

The Beer Store Responsible Stewardship 2023

Championing Sustainability in Ontario

© Brewers Retail Inc. 2024

Responsible Stewardship 2023

Contents

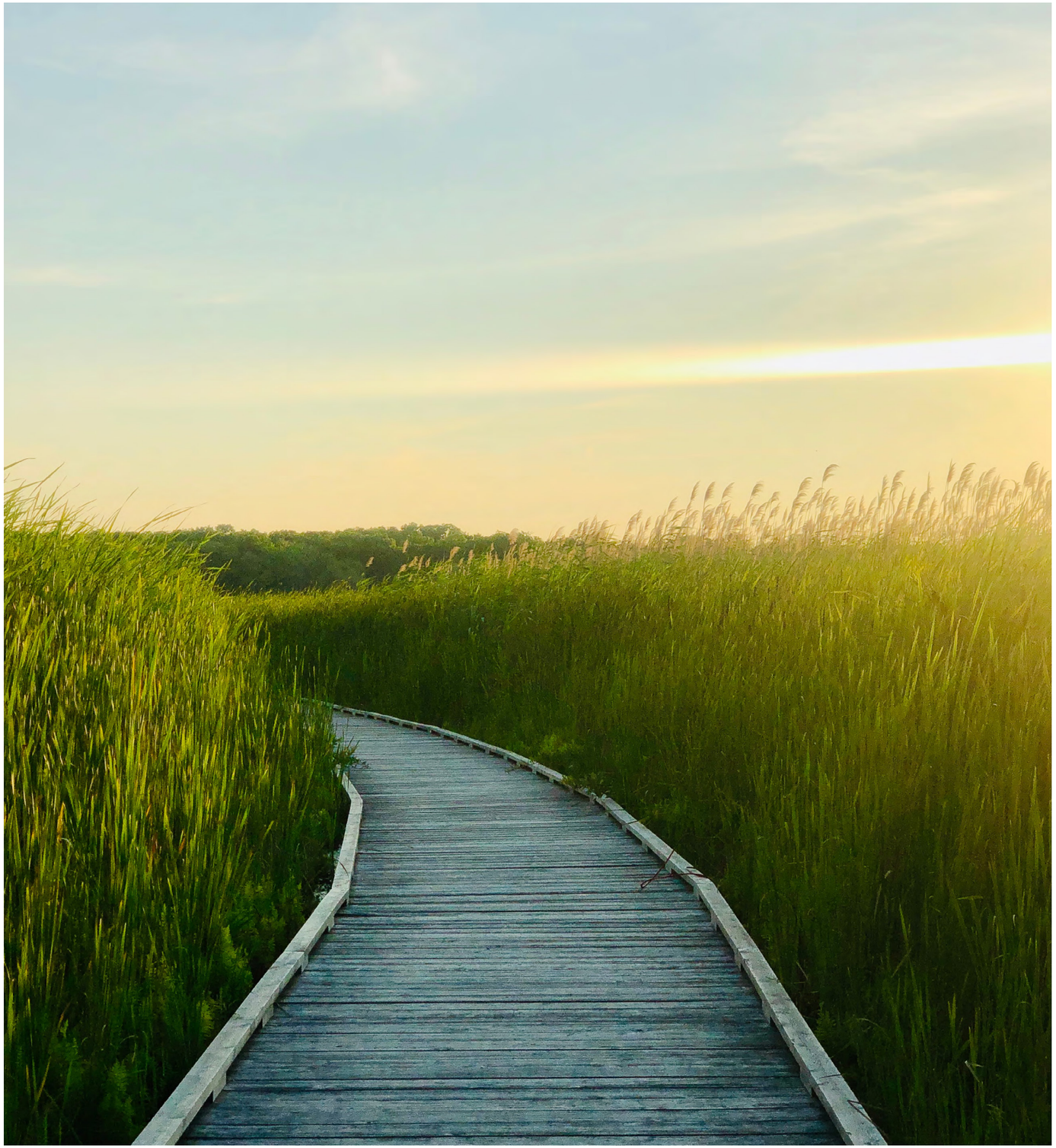
Message from the President	1
Summary Results	3
Sale & Redemption Location Counts	4
Our Legacy of Sustainability	5
Continuous Improvement & Efficiencies	8
Ontario Deposit Return Program	9
Combined Environmental Performance Results	11
Community Involvement	13
Promotional & Educational Activities	15
Awards & Recognition	17
Sponsorships & Memberships	18
Appendix	19
Independent Practitioner's Assurance Report	20

