New Grocery and Convenience Store Q&A

The following document provides frequently asked questions by convenience stores and grocery stores interested in selling beverage alcohol, or stores who are newly licensed to sell beverage alcohol. For AGCO-related Q&A, please visit <u>AGCO/LCBO Joint Webinar Q&As.</u>

Q&A topics include:

- <u>Getting started</u>
- Products
- <u>Ordering</u>
- Pricing
- Payments
- Distribution
- In-store pick up
- <u>Selling</u>
- Product returns
- Support and other

Getting started

When will AGCO licence applications open? Will more AGCO licences be issued later if someone missed out?

AGCO opened applications from June 17, 2024. Interested convenience and grocery store owners may apply on an ongoing basis (i.e. there is no closing date). For more information, visit the AGCO's webpage: <u>Apply for a convenience store or grocery store licence.</u>

Once I have an AGCO licence, what can I expect next?

Once your AGCO licence has been approved, LCBO will contact you by email within two business days and ask you to complete an LCBO onboarding form. We will use this information to create wholesale customer accounts in our systems so that you can order etc. If there are any issues with your form, you will hear from us. If your form is accurate, it may be several weeks until you hear from us; thank you for your patience.

Where can I find the onboarding form?

We will email the LCBO onboarding form to the email associated with your AGCO licence. If you haven't received it within two business days of receiving your AGCO licence, please email <u>groceryandconveneince@lcbo.com</u>.

When will I be connected with the LCBO Account Manager?

Once you have completed your LCBO onboarding form, it may be several weeks until you hear from us. You can expect to hear from your LCBO Account Manager prior to your ordering date.

How does our relationship with Account Managers work? Are account managers set up by site or by retail chain?

Once you have an AGCO licence and are onboarded with the LCBO, you will be assigned an LCBO Account Manager. They will reach out to you and introduce themselves. They will provide guidance and help you navigate the onboarding process, system training and ordering. They are also available to answer any questions you may have.

What kind of training must we have to sell alcohol and when can we start it? Please refer to the <u>AGCO's website</u> or <u>contact them</u> for more information.

How to prepare my store and what equipment do I need to be ready?

Please refer to the <u>AGCO's website</u> or <u>contact them</u> for more information.

Products

Who decides what products are in my store? Are there mandatory brands that we need to carry? Is there a minimum selection imposed by the government?

LCBO will provide you with a catalogue of eligible products. You can review the product list and decide which ones you want to carry in your stores. Remember, there are shelf space requirements which mean that a percentage of the products you carry must be from small producers; these products will be identified in the catalogue. More information can be found below.

Your LCBO Account Manager will be able to provide additional guidance regarding top-selling SKUs etc, but you may also want to think about your customers' needs.

What is a reasonable dollar amount to start inventory?

Once licensed, your LCBO Account Manager will be able to help you understand what an initial investment may look like. If you want to understand what this might look like prior to getting licensed, you may want to think about how much space you have in your store to display alcohol. In terms of product cost – here are some examples from the existing catalogue (as at June 16, 2024):

- The wholesale price for a 24-pack of Bud Light is \$62.93
- The wholesale price for a 24-pack of Cowbell Brewing Original Cider is \$79.04
- The wholesale price for a 12-pack of Icellars Pinot Noir VQA is \$323.73.

Will we have access to Vintages items or consignment items? Can I import wine and beer that are not currently available through the LCBO?

You can only order products that are available in the LCBO product guide Grocery Management System. You cannot purchase any other products (e.g. specialty products). Vintages will remain exclusive to LCBO and LCBO Convenience Outlets.

Why can't I see products such as Guinness or Heineken in the ordering portal?

These products are imported products supplied by the LCBO. You will be able to start ordering them on October 1.

Do the products include soju and sake?

Sake is an eligible product and is supplied by LCBO; you can start ordering it from October 1. Soju is not an eligible product for grocery and convenience stores.

Can a chain of convenience stores have a private brand custom made for their chain of locations?

At this time, you are unable to sell private labels.

What is the largest container size of alcohol that a convenience store can sell?

Please reference Section 90 of Ontario Regulation 746/21 which states it is 5L. In terms of multi-packs, the largest is a 30-pack of beer.

When convenience stores are able to place orders, will we have access to order all eligible beer/wine products?

