



December 8, 2014

To: All Trade Associations

**Re: LCBO Lightweight Glass Bottle Policy Update**

I am writing to update you on two very important changes to the lightweight glass policy at the LCBO. First, we have developed lightweight standards for wines and wine products packaged in 1000 mL and 1500 mL glass bottles. Second, we will be implementing a change to the current policies for 750 mL bottles. Please review this letter for detailed information relating to these changes, particularly with regard to the specific product types that will be affected.

As a world class retailer of beverage alcohol, LCBO implemented lightweight glass bottle policies to assist in reducing our carbon footprint for the products we purchase and to achieve ergonomic benefits for our Retail and Logistics employees by reducing the overall weight of cases they handled. Working collaboratively with our Trade partners and representatives of the glass manufacturing industry, we have reached a point where we are confident there is a sufficient international supply of lightweight glass bottles accessible to our suppliers which now allows us to move forward with planned enhancements to our policies.

**Policy Updates:**

**1) 1000 mL and 1500 mL Glass Weight Maximum for LCBO and VINTAGES Essentials Products**

The maximum glass bottle weight will be 550 grams for wine and wine products packaged in 1000 mL bottles and 700 grams for wines and wine products packaged in 1500 mL.

**Implementation Date**

- i. **Non-Vintage Products** - all non-vintage wines and wine products, including fortified wines, are expected to comply commencing with purchase orders issued after April 1, 2016.
- ii. **Vintage Dated Products** - all purchase orders issued after April 1, 2016 will be required to comply, commencing with the 2015 vintage year for wines sourced from the northern hemisphere and 2016 vintage for wines source from southern hemisphere.

**Exemptions**

- i. Champagne/Sparkling & Effervescent wine and wine products (e.g. crackling, pétillant and frizzante) that are surcharged with carbon dioxide gas to a pressure equal to or greater than 120 kPa (kilopascals) at 10°C
- ii. VINTAGES Front Line Releases

### **Glass Weight Tolerance**

The LCBO will permit a tolerance of 20 grams for 1000 mL bottles and 25 grams for 1500 mL bottles to allow for occasional manufacturing variances. However, the vast majority of bottles shipped per sku must adhere to the 550 gram/700 gram limit.

### **Non-Compliance Fees**

- i. 1000 mL: \$1.00/bottle if weight is greater than 550 grams.
- ii. 1500 mL: \$1.00/bottle if weight is greater than 700 grams.

### **2) 750 mL Retail Price Threshold Increase**

- i. The current \$15.00 retail price threshold for LCBO and VINTAGES Essentials wines and wine products packaged in 750 mL bottles will be adjusted to \$16.00, to be consistent with price inflation.
- ii. The maximum bottle weight for 750 mL bottles remains unchanged at 420 grams or 460 grams for products packaged in Hock bottles.
- iii. The current non-compliance bottle fees, exemptions and weight tolerances will remain in place.
- iv. The current exemption for Champagne and Sparkling wines will be expanded to include effervescent wines and wine products (e.g. crackling, pétillant and frizzante) that are surcharged with carbon dioxide gas to a pressure equal to or greater than 120 kPa (kilopascals) at 10°C

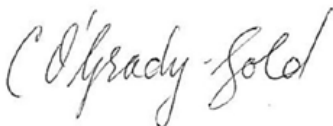
### **Implementation Date**

All purchase orders issued after April 1, 2016 will be required to comply.

We are very appreciative that Trade Associations and many individual suppliers have indicated their support for this initiative and the proposed implementation date. I would ask that you review this information with your operations and supply chain staff to assist them with production planning and discussions with their glass bottle suppliers.

In the interim, please do not hesitate to contact the respective Category Managers in WINES and VINTAGES or our Quality Assurance department if you have any questions.

Yours sincerely,



Carolyn O'Grady-Gold  
Director, WINES

cc: Nancy Cardinal  
Shari Mogk-Edwards  
Kathy Cannon