



**BEER
STORE**


The Beer Store Responsible Stewardship 2022

Circularity in Action for 95 Years

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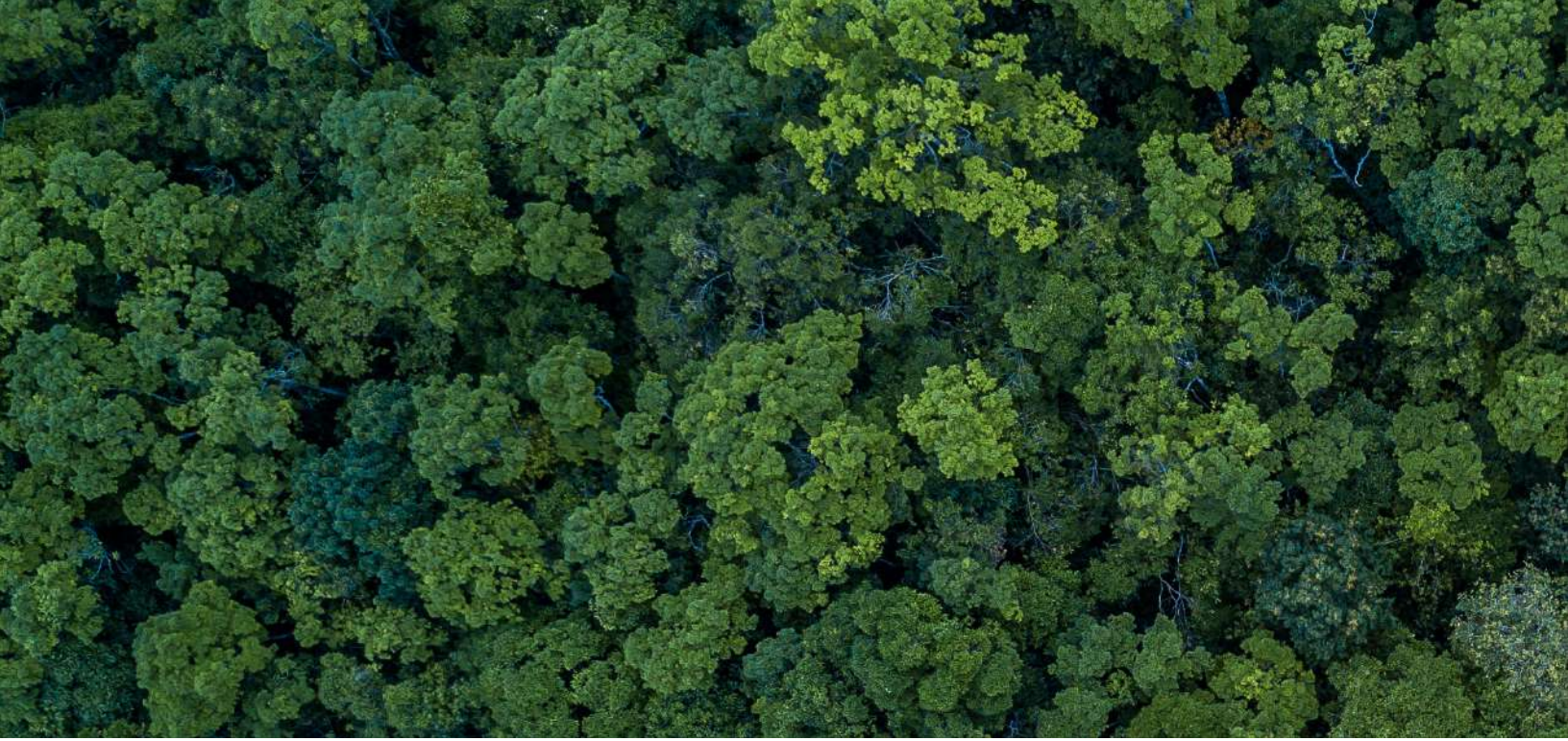
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Symbol Key

-  Figures for which our auditors, Ernst & Young (“EY”), provided a limited level of assurance.







