

STRATEGIC PLAN
2024-2026

tous
SAQ

shaping the SAQ of tomorrow

TECHNICIAN, BUILDINGS AND ARCHITECTURE



STORE OPERATIONS COORDINATOR



Passion drives us at the SAQ.

We travel the world and visit wineries and distilleries at home and abroad to bring you the best products available.

Every day, we strive to know you better.

You are not only our customers but also our biggest inspiration.

You are citizens, Quebecers, people who care, who dream of a better life for your community and the planet.

You have spoken and we have listened: you want an SAQ that is in touch with your needs, a well-performing SAQ and, most of all, an SAQ that is involved in the community and anchored in what really matters. An SAQ that makes a difference and makes you proud.

And because we are your SAQ, we have one overriding ambition:

**to
constantly
inspire
your pride.**



Jonathan

WINE ADVISOR

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Message from the Chair of the Board

Though the COVID-19 pandemic has had an impact on a number of our decisions and achievements over the last three years at the Société des alcools du Québec (SAQ), it has also shown the importance of having strong and responsive public structures during difficult times.



The three years of the last strategic plan revealed a resilient, agile and, above all, successful SAQ able to maintain its contribution to the community despite exceptionally challenging circumstances. More than ever it was clear that the company rests on a solid foundation due to its robust governance and sound management and that it was able to play an even larger role by assisting with vaccination efforts, being a key player in the eventual rollout of an expanded deposit-return system, becoming even more involved with food assistance, supporting Quebec restaurateurs and producers, and more. In short, we saw the SAQ fully assume its role to the benefit of all Quebecers.

This community-oriented SAQ greatly inspired each member of the Board of Directors, all of whom want the company to become even more invested in its essential social role while also continuing to excel at its commercial mission.

The Strategic Plan 2024-2026 presented today fits perfectly with this resolve to do more—to work better—for the entire community. It is rooted in ideas that matter to Quebecers, ideas like diversity, inclusion and the fight against climate change but also occupational health and safety and the ethical issues arising from the sale of beverage alcohol. By combining its demonstrated experience and recognized expertise in customer experience with its record of always giving back more to Quebec society and continuously improving how the company operates, the Société des alcools du Québec has, we are convinced, put in place all the elements needed to ensure its continued relevance and make a notable contribution to the common good. The Board of Directors is committed to supporting the Management Committee in this effort.

A handwritten signature in black ink, appearing to read 'Johanne Brunet'.

Johanne Brunet
Chair of the Board of Directors

Message from the President and Chief Executive Officer

At the Société des alcools du Québec (SAQ), our mission is to sell beverage alcohol responsibly. Our social orientation is as rooted in our vision as in our history and values. Giving back to Quebecers—contributing to the community—is part of who we are and it has been for more than a century.



We want this contribution, of which we are so proud, to be inspiring and turned more than ever toward the future. Because the SAQ of tomorrow is also in the present due to the expertise and commitment of our people working to make it a reality.

Over the next three years, the sustainable choices we make will confirm the importance we attach to our employees and customers and to all Quebecers. These choices will also make clear our determination to minimize the impacts of our activities on the environment, most notably by achieving zero greenhouse gas emissions for all SAQ vehicles and buildings by 2040. They will also demonstrate our resolve for our corporate governance to meet the highest standards of management and ethics.

Our Strategic Plan 2024-2026 gives us the tools we need to make our workplaces even healthier, safer and more inclusive. It sends a clear message about our readiness to continuously re-examine how we work so we can continue giving customers access to the world's biggest wine collection and a constantly improving personalized experience, while also never losing sight of our duty to sell products responsibly.

Your SAQ will move forward with and accelerate its modernization, especially by refining its supply chain operations. This, in turn, will allow it to increase its social contribution. As a government corporation and one of the world's leading buyers of wines and spirits, we will use all available means to convince our local and international partners to reduce their environmental footprint, join the fight against climate change and spotlight the enterprise and talent of producers in every region of Quebec.

Through these intentions tied to the achievement of ambitious objectives, we hope to continue inspiring all Quebecers' pride in their SAQ.

A handwritten signature in black ink that reads "Catherine Dagenais".

Catherine Dagenais
President and Chief Executive Officer

Who we are

The SAQ is a government-owned business corporation. Committed to delivering the best possible customer experience and improving its performance, it is also actively engaged in minimizing its environmental impact and supporting the communities around it, all while providing a stimulating work environment.

To be the beverage alcohol retailer it is today, we rely on our some 7,400 employees, most of whom work in our extensive store network, in our supply chain operations and in supporting our business activities.

