



The Beer Store Responsible Stewardship 2021

Evolving Together as Environmental Leaders

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Symbol Key

- ✓ Facts and figures for which EY provided a limited level of assurance.



Message from the President

Greetings and welcome to The Beer Store’s (TBS) 2021 Stewardship Report. After another year of unprecedented challenges, I remain extremely grateful for the hard work of our employees who continue to evolve, adapt, and work together to meet these challenges all while continuing to do the exceptional work they have always done.

Fortunately, amidst these difficult circumstances, 2021 has also been a year of positive reflection and change in many aspects. Collectively, we’ve taken a moment to pause to recognize and appreciate the hard work of all the front-line workers including first responders who have always been there to provide essential services. There has also been an increasing awareness of social issues that exist within our society. Taking into consideration all the feedback we have received from our employees across all facets of the business, we remain committed to creating greater social awareness on various issues by utilizing our platform as a company. Placing a high importance on continuing to build an inclusive and respectful foundation for the present and future is also at the forefront of our core values as a company. Furthermore, our relationship with our natural environment has also continued to evolve in 2021 as we are becoming increasingly aware of the impact of human activity on our planet and have identified new policies and practices to promote sustainability globally, nationally, provincially, and within our own company.

Environmental sustainability is one of our core values and has been instrumental in driving much of our evolution over the past 94 years that TBS has been operating in Ontario. We’ve recognized that effective sustainable action requires consistently re-evaluating our practices to ensure that we are remaining efficient and adapting to new technologies, methods, and ideas that uphold our commitment to the environment. I believe that one of the many things that sets us apart as an environmental leader is that a dedication towards sustainability is seen throughout all aspects of our business. While our return-to-retail system is an obvious testament to this commitment, you’ll also find that every department in TBS is continuously finding unique ways within their specialties to reduce their environmental footprint.

I invite you to read our following 2021 Stewardship Report, *Evolving Together as Environmental Leaders*, to celebrate with me the many ways in which we committed to preserving and protecting our environment this year, including our continued dedication to the successful efforts that we’ve been practicing since 1927, and through the new, innovative ideas and practices we’ve been working on this year as we continue to evolve as leaders of sustainability.