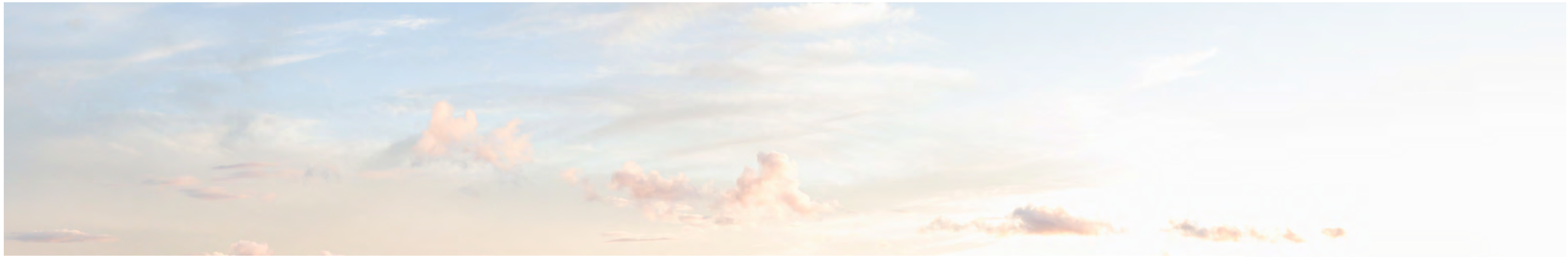
Symbol Key

✓ Figures for which our auditors, Ernst & Young ("EY"), provided a limited level of assurance.

© Brewers Retail Inc. 2024

Appendix D
Brewers Retail Inc. Annual Report





Message from the President

I am pleased to welcome you to The Beer Store's 2023 Stewardship Report.

As I reflect on my first year at The Beer Store ("TBS"), I am truly impressed not only by the long and noble history of this company, but also by how TBS has served as a beloved staple in communities across Ontario for generations. Many are overcome with nostalgia from the sound of clinking glass bottles and the rush of the iconic steel rollers, bringing fond memories such as browsing the classic beer walls of times past or participating in a fundraising bottle drive. TBS is privileged to be a part of your community.

Importantly, since 1927 we have also played a key role as a trusted partner in sustainability, working hard together with you to be environmental leaders and to keep our communities clean. The success of our partnership is proven year after year as we continuously take back more containers than we sell, through both our container return program and the Ontario Deposit Return Program facilitated through our business on behalf of the province of Ontario. This is equal to approximately 1.7 billion containers returned every year. The convenience and familiarity of our business and returns program across Ontario has ensured these outstanding results.

We take the responsibility of environmental sustainability seriously, so much so that it is one of our company's core values. Our customers can feel comforted in knowing that once their beverage alcohol containers and packaging are returned to TBS, we will follow through and ensure that this material is responsibly managed. We've worked hard to create effective solutions to environmental challenges that are efficient and convenient for both the industry and our customers; our 96-year history as an environmental leader is evidence of this achievement.

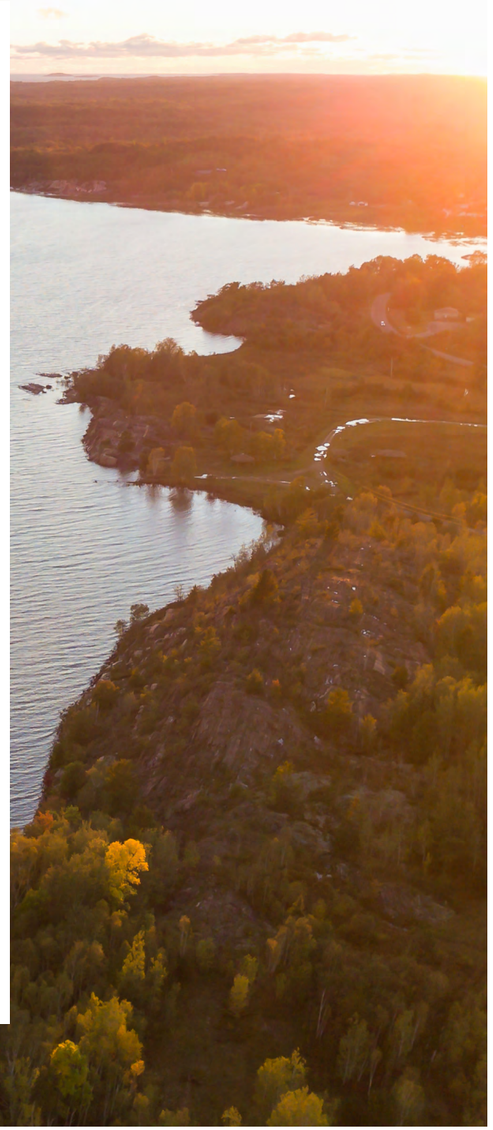
Looking ahead, I am filled with excitement and optimism for the future of TBS. We stand on the brink of new opportunities, and I am confident that with our long history of success, wealth of expertise, employee talent and dedication, we will continue to serve Ontarians as a market leader and environmental champion.

