



**BEER
STORE**

The Beer Store Responsible Stewardship 2024

Delivering Circular Solutions for Ontario

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Symbol Key



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





Message from the President

I would like to welcome you to The Beer Store's 2024 Stewardship Report.

It's been a remarkable year! Since opening in 1927, The Beer Store ("TBS") has always welcomed changes that will improve upon the customer experience, and 2024 was no exception. Following the government of Ontario's early expansion of the beverage alcohol marketplace, TBS has been rapidly evolving to meet the ever-shifting needs of our customers with changes that reflect our commitment to remaining the best source of beer in Ontario.

I am incredibly proud of our entire organization for their ability to adapt, innovate, and embrace change, ensuring that we continue to deliver outstanding services and solutions for our customers and our brewers. We've implemented a number of changes within our business, that have included: expanding our distribution fleet and operations to support new grocery and convenience store customers coming online, including the addition of grocery stores into our empty container collection network; supporting the addition of approximately 5,000 convenience customers; seamlessly

supporting the acceleration of large format packs in grocery; and expanding our company into a new category of convenience items.

And all of this happened in just the past year!

As we evolve with the retail landscape, we've remained focused in making environmental sustainability a consideration in every decision we make. 2024 provided an opportunity to further demonstrate the importance of providing our customers with not only a convenient and competitive service, but one that also contributes uniquely to the circular economy with sustainability as one of our core values. Through the TBS reuse and recycling system, we continue to steward a more sustainable industry while also empowering consumers to create a greener Ontario through their participation in our returns program. The success of our sustainability program has been a result of the shared responsibility of both the industry and the individual – through active participation and daily choices in committing to more sustainable actions, together we can reduce

environmental impact not just locally but along the entire supply chain.

As we enter this new era for TBS, we are remaining focused on a meaningful vision—one where environmental sustainability is accessible, practical, and economical. Together, with the support of our customers and stakeholders, we have proved throughout our history that this vision is not only achievable, but essential for a thriving and resilient marketplace. We look forward to continuing to be your trusted partner in achieving circularity in Ontario.

I welcome you to enjoy our 2024 Stewardship Report, to learn more about our container return system and the results for the year, along with the many other ways we embrace circularity and sustainability within our organization.

Cheers,

Roy Benin

**PRESIDENT &
CHIEF EXECUTIVE OFFICER**



Responsible Stewardship in Ontario Summary Results

2024 Results at a Glance

| Summary Results | The Beer Store Containers | Ontario Deposit Return Program Containers |
|--|---------------------------|---|
| Empty Containers Collected | 1,180,952,679 ✓ | 434,830,796 |
| Recovery Rate (%) | 76% ✓ | 74% |
| Glass Bottle Reuse by Brewers (Tonnes) | 51,234 | - |
| Weight of Material Recycled in 2024 (Tonnes) | 53,268 | 84,415 |
| Coloured Glass | 16,862 | 46,999 |
| Clear Glass | 10,185 | 32,953 |
| Metal (Aluminum & Steel Cans) | 13,093 | 3,619 |
| Corrugated Cardboard & Boxboard | 12,098 | - |
| PET Products | - | 843 |
| Mixed Plastic | 1,030 | - |
| Total Tonnes of Containers and Packaging Collected for Reuse or Recycling¹ | 104,502 | 84,415 |

¹ Total figures may not add up due to rounding



Sale Locations

As of December 31, 2024, there was a total of 25,159 beverage alcohol sales locations in Ontario:

| # | Type Of Location |
|---------------|---|
| 409 | The Beer Store Locations ² |
| 362 | On-site Brewery Retail Stores (beer containers only) |
| 384 | The Beer Store Retail Partner Stores & LCBO Convenience Outlets |
| 688 | LCBO Stores |
| 884 | Grocery Stores |
| 5,027 | Convenience Stores |
| 599 | Ontario Winery Retail Stores |
| 81 | Ontario Distillery Retail Stores |
| 16,725 | Licensed Establishments (bars, restaurants, etc.) |
| 25,159 | Total Beverage Alcohol Sales Locations³ |