CASHIER-SALESCLERK

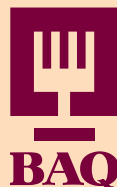
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**\$1.350
billion**

remitted to the Quebec
government in 2021-2022
in the form of a dividend
benefiting all Quebecers



**\$13.8
million**

given to the Food Banks
of Quebec network
since 2009



7 metric tons

of vegetables from our kitchen garden
given to the Hochelaga-Maisonneuve
community in 2022



Support for more than

240

festivals and events
across Quebec



82%

of wines retailing for \$20 or less
now sold in lightweight glass bottles



2.2 million

wine bottles incorporated
into our infrastructures in
the form of glass powder



\$3.1 million

Invested in research and development
through the Chaire de valorisation du
verre dans les matériaux at the Université
de Sherbrooke since 2004



43,900

products



76

countries



3,700

suppliers



90%

of customers satisfied
with their in-store
shopping experience



The same products at
the same prices across Quebec



7,474

employees
including

5,700

dedicated to
customer service



410

stores
and

426

agency stores



9,494

permit holders¹

1. Restaurants, bars and hotels.

Our guides

Mission

The SAQ's mission is to sell beverage alcohol responsibly throughout Quebec. In fulfilling this mission, the company endeavours to offer a broad range of quality products and provide an unmatched customer experience while also being respectful of communities and the environment and creating value for all Quebecers.

Vision

Inspiring Quebecers' pride

- By delivering a memorable, personalized experience to all our customers
- By tapping into our employees' talent and creating an environment in which they can achieve their full potential
- By applying the highest standards of management and governance to give the most back to Quebecers
- By placing the public good at the centre of all our decision-making

Values

Passion

We like exploring, tasting and discovering. We like the stories behind the products and those that customers tell us. Our passion for people and what we do pushes us to improve and become the best we can be.

Collaboration

Because we go further together, collaboration, mutual aid and sharing are at the centre of our daily work. It is the relationships we cultivate—among ourselves and with the rest of the world—that drive us forward.

Responsibility

Because alcohol is no ordinary product, we are determined to have a positive impact on the world around us. It is this commitment to contributing to the public good that leads us to make enlightened, sustainable and responsible decisions.

Inclusion

By recognizing the value of each individual, we create a welcoming and respectful corporate culture that values diversity, enabling us to think bigger.

Background and issues

The SAQ operates in an ecosystem influenced by many variables. Be they economic, demographic, commercial or legal, the ways these variables change has an impact on our business. It is in order to advance in the right direction and lay a solid foundation for the SAQ of tomorrow that we have identified the main challenges and growth factors on which to base our strategies.



Our main challenges

Employee experience

- Attracting and retaining employees at a time of labour shortages
- Providing a work environment that values employees and facilitates their work
- Shifting our focus on health, safety and well-being
- Creating workplaces that are diverse and inclusive

Customer experience

- Meeting the expectation of a personalized relationship
- Providing access to a wide variety of products from here and abroad at fair and competitive prices
- Delivering a digital experience and sales systems in line with customers' expectations
- Simplifying business processes for holders of liquor permits

Contribution to Quebec society and the environment

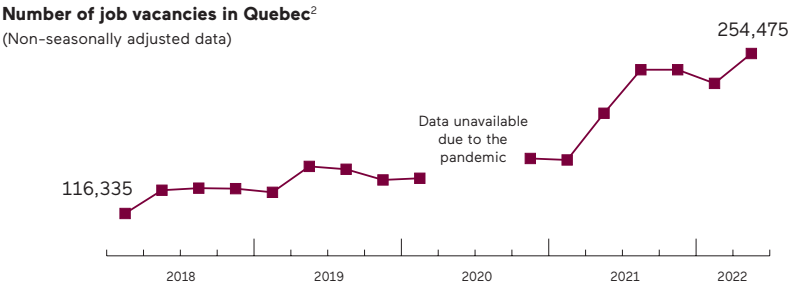
- Adapting to climate change and reducing our environmental footprint
- Adding value to glass and promoting the new deposit-return model
- Maintaining a balance between selling beverage alcohol and our responsibility to do so ethically
- Purchasing products, goods and services locally and promoting Quebec products
- Meeting expectations for government corporations to be responsible and well-performing
- Preparing for regulatory, demographic and economic change

Employee experience

Labour in short supply

In the second quarter of 2022, nearly 255,000 jobs went unfilled across Quebec, almost 140,000 more than in the second quarter of 2018. Setting this datum alongside the demographic forecasts of the Institut de la statistique du Québec, which predict that the number of 20- to 64-year-olds will decrease 1.6% between 2022 and 2030,¹ it is reasonable to assume that the labour shortage will only grow in the coming years.

This shortage, which affects most local businesses, is already impacting our ability to find employees to join our ranks. The lack of personnel could have an adverse effect on our operations and our ability to reach our objectives. The upshot? Besides competing with other organizations to recruit the personnel necessary to keep the company running, we need to maintain our ability to retain employees by providing a motivating work environment and competitive conditions.