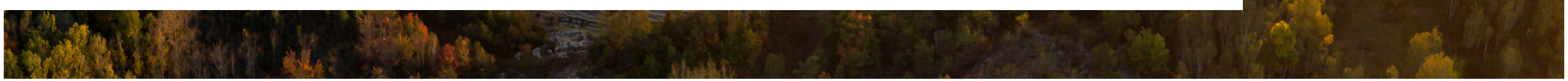
I hope you enjoy reading our 2023 Stewardship Report, as we celebrate our environmental accomplishments of the year.

Cheers,



Roy Benin
PRESIDENT





Appendix D
Brewers Retail Inc. Annual Report

Responsible Stewardship in Ontario
Summary Results

2023 Results at a Glance

Summary Results	The Beer Store Containers	Ontario Deposit Return Program Containers
Empty Containers Collected	1,218,656,731 ✓	448,811,772
Recovery Rate (%)	79% ✓	75%
Glass Bottle Reuse by Brewers (Tonnes)	59,512	–
Weight of Material Recycled in 2023 (Tonnes)	57,399	87,904
Coloured Glass	17,808	50,779
Clear Glass	13,655	32,539
Metal (Aluminum & Steel Cans)	13,239	3,728
Corrugated Cardboard & Boxboard	11,631	–
PET Products	–	858
Mixed Plastic	1,066	–
Total Tonnes of Containers and Packaging Collected for Reuse or Recycling[1]	116,912	87,904

[1] Total figures may not add up due to rounding



© Brewers Retail Inc. 2024

Sale Locations

As of December 31, 2023, there was a total of 19,952 beverage alcohol sales locations in Ontario:

#	Type Of Location
419	The Beer Store Locations[2]
348	On-site Brewery Retail Stores (beer containers only)
387	The Beer Store Retail Partner Stores & LCBO Convenience Outlets
685	LCBO Stores
450	Grocery Stores
578	Ontario Winery Retail Stores
72	Ontario Distillery Retail Stores
17,013	Licensed Establishments (bars, restaurants, etc.)
19,952	Total Beverage Alcohol Sales Locations[3]

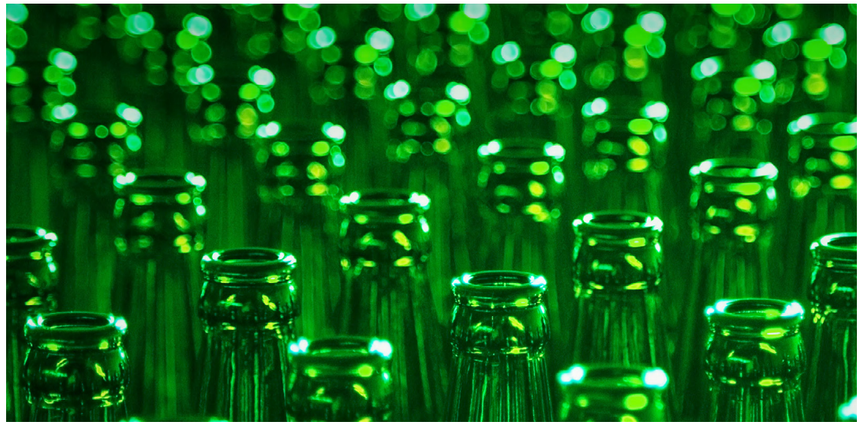
Redemption Locations

As of December 31, 2023, there was a total of 1,222 beverage alcohol redemption locations in Ontario:

#	Type Of Location
416	The Beer Store Locations
348	On-site Brewery Retail Stores (beer containers only)
387	The Beer Store Retail Partner Stores & LCBO Convenience Outlets
71	The Beer Store Contracted Empty Bottle Dealers
1,222	Total Beverage Alcohol Redemption Locations

To find a redemption location near you, visit https://www.thebeerstore.ca/about-us/environmental-leadership/locations-for-empty-containers/

[2] Includes 3 locations that do not accept empty returns
[3] Figures for breweries, wineries, distilleries, LCBO stores, and licensed establishments are provided by the LCBO and AGCO



Our Legacy of Sustainability

TBS began as a brewer cooperative in 1927 to assist brewers in warehousing, 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, carrying a wide selection of brands and flavours from around the world. Our distribution team has also 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.

Over the course of our history, our business has stood as a reliable cornerstone of environmental leadership in Ontario. Since our inception, we have operated a return-to-retail deposit return system to responsibly collect back the containers sold within our system to be re-used or recycled. This not only includes any beverage alcohol container bought within our network but also packaging associated with their sale, such as cardboard cases, plastic overwrap, and caps. To encourage participation, a deposit is collected upon purchase of beverage alcohol containers, providing an economic incentive for increased 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 greater than 12 L but less than 30 L have a $20 deposit applied to their sale, while kegs equal to or greater than 30 L are sold with a $50 deposit.

These deposits are fully reimbursable at any of our return locations. Our return-to-retail network has ensured easy access for empty beverage alcohol container return within communities across Ontario and a convenient system where customers can make purchases and return empty

© Brewers Retail Inc. 2024

containers in one location. Customers can also return empty beverage alcohol containers to licensed agency stores and our esteemed business partners acting as Empty Bottle Dealers. Additionally, licensed establishments are able to return empty beverage alcohol containers and packaging at the time of receipt of their full product deliveries. This approach not only streamlines our transportation network by utilizing a reverse logistics method, where most trucks do not return to our warehouses empty, but also offers this subset of our customers a hassle-free and efficient method for returns.

Initially, our container returns system was built to foster the reuse of refillable bottles and kegs among brewers. Refillable containers continue to constitute a significant portion of our system, with many brewers continuing to share the use of a refillable bottle known as the Industry Standard Bottle that can be reused 15 times on average. TBS also continues to support the use of steel kegs through distribution to licensees and retail sales for home consumers. Draught Services, a division of TBS, helps to facilitate the reuse of these containers by providing maintenance services to both the kegs and the draught systems required to deliver fresh draught beer to licensee customers. As an outstanding refillable container, steel kegs are refilled 6 – 7 times per year on average, with some being in circulation for decades.

While these staple containers remain the bedrock of our service, the landscape of the beer industry has evolved and expanded drastically, now encompassing a diverse array of beverage alcohol container types. From proprietary refillable bottles, each uniquely reflecting brands and brewers, to single-use bottles, aluminum cans, and beyond, the variety has grown. Adapting dynamically to these shifts, our business has ensured a steadfast dedication to maintaining an efficient and sustainable system.

As the use of single-use beverage alcohol containers has grown, TBS has maintained responsibility for the collection and end-of-life management of these containers by facilitating recycling through high-value streams. High-value recycling, where materials are repurposed into items of equal or greater value, has been our priority. Our meticulous approach involves manual collection and sorting of returned containers and packaging by our dedicated staff, ensuring accurate categorization and reducing contamination. Materials undergo thorough vetting and processing before being compacted and shipped to our recycling partners. Many times, single-use containers returned through our system find new life as the same type of container, contributing to a closed-loop circular system.

For nearly a century, TBS has not only been a go-to destination for beer sales, but also a dedicated partner for brewers and customers to meet their sustainability goals. Our system could not achieve the success that it has without the participation of our dedicated customers and employees. 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.

The following tables detail the total containers and packaging sold and returned in 2023 that are a part of TBS' return system (see Appendix A).