Convenience stores can sell beer, wine, cider and RTD products. Starting July 29, convenience stores will be able to place orders for non-LCBO supplied products, which means products supplied (or distributed) by The Beer Store or Ontario producers of wine, beer, cider and ready-to-drink beverages. Regardless, you will continue to order from the LCBO who will facilitate fulfillment and delivery from these third parties. All payments are made to LCBO. Starting in early October, convenience stores will also be able to order LCBO-supplied products.

If we get a convenience store licence, can we purchase kegs from local craft breweries and sell growler refills?

No. According to the regulations, you can only sell products in formats up to 5L. Growlers are not an available format from the LCBO. Only products available in LCBO's product catalogue are available for licensed convenience stores purchase.

What pack sizes are we able to sell? Will we be required to carry all sizes of products (i.e. can we carry only small packs of beer instead of 24)?

There are no restrictions on pack sizes (e.g. 8-pack, 24-pack or 30-pack sizes); this is a decision that you will need to make based on customer demand and the size of your store.

Are we allowed to sale single cans?

In your product guide, it will be clear what can be sold by the unit (e.g. one can) versus a pack. You need to sell products in its original packaging as described in <u>regulation 746/21</u>. Your product catalogue will help to explain what units you can sell for each product. For example, Brand X (below) shows that 1 unit equals 24 cans. You must sell this as a 24-pack. Brand Y (below) shows that there are 24 units in 1 pack. You must sell these as 24 individual cans which will be delivered to you in one pack.

Product	Selling units per case	Units per pack
Brand X	1	24
Brand Y	24	1

Why can't I sell spirits?

According to the regulations, spirits cannot be sold at grocery and convenience stores.

What are the shelf space requirements?

Refer to <u>Section 89</u> in the licensing regulation. Beer and cider must be displayed together: 20% of your beer selection must be from small breweries and 20% of the cider selection must be from small cideries.

Wine products must be displayed together: 40% of this selection must be from small wineries, or a small wine-producing country (of which, 10% must be small wineries).

RTDs must be displayed together: 20% of this selection must be from small producers.

Note: small producers are noted in the LCBO product catalogue, which will be provided to you. For example:

Producer name	Producer Size Description
LABATT BREWERIES ONTARIO	Large
SONS OF KENT	Small

In terms of shelf space requirements, what defines a "small manufacturer"?

For the purposes of shelf space requirements, the definition of small producers (i.e., breweries, cideries, wineries, and distilleries) can be found in the <u>(licensing) regulation</u>.

If we run out of products and only one brand is left, are we still allowed to display it or would it be a violation of the shelf space requirements?

Please contact the AGCO for more information about shelf space requirements.

In terms of shelf space requirements, is the 20% rule per linear footage?

Using cider as an example, if there are 10 containers on display, at least two of those containers must be small producers. It is not about the number of skus, but instead, the number of containers. The eligible product catalogue identifies which items are from small producers.

How are the minimum assortment requirements of Ontario manufacturers enforced?

This is an AGCO responsibility. Please refer to their roles and responsibilities.

Where can I download the eligible product catalogue?

The product catalogue can be downloaded at any point in GMS (see below). Please select which type of customer you are to access your eligible product catalogue.



Ordering

How do I purchase product?

The only way to legally purchase products is by using LCBO's online ordering system, GMS. Once you have an AGCO licence and are onboarded with the LCBO, we will provide training on how to use the system. This is the same system used by the 450 currently licensed grocery stores.

My account is disabled, can please send me a new link to refresh my account?

We can help you reset your GMS account, please reach out to GMS Technical Help: Lcbohelp@tangentia.com.

When can convenience stores and new grocery stores start ordering product online? When can we get a copy of the product catalogue?

In the week of July 22, we will provide convenience stores with a catalogue of eligible products. Convenience stores can start ordering from July 29, 2024, but cannot start selling prior to September 5, 2024.

In September, we will provide grocery stores with a catalogue of eligible products. We will provide a date from which you can order, and you cannot start selling prior to October 31.

Is it possible for corporations who own and run many stores to make a single order on behalf of all the stores and have the product shipped to a single corporate warehouse?

Shipment to a centralized facility may be possible. Your LCBO Account Manager will be able to review available options with you.

Are there minimum order quantities for convenience stores? What are they?

Supplying sources are responsible for established minimum order quantities (MOQ).

