste business models. The two retail stores now use the growlers as containers to allow customers to dispense bulk product into their own reusable containers, removing the need for single-use packaging.

Summary of Joint TBS & ODRP Promotional & Educational *Activities*



IMAGE:
Sample of a Twitter
post by The Beer
Store promoting
the returns of all
beverage alcohol
containers sold
in Ontario during
spring cleaning.

Social Media

The Beer Store was consistent with providing messaging around empty beverage alcohol container returns throughout 2019.

Every Container Counts

This year, we updated and shared our “Every Container Counts” infographic, that highlights some of the environmental benefits of The Beer Store’s return system and the ODR program.

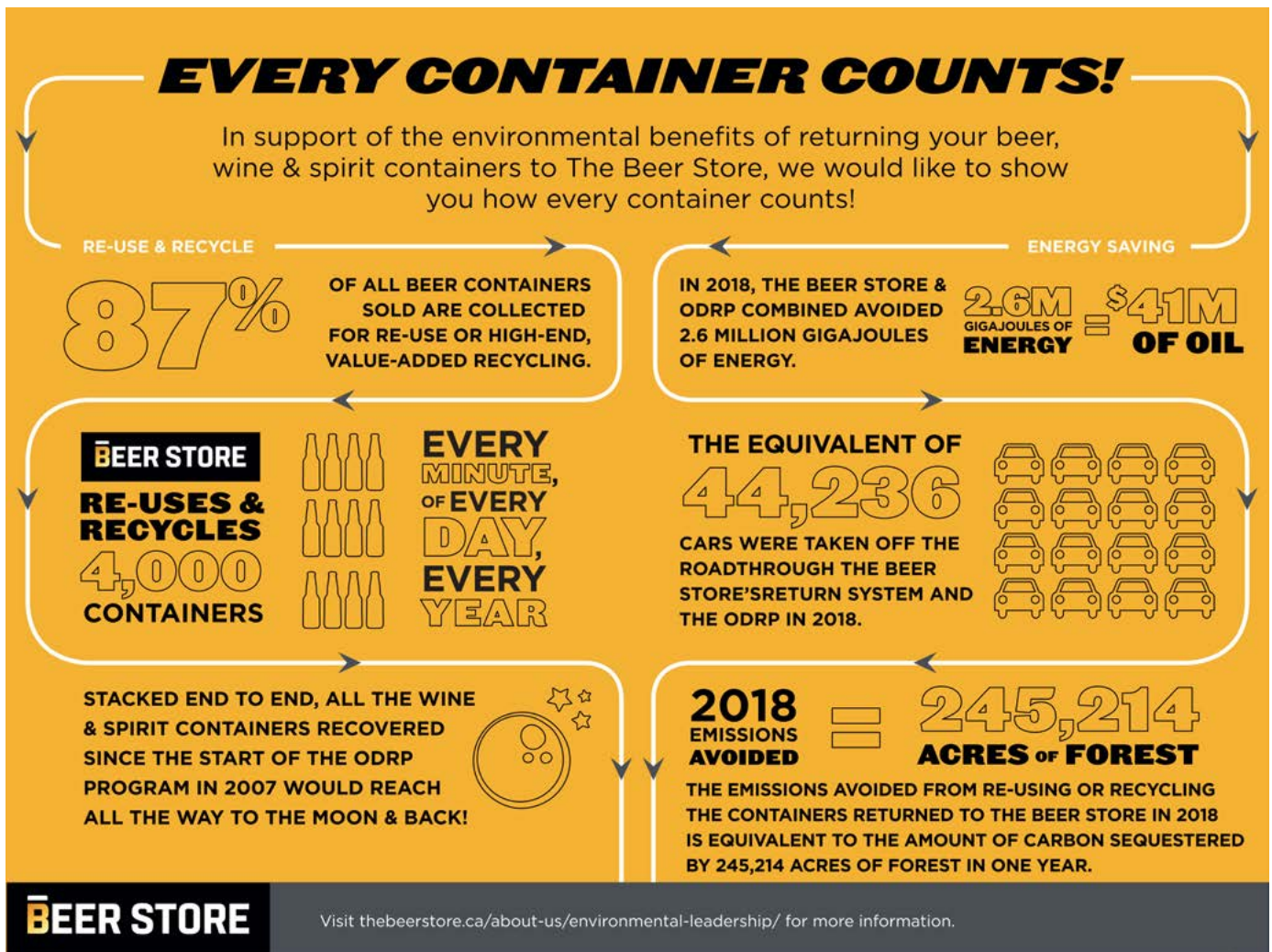


IMAGE: “Every Container Counts!” infographic detailing return rates and counts of containers returned to The Beer Store in 2018, and the equivalency of re-using and recycling these containers in terms of avoided energy and GHG emissions.



March 27, 2020

Ms. Rachel Morier
Director, Sustainability
Brewers Retail Inc.
5900 Explorer Drive
Mississauga ON L4W 5L2

Dear Ms. Morier:

Re: Report in connection with Section 69 (3) of The Waste Diversion Transition Act 2016, S.O. 2016, c.12 (the Act)

As specifically requested by Brewers Retail Inc. (Brewers), we have performed the following procedures on certain information in The Beer Store Responsible Stewardship 2019 (the Report). The procedures were performed solely to assist Brewers in the preparation of the Report to meet the reporting requirements of Brewers under Section 69 (3) of *The Waste Diversion Transition Act 2016, S.O. 2016, c.12* (the Act) for the period from January 1, 2019 to December 31, 2019.