Ted Moroz
PRESIDENT

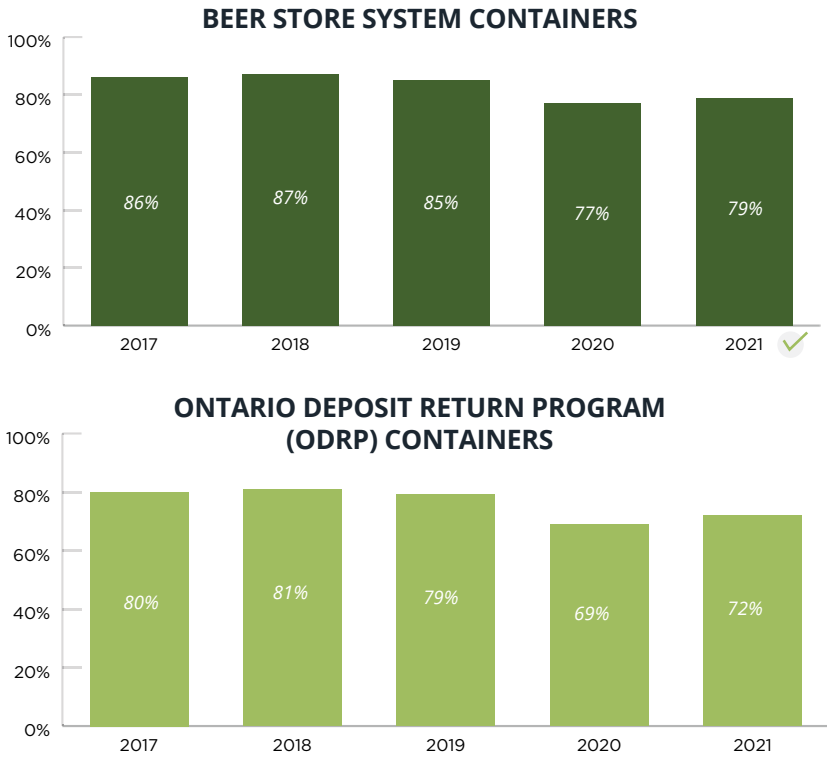


Responsible Stewardship

Summary Results

Summary Results	Beer Store Containers	Ontario Deposit Return (ODRP) Containers
Containers Collected	1,344,712,699	459,504,985
Tonnes Diverted from Disposal	144,226	94,881
Recovery Rate (%)	79%	72%
Glass Bottle Reuse by Brewers (Tonnes)	82,879	—
Weight of Material Recycled in 2021 (Tonnes)		
Coloured Glass	20,985	57,245
Clear Glass	12,255	33,060
Aluminum Cans	13,516	3,697
Corrugated Cardboard & Boxboard	13,435	—
PET Products	—	879

Trending of Return Rates



Sale Locations

as of December 31st, 2021

#	Type Of Location
420	Beer Store Locations ¹
353	On-site Brewery Stores (beer containers only)
395	Beer Store Retail Partner Stores & LCBO Convenience Outlets
677	LCBO Stores
450	Grocery Stores
586	Ontario Winery Retail Stores
67	Ontario Distillery Retail Stores
16,881	Licensed Establishments (bars, restaurants, etc.)
19,829	Total Beverage Alcohol Sales Locations ²

Redemption Locations

as of December 31st, 2021

#	Type Of Location
419	Beer Store Locations ³
353	On-site Brewery Stores (beer containers only) ⁴
395	Beer Store Retail Partner Stores & LCBO Convenience Outlets
1	LCBO Stores
79	Beer Store Contracted Empty Bottle Dealers
1,247	Total Beverage Alcohol Container Redemption Locations

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
³ Includes 2 mobile locations that only service empty returns.
⁴ Figure provided by the AGCO.

Our Commitment to Sustainability

We first opened our doors as a brewer cooperative in 1927 to assist brewers in storage, transportation, retail, and empty beverage alcohol container collection in Ontario. Over the years, our business has expanded to include over 400 retail stores across the province that carry a wide selection of brands and flavours from around the world. Our distribution team has expanded to support not only our own retail system, but also thousands of additional beverage alcohol retail stores, bars, restaurants, as well as other licensed venues.

During the past 94 years, our return system has been an important aspect of our business. We operate a return-to-retail network where customers can return any beverage alcohol container sold in TBS' system for deposit refund, as well as any associated packaging such as cardboard cases, plastic rings, or caps. Licensed establishments are also able to return these materials at the same time they receive their product deliveries, optimizing the efficiency of our transportation network and providing a convenient method of returns for our customers. All containers and packaging returned to our system are either sent for reuse or high-value recycling. A deposit paid at purchase helps to provide an economic incentive to increase returns. A 10-cent deposit is applied to bottles that are 630 ml or less and cans less than or equal to 1 L, and a 20-cent deposit to those greater. Kegs are sold with either a \$20 or \$50 deposit. These deposits are fully refundable at any TBS return location, including TBS retail stores, agency stores licensed to sell beverage alcohol containers, and our valued business partners contracted to accept returns as Empty Bottle Dealers (EBDs).

Demonstrating success as an environmental leader for the past 94 years has required us to evolve as the nature of our industry has changed. Originally, our returns system was largely meant to facilitate the reuse of refillable bottles and kegs amongst several brewers. In the past this included the iconic stubby bottle,



which over time has been largely replaced by the current industry standard bottle (ISB), a sturdy, long-neck, amber bottle that is designed to be used 15 times on average.