- **LCBO**: Orders below 15 cases will be eligible for pick up at an assigned LCBO retail store locations. Details will be shared with convenience stores in September.
- **TBS:** Orders below 48 cases will be fulfilled at a TBS retail store location and available for pickup by the convenience stores. Each convenience store will be assigned their TBS pickup location on or around August 23.
- Ontario Manufacturers of wine, beer, cider and ready-to-drink-beverages: Each supplying source will establish minimum order quantities.

Can we order directly from Ontario wineries or breweries or another store such as Walmart?

No. The only way to legally purchase beverage alcohol is from the LCBO. All purchases must be made through LCBO's online ordering platform, GMS. We facilitate the sale between you and the manufacturers. Assuming the producer has made its product available for sale to grocery and convenience stores, it will appear on the LCBO product catalogue and in GMS.

Can I use LCBO's Same Day Pickup service?

No. Only customers who order on lcbo.com can use Same Day Pickup. The only legal way for convenience stores to order is via GMS. We do offer in-store pickup within 3 business days for orders of 14 cases or less. You can find more information on in-store pickup below.

If we run out of stock of a certain item, can we go to an LCBO warehouse or do we need to wait for delivery?

The only way to legally purchase beverage alcohol is through LCBO using our online ordering system, GMS. You cannot go to a warehouse; you will need to wait until your delivery. Please plan ahead.

When we order for the first time, are we going to have to order from LCBO stores in person? Will our first order have to be picked up from The Beer Store?

No. All orders, including your first order, will need to be made in LCBO's online ordering system, GMS. This is the only way to legal purchase beverage alcohol.

If I order products that cannot be filled, do we have to reorder them or it will be automatically filled in some targeted timeframe?

There are no back orders. You will need to place a new order for any products that you need.

Can I order an imported item to be delivered on Oct 1?

No, you will be able to start ordering from an expanded product catalogue on October 1. Fulfillment and delivery will follow.

Pricing

How does pricing work?

Buying product

When new retailers are able to order, the wholesale price of products will reflect a 10% discount on the LCBO basic price (LCBO retail price less HST and container deposit) plus applicable taxes and container deposit. Note: This approach will change in January 2026 as LCBO adopts a cost-plus pricing structure.

Wholesale price = (LCBO basic price - 10% discount) + HST + container deposit

For example:

- The basic price for a 24-pack of Bud Light is \$59.52. With your 10% wholesale discount, the wholesale price is \$59.52 \$5.95 + \$6.96 + \$2.40 = \$62.93
- The basic price for a 24-pack of Cowbell Brewing Original Cider is \$75.36. With your 10% wholesale discount, the wholesale price is \$75.36 \$7.54 + \$8.82 + \$2.40 = \$79.04.
- The basic price for a 12-pack of Icellars Pinot Noir VQA is \$315.96. With your 10% wholesale discount, the wholesale price is \$315.96 \$31.60 + \$36.97 + \$2.40 = \$323.73.

Selling product

Starting September 5, grocery and convenience stores will be able to set their own prices, which means that they may retail products above, below or the same price as LCBO, but <u>Minimum Retail Pricing</u> requirements remain in place to ensure social responsibility.

Are the margins different for each category (e.g. beer, wine, cider)? Will all retailers have the same base cost?

The wholesale discount of 10% applies across all product categories for all retailers. Starting September 5, retailers set the retail price in store (as long as they do not go below <u>Minimum Retail</u> <u>Pricing</u> requirements).

Are the products I carry going to guarantee sales?

Like any other product wholesaler, LCBO cannot guarantee retailers' sales. You should think about your competitive landscape, your customers' preferences, and – once assigned – speak to your LCBO Account Manager for guidance.

Can I give discounts to my loyal customers or if customers buy a 24-pack beer (as an example)?

A licensee cannot offer free or discounted merchandise that requires the purchase of liquor. Convenience and grocery stores set their own retail prices for liquor, as long as the sale price is not less than the minimum price set out in Ontario Regulation 750/21.

Can I put products on sale?

Yes, you can discount items and run promotions as long as the retail price is at or above minimum retail prices. Any promotion or any costs incurred are at the expense of the retailer.

Can we sell a product for more than LCBO retail price? Is there any ceiling price?

