For the GOOD of Ontario

Land Acknowledgment

In the **spirit of truth and reconciliation**, the Liquor Control Board of Ontario (LCBO) acknowledges that our retail stores, warehouses, and offices are located on the customary and traditional lands of the **Indigenous Peoples of this territory** and we are grateful to have the opportunity to work on this land.



FROM OUR CEO



Guided by our core values, LCBO continues to make remarkable strides across our social impact platform, Spirit of Sustainability (SoS), which is designed to create a more sustainable future for Ontario by supporting the province's social and environmental needs.

Over the past year, and in addition to a \$2.58 billion return to the province of Ontario to support critical services across healthcare, education, and infrastructure, our passionate employees and generous customers helped fundraise over \$14 million to support the communities in which we live and work.

We have continued to focus on initiatives across our three strategic pillars – Good People, Good Planet, and Good Partnerships – that improve the well-being of our customers, employees, and communities across Ontario, that minimize our impact on the environment, and that improve the sustainability of the industry through leadership and partnerships.

Each pillar has clear goals that allow us to measure our impact and ensure our efforts are pushing the industry and province forward. This year's report highlights the progress we've made in driving meaningful and equitable change in our communities, being the industry leader in sustainable practices, and taking better care of our planet.

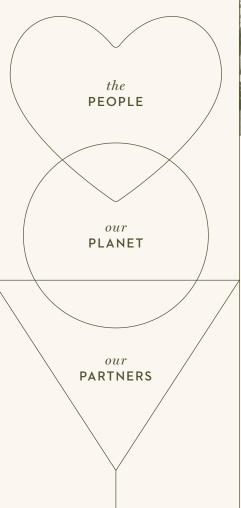
Sustainability is a journey. To ensure we are holistically driving impact, we are next creating an environment, social, and governance (ESG), strategy that elevates Spirit of Sustainability. Our ESG strategy will simplify, align, integrate, and communicate our environmental, social and governance actions and commitments in a way that carves out our unique point of view.

We believe it's the LCBO's responsibility to lead by example and act. This is why we are integrating sustainability across our business. We remain committed to these principles as we navigate the path ahead, working towards a better Ontario for all.

GEORGE SOLEAS

PRESIDENT & CEO

For the GOOD



At the LCBO, we are committed to going above and beyond our meaningful contributions to the Government of Ontario. We are proud that our dividend return to the province supports public programs and services Ontario-wide, including healthcare, education, and infrastructure. As a purpose-led organization, we are driven by Spirit of Sustainability (SoS), our social impact platform that is designed to create a more sustainable future for Ontario by supporting the province's social and environmental needs.

In keeping with our mandate, every department of the LCBO is working to support our SoS commitments by putting diversity, inclusion, equity, and accessibility for employees and customers at its core. Our goal is to create a culture where everyone feels like they belong, whether it's in store, in the office, or online. The innovative SoS programs,

fundraising drives, and support across the entire organization are helping us realize that goal.

We have made bold commitments to drive meaningful and equitable change in our communities, to be the industry leader in sustainable practices, and take better care of our planet - all for the good of Ontario.

...Ontario

Sustainability at the LCBO means bringing together environmental and social needs.

SPIRIT OF SUSTAINABILITY COMES TO LIFE THROUGH THREE STRATEGIC PILLARS

GOOD PEOPLE

We're committed to improving the well-being of our customers, employees, and communities across Ontario through three core tenets:

THRIVING COMMUNITIES

Recognizing that we are a part of so many communities across Ontario, we are helping to build ones where all individuals have equitable access to the essential resources needed to live happy, healthy lives, regardless of gender, age, sex, race, class, religion, ethnicity, ability, language, sexual orientation, or gender identity.

ENGAGED EMPLOYEES

We advocate to create a work environment full of energized and empowered employees that feels connected to the LCBO's mission and values. We want them to feel mentally and physically supported, to take pride in their work, and to feel capable of achieving and even exceeding their goals.

