

| #   | Section  | Score | Auditor Findings  | Pts. Awarded | Total | Section weight |
|---|--|-------|---|--------------|-------|----------------|
| <b>Section A: Social Responsibility</b>                               |  |       |   |              |       |                |
| A1  | Staff listing was available (Form 2404), current and agreed with LCBO Convenience Outlet departments records.  | 4     | Employee list matches Workday Training records; Manager identified on employee list.  |              | /4    | 30%            |
|   |  | 2     | Employee List has been edited (handwritten) or shows incomplete training modules for employees with start date within 30 days of audit date.  |              |       |                |
|   |  | 0     | Untrained employee is working at time of audit or have not notified LCD Dept of required training for new employee.   |              |       |                |
| A2  | Staff are aware of QA product recall alerts and claims return process. If operator is unfamiliar with claims return process, use this opportunity to provide coaching on the topic (i.e., how to navigate to order history on ordering account and create a claim and the manual claims process for QA recalls actioned by emailing LCO@lcbo.com).                   | 4     | Operator is familiar with current QA recall process/ claims return portal (Operator receives text/ email, Operator responds whether they have affected SKUs/ within 3hr timeframe, Operator is familiar with wholesale account claims process). |              | /4    |                |
|   |  | 2     | Operator is familiar with only one of either the wholesale account claims process or QA recall process.   |              |       |                |
|   |  | 0     | Operator is unfamiliar with QA Product Recall process and claims process. (provide coaching).   |              |       |                |
| A3  | Challenge and Refusal app and/ or LCB 2463 is located at the cash register area. If C&R app/Form is not located at cash register area, provide coaching on socially responsible retail beverage alcohol sales. (C&R participation is mandatory on a fiscal period basis).  | 4     | C&R App/ 2463 is located at POS with entries recorded in last 7 days.   |              | /4    |                |
|   |  | 2     | C&R App/ LCB 2463 is located at POS with entries recorded within current period/ previous 28 days.  |              |       |                |
|   |  | 0     | C&R recording device not located at POS (provide coaching).   |              |       |                |
| A4  | Required signage: Mandatory Pregnancy Warning Signs, (Sandy's Law) 2 Information Board, Responsible Service Program Signage x2 (1 large format 8x11 sign and a minimum of 1 additional small format sign must be in evidence. 1 must be present at the cash), LCO hours decal with current hours of operation, French Language Poster (Bilingual Locations Only).    | 4     | All required signage is posted and in good condition (see audit item A4 for all required signage items).  |              | /4    |                |
|   |  | 2     | One item of required signage is missing (see audit item A4 for all required signage items).   |              |       |                |
|   |  | 0     | More than one item of required signage is missing or signage is old/fading needs replacing (provide coaching i.e. contact LCD dept. with signage request form on DBWL).   |              |       |                |
| <b>Section A Total:</b>   |  |       |   | 0            | /16   |                |
| <b>Section B: Sales</b>   |  |       |   |              |       |                |
| B1  | Empty bottle deposit returns are accepted during operating hours of the LCO store, or posted otherwise (three days minimum, one of these days must be Saturday). Empties are stored in minimum 100 SQFT secure storage area separate from retail space. (Should be weatherproof and lockable).   | 4     | Empty bottle returns process is consistent with program requirements (see audit item B1 for requirements) & empties are collected in separate, minimum 100 SQFT storage area.   |              | /4    | 20%            |
|   |  | 2     | Empties bottle returns process is consistent with program requirements (see audit item B1 for requirements) but empties are present in retail area.   |              |       |                |
|   |  | 0     | Program requirements are not being met (see audit item B1). If process can be improved, provide coaching on this from a customer service perspective.   |              |       |                |
| B2  | Records of beverage alcohol sales are available and beverage alcohol sales are distinct from host business sales. Based on a review of a sample of two non-consecutive weeks of sales.   | 4     | Beverage alcohol sales were appropriately recorded as separate line items (separate from host business sales).  |              | /4    |                |
|   |  | 2     | Accurate records in evidence but wholesaler of record not identified. Please provide coaching stressing the importance of accurate record keeping requirements (i.e., tracking of retail alcohol and host business sales are separate).         |              |       |                |
|   |  | 0     | Operator is not able to produce accurate records for two non-consecutive weeks of sales. Please provide coaching stressing the importance of accurate record keeping requirements.  |              |       |                |
| B3  | Beverage alcohol is sold within posted hours as per AGCO requirements (7am-11pm). Based on a review of a sample of two non-consecutive weeks of sales.   | 4     | There were no instances of beverage alcohol sales outside of AGCO permitted hours or store's posted hours for LCO/ Agency operation.  |              | /4    |                |