Starting September 5, grocery and convenience stores will be able to set their own prices, which means that they may retail products above, below or the same price as LCBO, but <u>Minimum Retail Pricing</u> rules remain in place as per the regulations.

Is there a recommended or standard markup percentage or pricing strategy for alcohol products in convenience stores?

No, this is at retailers' discretion.

Do convenience stores/grocery stores/manufacturers retail stores have to match LCBO LTO promotions?

As of September 5, 2024, uniform pricing rules no longer apply outside of the LCBO.

What support or guidance will you provide to help store owners optimize profitability?

Licensed retailers will be assigned an LCBO Account Manager who will provide guidance about sales trends and the types of products that you may wish to consider purchasing.

Are there any incentives or volume discounts?

No, but you may benefit from a cheaper delivery charge per case if you order larger quantities. Distribution fees are currently under review and more information will be shared in the coming months.

Are we allowed to sell single cans or bottles of beer?

Yes. You must sell products in their intended consumer packaging.

Can we purchase wines from the LCBO that sell at \$9.95 as long as we retail them for \$10.95 or higher?

Wines under \$10.95 / 750 ml and equivalent are not available in the product catalogue.

Payments

What forms of payment do you accept? Can I pay by invoice?

The default payment method for convenience stores is credit card when submitting your order in GMS. However, due to system limitations credit card payment is only available at the end of August.

All orders placed to the LCBO online in GMS between July 29 and late-August will be invoiced to the convenience store and paid on 7 days terms. LCBO bank account information to facilitate electronic payments will be provided by your LCBO Account Manager.

The GMS system will begin accepting credit card payment August 23, 2024.

The LCBO will consider extending Payment Terms and invoicing to eligible convenience stores. Should you wish to continue on payment terms, you can apply for this benefit and, if approved by LCBO, all policy requirements must be met to maintain it.

Information and the application form is available on doingbusinesswithlcbo.com/groceryandconvenience.

Are we able to set up pre-authorized payment for LCBO?

No. Each order must be paid via credit card or invoicing on payment terms.

Distribution

How does distribution work? How often are deliveries made to store?

Orders are fulfilled by one or more supplying sources. Supplying sources include LCBO, Ontario manufacturers and The Beer Store. It is LCBO's responsibility as the exclusive wholesaler to coordinate order fulfillment and delivery with all supplying sources.

Once orders are fulfilled, they are delivered by one or more companies. Deliveries can be made by LCBO's contracted carriers, Ontario producers or third-party logistics companies (for example TBS or TNG).

Beverage alcohol purchased from the LCBO is delivered to LCOs for a delivery fee based on rates in effect on the date of the order. LCBO works with third-party distribution partners to provide delivery services. LCBO helps recover costs incurred by charging a delivery fee.

Your LCBO Account Manager will communicate your LCBO order and delivery schedule in late September.

After an order is submitted, how many days does it take to get it delivered to the store?

The Licensed convenience stores will be able to place orders to LCBO starting on July 29. Deliveries will happen through August and early September to be ready for September 5 legal sell date.

How do I get an update on my order status?

We encourage you to reach out to our Customer Care team to get a status update on your order.

How much is the minimum order amount for the delivery?

- LCBO: Orders 15 cases or over will be delivered by LCBO contracted carriers to convenience stores.
- **TBS:** Orders 48 cases or over will be delivered by TBS.
- Ontario Manufacturers of wine, beer, cider and ready-to-drink-beverages: Each supplying source will establish minimum order quantities for delivery.

For delivery fees, is it cost per case? (e.g. If I order 19 cases, I need to pay \$85.5 in delivery fees?)

Yes delivery fees are per case. The more you order the lower the per case delivery fee.

What are the distribution fees for both LCBO-supplied and non-LCBO supplied products?

Distribution fees for LCBO supplied products can be found here.

As a reminder, convenience stores who order less than 15 cases, will not receive delivery and will instead pick up their order from their designated LCBO retail store.

Delivery fees for non-LCBO supplied products will differ by supplying source; you should speak to them directly. LCBO's delivery fees can be <u>found here</u>.

We are experiencing some issues with delayed deliveries from smaller breweries. What should I do?

Ontario manufacturers who are a supplying source have different delivery timelines than LCBO or The Beer Store. We recommend planning ahead when placing your order as lead times for products supplied by Ontario manufacturers can be up to 14 days.