Responsible Stewardship 2023

Table 1

The Beer Store Container Sales and Recovery by Container Type

January 1st, 2023 – December 31st, 2023

Container Type	The Beer Store Sales (units)	LCBO Sales (units)	Returns (units)	System Recovery Rate (2023)	System Recovery Rate (2022)
All Glass Bottles (Refillable and Non-Refillable)	321,920,187	71,507,604	347,523,652	88%	89%
Refillable Bottles (ISB and Non-Standard)	229,859,304	20,629,830	244,261,024	98%	96%
Non-Refillable Bottles	92,060,883	50,877,774	103,262,628	72%	72%
Metal Cans	724,138,135	417,811,806	870,039,795	76%	75%
Kegs[4]	1,002,729	–	1,093,284	109%	101%
Total (by Units)	**1,047,061,051**	**489,319,410**	**1,218,656,731**	**79%**	**79%**

Table 2

Secondary Packaging

January 1st, 2023 – December 31st, 2023

Packaging Type	The Beer Store (Tonnes Sold)	LCBO (Tonnes Sold)	Total (Tonnes Sold)	Recovered Tonnes (2023)	Recovered Tonnes (2022)
Corrugated/ Boxboard[5]	11,559	3,942	15,501	11,631	12,077
Metal	681	190	872	81	90
Plastic	499	277	776	853	872
Total[6]	**12,740**	**4,410**	**17,149**	**12,565**	**13,039**

[4] Keg recovery rates sometimes exceed 100% due to a lag between collection and shipment, and/or due to direct brewery sales outside of the TBS network.
[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.
[6] Total figures may not add up due to rounding

© Brewers Retail Inc. 2024

Appendix D
Brewers Retail Inc. Annual Report

Continuous Improvement & Efficiencies

Our dedication to sustainability is not limited to our container return program, but a collective effort that is embedded into every aspect of our operations. We continuously explore environmentally conscious strategies and embrace responsibility beyond reuse and recycling. The following initiatives are some examples of ways we explored sustainability across our business in 2023.

Logistics

Starting in 2018, TBS began an initiative with the LCBO to co-deliver products on TBS delivery trucks. This reduces the number of trucks on the road dedicated to beverage alcohol deliveries and optimizes each delivery by maximizing available space. In 2023, 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.

Health & Safety

The Beer Store partners with Watson Gloves to provide cut-resistant safety gloves to our employees. These gloves are made from recycled PET polyester ("rPET"). The manufacturing process for rPET polyester uses 59% less energy and emits 32% less CO2 versus using regular polyester. TBS is pleased to work with innovative partners like Watson Gloves who strive to deliver quality products with less environmental impact.

Information Technology

Compugen's Green4Good program provides end-of-life IT asset disposition services across North America. Their certified recycling processes ensure that hazardous materials are carefully managed and that valuable commodities including metals and plastics are separated to be recycled into new products. TBS participates in the Green4Good program to responsibly manage retired hardware.

TBS also partners with Lexmark, our printer provider, to participate in the Lexmark Cartridge Collection 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, Lexmark arranges for reforestation projects through their partnership with Print Releaf. Through this program, TBS' paper use is tracked and trees are replanted in British Columbia equivalent to the paper consumed through our business. In 2023, 1,894 trees were replanted. Since the beginning of this partnership in 2019, 8,487 trees have been planted in total.

Marketing

Godin provides printing, display, and fulfillment services to TBS. In partnership with Eden Reforestation Project, Godin contributes to planting and protecting trees worldwide based on our overall spending. In total, 4,020 trees were planted as a direct result of our business with them in 2023.

Responsible Stewardship 2023



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.

Appendix D
Brewers Retail Inc. Annual Report

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

January 1st, 2023 – December 31st, 2023

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	40,237,478	6.7%	38.9%
Glass containers greater than 630ml	$0.20	193,157,940	32.2%	
Aluminum or steel cans less than or equal to 1L	$0.10	323,543,661	53.9%	53.9%
Aluminum or steel cans greater than 1L	$0.20			
Tetra Pak and Bag-In-Box containers less than or equal to 630ml	$0.10	795,370	0.1%	2.1%
Tetra Pak and Bag-In-Box containers greater than 630ml	$0.20	12,103,099	2.0%	
Polyethylene Terephthalate (PET) or plastic containers less than or equal to 630ml	$0.10	20,128,035	3.4%	5.1%
Polyethylene Terephthalate (PET) or plastic containers greater than 630ml	$0.20	10,496,398	1.7%	
Total		**600,461,982**	**100.0%**	**100.0%**