Redemption Locations

As of December 31, 2024, there was a total of 1,291 beverage alcohol redemption locations in Ontario:

| # | Type Of Location |
|--------------|--|
| 407 | The Beer Store Locations |
| 362 | On-site Brewery Retail Stores (beer containers only) |
| 384 | The Beer Store Retail Partner Stores & LCBO Convenience Outlets |
| 68 | The Beer Store Contracted Empty Bottle Dealers & Opt-In Convenience Stores |
| 70 | Grocery Stores |
| 1,291 | Total Beverage Alcohol Redemption Locations |

To find a redemption location near you, visit <https://www.thebeerstore.ca/return-empties>

² Includes 2 locations that do not accept empty returns

³ Figures for grocery stores, convenience stores, breweries, wineries, distilleries, LCBO stores, and licensed establishments are provided by the LCBO and AGCO

Circular Solutions In Action

Since 1927, TBS has served as a brewer cooperative, supporting brewers in warehousing, transportation, retail, and empty beverage alcohol container collection in Ontario. As of December 31, 2024, the TBS retail network consisted of over 400 retail stores offering a diverse range of beer including non-alcoholic beer as well as malt-based ready-to-drink beverages, from around the world. Additionally, our dedicated distribution team services not only our own retail system, but also thousands of additional beverage alcohol service locations, including retail stores, grocery stores, convenience stores, bars, restaurants, and other licensed venues.

Since our inception, TBS continues to operate a return-to-retail deposit system for containers and packaging sold within our system. This unique system has stood as a world-class model of circularity. With the help of cooperative customers and businesses, all containers sold within the TBS system, in addition to their associated packaging, can be responsibly collected back into our return system. This allows TBS to ensure that each return is sent for reuse or recycling. Customers who take part in this system take meaningful action with every return, transforming what could have been relegated waste into valuable resources that can re-enter the production cycle and become new again.

TBS' deposit system provides a tangible financial incentive for sustainability, with deposits ranging from 10 cents for small containers to \$50 for large kegs. Utilizing deposit-return encourages customer participation, promoting a more efficient and impactful system. These deposits are fully reimbursable



through our network of return-to-retail locations, including TBS retail stores, LCBO licensed agency stores, select grocery stores, as well as through our Empty Bottle Dealer partners who continue to provide dedicated empty container collection where needed in communities across the province. Additionally, licensed establishments further benefit from streamlined returns during product deliveries from TBS. These are just a few examples of how TBS works with both customers and external businesses to utilize our primary methods of circular solutions in order to further support and grow our circular economy.

The design of our return network, including return-to-retail, deposit return, and reverse logistics, has enabled the use of refillable beer containers throughout our history. The reuse of containers requires reduced need for glass bottle production, resulting in the reduction of energy and water use and associated greenhouse gas emissions. The Industry Standard Bottle, reusable 15 times on average, and

steel kegs, which can remain in circulation for decades, are prime examples of sustainable design in action. Multiple brewers share the use of these containers, resulting in numerous logistic and transportation efficiencies. These containers not only minimize waste but also demonstrate how the industry can work together to embrace sustainable practices that prioritize reuse over single-use consumption. By maintaining kegs and draught systems, TBS supports the ongoing use of steel kegs as refillable containers through our Draught Services division, ensuring their longevity and continued contribution. Through our return program, brewers are also able to sell product in proprietary refillable bottles to uniquely represent their brands while still capitalizing on the environmental and economic savings of the refillable container.

As the industry expands, so too will the variety of container types. While refillable bottles and kegs remain integral to the circular nature of our operations, the growing use of single-use containers will continue to present new opportunities for us to unlock sustainable solutions. Along with these changes TBS will maintain our sustainability goals by prioritizing high-value recycling and by transforming returned single-use containers into materials of equal or greater value. This is made possible through the dedicated efforts of our customers and employees, who sort these single-use materials into their appropriate recycling stream directly at the time of return. This reduces contamination within each stream resulting in high-quality inputs for recycling. Working towards this closed-loop system aligns with the principles of circularity, proving that single-use containers can play a valuable role in a more sustainable marketplace when responsibly managed.

TBS' leadership in sustainable practices has helped facilitate a marketplace where producers and consumers can take part in meaningful environmental action. Every return, every reuse, and every recycled container through our network contributes to a circular system that stands apart from traditional linear consumption models. As we move forward, we remain committed to delivering solutions that empower our partners and customers to make choices that together form a foundation for a greener today and a thriving future.

What does it mean to deliver circular solutions?

Circular Economy

A regenerative and sustainable system that utilizes waste management solutions and models such as the 'reuse, reduce, recycle' motto in order to continue production in a way that both minimizes or rejuvenates waste in an environmentally friendly way.