MODERATION MANDATE

We help Ontarians learn about the positive drinking choices that support a healthy lifestyle by giving them the products, information, and responsible services they need.

GOOD PLANET

We're committed to advancing practices that minimize the environmental impacts our business creates through two core tenets:

WASTE AND ENERGY REDUCTION

We focus on advancing practices that reduce the energy used, and the waste generated, by our business operations and product offerings.

RESPONSIBLE SUPPLY CHAINS

Our commitment to innovation will establish environmentally conscious standards across the production, transportation, and distribution of products.

V GOOD PARTNERSHIPS

We aim to catalyze positive change within our industry through three core tenets:

INFLUENCING INDUSTRY STANDARDS

We encourage the beverage alcohol industry to advance more inclusive social and environmental practices, and to share knowledge to help their efforts.

RECOGNIZING GOOD PARTNERS

Within the industry, there are many diverse suppliers, partners, and products that are making admirable strides in sustainability through diversity, inclusion, community investment, and environmental practices. We use our considerable voice and our platform to give them the attention they deserve.

ENHANCING INDUSTRY DIVERSITY

We are committed to using our resources to increase opportunity for diversity within the beverage alcohol industry.

GOOD People



GOOD PEOPLE INITIATIVES

Diversity, Inclusion, Belonging & Equity (DIBE) Retail Council of Canada Retail Education Scholarship

Program

Spirit of Inclusion Initiative (SOII) Honouring Indigenous Communities

Elevating our Moderation Mandate Engaged Employees

INFUSING ONTARIO WITH OPPORTUNITY

Our Good People pillar includes the work we do to meet our commitments to help improve the lives of people in Ontario through our **Moderation Mandate**, our contributions to **Thriving Communities**, and our goal to make our entire workforce **Engaged Employees**.



DIVERSITY, INCLUSION, BELONGING & EQUITY (DIBE)

We're committed to building an experience for employees and for customers that creates a sense of belonging. One way we do that is to recognize and celebrate the occasions and holidays that reflect the diverse communities we serve. Customers can find more and more products and inspiration for whatever occasion they're celebrating.

RETAIL COUNCIL OF CANADA RETAIL EDUCATION SCHOLARSHIP PROGRAM

Our three-year partnership with the Retail Council of Canada will provide scholarship awards to students enrolled in post-secondary programs in the retail sector. Each student will receive a \$1,000 scholarship towards their education and ultimately to pursue their career in the retail industry.



We provided \$10,000 to SickKids Indigenous and Black Nursing Student Awards, which aim to support greater equity, diversity, and inclusion in nursing.



SOII supports 15 different programs related to beverage alcohol, from Beverage Business Management to Artisan Distilling.



SPIRIT OF INCLUSION INITIATIVE (SOII)

Spirit of Inclusion Initiative continues to create impact as a program designed to create more opportunities for diverse women to succeed in the beverage alcohol industry. This year, we were pleased to welcome two new education partners, George Brown College and the Independent Wine Education Guild (IWEG), to join our goal of creating equitable representation, alongside Brock University and Niagara College.

The initiative continues to provide bursaries and scholarships, helps establish mentorships, and identifies paid co-op placements for diverse women who are looking to begin or advance their careers in the winery, brewery, and distillery fields. In 2022, the initiative won the Philanthropic Leadership award from the Retail Council of Canada, recognizing it as a program that demonstrates a creative response, active collaboration, and successful fulfilment of community needs.



To date, **13 women** have been awarded scholarships through this initiative, and **20 new scholarships** have been announced and made available in partnership with the Independent Wine Education Guild.



"I'm grateful for being chosen to win this scholarship. I remember the day I decided to go beyond the boundaries set by society in India, my home country. I wanted to learn about viticulture and wine production, and it took courage to care less about people's judgment and pursue this course. I wish to be a sommelier someday, and this course is a step toward that. Thanks again for this miracle. It helped me prove to people back home that women can learn and achieve their own power."