|   |  | 2     | Sales occurred within AGCO parameters but outside of store's posted hours.  |              |       |                |
|   |  | 0     | There is evidence of sales occurring outside of permissible selling hours. Provide coaching on AGCO permissible selling hours.  |              |       |                |
| <b>Section B Total:</b>   |  |       |   | 0            | /12   |                |
| <b>Section C: Inventory</b>   |  |       |   |              |       |                |
| C1  | The store sells beverage alcohol only for the prices determined by the LCBO. Based on a review of a sample of 10 SKUs, how many were priced correctly in the LCO/Agency point of sale system? Use same 'price change items' identified in C1.  | 4     | 8-10 SKUs were priced correctly in the LCO/Agency point of sale system.   |              | /4    |                |
|   |  | 2     | 7 SKUs were priced correctly in the LCO/Agency point of sale system.  |              |       |                |
|   |  | 0     | More than 3 SKUs were not priced correctly in the LCO/Agency point of sale system.  |              |       |                |
| C2  | The store sells beverage alcohol only for the prices determined by the LCBO. Based on a review of a sample of 10 SKUs, how many were priced correctly on LCO Section Shelving? Use same 'price change items' identified in C1.   | 4     | 8-10 SKUs were priced correctly on LCO Section Shelving.  |              | /4    |                |
|   |  | 2     | 7 SKUs were priced correctly on LCO Section Shelving.   |              |       |                |
|   |  | 0     | More than 3 SKUs were not priced correctly on LCO Section Shelving.   |              |       |                |
| C3  | Operator is aware that they may refund non-saleable return products when accompanied by a receipt and process the return via the Claims Return App. Non-Saleable returns include: PET product, plastic, tetra, cream liqueurs, all beer. Items cannot be returned to shelf unless purchased under a Special Occasion Permit and accompanied by original SOP Receipt. | 4     | The operator was aware that they can refund non-saleable returns with a receipt and process the return via Claims Return App. Operator can identify 3 non-saleable products of Non-saleable return products (see audit item C3).                |              | /4    | 20%            |
|   |  | 2     | The operator was aware that they can refund non-saleable returns with a receipt and process the return via Claims Return App. Operator cannot identify 3 types of non-saleable products (see audit item C3 for coaching options).               |              |       |                |
|   |  | 0     | The operator is not aware of non-saleable returns policy and cannot provide 3 examples of non-saleable products (see audit item C3 for coaching options).   |              |       |                |
| C4  | Operator is using Lexmark system to print Blingts and price changes have been applied at shelf/ POS - Access to the Lexmark In-Store Publisher required.   | 4     | All price change batches are showing as printed and pricing verified in C1 & C2 (8 of 10 prices are correct).   |              | /4    |                |
|   |  | 2     | All price change batches are showing as printed and pricing verified in C1 & C2 (6 of 10 prices are correct).   |              |       |                |
|   |  | 0     | All price change batches are not printed or AV of less than 6 prices are correct at shelf & POS.  |              |       |                |
| <b>Section C Total:</b>   |  |       |   | 0            | /16   |                |
| <b>Section D: Store Operations, Sales Promotion &amp; Advertising</b> |  |       |   |              |       |                |
| D1  | LCO section is less than 50% of host business retail space.  | 4     | Beverage alcohol was less than 50% of retail space and appropriately segregated from other goods as reflected in floor plan of record.  |              | /4    |                |
|   |  | 2     | Beverage alcohol was less than 50% of retail space, not appropriately segregated from other goods as reflected in floor plan of record. (provide coaching on LCO/ Agency Section adjustments).  |              |       |                |
|   |  | 0     | LCO/ Agency section is greater than 50% of retail space or does not match floor plan on record. (provide coaching on socially responsible beverage alcohol sales).  |              |       |                |
| D2  | Based on a review of financial records, bottle deposit collections and returns were appropriately reflected in the store's financial records. Deposit amounts should be accessible by electronic record or records in keeping with common accounting practices (legible, organized by date and fiscal year for at least previous 2 fiscals if applicable).           | 4     | Records of bottle deposit collections and returns for current and previous fiscal year are available.   |              | /4    |                |
|   |  | 2     | Records of bottle deposit collections and returns for current fiscal year are available. (provide coaching on record keeping LCO program requirements).   |              |       |                |
|   |  | 0     | No records are available (provide coaching on record keeping LCO program requirements).   |              |       |                |
| D3  | This store displays the standard external LCBO sign. (Item is represented in French if located in a "designated area" under the French Language Services Act (Ontario)). *Note that exterior signage must be consistent with affiliated program (if store belongs to LCO program, no Agency signage can be present and vice versa).                                  | 4     | The appropriate external signage was present and displayed outside of the LCO/Agency store.   |              | /4    |                |