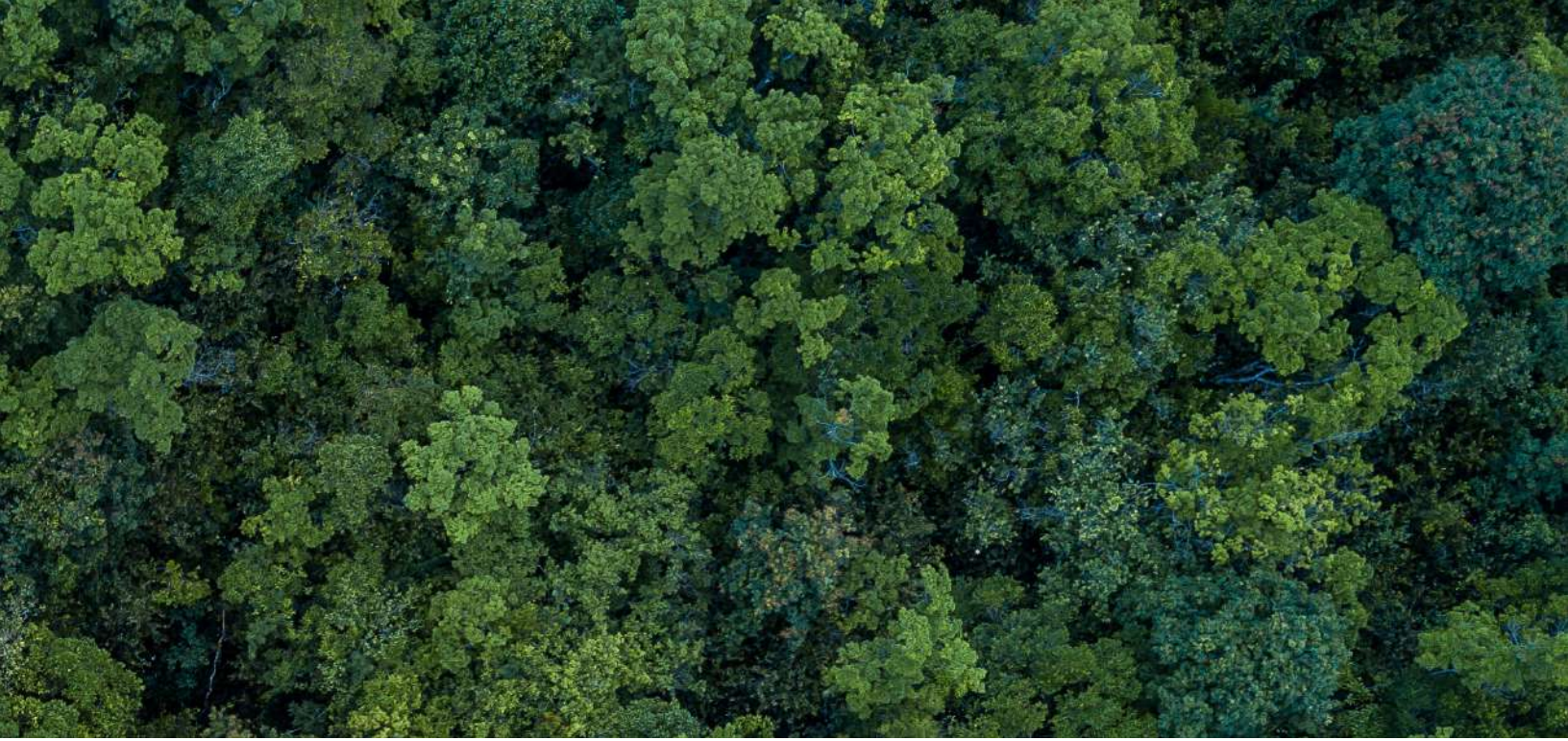
Message from the President

Greetings and welcome to The Beer Store's ("TBS") 2022 Stewardship Report. This year we reached a significant milestone, celebrating our 95th anniversary! Looking back on the past 95 years, while much has changed in our business and around the world, there are many ways in which we've remained consistent. These include our commitment to offering a wide array of products to Ontario consumers, keeping our communities safe through responsible sales, fostering a safe and inclusive workplace for our team members, and acting as environmental leaders. Our dedication to the environment has allowed us to establish and maintain a more circular beer industry in Ontario for almost a century.

The term "circular economy" was likely first used in the late 1980s, and today is widely accepted as a solution to challenges

such as climate change, waste, and pollution. Much conversation is had today around how society can transition from a linear economy, where product is created, consumed, and discarded, to a circular economy, where materials can be recirculated into production to reduce waste.

Long before this term came into use, we were putting the principles of the circular economy into action. A deposit system has helped us to maintain high recovery rates of beer containers throughout our history. By running a successful return-to-retail system, we have been able to support brewers in their use of refillable containers, greatly extending the lifespan of containers sold through our system. This has also supported collaboration between brewers who choose to share floats of reusable bottles and kegs, which in turn has contributed to increasing



economic and environmental efficiencies. Where re-use isn't feasible, our system is able to recover resources by recycling these materials into high-value use, both avoiding their disposal and reducing the need for virgin materials in the creation of new containers and packaging.

In this report, we'll delve more into our 95-year timeline, starting with our first year in business as Brewers Warehousing Company Limited in 1927, then explore the ways in which we have evolved and how we've pursued circularity in our business throughout our history. Most importantly, we'll share the results of our return program and the Ontario Deposit Return Program (ODRP) for 2022 and the many ways in which we continued to support circularity and sustainability in Ontario.

Cheers to 95 years!



Ted Moroz
PRESIDENT

Responsible Stewardship in Ontario Summary Results

2022 Results at a Glance

Summary Results	Beer Store Containers	Ontario Deposit Return (ODRP) Containers
Empty Containers Collected	1,268,845,011 ✓	452,085,810
Recovery Rate (%)	79% ✓	74%
Glass Bottle Reuse by Brewers (Tonnes)	69,483	—
Weight of Material Recycled in 2022 (Tonnes)	59,074	91,415
Coloured Glass	20,054	54,749
Clear Glass	12,719	32,213
Metal (Aluminum & Steel Cans)	13,134	3,557
Corrugated Cardboard & Boxboard	12,077	-
PET Products	-	896
Mixed Plastic	1,090	-
Total Tonnes of Containers and Packaging Collected for Reuse or Recycling	128,557	91,415



Sale Locations

As of December 31, 2022, there was a total of 20,179 beverage alcohol sales locations in Ontario:

#	Type Of Location
422	Beer Store Locations ¹
352	On-site Brewery Stores (beer containers only)
391	Beer Store Retail Partner Stores & LCBO Convenience Outlets
681	LCBO Stores
449	Grocery Stores
596	Ontario Winery Retail Stores
73	Ontario Distillery Retail Stores
17,215	Licensed Establishments (bars, restaurants, etc.)
20,179	Total Beverage Alcohol Sales Locations²

Redemption Locations

As of December 31, 2022, there was a total of 1,236 beverage alcohol redemption locations in Ontario:

#	Type Of Location
419	Beer Store Locations
352	On-site Brewery Stores (beer containers only)
391	Beer Store Retail Partner Stores & LCBO Convenience Outlets
74	Beer Store Contracted Empty Bottle Dealers
1,236	Total Beverage Alcohol Redemption Locations

To find a redemption location near you, visit thebeerstore.ca

¹ Includes 3 locations that do not accept empty returns

² Figures for breweries, wineries, distilleries, LCBO stores, and licensed establishments are provided by the LCBO and AGCO



Our Commitment to Circularity

TBS acts as a brewer co-operative in which over 200 brewers participate. TBS warehouses and distributes beer and malt-based beverages on behalf of the brewers who sell in our system and lists their brands in the 400+ retail stores that we operate across the province of Ontario. Additionally, TBS acts as the steward for the containers and packaging sold within our system, meaning we accept all of this material back from consumers and ensure that it is either re-used or recycled to high-value use. A deposit-return system has been instrumental in achieving high recovery rates for these containers. A 10- or 20-cent deposit is applied to the sale of all bottles and cans sold within our system, and a \$20 or \$50 deposit is applied to the sale of kegs. Once empty, consumers can return these containers to TBS to receive the full deposit back through one of the many redemption sites across the province. In 2007, we entered into an agreement with the government of Ontario to facilitate the Ontario Deposit Return Program (ODRP). This program applies a similar deposit to all beverage alcohol containers sold in the province of Ontario, which can also be returned for full

deposit refund along with the beer containers we manage at any of our redemption locations.

Additionally, our logistics team collects both empty TBS and ODRP containers, along with their associated packaging, from the thousands of licensed establishments that they service. After delivering full product to these locations, our team returns to our warehouses with any empty beverage alcohol containers returned by the licensees. Numerous environmental savings are gained through this return-to-retail and reverse logistics model as we are able to efficiently consolidate and transport the 1 billion plus containers that are returned to our system for reuse and recycling every year.

TBS has been in business since 1927, which means in 2022 we reached our 95th anniversary! Based on our available records, approximately 170 billion empty containers have been returned through the TBS return system since 1927. To celebrate these achievements, we'll take you through a timeline of our history and how circular practices have always been at the forefront of our business:



In 1927, prohibition laws were discarded, and The Beer Store was formed, then known as Brewers Warehousing Company Limited. Our first Head Office opened at 417 Bay Street, Toronto, and at the time only four people worked there. 86 Beer Stores were opened this year.

At the time, 35 brewers were a part of our co-operative. By 1930, 40 brewers had joined and around 135 brands were sold through Brewers' Retail Stores.

In the early days of our deposit return system, a 24-pack of beer bottles was sold with a 72-cent deposit.

1927



Beginning in 1962, numerous brewers joined together to collectively use the iconic stubby bottle, replacing the green and white bottles used previously.

The use of a standard, shared container resulted in numerous operational efficiencies. These bottles did not need to be sorted at the point of return, but instead were pooled together and then distributed as needed to the brewers. As these bottles were now a consistent size, this also optimized warehousing and transportation requirements.

1962

- In 1984, twist-off caps were introduced on beer bottles.
- TBS accepts back any packaging associated with the sale of beverage alcohol containers to ensure this material is recycled. This includes caps, tabs, plastic rings, and more!

1984

In April 1981, the deposits for bottles were increased to align with deposits in other provinces. The deposit for a 341 ml bottle increased from 5-cents per container to 10-cents, and the deposit on large bottles increased from 10-cents to 20-cents. The 5-cent deposit on cans (now 10-cents) remained the same.

1981



1947

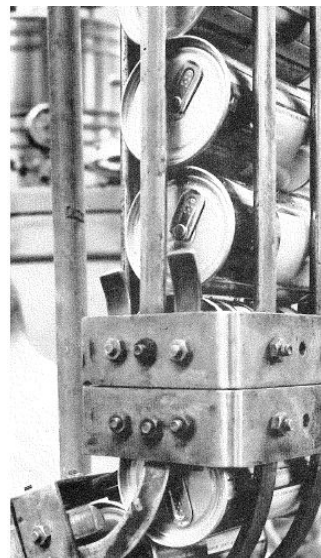
Twenty years later, Brewers' Equipment Service was formed to service licensed establishments with clean, cold, draught beer on behalf of our brewer members.

In the early days, oak barrels were traditionally used for draught beer. Around 1958, these were replaced by steel kegs, the ultimate circular container. Today, these kegs are refilled multiple times a year and can be used for decades - some of our float has been in circulation for 25 years. They require almost no secondary packaging and once they are ready to be decommissioned, the steel can be recycled into high-value streams.

Now known as Draught Services, this team continues to service thousands of licensed establishments across the province.

1965

1965 was the first year that beer became available for sale in cans, sold in one-dozen packages.



Up until this point, TBS was only permitted to sell beer produced in Ontario. However, in 1991, the laws changed opening sales through TBS to brewers from other provinces. This greatly expanded the number of brewers and brands within our system and enabled these brewers to take part in our container return system. We were now able to support the use of refillable beer containers for brewers across the country!

1991 was also a notable time in the Canadian beer industry as the Industry Standard Bottle (ISB) was introduced this year.

1991

The ISB replaced the stubby bottle as a refillable, standardized bottle to be shared amongst many Canadian brewers. The ISB is a sturdy, long-neck, amber bottle that due to its design, can be reused up to 15 times on average. Much like the stubby bottle, the shared use of this container amongst the brewers has numerous environmental savings including reducing the production of new glass bottles, transportation efficiencies, and the opportunity for high-value recycling once the container has reached its end of life.



