



October 16, 2014

To: All Trade Associations

Dear Trade Partner:

There has been much speculation over the past year regarding the dissolution of the Canadian Pallet Council (CPC). LCBO has been following all developments and working closely with the CPC to ensure that LCBO stakeholders are kept abreast of any developments.

I would like to confirm to you and your members that any closure of CPC will have minimal impact on LCBO requirements and operations. All suppliers who prepare orders for delivery to an LCBO Retail Service Centre from anywhere within Continental North America will continue to be required to ship on 48" x 40" LCBO compliant high density wood pallets, following all requirements as detailed in Section 4.2, Loads Shipped In Trailers (Highway Loads), of our Product Packaging Standards.

I would also like to share with you and your members some key strategies LCBO will implement in the event of a closure of CPC:

- LCBO will implement a reconciliation process aligned to any CPC closure.
- LCBO will honor all pallet liabilities with its CPC member suppliers and vendors who are in good standing and encourages all members to have their pallet ledgers up to date and available for reconciliation.
- LCBO encourages all suppliers who prepare orders for delivery to an LCBO Retail Service Centre from anywhere within Continental North America begin sourcing and converting to an alternative 48" x 40" LCBO compliant pallet, within the next three to six months.
- LCBO will update its current Product Packaging Standards to exclude all references to CPC pallets and will produce and publish a comprehensive pallet design specification guide as a supplement to the Product Packaging standards document.

You should also be aware that LCBO does not plan to participate in any other pallet exchange programs and that suppliers will be responsible for sourcing and paying the cost for compliant pallets used for deliveries to LCBO Retail Service Centres.

I would appreciate if you would share this information with your members and ask them to direct any questions to myself or Michael Nachuk, Assistant Manager Quality Services, michael.nachuk@lcbo.com or 416-846-6733. In the interim, I will make every effort to provide you with further updates relating to the closure of CPC, timelines for the transition and details of our reconciliation process, as they become available.

Sincerely,

Stephen Cater

Director, Quality Assurance

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