Fast forward to today, and while these containers remain staples of our system, the beer industry has evolved to include a wide variety of beverage alcohol container types, including the use of proprietary refillable bottles, some designed to uniquely represent brands and brewers, single-use bottles, aluminum cans, and more. Packaging also continues to evolve as brewers identify unique, innovative, and in some cases more sustainable methods of product packaging. With these shifts in container types and packaging, TBS has in turn adapted and dynamically evolved to continue to both support the highly efficient and sustainable method of refillable containers, while also

responsibly managing single-use containers and packaging by ensuring this material is recycled through high-value streams.

High-value recycling means recycling an object into something of equal or higher value. Recycling through high-value streams helps to close the loop for materials by reducing the content that is down-graded and eventually results in waste. As the containers and packaging returned through our system are collected and sorted by hand by our staff, this helps to ensure that the materials are sorted by type correctly and reduces contamination. The material is further vetted and processed before it is compacted and shipped to our recycling partners. Many times, the container returned through our system will be used to create a new container of the same type, resulting in a closed-loop circular system.

The tables below detail the total containers and packaging sold and returned in 2021 that are a part of TBS’ return system (see Appendix A). We are proud to boast that the overall return rate of the containers in our system increased in 2021. As we move into the next year, we look forward to continuing to support our brewer partners and fellow Ontarians by sustainably managing beverage alcohol containers and packaging.

Table 1

The Beer Store Container Sales and Recovery by Container Type

January 1st, 2021 – December 31st, 2021

Container Type	Beer Store Sales (units)	LCBO Sales (units)	Returns (units)	System Recovery Rate (2021)	System Recovery Rate (2020)
All Glass Bottles (Refillable and Non-Refillable)	408,055,473	88,113,030	446,321,386	90%	89%
Refillable Bottles (ISB and Non-Standard)	314,164,848	34,587,801	340,211,417	98%	95%
Non-Refillable Bottles	93,890,625	53,525,229	106,109,969	72%	74%
Metal Cans	779,074,689	420,125,349	897,859,628	75%	70%
Kegs	523,494	—	531,685	102%	111%
Total (by Units)	1,187,653,656	508,238,379	1,344,712,699	79.3%	77.0%

Table 2

Secondary Packaging

January 1st, 2021 – December 31st, 2021

Packaging Type	Beer Store (Tonnes Sold)	LCBO (Tonnes Sold)	Total (Tonnes Sold)	Recovered Tonnes (2021)	Recovered Tonnes (2020)
Corrugated/Boxboard ⁵	13,737	4,189	17,925	13,435	14,670
Metal	863	228	1,091	105	146
Plastic	535	283	818	841	789
Total	15,135	4,700	19,834	14,381	15,605

Note:
⁵‘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*

As part of our commitment to continuously evolve and improve as sustainability leaders, every year we work to identify ways in which we can improve the efficiency of our operations. Here are a few initiatives we undertook this year to achieve this goal.

New Bolton Distribution Centre

2021 marked a significant year of forward thinking change for TBS as we opened our new Distribution Centre in Bolton. This consolidated facility replaced our previous DCs in Brampton and Whitby, and services the GTA and surrounding areas. As the retail market evolves in Ontario to provide consumers with new and exciting products, we are seeing a growing number of brewers offering a wider range of brands and packaging sizes. Our new facility was created to meet the space requirements of this changing and evolving landscape and ensure continued success, in addition to meeting increased volume demands as well as servicing an expanding distribution network.

Environmental Leadership is one of TBS' core values, which means sustainability is a key factor in all of our operations. With this in mind, our real estate, construction, and logistics teams worked to obtain LEED certification for the construction of the 380,000 sq ft facility, to ensure that our operations here are resource and energy efficient while reducing our environmental footprint. Additionally, we installed numerous electric vehicle parking spaces to encourage and facilitate the use of electric vehicles amongst our staff.

Our Bolton DC team transports and pre-processes a significant amount of the recyclable material that flows through our system. The new facility is set up with a state-of-the-art conveyor system with a bottle counter, and glass and cardboard processing equipment to help manage, sort, and prepare these materials for recycling.