Between 1998 and 2002, we reconfigured our logistics network to improve customer service. This included consolidating our distribution centres down from approximately 70 locations to 6 distribution centres and 8 cross-docks. Our logistics teams efficiently deliver products and transport empty containers to thousands of locations across the province, including our own retail locations, other beverage alcohol retail stores, bars, restaurants, as well as other licensed venues.

1998

1987

The sales of beer in cans rose to 22% of total packaged sales in 1987. Early in their introduction in 1965, sales in cans were very minimal, and typically came in a tin can. During the 1980s, sales in aluminum cans were slowly introduced. Compared to tin, these aluminum cans were lighter, less permeable to outside air, and risk free from rust.

Beverage alcohol sales in cans have continued to grow throughout the years, and now we handle more aluminum cans in our system compared to any other container type. Today, empty aluminum cans are a valuable recycling stream as aluminum can be infinitely recycled into new beverage cans, reducing the need for virgin materials.



1996

This year, TBS was the first Canadian business to be awarded Environment Canada's prestigious Environmental Choice Award for packaging management.





● In late 2006, the Ontario government announced the introduction of the Ontario Deposit Return Program, or the ODRP. This program created a deposit-return system for beverage alcohol containers that didn't already fall under our system, including wine, spirit, and ready-to-drink beverage containers. TBS was selected to be the service provider for the ODRP, and on February 5, 2007, we began collecting ODRP containers at all of our return sites.

2007

omy in Ontario. Through this program, more containers are diverted from landfills and sent instead to high-value recycling streams, meaning that many of these containers are used as feedstock for new containers and can remain in a closed-loop system where little waste is generated. Additionally, by diverting hundreds of thousands of ODRP containers through TBS, this alleviated some demand on municipal recycling streams by freeing up space for other recyclable containers and packaging.

● The introduction of the ODRP was a significant step in advancing the circular econ-

2001

● In 2001, the UFCW Local 12R24, the union that represents TBS' hourly workers, began a partnership with the Leukemia and Lymphoma Society of Canada to help raise funds for those affected by blood cancers. Since 2006, TBS has supported this cause by hosting an annual Returns for Leukemia Bottle Drive, where our amazing staff and volunteers dedicate a full weekend to collecting monetary and empty container donations to raise money for this very important cause. Our staff and volunteers amaze us with their dedication and creativity every year, setting up events like barbeques, raffle prizes, and more to increase donations.

Thanks to the generosity of our customers, since 2001 over \$21 million has been raised!

Starting in the 1940s with the promotion of the purchase of war bonds, community involvement and fundraising has been an important aspect of our business throughout our history.



2010

● Just 3 years after the program's inception, we celebrated the 1 billionth ODRP container returned!

● In 2013, we invested millions of dollars to retrofit a number of retail locations across the province, to refresh the look and feel of stores to create a superior customer experience. Many stores were redesigned with a separate “Empties Exchange” area, while others were retrofitted to include an entirely separate “Empties Exchange” room, to help improve both the sales and returns experience for our customers, along with additional signage with helpful information on sorting and returning empty containers

2013



● In 2019, we eliminated the sale of single-use plastic bags in our retail stores. As an alternative, we promote the use of re-usable bags and currently offer a re-usable bag option for purchase in our stores. Customers are also encouraged to use reusable boxes and containers when sorting and returning empty containers, and save packaging, such as cardboard beer boxes, to use for returns, as an alternative to single-use plastic bags.

2019

2018

● Together with the LCBO, in 2018 we began participating in a co-delivery system. In several communities across the province, we co-deliver LCBO products along with our own in an effort to reduce the overall number of trucks on the road dedicated to beverage alcohol delivery. Since 2018, we've expanded these deliveries to other communities and sales points.

TBS Today - 2022 Results

While the landscape of the beer industry in Ontario has significantly evolved throughout our 95-year history, our dedication to supporting and enabling sustainable practices has always been a key component of our business. Our successful deposit-return system is a clear testament to this commitment.

In 2022, we maintained high recovery rates of empty containers in our system and recovered more containers for reuse or recycling than we sold. The tables to the right detail the total containers and packaging sold and returned in 2022 that are a part of TBS' return system (see Appendix A):

Table 1

The Beer Store Container Sales and Recovery by Container Type

January 1st, 2022 – December 31st, 2022

Container Type	Beer Store Sales (units)	LCBO Sales (units)	Returns (units)	System Recovery Rate (2022)	System Recovery Rate (2021)
All Glass Bottles (Refillable and Non-Refillable)	359,178,979	76,279,202	385,438,726	89%	90%
Refillable Bottles (ISB and Non-Standard)	269,188,841	25,952,216	284,172,521	96%	98%
Non-Refillable Bottles	89,990,138	50,326,986	101,266,205	72%	72%
Metal Cans	751,705,415	423,804,738	882,483,512	75%	75%
Kegs ³	917,089	—	922,773	101%	102%
Total (by Units)	1,111,801,483 ✓	500,083,940 ✓	1,268,845,011 ✓	79% ✓	79%

Table 2

Secondary Packaging

January 1st, 2022 – December 31st, 2022

Packaging Type	Beer Store (Tonnes Sold)	LCBO (Tonnes Sold)	Total (Tonnes Sold)	Recovered Tonnes (2022)	Recovered Tonnes (2021)
Corrugated/Boxboard ⁴	11,936	3,994	15,930	12,077	13,435
Metal	765	203	968	90	105
Plastic	516	280	796	872	841
Total	13,217	4,477	17,694	13,039	14,381

³ Keg recovery rates sometimes exceed 100% for the calendar year due to the lag between sales and empty collection by TBS.