Circular Solutions

Methods, choices, and actions that work to benefit a circular economy in a way that benefits both the company who utilizes them and the community and environment they are working to support.

Example: TBS' Empties Return Deposit program ensures the reuse or recycling of beverage alcohol containers while also providing financial incentive for the consumer who can either pocket their deposit or donate that return to the organization of their choice to further give back to their community.

The tables below detail the total containers and packaging sold and returned in 2024 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, 2024 – December 31st, 2024

| Container Type | The Beer Store Sales (units) | LCBO Sales (units) | Returns (units) | System Recovery Rate (2024) | System Recovery Rate (2023) |
|---|------------------------------|----------------------|------------------------|-----------------------------|-----------------------------|
| All Glass Bottles (Refillable and Non-Refillable) | 285,138,657 | 67,600,807 | 305,116,380 | 86% | 88% |
| Refillable Bottles (ISB and Non-Standard) | 212,802,211 | 28,829,450 | 214,628,733 | 89% | 98% |
| Non-Refillable Bottles | 72,336,446 | 38,771,358 | 90,487,647 | 81% | 72% |
| Metal Cans | 725,152,420 | 474,512,471 | 874,768,164 | 73% | 76% |
| Kegs ⁴ | 1,046,127 | 0 | 1,068,135 | 102% | 109% |
| Total (by Units) | 1,011,337,204 ✓ | 542,113,278 ✓ | 1,180,952,679 ✓ | 76% ✓ | 79% |

Table 2

Secondary Packaging

January 1st, 2024 – December 31st, 2024

| Packaging Type | The Beer Store (Tonnes Sold) | LCBO (Tonnes Sold) | Total (Tonnes Sold) | Recovered Tonnes (2024) | Recovered Tonnes (2023) |
|----------------------------------|------------------------------|--------------------|---------------------|-------------------------|-------------------------|
| Corrugated/Boxboard ⁵ | 10,218 | 4,365 | 14,583 | 12,098 | 11,631 |
| Metal | 599 | 142 | 741 | 81 | 81 |
| Plastic | 254 | 22 | 276 | 824 | 853 |
| Total⁶ | 11,071 | 4,529 | 15,600 | 13,003 | 12,565 |

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

Circularity Across Our Organization

TBS' dedication to sustainability is not just limited to our container return program, but a collective effort to research and discover new methods of sustainability that we can embed into other aspects of our operations. The following initiatives are some examples of ways we have embraced circular solutions across our organization throughout 2024:

Logistics

Starting in 2018, TBS began an initiative with the LCBO to co-deliver products on TBS delivery trucks. In doing this, TBS and LCBO have continued to reduce the number of trucks dedicated to beverage alcohol deliveries on the road and optimizes each delivery by maximizing available space. In 2024, 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. This is just one example of how TBS works with external businesses to utilize sustainable methods of transport to further support the waste reduction goals needed in a circular economy.

Health & Safety

The Beer Store's partnership with Watson Gloves continues to provide cut-resistant safety gloves to our employees. Made from recycled PET polyester ("rPET"), the manufacturing process for these rPET polyester gloves uses 59% less energy and emits 32% less CO2 versus the comparative regular polyester

gloves.⁷ TBS is pleased to work with innovative partners like Watson Gloves who share similar goals as TBS, as they strive to deliver quality products while minimizing their waste production through the regeneration of materials and intentional limiting of their company's impact on the environment.

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 produced by electronics and other items 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' tracks our paper use so that an equivalent number of trees to the paper consumed through our business are replanted in British Columbia. In 2024, approximately 1,841 trees were replanted. Since the beginning of this partnership in 2019, approximately 10,328 trees have been replanted in total.

⁷<https://www.watsongloves.com/wastenot-sustainable-gloves/>

Marketplace Expansion

How's Retail Expansion Going?

In May 2024, the Ontario government announced that it was delivering on its commitment to expand the province's alcohol beverage marketplace earlier than planned. This expansion allows convenience stores, grocery and big-box grocery stores to sell beverage alcohol, in addition to the previously existing network of stores licensed as LCBO Convenience Outlets. As part of this transition and to maintain a successful deposit system through the TBS network, effective October 31, 2024, only grocery stores over 4,000 sq ft and located more than 5 KM from a TBS location are required to participate in the ODRP until 2026. Beginning January 1, 2026, all grocery stores over 4,000 sq ft will be required to participate in the program. Based on the current network of licensed grocery stores, this change will obligate those grocery stores to accept empty containers and will result in the addition of hundreds of new empty container return sites in 2026, making the system even more convenient for consumers in Ontario.