Joining in the new facility are our corporate office employees, relocating from our former office in Mississauga. Our corporate employees look forward to working more closely with our distribution centre staff and to settling into a brand-new office space. To accommodate this change, the corporate departments have been given increased flexibility for working remotely. The COVID-19 pandemic pushed the practice of remote work for many offices, greatly reducing traffic and associated emissions. We look forward to carrying on with this strategy to continue to minimize the environmental impact of our operations in the future.



New Bolton Distribution Centre and Corporate Office

Transportation Efficiency

In addition to optimizing logistics in the Greater Toronto Area through the new Distribution Centre, our logistics division continued to find efficiencies through co-deliveries of beverage alcohol products. Starting in 2018, TBS began a pilot with the LCBO to co-deliver products on TBS delivery trucks. This initiative reduces the number of trucks on the road dedicated to beverage alcohol deliveries and optimizes each delivery by maximizing available space. In 2021, co-deliveries were made to beverage alcohol retail points in numerous cities in southern Ontario, including London, Windsor, Oshawa, Whitby, Kingston, and more, as well as several locations in northern Ontario serviced out of our Thunder Bay Distribution Centre.

IT Meets Sustainability

Our IT department is responsible for the vast network of hardware and software that connects our organization and makes our work possible. As they are continuously upgrading and modernizing our system in order to better serve our customers, in some cases this involves retiring outdated hardware. In order to sustainably manage these materials, TBS has teamed up with Compugen and their Green4Good program. Compugen collects, removes, and processes retired IT equipment. Some of the equipment can be repurposed, while the rest is sent for recycling ensuring that no material ends up in landfill. In 2021, 69,398 lbs of TBS hardware were processed through Green4Good.

We have also teamed up 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. We have selected for the replantation projects to take place close to home in British Columbia. In 2021, 1,724 trees were replanted. Since our partnership began with the Print Releaf program in 2019, 4,584 trees have been planted in total.

This year we also initiated a Small Battery Recycling Program for our retail, logistics, corporate office, and Draught Services locations. Small size batteries are collected by employees to be sent for recycling, providing a convenient method to prevent this material from going to landfill.

Partnership With Goodwill Industries to Recycle Used Uniforms

To celebrate Textile Tuesday for Waste Reduction Week, TBS made an exciting announcement about our new partnership with Goodwill Industries. TBS’ retail and logistics employees had the opportunity to donate and recycle used uniforms through Goodwill to ensure materials are not sent to landfills or incinerated. Uniforms were either upcycled, remanufactured into signature products for TBS, or sent to recycling and shredded for industrial use.

Used uniform collection was piloted for 45 stores in the London area, including the London DC.

Upgrading Our Stores

Since beer is our speciality, keeping products cold is an important aspect of our business. With sustainability in mind, we upgraded the refrigeration system in 75 stores and completely replaced the refrigeration in another 9 stores. We also upgraded the hot water tanks in 29 locations. These upgrades help us to increase efficiencies while still delivering fresh, cold product to our customers.



Draught Services

Kegs are an extremely effective sustainable tool in the beer industry. They are the ultimate refillable container, with some of our float going on 25 years in circulation. They are refilled on average 6 – 7 times per year and require almost no secondary packaging. Our Draught Services team is instrumental in maintaining these impressive stats through regular maintenance and repair of the kegs. Draught Services as well as our Logistics team work collaboratively to facilitate the use of these containers, from sale, distribution, and establishing and maintaining the draught systems required to deliver fresh draught beer to licensee customers. Our Draught Services team even goes the extra mile for sustainability, mirroring the concept of the industry standard bottle and implementing a refillable jug system for line cleaning solutions. The cleaning solutions are purchased in bulk and decanted into refillable jugs to be used during the line cleaning process at our licensee customers, further reducing waste.



Ontario Deposit Return Program Results

In 2007, TBS began a contract with the Province of Ontario to facilitate the Ontario Deposit Return Program (ODRP). 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. This reduces the number of bulky materials (such as wine and spirit bottles) returned through municipal streams, creating efficiencies while encouraging higher recycling rates through financial incentives. Together, the ODRP and TBS’ return system provide a comprehensive and convenient solution for responsibly managing containers and packaging from the beverage alcohol industry in Ontario.