⁴ '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.

Continuous Growth & Efficiencies

This year we continued to shape our business practices into more circular and sustainable models:

Avoided Transportation Emissions

In 2021, we officially opened a new facility in Bolton, ON, which houses a state-of-the-art, 380,000 sq ft Distribution Centre that replaced our previous DCs in Brampton and Whitby, as well as our corporate office for employees.

Upon moving to the new facility, we instituted a hybrid model for our corporate employees, where working from home is encouraged as much as possible. Prior to 2020, our corporate staff predominantly worked in-office. One of the many benefits of this hybrid model is the reduction of work-related travel, as these employees are no longer required to commute for work on a daily basis. We estimate that through this policy, we avoid 6,844,093 kilometres from being driven each year! This equates to roughly 1,713 MT CO₂⁵ of avoided emissions. For comparison, it would take about 2,000 acres⁶ of forest to sequester this amount of CO₂ in one year.

Can Crushers

In 2022, we piloted the use of can crushers in two retail stores. After customers return sorted cans, our employees place these cans into the can crusher, which condenses them into a sturdy, reusable bin. This results in operational and logistical efficiencies, as less space is needed to store and transport these containers from our retail stores to a recycling processor.

⁵ Source for avoided emissions calculation: <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references>

⁶ Source for emissions equivalency: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>



The Beer Store + Nespresso Pilot

In June 2022, TBS launched a recycling pilot program with Nespresso, which is currently taking place within 15 of our Toronto and Greater Toronto Area store locations.

Within each program location, Nespresso has placed drop-off bins for the collection of their empty aluminum capsules. Our retail and distribution teams consolidate the bins once full to return to Nespresso. Nespresso separates the aluminum from the coffee grounds so that the aluminum can be recycled, and the coffee grounds can be used to create compost.

TBS and Nespresso share a mutual understanding on the importance and value of environmental stewardship. Nespresso is a B-Corp Certified brand to verify its sustainable supply chain,

operating in 81 countries with over 13,000 employees. As such, it makes sense to team up with like-minded organizations to expand on recycling opportunities for our shared customers. We are enthused to use our return-to-retail network to support other organizations in their efforts to manage packaging more sustainably.

Earth Day

For Earth Day this year, we announced that TBS has become a member of Random Acts of Green, Inc. in our mission to make an impact - one green act at a time. Random Acts of Green aligns with our core value of Environmental Leadership by having a shared dedication to educate and engage businesses, individuals, and communities to make a sustainable impact for our planet. In light of this partnership and in celebration of Earth Day, we encouraged our employees to amplify their sustainability efforts and green goals by participating in the Planet Bootcamp Earth Month Challenge 2022, organized by Random Acts of Green, for a chance to win a gift certificate to Ontario Parks. Our winner took part in numerous green acts, including creating a butterfly and native flower garden to support pollinators. Other notable green acts shared by the TBS team included shopping at thrift stores, shopping local, trying to eat more vegetarian meals at home, packing

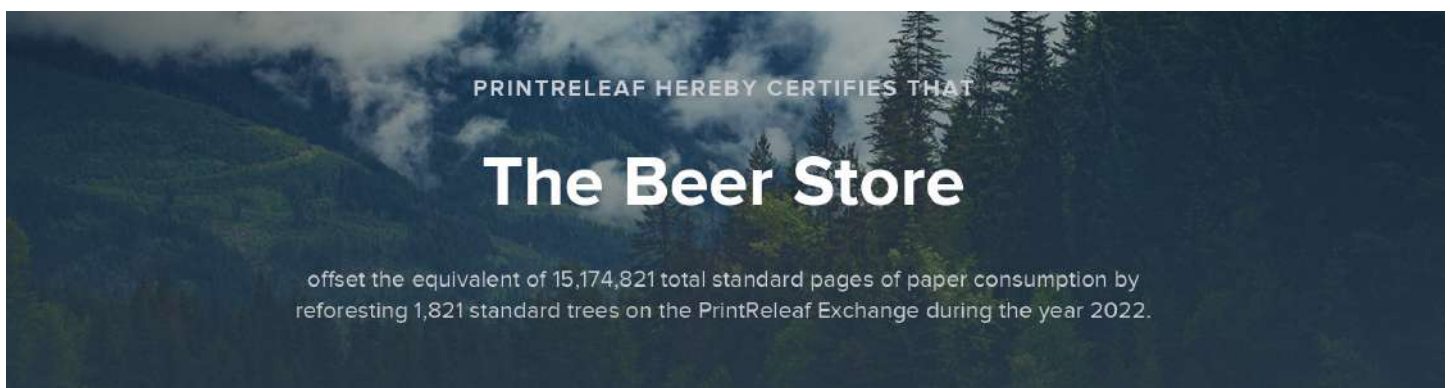
wasteless lunches (no plastic!), installing smart thermostats, paperless billing, reducing shower times, and of course, bringing back their empties!

Lexmark Sustainability Program

For many years, TBS has partnered with Lexmark to participate in their Sustainability Program. Toners used at our retail, distribution, and corporate locations are collected once empty and returned to Lexmark, where they are recycled into new toners or other products. Additionally, TBS participates in Lexmark's Print Releaf program, which tracks our paper consumption and enlists replantation experts to replant trees equivalent to our consumption in British Columbia. In 2022, 1,821 trees were replanted. Since our partnership began with the Print Releaf program in 2019, 6,593 trees have been planted in total.