The following procedure was completed with respect to the recovery rates for the following container types: All Glass Bottles (Refillable & Non-Refillable), Refillable Bottles (Industry Standard Bottles (ISB) and Non-Standard), Non-Refillable Bottles, Metal Cans, and Kegs (the Container Types). For each Container Type, the amount in Table 1 were compared to the tables contained in the 2019 Calendar Year Audit of Beverage Container Recovery Methodology and Results - Part A report (the MRR) prepared by Brewers and not included in the Report.

A. Information in the Report in Table 1: The Beer Store Container Sales and Recovery by Container Type (Table 1)

1. We compared the units for The Beer Store sales, Liquor Control Board of Ontario (LCBO) sales and Returns by Container Type (except All Glass Bottles (Refillable & Non-Refillable)) in Table 1 to the detailed working tables A. 2.1 Standard and Non-Standard Refillable Bottles, A. 3.1 Non-Refillable Bottles, A.4.1 Metal Cans (aluminum & steel), and A.5.1 Kegs of the MRR and found the units to be in agreement.
2. We re-computed the units for the Beer Store sales, LCBO sales and Returns for All Glass Bottles (Refillable & Non-Refillable) in Table 1 by totaling the units in the detailed working tables A.2.1 Standard and Non-Standard Refillable Bottles, and A.3.1 Non-Refillable Bottles of the MRR and found the units to be arithmetically correct.
3. We re-computed the System Recovery Rate (2019) for each Container Type in Table 1 by dividing the Return units in Table 1 by the sum of the Beer Store sales plus LCBO sales for each Container Type and found the percentages to be arithmetically correct.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Ms. Rachel Morier
Brewers Retail Inc.
March 27, 2020

The following procedures were completed with respect to the supporting summary tables contained in Appendix A – Sales by Package Calendar 2019 (Appendix A), Appendix B – LCBO Sales of TBS Products Calendar 2019 (Appendix B), Can Settlement Calendar 2019 (Can Settlement), C19 Package Sales and Volume by Type of Sale schedule (the C19 Schedule by Type), and related supporting tables prepared by the Beer Store, which serve as the source data to the MRR and Table contained in the Report. These supporting summary tables are not contained in the Report.

B. Information in the supporting summary tables

1. We compared the Beer Store sales, LCBO sales and Returns units in tables A.2.1 Standard and Non-Standard Refillable Bottles, A.3.1 Non-Refillable Bottles, and A.5.1 Kegs of the MRR to Appendix A and found the units to be in agreement.
2. We compared the Beer Store sales, LCBO sales and Returns units in the detailed working table A.4.1 Metal Cans of the MRR to the Can Settlement and found the units to be in agreement.

C. The Beer Store sales units

1. We re-computed the total sales units for each Container Type (excluding Metal Cans) in Appendix A as the sum of the sales units for the respective size names within each Container Type and found the units to be arithmetically correct. We re-computed the total sales units (except Metal Cans) in Appendix A of the respective size names by multiplying the number of packages of each size name sold by the number of units in the package and found the units to be arithmetically correct. We compared the sales for the respective size names (except Metal Cans) in Appendix A to the C19 Schedule by Type and found the units to be in agreement.
2. We compared the total Beer Store sales units in hectolitres from the C19 Schedule by Type to Appendix A prepared by Brewers and found the units to be in agreement.
3. We re-computed the total sales units for Metal Cans in the Can Settlement as the sum of the sales units and found the units to be arithmetically correct. We re-computed the total sales units of Metal Cans in the Can Settlement by multiplying the number of packages of each size name sold by the number of units in the package and found the units to be arithmetically correct.
4. We compared the sales for Metal Cans in the Can Settlement to the Report and found the units to be in agreement.

D. LCBO sales units

1. We compared the LCBO sales units in Appendix A (excluding Metal Cans) to Appendix B that sets out the calculation of Beer Store sales (net of the Beer Store sales direct to the LCBO) and LCBO sales and found the units to be in agreement.



Ms. Rachel Morier
Brewers Retail Inc.
March 27, 2020

2. We re-computed the total sales units for each Container Type on the respective Appendix B as the sum of the sales for the respective size names in hectolitres divided by the size of the respective containers within each container type and found the units to be arithmetically correct. We compared the sales for the respective size names in Appendix B to schedules of LCBO sales volume for import and domestic sales by size and name (the LCBO Sales Schedules) and found the units to be in agreement.

E. Return units

1. We re-computed the total returns by Container Type (excluding Metal Cans) by adding the number of units by individual size names and found the units to be arithmetically correct.
2. We compared the total number of packages returned by Container Type (excluding Metal Cans) to the total number of package returned on the TBS Returns CY19 schedule prepared by the Beer Store and found the units to be in agreement.

These procedures do not constitute an audit of the Report, Table 1, the MRR or any of the supporting summary tables and schedules as at and for the year ended December 31, 2019 and, therefore, we express no opinion on the Report, Table 1, the MRR or any of the supporting summary tables and schedules. Had we performed additional procedures or had we made an examination of the Report, Table 1, the MRR or any of the supporting summary tables and schedules, other matters might have come to our attention that would have been reported to you.

It is understood that this report is intended solely for the information of this audit committee, management and the other users, including Waste Diversion Ontario. Consequently, the report should not be distributed to other parties. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for any loss or damages suffered by any third party as a result of decisions made or actions taken based on this report.

(signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Toronto, Ontario