Is the number of cases for delivery charges per total weekly order or per truck?

The delivery fee is for the order of LCBO supplied product. For example, if the LCBO-supplied product on the order is 55 cases, the delivery rate is \$2.10 per case.

If I ordered 100 cases and only 50 were delivered, what would be the delivery fee?

Delivery fees are based on cases shipped.

Will LCBO have their own trucks delivering or will they use distributors and third-party carriers? Essentially whose truck is delivering it?

LCBO works with third-party carriers to deliver LCBO-supplied products from our warehouses to retailers. These carriers do not have LCBO-branded trucks.

Will we be able to cross dock or house products in a warehouse to deliver later to our stores in a multi-store convenience environment?

Shipment to a centralized facility may be possible. Your LCBO Account Manager will be able to review available options with you.

Can existing grocery licensees manage the distribution or delivery of alcohol to our store(s)?

Licensees may organize their own distribution of products - they will have to provide these details to the LCBO.

Can any employee in the store receive an LCBO delivery?

Anyone handling alcohol must be 18 years of age and must complete mandatory training. For more information about AGCO training refer to <u>this page</u>.

Is Smart Serve the only approved training?

There are several AGCO Board approved training programs. For more information about AGCO training refer to <u>this page</u>.

Are we able to ship alcohol to people's homes?

No.

In-store pickup

How does pickup in LCBO and TBS retail stores work for a licensed convenience store?

All orders are placed in LCBO's online ordering system, GMS.

- **Pickup at the LCBO:** If you order LCBO supplied product and your order is 14 cases or less, you will need to pick up your order from your assigned convenience store.
 - You will be assigned an LCBO pickup store based on your business' location by an account manager.
 - Once an order is placed, you will receive three emails: one to confirm your order, one when your order has shipped and a final one when your order is ready to pick up from a store. Your 'Ready to pickup' confirmation email will include your order confirmation number and the address of the store where you need to pick up your order.
 - Check the store's opening hours on lcbo.com and pick up your order before 2pm on Monday-Friday to avoid busy crowds. You must pick up your order within three days of receiving the 'Ready to pickup' confirmation email.
 - On your first visit, speak to an employee in the store and explain that you are here to pick up an order for your convenience store. They will show you how to pick up future orders from the back of the store for easy transportation.
 - You will be required to provide valid government issued ID and the order confirmation to pick up your order.
 - You cannot change or add to the order at the store level.

- If there is a claim against the order or you need to return a product, it must be processed through the LCBO B2B Claims Application.
- **Pickup at TBS:** If you order less than 48 cases of product supplied by The Beer Store (TBS) in an individual order, you will need to pick up your order from an assigned TBS location. Each convenience store will be assigned their TBS pickup location starting August 23rd. Details about picking up in store:
 - TBS has identified over 100 locations across the province to pickup orders in store and will assign each convenience store a TBS location that is closest to them in distance.
 - When your order is ready to pickup you will receive an email confirmation. If you don't pickup your order within 48 hours, it will be cancelled.
 - At the assigned pickup store, you will collect all of the items in your order and go the checkout.
 - Be sure to bring your order confirmation which has your order number on it with you to the store, show it to the Customer Service Representative to process your order and provide signature.
 - You do not pay at the TBS location. Your order is still placed in LCBO's online ordering system where payment is made. You cannot change or add to the order at the store level.
 - The end-to-end financial transaction is the LCBO's responsibility as the wholesaler of record. If there is a claim against the order or you need to return a product, it must be processed through the LCBO B2B Claims Application.

Can grocery stores leverage in-store pickup?

No. This is only available to convenience stores who meet maximum order requirements.

Will we get some sort of licence card to show The Beer Store & LCBO when visiting stores?

No. Since the only way to legally purchase product as a licensed store is via LCBO's online ordering system, GMS, you do not need to prove that you have a licence when picking up your orders in store. You will need to show your 'ready for pickup confirmation email' and government-issued photo identification.

How do I know if I will be picking up my order from the LCBO?

If you are ordering LCBO-supplied product on GMS and your order is 14 cases or less, you will need to pick up your order from your assigned LCBO store. Your product catalogue will indicate if the product is LCBO supplied.

Can I pick up my order from any LCBO store?