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

January 1st, 2021 – December 31st, 2021

Table 3

ODRP Containers ⁶	Deposit Value	Sales (Units)	Sales Distribution ⁷	Sales by Material Type
Glass containers less than or equal to 630ml	\$0.10	48,686,357	7.6%	42%
Glass containers greater than 630ml	\$0.20	219,271,973	34.4%	
Aluminum or steel cans less than or equal to 1L	\$0.10	327,998,418	51.4%	51.4%
Aluminum or steel cans greater than 1L	\$0.20			
Tetra Pak and Bag-In-Box containers less than or equal to 630ml	\$0.10	1,241,877	0.2%	2.2%
Tetra Pak and Bag-In-Box containers greater than 630ml	\$0.20	12,985,237	2.0%	
Polyethylene Terephthalate (PET) or plastic containers less than or equal to 630ml	\$0.10	17,272,421	2.7%	4.4%
Polyethylene Terephthalate (PET) or plastic containers greater than 630ml	\$0.20	10,543,838	1.7%	
Total		638,000,121	100.0%	100.0%

ODRP Containers: Sales & Recovery

January 1st, 2021 – December 31st, 2021

Table 4

Container Type	Sales in Units ⁸		Returns in Units		Recovery Rate					
	Small Containers	Large Containers	Small Containers	Large Containers	Small Containers (2021)	Small Containers (2020)	Large Containers (2021)	Large Containers (2020)	Combined (2021)	Combined (2020)
Glass	48,686,357	219,271,973	36,058,666	161,509,176	74%	72%	74%	72%	74%	72%
PET	17,272,421	10,543,838	6,518,353	6,303,593	38%	39%	60%	58%	46%	46%
Tetra/BIB	1,241,877	12,985,237	217,121	3,320,586	17%	13%	26%	24%	25%	23%
Subtotal	67,200,655	242,801,048	42,794,140	171,133,354	64%	63%	70%	69%	69%	68%
Cans	327,998,418		245,577,492						75%	70%
Grand Total	638,000,121		459,504,985						72%	69%

⁶ Containers larger than 100 ml qualify for deposit return refunds under the program.
⁷ Figures may not sum to 100% due to rounding.
⁸ 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 Ontario Deposit Return Program.

Table 5

The Beer Store & ODRP Disposal Diversion Estimated Avoided GHG Emissions & Avoided Energy Consumption (2021)

January 1st, 2021 – December 31st, 2021

	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	82,879	12,255	20,985	13,516	105	0	1,051	130,791
ODRP Tonnes Diverted	—	33,060	57,245	3,697	—	879	—	94,881
TOTAL Tonnes Diverted	82,879	45,315	78,230	17,213	105	879	1,051	225,672
Avoided GHG Emissions (MTCO2E)	31,494	4,985	4,303	166,277	125	3,199	3,825	214,207
Avoided Energy Consumption (GJ)	563,579	76,130	85,271	1,503,725	1,322	74,970	89,638	2,394,636

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



Great Canadian Shoreline Cleanup

On Friday, October 15th and in anticipation of Waste Reduction Week, TBS coordinated its first Great Canadian Shoreline Cleanup event at the Claireville Conservation Area in Brampton. The Great Canadian Shoreline Cleanup is recognized as one of the largest direct action conservation programs in Canada and is led by Ocean Wise and WWF Canada.

In collaboration with the Toronto & Region Conservation Authority (TRCA), an awesome team of TBS employees volunteered their time to help cleanup an impressive 393 lbs of littered items! TRCA were wonderful hosts who supplied TBS staff with all supplies including gloves, bags and pickers which made it safe and easier to cleanup the wide variety of littered items. They also provided a health and safety briefing with helpful tips on local flora and fauna such as spotting the poisonous wild parsnip. Some of the most interesting items found included a Swiffer, garden planters, and what appeared to be a piece of an ATM machine.