The Beer Store & Brewers' Distributor Ltd. Win Big at Novelis' Inaugural Global Supplier Awards

Some of our aluminum material is recycled by Novelis, an aluminum manufacturer with numerous plants in North America. This year the first Novelis Global Supplier Awards were held to recognize companies for quality performance and outstanding partnership that spurs sustainable innovation and



supports supply chain resiliency. Winners were evaluated based on quality, delivery, sustainability, and innovation performance indicators, as well as the results of a stakeholder satisfaction survey and a Sustainability and Innovation questionnaire. Approximately 160 companies from around the world competed for the awards, with 25 selected as Silver, Gold or Aluminum Award recipients. TBS was a recipient of the Silver award and the only Canadian supplier to be recognized.

“Novelis’ outstanding suppliers make it possible for us to transform aluminum into innovative, sustainable solutions for our customers,” said Roxana Molina, Chief Procurement Officer of Novelis. “We believe it’s important to recognize our suppliers that have gone to great lengths to provide quality goods and services that are essential to our continued growth and success. Each Novelis Global Supplier Award recipient is a shining example of quality and service, and we are glad to give them this well-deserved recognition.”

Partnership With Goodwill Industries to Recycle Used Uniforms

In 2021, we announced a pilot project together with Goodwill Industries to recycle our employees’ used uniforms. Goodwill is able to bring new life to these uniforms by processing them into clean fabric that can be used for numerous purposes. This year, we resumed our annual Golf Tournament, and Goodwill provided TBS-branded golf towels for participants that were made from recycled TBS uniforms.





Ontario Deposit Return Program Results

2022 marked our 15th year of facilitating the ODRP on behalf of the Province of Ontario. The ODRP requires all beverage alcohol containers that are not part of TBS' return system to be sold with a 10-cent or 20-cent deposit that is fully refundable when the container is returned through TBS' return network. TBS also accepts any packaging associated with the sale of these containers. Under this program, TBS commits to ensuring all ODRP containers returned through our system are recycled through high-value streams.

Additionally, we celebrated the return of the five billionth ODRP container! Over the past 15 years, these container returns have been made possible by our team of committed employees and customers and our collective organizations dedication to environmental sustainability. To mark this special occasion, representatives from TBS, the Ministry of the Environment, Conservation and Parks, NexCycle, The Recycling Council of Ontario, and more, celebrated at our new retail location at 772 The Queensway in Etobicoke.



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

January 1st, 2022 – December 31st, 2022

Table 3

ODRP Containers ⁷	Deposit Value	Sales (Units)	Sales Distribution ⁸	Sales by Material Type
Glass containers less than or equal to 630ml	\$0.10	42,995,450	7.1%	40.6%
Glass containers greater than 630ml	\$0.20	204,223,261	33.6%	
Aluminum or steel cans less than or equal to 1L	\$0.10	320,537,032	52.7%	52.7%
Aluminum or steel cans greater than 1L	\$0.20			
Tetra Pak and Bag-In-Box containers less than or equal to 630ml	\$0.10	602,516	0.1%	2.0%
Tetra Pak and Bag-In-Box containers greater than 630ml	\$0.20	11,360,960	1.9%	
Polyethylene Terephthalate (PET) or plastic containers less than or equal to 630ml	\$0.10	18,916,303	3.1%	4.8%
Polyethylene Terephthalate (PET) or plastic containers greater than 630ml	\$0.20	10,013,656	1.6%	
Total		608,649,179	100.0%	100.0%

ODRP Containers: Sales & Recovery

January 1st, 2022 – December 31st, 2022

Table 4

Container Type	Sales in Units ⁹		Returns in Units		Recovery Rate					
	Small Containers	Large Containers	Small Containers	Large Containers	Small Containers (2022)	Small Containers (2021)	Large Containers (2022)	Large Containers (2021)	Combined (2022)	Combined (2021)
Glass	42,995,450	204,223,261	34,268,053	160,932,607	80%	74%	79%	74%	79%	74%
PET	18,916,303	10,013,656	6,956,242	5,952,605	37%	38%	59%	60%	45%	46%
Tetra/BIB	602,516	11,360,960	205,339	3,136,169	34%	17%	28%	26%	28%	25%
Subtotal	62,514,269	225,597,878	41,429,634	170,021,381	66%	64%	75%	70%	73%	69%
Cans	320,537,032		240,634,796						75%	75%
Grand Total	608,649,179		452,085,810						74.3%	72.0%

⁷ Containers larger than 100 ml qualify for deposit return refunds under the program.

⁸ Figures may not sum to 100% due to rounding.

⁹ Domestic distillery container sales reporting no longer submitted to the 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 TBS' container collection program and the ODRP.

Table 5

The Beer Store & ODRP Disposal Diversion Estimated Avoided GHG Emissions & Avoided Energy Consumption (2022)

January 1st, 2022 – December 31st, 2022

	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	69,483	12,719	20,054	13,044	90	-	1,090	116,480
ODRP Tonnes Diverted	-	32,213	54,749	3,557	-	896	-	91,415
TOTAL Tonnes Diverted	69,483	44,932	74,804	16,601	90	896	1,090	207,895
Avoided GHG Emissions (MTCO₂E)	26,403	4,943	4,114	160,362	107	3,262	3,968	203,159
Avoided Energy Consumption (GJ)	472,482	75,486	81,536	1,450,230	1,132	76,439	92,993	2,250,299

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.