You must pick up your order from your assigned LCBO retail store. Your Account Manager will share your assigned LCBO store with you. If you visit a different LCBO location, you will not be able to pick up your products.

Do I get to pick my assigned store?

Your assigned LCBO store will be based on the location of your business address. Your Account Manager will share your assigned store with you.

Do I have the option for delivery if my order is 14 cases or less?

If you want to take advantage of delivery services, you must order 15 cases or more.

What do I need to pick up my order?

You must provide your 'ready for pickup confirmation email' and valid government-issued ID to the LCBO Customer Service Representative to pick up your order. You can either provide a printed copy of the 'pick up confirmation email' or show the email from your mobile device.

Can I ask someone else to pick up my order (e.g. my spouse, child, employee)?

Yes, you must provide them with your order confirmation email to show to the LCBO Customer Service Representative. Upon arrival in the store, they must show the order confirmation email (proof of order) and their valid government ID to prove that they are 19 years of age or older.

When will I receive my order confirmation email?

Once you complete an order in the online ordering system, GMS, you will be emailed an order confirmation email. If you have not received your order confirmation email within 30 minutes of placing an order, please check your 'Junk Mail' folder before calling LCBO's Grocery & Convenience team.

When will I receive my 'ready for pickup' confirmation email?

Once your order is ready for pickup, you will receive a 'ready for pickup' email – typically within three days of placing an order.

All pickup orders must be picked up Monday-Friday prior to 2:00pm. Weekend pickups are not permitted. Please check stores hours on Icbo.com prior to planning your visit.

How long will my order be held at the assigned LCBO pickup store?

Once you receive a 'pickup confirmation email', you must pick up your order within three business days.

What is the process to pick up my order in my designated LCBO store?

The first time you visit an LCBO store, please introduce yourself to a customer service representative. They will show you a back door where you can easily transport your order to your car.

Updated October 24, 2024

I went to pick up my order but it wasn't there - what should do I?

You should start by confirming that you:

- ordered 14 cases or less.
- received the email notification which tells you that your order is ready to pick up.
- have visited your assigned LCBO retail pick up store. If you are not sure which store is your assigned pick up location email <u>groceryandconveneience@lcbo.com</u>.

If you still need help tracking down your order, please contact your LCBO Account Manager or email groceryandconvenience@lcbo.com.

Can I cancel my pickup store order?

No, you cannot able to cancel their pickup order and should contact <u>groceryandconveneience@lcbo.com</u> for more information and support.

When I am picking up my order, can I add products to my order?

No, you can only pick up what you ordered. If you want to order additional products, you will need to place another order on LCBO's online ordering system, GMS.

What do I do if there is an issue with my order?

If you get your order from the LCBO customer service representative, and there is missing product or product has accidentally been broken, you cannot replace the product from the store's inventory. You must submit a claim via the B2B Claims Application. More information on claims and returns can be found on doingbusinesswithlcbo.com/groceryandconvenience.

The LCBO retail store where you pick up your order they will not review or approve claims. The store is only a pick-up point.

What happens if a pickup deadline is missed for logistical reasons - is there a cost to the retailer?

LCBO: All orders will be held at your assigned LCBO store for 3 business days. Refunds will be processed by the LCBO.

TBS: Customers will have 48 hours to visit the assigned TBS pick-up store and complete their order. Orders not picked up at the assigned retail store location within 48 hours will automatically be cancelled in the system. No payment will be processed by LCBO.

Selling

Does LCBO or LCBO suppliers provide any equipment or display stands or any other accessories?

No. This is the retailer's responsibility.

Will LCBO show me how to set up a beer display?

No, this is the retailer's responsibility, but your LCBO Account Manager may be able to provide guidance.

Do shelf tags have to display final price with tax included similar to LCBO? Can the price be broken out as retail minus tax plus deposit?

Refer to <u>section 88</u> in the licensing regulation. It is up to the individual retailer to determine what information is displayed on shelf. The final price paid by the consumer must include tax and deposit.

Can beer and wine be merchandised in the same cooler as soft drinks?

Please refer to <u>Section 89</u> in the licensing regulation.

Do we have an obligation to sell cold product?

Your LCBO Account Manager will provide guidance on the best way to store alcoholic products.

Can customers sample products at the store?

Grocery stores are allowed to provide sampling (directly or by agents or manufacturers). Convenience stores are not allowed to provide sampling.