AMANPREET BHAMRA

ADVANCED WINE AND BEVERAGE BUSINESS

MANAGEMENT POSTGRADUATE PROGRAM

Read more about the initiative and how to get involved

HONOURING INDIGENOUS COMMUNITIES

As an organization, we view Indigenous History Month as an important time to acknowledge that we are located on the customary and traditional lands of Indigenous Peoples, where more than 40 treaties and other land agreements cover Ontario. It is a time where we honour the history of our province's Indigenous communities and celebrate the vibrancy of those communities today.

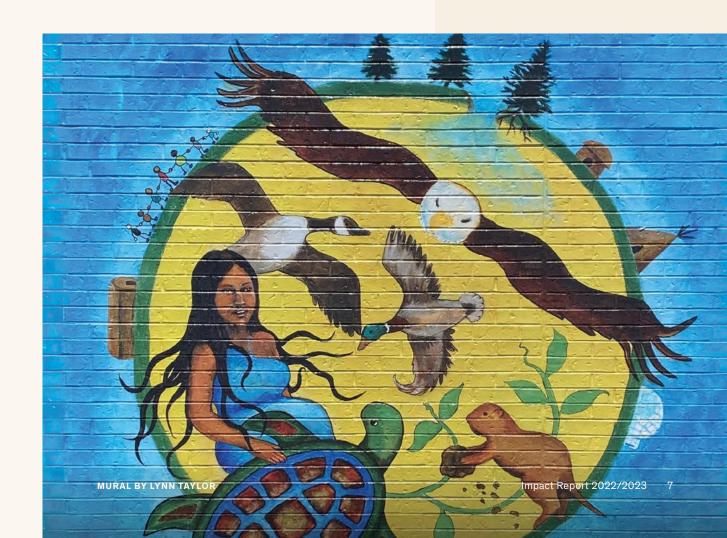
Across the month of June, we recognized National Indigenous History Month and celebrated National Indigenous Peoples Day by highlighting artwork from Lynn Taylor, artist and member of the Oneida Nation of the Thames (Turtle Clan), Mississauga. The mural below is one of six murals depicting the diverse culture of the local community that were recently unveiled on the exterior of our store in Port Credit in partnership with the Mississauga Arts Council and Port Credit Buiness Improvement Association.

We continue to provide inclusive education and training for employees at all levels across our retail, warehouse, and corporate staff that focuses on promoting equity in the workplace.



We provided \$200,000 towards Children's Health Foundation's health equity priorities, which includes caring for Indigenous youth.

Through our partnership with Habitat for Humanity, we support their Indigenous Housing Program that served 13 families this year.





We support Women's College Hospital's Substance Use Addiction Programs across Ontario and SickKids' Fetal Alcohol Spectrum Disorder (FASD) Brain Development Research initiatives.

ELEVATING OUR MODERATION MANDATE

In support of our moderation mandate, the LCBO provides products, information, and the responsible service Ontarians need to make positive drinking choices that support a healthy lifestyle, whether that's low sugar, low-alcohol, or no-alcohol products.

Discover our lighter choices



ENGAGED EMPLOYEES

We strive for a corporate culture that helps our employees feel connected to our goals as an organization. And we want them to feel supported, both physically and mentally, and able to achieve and exceed their own goals. We are constantly looking for new ways to do this, including a way for employees to give back, as well as supporting our Good Partners.



LCBO employees, friends, and family marched in the Pride Toronto Parade.



GOOD Planet



GOOD PLANET INITIATIVES

Tree Canada Partnership

Sustainable Supply Chains

A MORE SUSTAINABLE ONTARIO

At the LCBO, we know that improving our environmental stewardship is an ongoing commitment.

And an essential one. Our **Waste and Energy Reduction** and **Responsible Supply Chain initiatives**are two ways we've worked to reduce our impact on the environment.