IMAGE: Reverse Vending Machine in Georgetown

The success of our empty return system over the last 97 years has been a testament to the value of return-to-retail in contributing to high recovery rates and diverting more material from landfills. As the beverage alcohol retail landscape evolves, TBS continues to support a collection model that efficiently utilizes return-to-retail where possible. With the early expansion of the marketplace, TBS is rapidly responding in order to prepare our network to support the addition of new empty collection sites and continues to support Grocery Stores in understanding and in meeting their obligations. TBS is looking forward to additional coverage for container returns, increased awareness, and driving customer convenience as a result of the active participation of Grocery Stores in our returns network.

Modernizing the Returns Experience

Along with the expansion of the retail landscape, TBS also supports efforts to modernize and improve upon methods for empty container collection. TBS has been a partner with TOMRA for a number of years. TOMRA has specialized in the design, manufacturing, and sale of Reverse Vending Machines (“RVMs”) for decades, and has expanded to providing a wide variety of solutions to support the circular economy. Our customers in Georgetown, Ontario are likely familiar with how our partnership with TOMRA integrates a RVM option into our store.

In response to their requirement to collect empty containers, one major grocery chain elected to work

with TOMRA to install a customized RVM at the front of their store to collect empty alcohol containers. TBS is supportive of innovative solutions and is eager to support our business partners as they explore unique methods to successfully integrate container returns into their businesses.

Partnerships with Business Partners to Support Local Communities

In addition to the new requirements for empty container collection set forth by the Province of Ontario, TBS is actively engaging with retailers who want to voluntarily participate in our returns network. In 2024, TBS entered partnerships with Convenience Stores and Grocery Stores who were not obligated to provide empty container collection but chose to do so in support of their communities.

Businesses who wish to voluntarily participate as an empty return site are often run by strong community leaders looking to leverage business opportunities while giving back to their communities in the way they need it most. One example of this is Ivan from Cochrane, a town in northeastern Ontario of approximately 5,390 residents. Ivan runs a convenience store and restaurant, Angel's Mini Mart. After he obtained a license to sell beverage alcohol as a Convenience Store, Ivan noticed that while the community had multiple access points to purchase beverage alcohol, there were fewer access points for empty container collection. TBS accepted Ivan's request to join our network of empty return locations and deployed resources from the Timmins Distribution Centre to support Ivan and our other business partners in northeastern Ontario in providing training, sorting materials, consumer facing educational materials and regular empty container pickups.

Ivan's experience as a new empty return site has been very positive, saying "Taking on the

responsibilities of accepting back empties in my store, just makes sense! That's why I approached The Beer Store. The people of Cochrane deserve the service, and I was able to do it! The best part of the process was how easy and smooth it is to become an empty return site. The Beer Store gave me everything I needed to help me run and operate my returns operation smoothly and efficiently. And now that the empties have also brought more people into my store, I'm busier than ever!"

TBS is proud to work with like-minded people, organizations and businesses who are dedicated to contributing to the circular economy and fostering a more sustainable industry. If you own a business or are involved with a charitable organization and are interested in partnering with us as in empty container collection or fund raising opportunities, please reach out to our Customer Contact Centre at 1-888-948-2337 or customerservice@thebeerstore.ca



IMAGE: Owner of Angel's Mini Mart, Ivan, next to a sign reading "Beer Store Authorized Empty Container Dealer"



Ontario Deposit Return Program Results

Since 2007, TBS has been under contract with the Ontario government to facilitate the Ontario Deposit Return Program (“ODRP”). Consumers pay either a \$0.10 or \$0.20-cent deposit on containers purchased in Ontario, that is fully refundable when the container is returned through TBS’ return network. In accordance with our goal to reduce consumption and increase circular solutions, 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.