Can stores sell beer & wine online?

Refer to <u>Section 88</u> in the licensing regulation. Grocery and convenience stores will be permitted to do online sales for in-store or curbside pick-up or deliver for a fee. You must complete online orders between the permissible hours of sale (7am-11pm), use store inventory, and check customers' ID to ensure the responsible service.

Can I sell alcohol if I am located near The Beer Store, an LCBO or an LCBO Convenience outlet?

Yes. There are no restrictions as to where a retail store can be located, with the exception of requirements specific to First Nations reserves.

What preventative measures are you suggesting operators take to reduce theft? What security measures must be taken?

Security and theft prevention is the responsibility of the retailer.

Can I sell alcohol to bars and restaurants?

No.

Can I sell alcohol and deliver it myself or on a platform like UberEats?

Yes, licensees can deliver liquor themselves for a fee from their retail store. The order must be fulfilled from the inventory of the store.

Liquor can also be delivered through food delivery services that are licensed as a Liquor Delivery Service.

Am I allowed to sell out of province? No.

Product Returns

Does the LCBO take back product if expired or damaged and is there a fee/cost? Is there a credit for expired products?

There is a claims process for products that are damaged in transit to grocery or convenience stores, or if damage is discovered after receiving it (i.e. dry breaker). LCBO does not take back or reimburse for product that has expired. It is the retailer's responsibility to ensure stock rotation.

If some products are not sold, can we return or exchange them?

No, all purchases made under the Master Supply Agreement are final.

If customers open cases of alcohol are we able to sell the remaining goods as individual items or return them to the LCBO for credit?

If a customer breaks open a pack or if damage occurs on the selling floor, there is no reimbursement from LCBO.

As per the licensing regulation, the licensee must sell the units of liquor in the same format it was purchased from the LCBO.

What is the Ontario Deposit Return Program?

The Ontario Deposit Return Program (ODRP) is the waste reduction and recycling program established by the Government of Ontario, administered by the LCBO, and managed by The Beer Store (TBS). Under this program, certain licensed grocery stores are required to accept the return of eligible empty alcohol containers, refund customer deposits collected, and comply with additional requirements.

Since its introduction in 2007, ODRP has facilitated the return of more than five billion containers and diverted almost 88 tonnes of waste in the province.

Ontario Regulation (General) (O. Reg. 745/21) sets out requirements for the Ontario Deposit Return Program.

Who will be required to participate in the Ontario Deposit Return Program (ODRP)?

Starting October 31, 2024, licensed grocery stores located more than 5km from The Beer Store locations will be required to participate in the program. Grocery stores located within 5km of The Beer Store (as of September 3, 2024) are exempt from these requirements until January 1, 2026.

To help you determine if you are required to participate from October 31, we have developed a self serve<u>tool</u> that maps The Beer Store locations as of September 3, 2024. If your location is outside of a blue radius, you are required to participate. If your location is within the blue radius noted in the map, you do not need to participate.

Who will not be required to participate in ODRP?

Convenience stores are also exempt but may request to participate in the program.

Grocery stores located within 5km of The Beer Store (as of September 3, 2024) are exempt from these requirements until January 1, 2026, but may also request to participate in the program earlier.

All currently exempt grocery and convenience stores must post a clear, visible sign that describes where customers can return eligible empty containers.

To request to participate in the program contact TBS at customerservice@thebeerstore.ca or by calling 1-888-948-2337.

How are customers charged for the deposit when purchasing beverage alcohol?

The container deposit is part of the purchase and sale price. Customers have the option to claim 100% of this deposit back when returning empty containers.

How will the bottle return system work?

- Customers may return empty containers to participating stores during the hours that alcohol is offered for sale.
- Participating stores will:
 - o refund the customer deposit on all eligible containers.
 - record all deposit transactions.
 - sort containers into five categories (aluminum and steel cans, refillable glass bottles, non-refillable clear glass, non-refillable coloured glass and other containers and associated packaging).
 - o coordinate pick up from The Beer Store.
- Participating stores will be reimbursed for the deposit refunded to the customer. Additionally, it will receive a handling fee provided that the required sorting is complete.

Refer to the Grocery Store Operational Policy for further details.

How do I get the supplies I need to participate in this program?