Community Involvement



Leukemia & Lymphoma Society of Canada

The Leukemia & Lymphoma Society of Canada (LLSC) is dedicated to finding a cure for leukemia, lymphoma, Hodgkin's disease and myeloma through leading research and education, and provides support for those affected by blood cancers and their families. In 2022 TBS was pleased to present the LLSC with a \$1 million cheque thanks to the generous monetary and empty container donations from our customers and the fundraising efforts of our dedicated employees throughout the year.

Local Fundraising for Health Centres and Food Banks

For several years, our stores and distribution centres have dedicated their time during the summer to fundraise for their local health

centres and food banks, in an effort to give back to their communities in the way they needed it most. In 2022, we raised a total of \$328,239, that was distributed to 137 local health centres and food banks.

Regional Fundraising

During August and September every year, we partake in a regional fundraising campaign across Ontario. Through this initiative, we raise monetary and empty donations for six charities that provide invaluable support and resources to their communities. This year, \$150,767 went towards:

- DEBRA
- Habitat for Humanity
- Juravinski Cancer Centre
- Niagara's Rankin Cancer Run
- Roger Neilson House
- Terry Fox Foundation

Gord Downie & Chanie Wenjack (DWF)

During the month of October, our retail stores across Ontario collected donations for the Gord Downie & Chanie Wenjack Fund, raising a total of \$51,086. This important fund aims to build cultural understanding and create a path toward reconciliation between Indigenous and non-Indigenous peoples in Canada. Their vision is to improve the lives of Indigenous peoples by building awareness, education, and connections between all people in Canada.

Holiday Helpers & The Assaulted Women's Helpline

Holiday Helpers provide a one-time customized Christmas package to families with young children who are living in low-income situations. Each sponsored family receives an artificial tree, decorations, a gift card to a warm meal and presents from their personalized wish list. The Assaulted Women's Helpline offers a 24-hour telephone and TTY crisis line to all women who have experienced abuse. They provide counselling, emotional support, information, and referrals. During November and December 2022, we raised funds to support both of these important organizations. Every empty container and dollar donated was divided equally between Holiday Helpers and the Assaulted Women's Helpline. We are thrilled to announce that our sites raised a total of \$47,507 during this fundraising period.

Ontario Shores

In January, we partnered with Ontario Shores to help raise money for mental health sciences. Over \$23,000 was raised.

Sponsorships & Memberships

Circular Innovation Council (CIC)

The Circular Innovation Council, originally established as the Recycling Council of Ontario, is dedicated to the promotion of the circular economy in Canada. Through collaborating with businesses and organizations, the CIC has helped to infuse the principles of the circular economy in various industries, including the beer industry, by identifying sustainable solutions and putting them into action.

Canadian Stewardship Webinar

In February 2022, the Canadian Product Stewardship Council hosted a webinar entitled "Paths Forward: Responding to Next Generation EPR Regulations in Canada." This event looked at the many ways in which producers are responding and adjusting to evolving regulations in provinces across Canada. TBS sponsored this webinar in support of facilitating conversation and building on environmental policies.

PAC Global

PAC Global is a not-for-profit advisor that organizes a member-based global packaging network. Their core principles are material/package neutrality, sustainable, circular, inclusive, and accessible packaging design. As a member, TBS has access to invaluable information regarding packaging management and recycling.

Municipal Waste Association (MWA)

The Municipal Waste Association is a not-for-profit organization that facilitates the sharing of municipal waste reduction and recycling information and experience between Ontario municipalities and industries. As a member, TBS is able to increase knowledge of our returns program with other members and remain connected with other members of the recycling industry in Ontario.

Random Acts of Green

Random Acts of Green (RAOG) is dedicated to building a climate action community that makes significant collective impact through changes we can all make. They share helpful resources for increasing awareness of climate change and actionable steps to make a difference. With RAOG's Planet Bootcamp Earth Month Challenge, we were able to leverage helpful waste reduction tips to share with our employees and celebrate ways in which we are individually working towards our sustainable goals.



Promotional & Educational Activities

Circular Economy Month

Waste Reduction Week, organized by the Circular Innovation Council (CIC), was launched in 2001 and has become Canada's largest waste reduction public awareness campaign to educate, promote, and celebrate environmental efforts and encourage innovation. For the first time this year, CIC extended Waste Reduction Week beyond the third week of October, naming October Circular Economy Month. TBS is proud to be a founding partner of Canada's first Circular Economy Month campaign, as we are dedicated to advancing the circular economy in Canada.



Conference on Canadian Stewardship

In September 2022, TBS attended the Conference on Canadian Stewardship held in Toronto. Held once every two years, the Conference brings together industry stewards, waste management and recycling professionals, product manufacturers, retailers, industry and trade associations, government representatives and stewardship program

operators of all descriptions from across North America, Europe and beyond. TBS' Director of Sustainability, Rachel Morier, participated in a panel discussion on EPR advances in the Corporate Sector and was able to share our sustainability story and all the great work our employees perform.

