

LCBO

October 28, 2020

To: All Trade Associations

RE: LCBO Lightweight Glass Bottle Policy Update

Dear Trade Partners,

Abhay Garg
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As the LCBO's lightweight glass policy enters a new decade, we would like to provide our valued trade partners with an update as we plan to broaden our commitment to this important program.

As you know, the LCBO paused the application of monetary penalties to suppliers who are found non-compliant with this program, while we evolved our technology to support the process. This has now been resolved and penalties will be re-implemented beginning November 16, 2020. In addition, as previously announced in November 2019, we are introducing a phased increase of the retail price threshold applicable to the 750 mL bottles, as outlined in the attached appendix.

Lightweight glass supports the health and well-being of our Retail and Supply Chain employees through the ergonomic benefits associated with reduced case weight handling. It minimizes our impact on the environment through reduced waste and carbon emissions, and a more responsible supply chain. Lightweight glass also moves the industry forward by promoting enhanced social and environmental standards, and championing good partners who are making strides in sustainability.

With well over 90 percent of products packaged in 750mL glass bottles meeting the LCBO's lightweight glass requirements today, we have reduced annual waste by more than 6 million kg's since launch. This accomplishment is a credit to our partners, and we thank all of you who have worked with us to evolve product packaging and source lightweight glass in support of this initiative. We are making a difference for the good of our planet and our people.

A summary of the Lightweight Glass policy, together with the evolution and implementation plans, are attached for your review. Please do not hesitate to contact the representative Category Managers in Wines and Vintages if you have any questions.

Yours sincerely,



Abhay Garg
Vice President, Merchandising

Cc: Nick Nanos, Senior Vice President & Chief Supply Chain Officer
Dorina Brasoveanu, Director, Quality Assurance

Appendix: What You Need to Know: Details of Current Lightweight Glass Policy

Application

- LCBO and Vintages Essentials Wines
 - Includes: Flavoured, Fortified, Aperitif, Desert wines, Fruit wines & Light Refreshing Wine Beverages
 - 750 mL Glass bottles, with a retail value less than \$16.00
 - 1L and 1.5 L Glass bottles, irrespective of retail price

Glass Weight Requirements

Glass Bottle Type	Maximum Weight	Weight Tolerance
750 mL – Non-Hock Bottles	420g	15g
750 mL – Hock Bottles	460g	15g
1 L Bottles	550g	20g
1.5 L Bottles	700g	25g

Fee for Non-Conformance

- \$1:00 per bottle

Exemptions

- Vintages Front Line Releases & Virtual Offerings
- Niche & specialty purchase Vintages products:
 - Annual order case volumes less than 350 (9 L) cases
 - Packaged in 750 mL glass bottles, retailing less than \$16.00
- Sparkling & Effervescent wines:
 - Surcharged with a CO₂ pressure ≥ 120 kPa @ 10 °C
 - Includes crackling, petillant and frizzante type wines

For exempted and premium (over the Retail price threshold) products, LCBO encourages suppliers to continue to focus on reducing the weight of packaging and the environmental footprint.

Upcoming evolution of the Lightweight Glass Policy

Increases to the retail threshold for compliance for product packaged in 750mL glass bottles will be implemented over the coming three years, as follows:

- Effective April 2021, the threshold will be set for products retailing at less than **\$17.00**
- Effective October 2021, the threshold will be set for products retailing at less than **\$18.00**
- Effective April 2022, the threshold will be set for products retailing at less than **\$19.00**

Other details

- Products meeting the eligibility requirements for the 420g but weighing 620g or more will be discontinued at LCBO