Complete the registration form at <u>www.beerforbusiness.ca</u> to receive log on credentials and access to the supplies ordering guide. You may also order your own supplies.

Where do I find the check off forms to record deposit transactions?

You can find the empty container check off forms on The Beer Store's Deposit Returns site.

How do I coordinate a pickup from The Beer Store?

A TBS representative will work with you to select a scheduled pickup time window that meets your business needs. For more information, please visit <u>www.beerforbusiness.ca</u>.

What should I do if I have a question regarding a container type and what category it fits into? What qualifies as a refillable bottle?

For definitions and examples, refer to The Beer Store Empty Return Guide.

Can customers return spirit bottles at participating grocery stores?

Yes, spirit bottles are considered non-refillable glass bottles. Sort according to clear or coloured glass. Keep ceramics away from any glass.

What if a bottle is damaged? May it still be returned?

Non-refillable glass bottles must be intact and not broken. Damaged non-refillable glass bottles may be returned but must be separated from good bottles. Refillable glass bottles must be in suitable condition for re-use. Please refer to The Beer Store Empty Return Guide for more information.

What secondary packaging is accepted for recycling?

Secondary packaging is any packaging that was involved in the sale of a beverage alcohol container. This includes plastic wrapping, cardboard boxes, boxboard, bottle caps, corks and plastic rings. For more information, see The Beer Store Empty Return Guide.

What should I do if I receive a bottle that is less than 100ml?

Bottles less than 100ml can be included but are of zero deposit value. Do not provide a deposit for these containers and do not include them on the count sheet when recording transactions.

Can I limit the acceptance of bulk returns (i.e. returns of more than 360 containers at one time)?

You must accept empty containers during the times that beverage alcohol is offered for sale. You may choose to limit the acceptance of bulk returns but the set hours must be at least 20 hours per week.

For stores that are more than 5km from the closest TBS and must accept empties, when does this process commence? On the date indicated on the store license?

Participating grocery stores must start accepting empties from October 31, 2024. The date of the licence is not relevant to accepting empties.

For grocery and convenience stores not required to participate in ODRP, what is the obligation?

As a store that is not currently required to participate in ODRP, you must post a clear, visible sign that describes where customers can return eligible empty containers nearby.

The sign must state that "alcohol containers cannot be returned here" or "alcohol bottles and cans cannot be recycled here" (a similar statement with the same meaning is also acceptable) and provide the street address of the nearest location where containers can be returned.

A resource is available on the following dedicated web page.

How can I get a sign?

You may already have a sign or you may want to design your own sign that meets the requirements. You can also print the template provided on <u>doingbusinesswithlcbo.com</u>

How do I find the closest location where containers can be returned?

The <u>following map</u> can help you determine the closest location for your customers to return empty containers.

When do I need to post it?

Place the sign in a visible location in your store starting October 31, 2024.

What should I do if I am interested in participating in ODRP?

If you want to participate, please email <u>customerservice@thebeerstore.ca</u> for more information.

Who do I contact if I have questions?

For questions related to the ODRP policy, please contact LCBO at <u>groceryandconvenience@lcbo.com</u>. For questions about operationalizing the program and alternative arrangements, please contact <u>customerservice@thebeerstore.ca</u>.

Support and Other

As a convenience, can we accept samples from representatives?

Yes, you may receive samples, but you are not able to offer them to your customers.

When can we expect the store inspection?

AGCO may inspect your premises at any point. For more information, contact AGCO.

What are the rules on signage? Can we accept free posters for advertising from manufacturers?

Please visit the AGCO for all rules about the display of signage.

How can I get a copy of the Sandys law poster?

The liquor licence and control act requires stores to display a sign that cautions consuming liquor during pregnancy is the cause of fetal alcohol spectrum disorder - this is also known as 'Sandy's Law'. You can download a copy of the poster from the AGCO. Reach out to them for further details.

Could I collect Aeroplan reward when I shop from LCBO wholesale?

No, you cannot. Aeroplan rewards are only available for retail customers.

Where can I go if I have questions about product, ordering, fulfillment, delivery or returns?

If you still have questions, please visit the dedicated page for new grocery and convenience stores or contact **groceryandconvenience@lcbo.com**.

Where can I go if I have questions about The Beer Store pickup?

Please contact The Beer Store by calling 1-888-948-2337 or emailing customerservice@thebeerstore.ca.