With 22 bags of collected litter, TBS separated recyclables from non-recyclable items to ensure materials were sorted into the correct stream for recycling. Despite the threat of rain, the weather held up nicely and the cleanup team had a great time putting our core value of Environmental Leadership into practice in a new way.

Fundraising for Health Centres and Food Banks

In response to the pandemic in 2020, our stores and distribution centres began fundraising for their local health centres and food banks in an effort to give back to their communities in the way they needed it most. Given the success of this initiative we continued fundraising in 2021, dedicating the month of July to fundraise for local initiatives. Thanks to the hard work of our employees and the generosity of our customers, we were able to raise \$260,000 for 128 charities across the province.

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. TBS is a long-time supporter of the LLSC, raising over \$20 million over the years thanks to the efforts of our staff and generous donations of our customers. While TBS has traditionally held a province-wide bottle drive annually to raise funds for this important cause, this event was recently put on hold due to the COVID-19 pandemic. However, this hasn’t stopped the generosity of our customers and passion of our employees, as we continued to receive empty and monetary donations throughout the year, in total raising over \$500,000.



Habitat for Humanity

TBS employees in the GTA, Barrie, Kitchener, and London areas devote their efforts every September to raising monetary and empty container donations for Habitat for Humanity. This year, they raised over \$55,000 in one month alone to support the organization in increasing access to community and affordable housing to those in need.





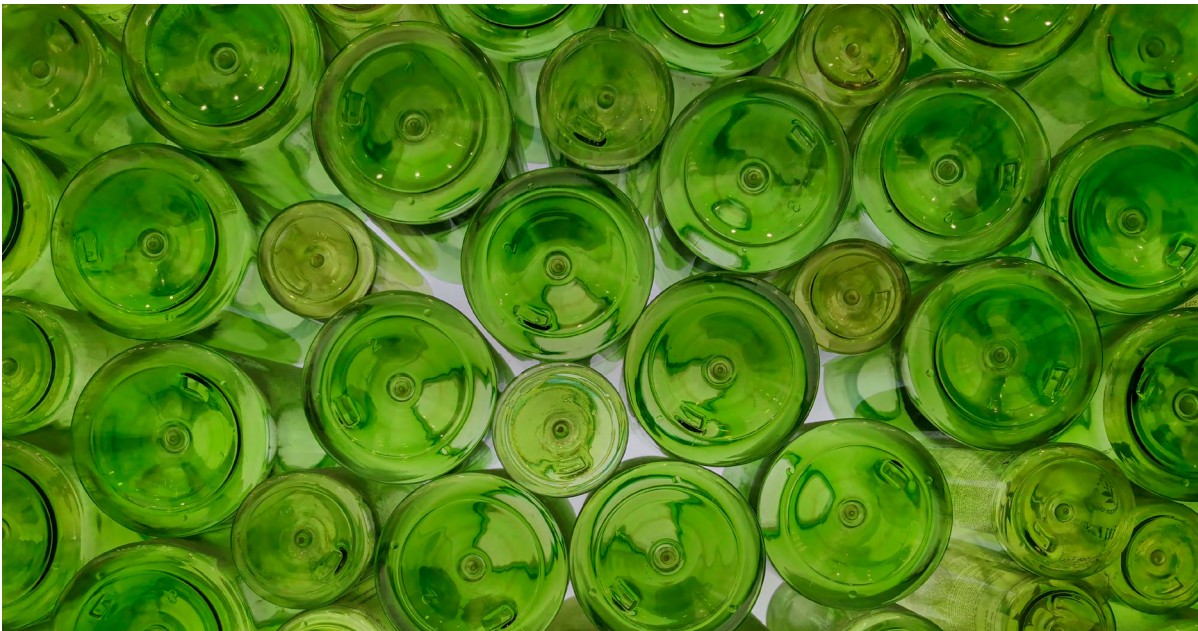
Sponsorships

Circular Innovation Council (CIC)