TREE CANADA PARTNERSHIP

To further our commitment to leading the industry in sustainable practices and to taking better care of our planet, we partnered with Tree Canada — the only national non-profit organization dedicated to planting and nurturing trees in rural and urban environments in every province across the country. Their mission is to inspire, educate, and enable Canadians to plant and nurture trees to improve lives and address climate change.

IMPACT

To date, \$597,600 has been raised for Tree Canada, resulting in the planting of over 97,000 trees across Ontario — compensating for over 2,560 tonnes of paper and estimated to sequester over 18,000 tonnes of CO₂e in their lifetime. Funds raised are distributed across community greening, innovation, and stewardship initiatives.*

*Includes trees planted in year 22−23.



SUSTAINABLE SUPPLY CHAINS

Our standard e-commerce orders are shipped in recyclable boxes and are packed with biodegradable packing peanuts that can be dissolved in hot water or composted.

In collaboration with industry partners across Ontario, we are transitioning away from the use of plastic carrier rings and monitoring the performance of new packaging types that support our environmental commitments. While shopping in-store, check out our innovative packaging alternatives.

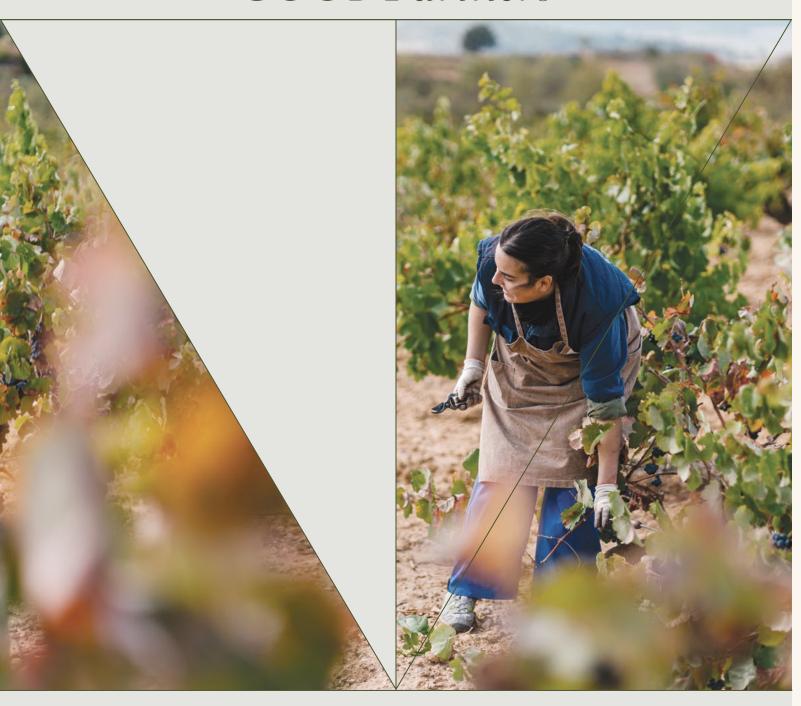


We no longer import products that contain single-use plastic carriers, and there are only 20 existing products that are still completing the transition.

<u>Discover our digital eGift cards</u> to help you celebrate every occasion

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GOOD Partners



GOOD PARTNERS INITIATIVES

Women in the Industry Campaign #ToastToPride Campaign

BlackNorth Initiative

WITH A LITTLE HELP FROM OUR GOOD PARTNERS

We know that we can have an impact on sustainability that goes beyond what we can do by ourselves. That's why we've formed partnerships to help reach our goals of Influencing Industry Standards, Recognizing Good Partners, and Enhancing Industry Diversity. Through our Good Partners, we recognize and highlight the brands we work with that have impactful social and environmental initiatives.