ODRP Containers: Sales & Recovery

January 1st, 2023 – December 31st, 2023

Table 4

	Sales in Units[9]		Returns in Units		Recovery Rate					
Container Type	Small Containers	Large Containers	Small Containers	Large Containers	Small Containers (2023)	Small Containers (2022)	Large Containers (2023)	Large Containers (2022)	Combined (2023)	Combined (2022)
Glass	40,237,478	193,157,940	32,948,685	153,107,078	82%	80%	79%	79%	80%	79%
PET	20,128,035	10,496,398	7,052,517	5,804,751	35%	37%	55%	59%	42%	45%
Tetra/BIB	795,370	12,103,099	274,044	3,120,144	34%	34%	26%	28%	26%	28%
Subtotal	61,160,883	215,757,438	40,275,246	162,031,973	66%	66%	75%	75%	73%	73%
Cans	323,543,661		246,504,553						76%	75%
Grand Total	600,461,982		448,811,772						74.7%	74.3%

[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.

Responsible Stewardship 2023

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. The avoided emissions are equivalent to taking approximately 48,000 cars off of the road for an entire year!

Table 5

The Beer Store & ODRP Disposal Diversion Estimated Avoided GHG Emissions & Avoided Energy Consumption (2023)

January 1st, 2023 – December 31st, 2023

	Glass Reuse	Clear Glass Bottle Recycling	Coloured Glass Bottle Recycling	Aluminum Recycling	Steel Recycling	PET Recycling	Mixed Plastic Recycling*	Total Diversion
The Beer Store Tonnes Diverted	59,512	13,655	17,808	13,158	81	0	1,066	105,280
ODRP Tonnes Diverted	0	32,539	50,779	3,728	0	858	-	87,904
TOTAL Tonnes Diverted	59,512	46,193	68,587	16,886	81	858	1,066	193,184
Avoided GHG Emissions (MTCO2E)	22,615	5,081	3,772	163,120	97	3,124	3,879	201,689
Avoided Energy Consumption (GJ)	404,685	77,605	74,760	1,475,172	1,025	73,225	90,920	2,197,391

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.

Source for emissions equivalency: EPA Greenhouse Gas Equivalencies Calculator, January 2024.

© Brewers Retail Inc. 2024



Community Involvement

TBS is proud to partner with Ontario charities and organizations that assist with research, provide support in communities and raise awareness and funds for good causes. Our stewardship arm of the business helps enable that with many customers graciously donating their empty container deposits or extra change to make a difference. We are thankful to our patrons who generously donate and want to make a difference in their communities.



Leukemia & Lymphoma Society of Canada

The Leukemia and Lymphoma Society of Canada ("LLSC") is Canada's largest registered charitable health agency that is dedicated to aiding the blood cancer community in Canada. The LLSC continues to be the main charity of choice for TBS and our valued union partner, UFCW 12R24, which represents TBS' hourly workers. TBS supports the LLSC through fundraising events throughout the year and an annual bottle drive that has been taking place since 2006. To date, we have proudly raised over $23 million to support the LLSC's important mission.

Rainbow Railroad

Rainbow Railroad is a global organization that helps people from the 2SLGBTQIA+ community who have faced violence and oppression in countries where they are not accepted for simply who they are. Since they were founded in 2006, Rainbow Railroad has helped almost 10,000 2SLGBTQIA+ individuals find safety through emergency relocation, crisis response, cash assistance and other forms of assistance. For our third year supporting Rainbow Railroad, we raised $88,775 during our fundraiser from June 1st – June 25th. The funds from the donations will allow more 2SLGBTQIA+ individuals to lead safer lives.

Fundraising for Local Hospitals and Foodbanks

For a number of years, TBS has held dedicated fundraising efforts to help local hospitals and foodbanks in their mission to creating healthier communities and providing the necessary services to those most in need of them. With your help, we were able to raise over $275,000 from our fundraising campaign during June 3rd to August 27th.

© Brewers Retail Inc. 2024

Appendix D
Brewers Retail Inc. Annual Report

Ontario Shores

In January, we partnered once again with Ontario Shores Centre for Mental Health Sciences ("Ontario Shores") to help raise money for mental health sciences. Ontario Shores is a public teaching hospital providing a range of specialized assessment and treatment services to those living with complex and serious mental illness. Exemplary patient care is delivered through safe and evidence-based approaches where successful outcomes are achieved using best clinical practices and the latest advances in research. Thanks to our generous customers and the dedication of each of our employees, we were able to raise $13,000.