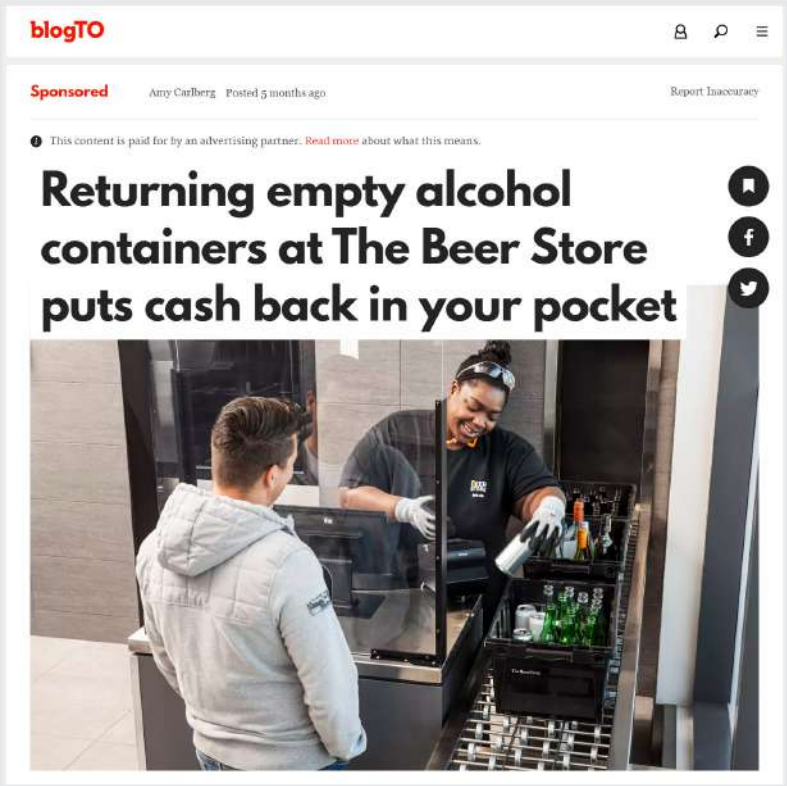
Marketing Initiatives

This year, the TBS marketing team organized a number of campaigns to increase awareness of our deposit-return program as well as the ODRP. Using a number of online platforms, we released posts targeted to individuals in areas with lower recovery rates in order to remind customers about the environmental as well as economic benefits of returning empty beverage alcohol

containers at TBS. We also shared a BlogTO article to go into further details of the benefits of our program and to reach a wider audience to increase awareness. Additionally, we ran a holiday marketing campaign in an effort to boost returns during the busy holiday season.

We also introduced a sustainability-themed Discovery Centre in 107 of our retail stores across Ontario. This sales rack included eye-catching paneling to highlight our environmental achievements and to help customers recognize the enormous impact their returns have in making our returns and recycling system a success.

Below are some examples of our returns-focused marketing campaigns from 2022:



Appendix A

Packaging Return System: Container Sales and Recovery by Container Type

The detail included on pages 5-10 within “Our Commitment to Circularity,” and the values presented in Table 1 were prepared following The Beer Store’s requirements under Section 69 (3) of the *Waste Diversion Transition Act, 2016*. The table below includes the criteria used to measure the data included in Table 1 on page 10.

Subject Matter	Criteria
Beer Store Sales (units)	Net sales of containers through TBS in the current year. Data collected through internal systems. Detailed by container type.
LCBO Sales (units)	Sales of containers common to TBS. Data manually obtained from a sales report provided by the LCBO for the current year. Detailed by container type.
Returns (units)	Empty TBS system containers returned through the TBS return network in the current year. Data collected through internal systems and detailed by container type. TBS empty can returns are estimated based on actual total can returns and the percentage of TBS system can sales as part of all beverage alcohol cans sold in province of Ontario during the current year.
System Recovery Rate (%)	Recovery rate of containers associated with the TBS deposit return system in current year. This is calculated as return of container type collected by TBS, divided by the sum of sales of each container type by TBS and the LCBO. Presented as a percentage.



Independent practitioner's assurance report

To the Management of Brewers Retail Inc.

Scope

We have been engaged by Brewers Retail Inc. ("BRI", or the "Company") to perform a 'limited assurance engagement,' as defined by Canadian Standards on Assurance Engagements, hereafter referred to as the engagement, to report on management's assertion that the reporting requirements under Section 69 (3) of the Waste Diversion Transition Act 2016 (the "Act") have been prepared following the requirements of the Act, further described in the accompanying Schedule (the "Subject Matter") and contained in the Beer Store Responsible Stewardship Report 2022 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Brewers Retail Inc.

In preparing the Subject Matter, BRI developed the criteria as described in Appendix A of the Report (the "Criteria"). Such Criteria were specifically designed to meet the reporting requirements under Section 69 (3) of the Waste Diversion Transition Act 2016. As a result, the Subject Matter information may not be suitable for another purpose.

Brewers Retail Inc.'s responsibilities

Brewers Retail Inc.'s management is responsible for selecting the Criteria and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information ("CSAE 3000"). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject



Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY also applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Conducting interviews with relevant personnel to obtain an understanding of the reporting processes and internal controls;



- ▶ Inquiries of relevant personnel who are responsible for the Subject Matter including, where relevant, observing and inspecting systems and processes for data aggregation and reporting in accordance with the Criteria;
- ▶ Assessing the accuracy of data, through analytical procedures and reperformance of calculations, where applicable;
- ▶ Reviewing presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

Non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluation and can impact comparability between entities and over time.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year-ended December 31, 2022, is not prepared, in all material respects, in accordance with the Criteria.

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 31, 2023

Schedule

Our limited assurance engagement was performed on management's assertion contained in Appendix A of the Report, which includes the following key performance indicators for the year-ended December 31, 2022:

Key Performance Indicators	Unit	Criteria	Reported Value	Report Page
Beer Store Sales	Units	Internally developed criteria ⁽¹⁾	1,111,801,483	10
LCBO Sales	Units	Internally developed criteria ⁽¹⁾	500,083,940	10
Returns	Units	Internally developed criteria ⁽¹⁾	1,268,845,011	10
System Recovery Rate (2022)	Percent (%)	Internally developed criteria ⁽¹⁾	79%	10

⁽¹⁾ The internally developed criteria are described in Appendix A of the Report.