WOMEN IN THE INDUSTRY CAMPAIGN

This annual campaign works to turn a spotlight onto talented women trailblazers and their talent, products, and expertise in the beverage alcohol industry along with fundraising for Women's College Hospital Foundation and their mission to provide equitable and compassionate healthcare to marginalized communities. This year, our campaign celebrated women from nine Good Partners:

- ▼ Flat Rock Cellars
- ▼ Thirty Bench
- ▼ Château des Charmes
- ▼ Peller Estates Winery
- ▼Appleton Estate
- ▼ Macallan ▼ Mill Street
- ▼ Steam Whistle
- ▼ Wellington Brewery

▼ IMPACT

Together, we raised \$1.7 million for Women's College Hospital Foundation for research and programs that provide treatment to women and groups across Ontario that have been economically and socially marginalized, including those struggling with substance use and addiction.

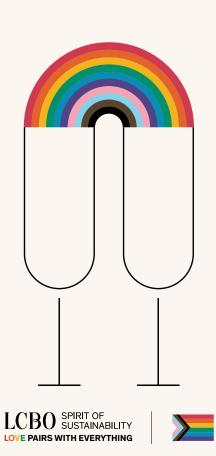
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We have been an official sponsor of Pride Toronto for four years.

#TOAST TO PRIDE

The LCBO continues to be a **strong supporter of the 2SLGBTQI+ community** and an official sponsor of Pride Toronto. Our annual Love Pairs with Everything campaign engaged communities across Ontario and provided customers with the opportunity to donate in **680+LCBO retail stores** to a diverse group of charitable partners, supporting their programs focusing on the health, well-being, and safety of the 2SLGBTQI+ community.









Through the donations we collected, thanks to our generous customers, over \$2 million was raised:



Black CAP was able to provide a host of ACB (African, Caribbean, Black) trans-specific and youth programs in addition to other great work.



Rainbow Railroad was able to help more than 200 2SLGBTQI+ Afghans flee the immediate threat to their lives in their home country and provide life-saving assistance to 450 other 2SLGBTQI+ Afghans awaiting evacuation.



Casey House has been able to greatly increase the number of people being served through their outpatient programs and to enhance the compassionate care they provide.



Women's College Hospital Foundation received support to continue providing care for individuals from vulnerable communities, including their Transition-Related Surgery (TRS) Program — the first public hospital-based surgical program in Canada.

In addition to the funds raised through donations, we also highlighted **Good Partner products** for customers to purchase that give back to the 2SLGBTQI+ community in meaningful ways:

- ▼ Bud Light
- ▼ Vizzy
- ▼ Mill Street
- ▼ Left Field Brewery

- ▼Absolut
- ▼ Muskoka Brewery
- Brewery
- ▼ Barefoot Wine

▼ Smirnoff

BLACKNORTH INITIATIVE

Through our continued partnership with the BlackNorth Initiative, we were honoured to support their Inaugural BlackNorth Initiative Excellence Gala by engaging our partners and providing a \$30,000 donation, a portion of which supported the Community Champion Award, an award given to Black-led community organizations that have demonstrated a strong commitment to the communities they serve. The gala was supported by contributions from our Good Partners at:

- ▼ Moët Hennessy
- ▼ Charton Hobbs
- ▼ Diageo
- ▼ Molson Coors
- ▼ Heineken

▼ IMPACT

The recipient of the Community Champion Award was BlackTECH Hub — a community of 10,000+ Black professionals whose mandate is to fight unemployment and underemployment through the delivery of development programs in tech, leadership, entrepreneurship, youth programs, diversity, equity, and inclusion programs.



"Your contributions have enabled us to expand our reach and impact, and we are proud to share that we have made significant strides towards our goal of achieving real and meaningful change."

DAHABO AHMED-OMER
CEO. BLACKNORTH INITIATIVE



OSITA NWAJIUFOR, FOUNDER & CEO, BLACK TECH





The power of GOOD impact



ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations has outlined 17 Sustainable Development Goals (SDGs) that provide a shared blueprint for peace and prosperity for people and the planet for now and into the future. Here is an outline of the SDGs the LCBO is best placed to support, alongside the numbers to quantify the measurable impact created by the LCBO and Spirit of Sustainability.