BlackNorth Initiative and Black Mental Health Canada

From January 30th – February 27th, donations were collected in TBS stores to be shared between both BlackNorth Initiative and Black Mental Health Canada. We are thrilled to announce that over $66,000 was raised.

Black Mental Health Canada provides culturally safe, accessible and affordable Mental Health Care to diverse Black communities in Canada. The BlackNorth Initiative is on a mission to end anti-Black systemic racism throughout all aspects of our lives by utilizing a business-first mindset and are committed to the removal of anti-Black systemic barriers negatively affecting the lives of Black Canadians.

Gord Downie & Chanie Wenjack Fund

During the month of October, our retail stores across Ontario collected donations for the Gord Downie & Chanie Wenjack Fund, raising a total of $44,260. 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.

Regional Fundraising

In late summer into early fall each 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, approximately $140,000 went towards the following organizations:

- DEBRA (Dystrophic Epidermolysis Bullosa Research Association)
- Habitat for Humanity
- Juravinski Cancer Centre
- Niagara's Rankin Cancer Run
- Roger Neilson House
- Terry Fox Foundation

Earth Month Cleanup

In celebration of Earth Month, we coordinated our second annual community clean up event in partnership with Toronto and Region Conservation Authority ("TRCA"). This year's community clean up crew collected 383 lbs of litter at Duncan Foster Valley. The most interesting items included:

- Large sofa cushion
- Multiple clothing hangers & plastic storage set
- A part of an adult boot!



TBS representatives pictured from left to right: Michael Gentile, Christopher Fredericks, Jeff Zabalet, Elena Mora, Caitlin Guse, Manvinder Pabla, Rejel Dela Cruz, John Jones, Rachel Morier, Eli Blackbird, David Giampietro, Aimee Melanson

Promotional & Educational Activities

Stewardship Event

On Tuesday, May 9th, TBS had the opportunity to celebrate our environmental leadership efforts with our new President & CEO Roy Benin at the Ontario Legislature. Over the last 96 years, we are proud to announce that our employees have worked together to collect over 170 billion containers through our empty returns program and the ODRP. Together with MPPs, environmental leaders, and a warm acknowledgement from the Honorable Minister of the Environment, Conservation, and Parks, we were able to raise a glass and celebrate our dedication to environmental leadership and circularity.

To promote our environmental achievements at the event, we:

- Featured key stewardship milestones reached throughout our history.
- Introduced a fun, interactive empty container sorting game, to highlight the importance of sorting recyclable containers to maximize their value in recycling streams and through reuse.
- Engaged with key stakeholders to educate and highlight TBS' successful efforts in keeping Ontario clean and green.



Roy Benin, President & CEO and David Piccini, former Minister of the Environment, Conservation and Parks

Circular Economy Month

Launched by the Circular Innovation Council ("CIC"), Circular Economy Month is Canada's first-ever public awareness campaign dedicated to educating and empowering Canadians to support an economy that delivers on the most important values of Canadians: protecting the planet and prioritizing people. Circular Economy Month raises awareness about the benefits of the circular economy and celebrates circular innovations.

TBS has been a long-time sponsor CIC's Waste Reduction Week, previously taking place during the third week of October, which has now been extended beyond the third week of October into Circular Economy Month to educate and excite Canadians about the opportunities and benefits of the circular economy.

"The Beer Store is excited to return as a Circular Economy Month Champion. We continue to support this important annual campaign that aligns with our value in environmental sustainability to celebrate achievements in waste reduction and promote ongoing transition towards a circular economy across Canadian communities," said TBS' President & CEO, Roy Benin.

Circular Economy Leaders Champion Panel

On Tuesday, October 24th, Rachel Morier, Director of Sustainability for TBS & BDL, participated as a panelist at the Circular Economy Leaders Champion Panel. Hosted by the Circular Innovation Council, panelists were asked to share their circular economy initiatives, discuss the economic benefits of implementing circular economy initiatives, and expand on circular economy opportunities of the future.