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

January 1st, 2024 – December 31st, 2024

Table 3

| ODRP Containers ⁸ | Deposit Value | Sales (Units) | Sales Distribution ⁹ | Sales by Material Type |
|--|---------------|--------------------|---------------------------------|------------------------|
| Glass containers less than or equal to 630ml | \$0.10 | 31,561,993 | 5.4% | 36.1% |
| Glass containers greater than 630ml | \$0.20 | 181,233,083 | 30.8% | |
| Aluminum or steel cans less than or equal to 1L | \$0.10 | 333,666,666 | 56.6% | 56.6% |
| Aluminum or steel cans greater than 1L | \$0.20 | | | |
| Tetra Pak and Bag-In-Box containers less than or equal to 630ml | \$0.10 | 777,142 | 0.1% | 2.1% |
| Tetra Pak and Bag-In-Box containers greater than 630ml | \$0.20 | 11,466,495 | 1.9% | |
| Polyethylene Terephthalate (PET) or plastic containers less than or equal to 630ml | \$0.10 | 19,309,179 | 3.3% | 5.1% |
| Polyethylene Terephthalate (PET) or plastic containers greater than 630ml | \$0.20 | 10,984,529 | 1.9% | |
| Total | | 588,999,086 | 100.0% | 100.0% |

ODRP Containers: Sales & Recovery

January 1st, 2024 – December 31st, 2024

Table 4

| Container Type | Sales in Units ¹⁰ | | Returns in Units | | Recovery Rate | | | | | |
|--------------------|------------------------------|------------------|--------------------|------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|-----------------|
| | Small Containers | Large Containers | Small Containers | Large Containers | Small Containers (2024) | Small Containers (2023) | Large Containers (2024) | Large Containers (2023) | Combined (2024) | Combined (2023) |
| Glass | 31,561,993 | 181,233,083 | 30,259,898 | 145,544,206 | 96% | 82% | 80% | 79% | 83% | 80% |
| PET | 19,309,179 | 10,984,529 | 6,954,285 | 5,502,863 | 36% | 35% | 50% | 55% | 41% | 42% |
| Tetra/BIB | 777,142 | 11,466,495 | 228,880 | 3,038,575 | 29% | 34% | 26% | 26% | 27% | 26% |
| Subtotal | 51,648,314 | 203,684,107 | 37,443,062 | 154,085,643 | 72% | 66% | 76% | 75% | 75% | 73% |
| Cans | 333,666,666 | | 243,302,091 | | | | | | 73% | 76% |
| Grand Total | 588,999,086 | | 434,830,796 | | | | | | 73.8% | 74.7% |

⁸ Containers larger than 100 ml qualify for deposit return refunds under the program.

⁹ Figures may not sum to 100% due to rounding.

¹⁰ 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.¹¹ The avoided emissions are equivalent to taking approximately 45,555 cars off of the road for an entire year!¹²

Table 5

The Beer Store & ODRP Disposal Diversion, Estimated Avoided GHG Emissions, & Avoided Energy Consumption (2024)¹¹

January 1st, 2024 – December 31st, 2024

| | Glass Reuse | Clear Glass Bottle Recycling | Coloured Glass Bottle Recycling | Aluminum Recycling | Steel Recycling | PET Recycling | Mixed Plastic Recycling ¹³ | Total Diversion |
|--|-------------|------------------------------|---------------------------------|--------------------|-----------------|---------------|---------------------------------------|-----------------|
| The Beer Store Tonnes Diverted | 51,234 | 10,185 | 16,862 | 13,012 | 81 | 0 | 1,030 | 92,404 |
| ODRP Tonnes Diverted | 0 | 32,953 | 46,999 | 3,619 | 0 | 843 | - | 84,415 |
| TOTAL Tonnes Diverted | 51,234 | 43,138 | 63,861 | 16,631 | 81 | 843 | 1,030 | 176,818 |
| Avoided GHG Emissions (MTCO2E) | 19,469 | 4,745 | 3,513 | 160,660 | 96 | 3,069 | 3,750 | 195,301 |
| Avoided Energy Consumption (GJ) | 348,389 | 72,471 | 69,609 | 1,452,921 | 1,019 | 71,937 | 87,886 | 2,104,232 |

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

¹¹ 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.

¹² Source for emissions equivalency: EPA Greenhouse Gas Equivalencies Calculator, February 2025.

¹³ "Avoided GHG" and "Avoided Energy" coefficients for PET Recycling used for Mixed Plastic figures.