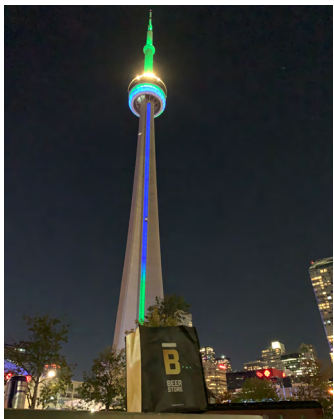
The Circular Innovation Council, originally established as the Recycling Council of Ontario, is dedicated to the promotion of the circular economy in Canada. Through collaborating with businesses and organizations, the CIC has helped to infuse the principles of the circular economy in various industries,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

Conference on Canadian Stewardship Webinar

This year the Conference on Canadian Stewardship held a webinar called “The Three Faces of EPR,” where an update was provided on the changing landscape of producer responsibility in Ontario, Alberta, and Quebec. As an established system facilitating responsible management of containers and packaging, TBS supports increased involvement of producers in waste reduction and looks forward to continuing to play our part in a greener Ontario as this landscape evolves.



Promotional & Educational Activities



Waste Reduction Week

TBS is proud to be a Circular Economy Monday Champion Partner for a fifth year to kick-off the week’s activities. The circular economy recognizes a combination of business models that expand beyond recycling and focus on material value and resource efficiency through reduction and reuse.

Waste Reduction Week in Canada celebrated its 20th anniversary this year and the overall theme “Then - Now - Future” recognized TBS’ deposit-return program as the first Extended Producer Responsibility program in North America since being

established in 1927. TBS’ unmatched environmental record and devotion to ensure that the industry’s containers and packaging is saved from landfills and from being a burden on the Ontario taxpayer was also highlighted through social media channels across the country.

We, along with our customers, have long been champions of the circular economy by integrating circular business models: product life extension, circular supplies, and resource recovery.

Social Media

Social media has been a valuable tool in raising awareness of TBS’ return system and the ODRP. Through various campaigns in 2021, our marketing team created posts highlighting the environmental and economic benefits of the joint return systems and offered tips to help simplify the process of returns and reduce contamination. Our team also worked to address container types with lower return rates to boost awareness of the types of materials that can be returned for reuse and recycling at TBS.



Appendix A

Packaging Audit Methodology;
Beer Container Sales and Recovery

Subject Matter	Criteria
Beer Store Sales (units)	Net sales of containers through TBS in current year. Detailed by container type.
LCBO Sales (units)	Sales of containers common to TBS as reported by the LCBO for current year. Detailed by container type.
Returns (units)	Empty TBS system containers returned through the TBS return network in current year. Detailed by container type.
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”) to perform a ‘limited assurance engagement,’ as defined by Canadian Standard on Assurance Engagements, hereafter referred to as the engagement, about whether management’s assertion on the reporting requirements for The Beer Store Responsible Stewardship Report (the “Stewardship Report”) under Section 69 (3) of the Waste Diversion Transition Act 2016, c.12 (the Act) for the period January 1, 2021 to December 31, 2021 (the “Subject Matter”), is presented in accordance with the internally developed criteria, (the “Criteria”), in all material respects.

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 Stewardship Report (the “Criteria”). Such Criteria were specifically designed for preparing the Report. 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 (“CSAE” 3000), Attestation Engagements Other than Audits or Reviews of Historical Financial Information. 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 and have the required competencies and experience to conduct this engagement.

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.

For purposes of providing limited assurance over the Subject Matter, 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;
- ▶ Inspecting underlying evidence, where applicable, for the purposes of reconciling relevant information to that used in the preparation of the Subject Matter; and

- ▶ 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 period January 1, 2021 to December 31, 2021, is not prepared, in all material respects, in accordance with the Criteria.



Chartered Accountants
Licensed Public Accountants

Toronto, Canada
April 29, 2022