Moderation Mandate



23 non-alcoholic products offered at LCBO retail stores and on LCBO.com

extra-light and light beverage alcohol products offered at LCBO retail stores and online

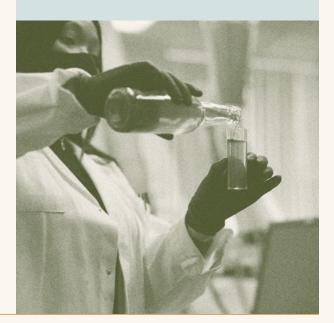


750

low-sugar beverage alcohol products offered at LCBO retail stores and online

754,981

quality assurance tests performed through the LCBO Lab on 31,064 product samples



Thriving Communities



82%

of customers agree the LCBO makes a positive difference in Ontario communities through its fundraising and charitable partnerships

18 impact partners

to support building communities where everyone has equitable access to the essential resources they need to live happy, healthy lives

\$14,627,608

and well-being of Ontario's diverse communities

Waste & Energy Reduction



88%

of Retail Service Centre waste was diverted from landfills







of containers were returned by customers through the **Ontario Deposit Return** Program, which is funded by the LCBO

Recognize Good Partners



93% of customers are confident

in their ability to find Ontario-based beverage alcohol products at the LCBO



26

Good Partners celebrated on social channels and on LCBO.com for supporting social impact and sustainability initiatives

Enhance Industry Diversity

20

scholarships launched in partnership with the Independent Wine Education Guild in support of the Spirit of Inclusion Initiative

diverse women have been awarded a Spirit Of Inclusion Initiative scholarship to date

of customers believe the LCBO is taking action to increase diversity and representation within the beverage alcohol industry



ct Report 2022/2023

GOOD Impact Partners

We are careful to select charitable partners who have proven that they can drive meaningful change in communities across the province. Together with our generous customers, we provided \$14,627,608 for our charity partners whose programs and initiatives support the health and well-being of diverse communities across Ontario. And this is on top of the \$2.58 billion (2022-23) dividend we delivered to the Government of Ontario to support services like healthcare, education, and infrastructure.

TOTAL	\$14,627,608.00
Women's College Hospital Foundation	\$2,273,202.00
United Way	\$2,488,721.00
Tree Canada	\$597,559.00
SickKids Foundation	\$3,162,574.00
Retail Council of Canada	\$2,750.00
Rainbow Railroad	\$508,273.00
McMaster Children's Hospital Foundation	\$1,250,580.00
Independent Wine Education Guild	\$12,740.00
George Brown College	\$18,118.00
Evergreen	\$597,559.00
Children's Hospital of Eastern Ontario (CHEO)	\$999,366.00
Children's Health Foundation	\$907,617.00
CEE Centre for Young Black Professionals	\$2,000.00
Casey House Foundation	\$508,273.00
Campfire Circle	\$750,000.00
Brock University	\$10,000.00
BlackNorth Initiative	\$30,000.00
Black CAP	\$508,273.00

As a Crown corporation, the LCBO delivers a dividend directly to the Government every year, supporting critical services like healthcare, education, and infrastructure.

20. The Do GOOD Issue

Continuing the GOOD... For the GOOD of Ontario



"We're proud of the impact we have created together with our customers, employees, and partners, and we embrace the role we play in shaping a more sustainable Ontario. As we look to the future, we continue to elevate the Spirit of Sustainability platform, integrating environmental, social, and governance priorities that will ensure LCBO continues to deliver for the Good of Ontario."

AARON CAMPBELL

CHIEF OF STAFF & VICE PRESIDENT, CORPORATE AFFAIRS, STRATEGY & SUSTAINABILITY

Thank you for building a *stronger* and *more inclusive* province.

We invite you to continue to create MEANINGFUL CHANGE with us.