Community Involvement

TBS' stewardship arm of the business helps enable customers to graciously donate their empty container deposits or spare change to make a difference to many of the charities and organizations that TBS supports. These events held across the year not only provide customers with opportunities to contribute towards circular solutions that benefit the environment but also gives them a chance to give back to important causes. Of the donations raised for the organizations listed below, just over \$600,000 came from container deposit donations, highlighting the meaningful impact that returning empty containers can have.

TBS is proud to partner with Ontario charities and organizations that assist with research, in providing support to communities, and in raising awareness and funds for good causes. TBS is 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.

Thanks to the generous support of our staff and customers, during our 2024 LLSC Bottle Drive we raised \$1,168,812 for blood cancer research! Over the years, we have proudly contributed more than \$24 million to support LLSC's profound mission to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families.

Regional Fundraising

In late summer into early fall each year, TBS partakes in a regional fundraising campaign across Ontario. Through this initiative, we raise monetary and empty donations for several charities that provide invaluable support and resources to their communities. This year,

\$124,211 went towards the following organizations:

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

Rainbow Railroad

Since their founding in 2006, Rainbow Railroad has helped numerous 2SLGBTQIA+ individuals find safety through emergency relocation, crisis response, cash assistance, and other forms of assistance. Rainbow Railroad is a global organization that helps people in countries where they are not accepted and who have faced violence and oppression for simply being who they are in the 2SLGBTQIA+ community. In our fourth year supporting Rainbow Railroad, TBS raised \$86,116 during our June fundraising campaign. The funds from the donations will allow more than 19,000 2SLGBTQIA+ individuals worldwide to lead safer lives through emergency relocation, crisis response, cash assistance, and other forms of assistance.

BlackNorth Initiative and Black Mental Health Canada

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.

Throughout the month of February, 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 \$65,795 was raised in 2024 which will continue to support the work TheBlackNorth and Black Mental Health commits to providing inclusive environments that promote success in addition to culturally safe and affirming mental health care to Black Canadians.

The BlackNorth and Black Mental Health are prime examples of how giving financial support through donations continues to cycle back into the community by providing support and mentorship to individuals who now have the resources they need to grow into their fullest potential.



Promotional & Educational Activities

2024 Canadian Stewardship Conference

In September 2024, TBS attended the Canadian Stewardship Conference hosted in Toronto. TBS' Director of Sustainability, Rachel Morier, participated in a panel discussion on deposit-refund systems and was able to share our sustainability story and all the great work our employees perform.



IMAGE: TBS' Director of Sustainability, Rachel Morier, participating in a panel on deposit-refund systems during the 2024 Canadian Stewardship Conference. From left to right: Guy West (ABCRC), Rachel Morier (TBS), Normand Bisson (Consignaction), and Isabelle Faucher (Carton Council of Canada)

Promoting Circularity Across North America

In 2024, California legislation was improved upon to expand the state's return deposit program, the motivation for which was partially inspired by the TBS system. A

few years prior, on September 24th, 2021, TBS welcomed a California delegation consisting of over 20 key state policy makers and influencers, including elected officials, to tour TBS store 2006 located on 80 Peel Centre Drive in Mississauga and showcase how the deposit-return program operates successfully in Ontario to result in high-end reuse and recycling for beverage alcohol containers.

Upon learning about how glass bottles can be managed responsibly at TBS, one of the California senators introduced legislation to help prevent fraud and the reduction of contamination in glass recycling, in addition to adding certain wine and spirits bottles to the state's deposit-return program to help capture and retain more glass containers, that was officially passed into law in September 2022, Senate Bill 1013 (Atkins, 2022). In 2024, this legislation was improved upon with Senate Bill 353 (Dodd, 2024) which added containers of any size containing 100% fruit juice to the state's return deposit program. TBS is proud to have played an influential role to drive a circular economy to our neighbors across the border.

Co-branded Advertising Campaigns

As a continuation of our efforts 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



IMAGE: Marketing truck decal reminding customers to return empty alcohol cans for a deposit refund.

customers on the recycling process and how their efforts contribute to sustainability and circular solutions across all involved organizations.

Novelis, an aluminum manufacturer and recycler, sponsored a social media campaign to increase education on the importance of aluminum recycling. Additionally, Novelis sponsored the installation of new graphics on select TBS delivery trucks to further spread awareness of the deposit-return system for beverage alcohol aluminum cans.

As a top glass recycler in North America, Nexcycle sponsored the placement of digital ads through numerous mobile applications. This content highlighted the value of glass as a recyclable material, and how returning glass bottles to TBS unlocks those capabilities, further pushing the circular economy forward.