Co-branded Advertising Campaigns

This year, to bolster our sustainability advertising presence, two of TBS' recycling partners generously funded co-branded advertising campaigns in an effort to increase returns and educate customers on the recycling process and how their efforts contribute to sustainability across all of our organizations.

Novelis, an aluminum manufacturer and recycler, sponsored CP24 ad boxes that aired throughout October and November. Three key goals were achieved through this initiative: (1) illustrating the recycling process after cans have left the store, (2) educating consumers on the concept of an infinite closed loop system that can occur due to the endless recyclability of aluminum, and (3) highlighting the environmental impact of that closed loop process and how it results in significant energy savings.

Nexcycle is a top glass recycler in North America. Nexcycle sponsored the placement of digital ads through a number of mobile applications. This content highlighted the value of glass as a recyclable material, and how returning glass bottles to TBS unlocks those capabilities.

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. Utilizing both online and outdoor media platforms, we released posts to remind customers about the environmental as well as economic benefits of returning empty beverage alcohol containers to TBS. Additionally, we ran a holiday marketing campaign in an effort to boost returns during the busy holiday season.



IMAGE: social media post demonstrating how empty alcohol containers contribute to circularity by being reused or recycled.

© Brewers Retail Inc. 2024

Awards & Recognition

The Beer Store Receives Recognition Award as an Outstanding Supplier

In October 2023 TBS received a supplier recognition award from Novelis. Novelis is an industry leader in aluminum, with recycling and rolling facilities across North America, South America, Europe and Asia. They supply rolled aluminum sheets that manufacturers use to make new cans.

TBS has been recognized as an outstanding supplier who has demonstrated dedicated support in helping Novelis achieve their Environmental Footprint goal of being the world's leading provider of low-carbon, sustainable aluminum solutions and in helping them advance their business, industry, and society towards the benefit of the circular economy.



Representatives pictured from left to right: Tim Bridgen (TBS), Kim Scott (Novelis), Elena Mora (TBS), Brent Colvin (TBS)



IMAGE: Award received by TBS from Novelis stating: Novelis Recognizes The Beer Store on The Partnership and Support to Achieve the Novelis Focused 5 Environmental Footprint"

© Brewers Retail Inc. 2024

Appendix D
Brewers Retail Inc. Annual Report

Sponsorship & Memberships

Circular Innovation Council ("CIC")

The CIC, 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.

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

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 ("RAOG")

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 their 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.

Appendix A

Packaging Return System: Container Sales and Recovery by Container Type

The detail included on pages 5-7 within "Our Legacy of Sustainability," 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 7.

Subject Matter	Criteria
Beer Store Sales (units)	Net sales of containers through TBS in the current year. Data collected through internal systems. Bi-weekly results for TBS can sales are adjusted using a pre-determined methodology to estimate for the calendar year. Detailed by container type.
LCBO Sales (units)	Sales of containers common to TBS. Bottle sale results are manually obtained from a sales report provided by the LCBO for the current year. Bi-weekly can sales results are provided by the LCBO and adjusted using a pre-determined methodology to estimate for the calendar 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 system empty can returns are estimated using an average return rate, which is calculated as the total returns (returns of TBS system cans and ODRP cans) divided by total sales, which includes all cans of alcoholic beverages sold in the province of Ontario during the current year (TBS container system + ODRP sales).
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.

© Brewers Retail Inc. 2024

Building a better working world

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 Standards on Assurance Engagements, hereafter referred to as the engagement, to report on select performance indicators, specifically, The Beer Store Sales, LCBO Sales, Returns and System Recovery Rate (collectively, the "Subject Matter") for the year ended December 31, 2023, contained in The Beer Store 2023 Responsible Stewardship Report (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 applied internally developed 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

BRI'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 management

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.

Our firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires us to design, implement and operate a system of quality management including policies or 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; and

Appendix D
Brewers Retail Inc. Annual Report

- 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, 2023, is not prepared, in all material respects, in accordance with the Criteria.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 27, 2024

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2023:

Key Performance Indicators	Criteria[1]	Unit	Reported Value	Report Page
The Beer Store Sales	Internally developed	Units	1,047,061,051	7
LCBO Sales	Internally developed	Units	489,319,410	7
Returns	Internally developed	Units	1,218,656,731	3, 7
System Recovery Rate	Internally developed	Percent (%)	79%	3, 7

[1] The internally developed criteria are described in Appendix A of the Report.