|   |  | 2     | The appropriate external signage was present but not installed. Old Agency signage removed.   |              |       |                |
|   |  | 0     | Appropriate external signage is not present and displayed outside of the LCO/Agency store.  |              |       |                |
| D4  | The current LCO Store Certificate or Letter of Extension is displayed. This is mandatory for all authorized LCOs and Agency stores.  | 4     | The current certificate/ temporary extension letter was appropriately displayed.  |              | /4    |                |
|   |  | 2     | The current certificate/ temporary extension letter was not appropriately displayed but was readily available (provide coaching).   |              |       |                |
|   |  | 0     | The current certificate/ temporary extension letter was not appropriately displayed and was not readily available (provide coaching and inform operator to contact LCD Dept).   |              |       |                |
| D5  | Aisles in all areas where the customer has access are the minimum width of 3 feet to allow for safe customer navigation.   | 4     | Aisles in LCO area where the customer has access were compliant with health and safety standards (3 ft. wide minimum).  |              | /4    |                |
|   |  | 2     | Aisles in LCO area where the customer has access were not compliant with health and safety standards due to stock replenishment or a delivery present (trip hazards and aisle widths must be adjusted during audit visit).                      |              |       |                |
|   |  | 0     | Aisles in LCO area where the customer has access were not compliant with health and safety standards (trip hazards and aisle widths must be adjusted during audit visit).   |              |       |                |
| D6  | What, if any is the presence of supplier value-add/ promotional products in the LCO/ Agency?   | 4     | Value Add matches promo calendar/LCO dept notified.   |              | /4    | 30%            |
|   |  | 2     | Value Add matches promo calendar/LCO dept not notified.   |              |       |                |
|   |  | 0     | Value Add does not match promo calendar/LCO dept not notified.  |              |       |                |
| D7  | Block piling in retail areas complies with health and safety standards (does not exceed 6ft tall).   | 4     | Block piling practices in the retail areas were compliant with health and safety standards.   |              | /4    |                |
|   |  | 2     | Block piling practices are not compliant with health and safety standards but heights are adjusted during audit visit.  |              |       |                |
|   |  | 0     | Block piling practices are not compliant with health and safety standards (permanent fixtures are over 6 ft. tall).   |              |       |                |
| D8  | LCO area has sufficient product selection based on floorplan   | 4     | Store shelving is industry standard, free of dust, and at least 80 linear ft. in combined length.   |              | /4    |                |
|   |  | 2     | 50% or more of shelves are stocked, delivery expected within 1-2 days   |              |       |                |
|   |  | 0     | Shelves are less than 50% stocked, no delivery expected   |              |       |                |
| D9  | LCO shelving is in keeping with industry standard (1 ft depth) and at least 80 linear ft in length in total. (Due to varied store layouts, acceptable shelving can include, standard shelving units/ rows, fridge racking, shelving located behind the counter for small format bottles).  | 4     | Store shelving is industry standard, free of dust, and at least 80 linear ft. in combined length.   |              | /4    |                |
|   |  | 2     | Adequate shelving lengths and condition but product is dusty/ stock not rotated (provide coaching regarding LCO/ Agency merchandising and first in, first out practices).   |              |       |                |
|   |  | 0     | Shelving is <80 linear ft. (provide coaching regarding LCO/ Agency program requirements on shelf space/ product selection).   |              |       |                |
| D10   | Seasonal Display is in evidence. Multiple positions/ configurations to total 16 SqFt are permitted (LCO shelves, fridge, behind cash). This is a mandatory LCO requirement.  | 4     | Shelves fully stocked   |              | /4    |                |
|   |  | 2     | Not appropriately merchandised and/ or less than 16 SqFt in total.  |              |       |                |
|   |  | 0     | Operator cannot identify their seasonal display/ no display in evidence.  |              |       |                |
| D11   | No cross merchandising of socially irresponsible items (no drinking games or energy drinks) are displayed in the LCO section.  | 4     | No inappropriate or socially irresponsible items were observed in the LCO/Agency section  |              | /4    |                |
|   |  | 2     | Inappropriate or socially irresponsible items were observed in the perimeter of LCO/Agency section  |              |       |                |
|   |  | 0     | Inappropriate or socially irresponsible items were observed in the LCO/Agency section.  |              |       |                |
| <b>Section D Total:</b>   |  |       |   | 0            | /44   |                |
| <b>Audit Total Score:</b>   |  |       |   | 0            | /88   | 100%           |