TBS Marketing Campaigns

This year, the TBS marketing team executed a series of campaigns and initiatives to increase awareness of our deposit-return program as well as the ODRP. Utilizing both traditional, outdoor and online media platforms, we put a greater focus on empty returns and supporting the call to action for returning empty beverage alcohol containers back to TBS. TBS' social media pages released multiple posts to remind customers about the environmental as well as economic benefits, using visual aids and videos of our employees speaking to process and benefits. Additionally, TBS integrated a returns message within the holiday marketing campaign in an effort to boost deposit returns during the festive holiday season.

Below is an example of our returns-focused marketing campaign from 2024.



IMAGE: Sample marketing visual serving as a reminder that TBS accepts back all types of empty alcohol containers sold in Ontario.



Sponsorship & Memberships

2024 Canadian Stewardship Conference

TBS was a gold sponsor of the 2024 Canadian Stewardship Conference. 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.

World Wildlife Fund Canada

This year, TBS sponsored World Wildlife Fund Canada (“WWF-Canada”). Their 10-year goal is to restore at least one million hectares of degraded habitat and protect and steward at least 100 million hectares of ecologically rich ecosystems. In support of this goal, WWF-Canada hosts the Climb for Nature, where they invited participants to climb the daunting 1,776 steps of the CN Tower.

Sunday, April 21st marked The Beer Store’s first corporate team climb up the CN Tower to support WWF-Canada’s important environmental sustainability initiative,



Top: Jeff Zabalet, Chris Fredericks, Calvin Wang, Michael Gentile. Bottom: Caitlin Guse, Rachel Morier, Elena Mora

Regenerate Canada. On June 3rd, a second climbing event was held in Blue Mountain where several TBS employees climbed over 2,000 steps on the Cascades hiking trail (928ft)!

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, recycling, and other circular solutions that we can utilize every day in our operations.

Appendix A

Packaging Return System: Container Sales and Recovery by Container Type

The detail included on pages 5-7 within “Delivering Circular Solutions for Ontario,” 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. Detailed by container type. |
| LCBO Sales (units) | Sales of containers common to TBS sold through the LCBO, grocery stores, convenience stores, LCBO northern convenience outlets, licensed establishments, embassies, and other channels (on-site retail sales through Ontario producers are not part of the TBS deposit return system). Bottle sale results are 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, including TBS locations, TBS Retail Partner stores, LCBO Convenience Outlets, TBS contracted Empty Bottle Dealers, Grocery Stores, and Opt-in Convenience Stores (on-site Brewery returns are not part of the TBS deposit return system), 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. |



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 ("TBS") Sales, LCBO Sales, Returns and System Recovery Rate (collectively, the "Subject Matter") for the year ended December 31, 2024, contained in The Beer Store 2024 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 business and process for collecting, collating and reporting on the Subject Matter;
- ▶ Undertaking analytical procedures, making inquiries with relevant personnel, comparing data to underlying source information on a limited a sample basis, and reperformance of select calculations;
- ▶ Checking the 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, 2024, is not prepared, in all material respects, in accordance with the Criteria.

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 28, 2025

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2024:

| Key Performance Indicators | Criteria ⁽¹⁾ | Unit | Reported Value | Report Page |
|----------------------------|-------------------------|-------------|----------------|-------------|
| The Beer Store Sales | Internally developed | Units | 1,011,337,204 | 7 |
| LCBO Sales ⁽²⁾ | Internally developed | Units | 542,113,278 | 7 |
| Returns ⁽³⁾ | Internally developed | Units | 1,180,952,679 | 3, 7 |
| System Recovery Rate | Internally developed | Percent (%) | 76% | 3, 7 |

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

⁽²⁾ As disclosed in Appendix A of the Report, LCBO sales include sales of containers common to TBS sold through the LCBO, grocery stores, convenience stores, LCBO northern convenience outlets, licensed establishments, embassies, and other channels.

⁽³⁾ As disclosed in Appendix A of the Report, returns include empty TBS system containers returned through the TBS return network, including TBS locations, TBS Retail Partner stores, LCBO Convenience Outlets, TBS contracted Empty Bottle Dealers, Grocery Stores, and Opt-in Convenience Stores (on-site Brewery returns are not part of the TBS deposit return system).