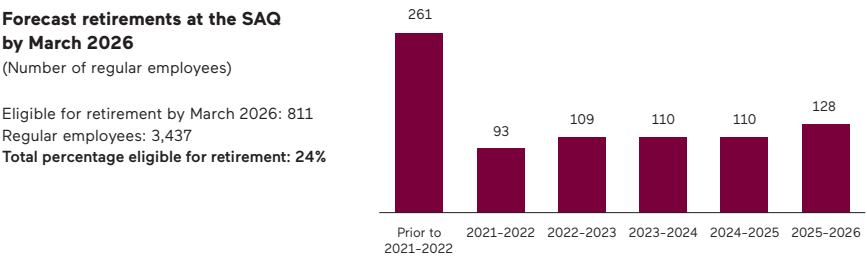
OUR CHALLENGE
Attract new employees and encourage retention
at a time of labour shortages

Fulfilling, value-added work

Providing an engaging workplace in which employees can flourish and grow is a constant preoccupation of the SAQ, especially when 23.6% of its employees will be eligible for retirement by 2025-2026.

To provide high-quality service, perform value-added tasks and feel fulfilled, employees also require access to proven processes and modern tools that facilitate their work.

The COVID-19 pandemic has also transformed workplaces. Statistics Canada reports that, from October to December 2021, 39% of Quebecers worked part or full time at home.³ Jobs that do not offer this option are likely to be less popular. Yet telework also brings its own set of challenges related to immediacy and the feeling of belonging.



OUR CHALLENGE
Provide a work environment that values our employees
and facilitates their performance

1. Institut de la statistique du Québec, 2022. *Mise à jour 2022 des perspectives démographiques du Québec et de ses régions, 2021-2066*.
2. Statistics Canada. *Table 14-10-0325-01 Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by provinces and territories, quarterly, unadjusted for seasonality*.
3. Statistics Canada, 2021. *Canadian Social Survey: Well-being, unpaid work and family time*.

Employee experience

A healthy, safe workplace that supports well-being

The health and safety of our employees are among our constant concerns. Despite undertaking a major shift in this area in recent years, which has enabled us to reduce time-loss injuries by nearly 30%, efforts must continue to be made. The key success factor in ensuring health and safety in the workplace is that each employee needs to become an ambassador for prevention.

Reducing psychosocial risks at a time when workplaces are rapidly transforming in the wake of the COVID-19 pandemic remains another priority. Some 14% of Canadian workers point to the issue of mental health and wellness as the factor with the biggest negative impact on the effort they put into work.¹

OUR CHALLENGE

Evolve our corporate culture by continuing to place occupational health and safety at the centre of our priorities

A more diversified company closer to the Quebec reality

The SAQ recognizes the richness that diversity brings to the workplace and the company is keen to be more representative of Quebec society. In fiscal 2021-2022, the SAQ had a self-declared diversity rate² of 7.5%, compared with 10% for all Quebec government corporations according to a report issued by the Commission des droits de la personne et des droits de la jeunesse (CDPJQ).³ As a government corporation, the SAQ wants to offer a more inclusive, diversified and equitable workplace. It therefore intends to develop new initiatives aimed at guaranteeing access to employment equity, a focus we will maintain in the coming years to approach the diversity rate of Quebec's population.

We note that companies that favour diversity, inclusion and equity also strive to create an internal culture based on creating a strong feeling of belonging and in which all employees feel valued.

OUR CHALLENGE

Increase diversity, one of the great strengths of Quebec society, at the SAQ

1. TELUS Health, 2022. Mental Health Index Report by LifeWorks, September, Canada.

2. Diversity: visible minorities, ethnic minorities, disabled persons and indigenous people.

3. CDPJQ, June 2020. [Rapport triennal 2016-2019](#) – Act respecting equal access to employment in public bodies.

Customer experience

Receiving personalized service at all times

Our customers recognize the skills of our employees and appreciate our network of stores and the quality of the products we make available to them. Indeed, they awarded us third place in the **2021 WOW Index for in-store customer experience in Quebec**.¹ Customers tell us they also expect to be recognized when we communicate with them. Whether it is when they visit a store, receive a newsletter or buy products online, they want recommendations based on their preferences and favourite products. At the SAQ, we view this as an opportunity to further personalize the advice we provide, however we make contact with our customers.

OUR CHALLENGE

Further personalize the assistance we provide to customers, however they make contact with us

A digital experience among the best in the retail industry

The COVID-19 pandemic drove growth in online shopping across the retail industry. In two years, SAQ.COM sales increased 250%. Moreover, 98% of Inspire member-customers who made an online purchase expressed interest in doing so again in the next six months.²

The online experience provided by the SAQ is also valued by its customers, as is shown by the **sixth place obtained in the WOW index for the best digital experience in Canada**.³ Customers especially appreciate the inspiration, advice and content they receive. They also tell us they are ready to shop more online if the offer is differentiated and especially if we can meet our promised delivery deadlines. And why not offer 24-hour delivery? Responding to this new shopping behaviour will require investments and cutting-edge operating systems.

OUR CHALLENGE

Adapt our online experience and business systems to better meet customers' expectations

1. Léger, 2022. Étude annuelle WOW, le palmarès des meilleures expériences en magasin au Québec en 2021.

2. SAQ, Online Shopping Satisfaction Survey, periods 1 to 8, 2022.

3. Léger, 2022. Annual WOW Survey, 2021 Ranking of the Best Online Experience in Canada.



Customer experience

Tasting the world

Our customers want to be able to buy at the SAQ a wine they tasted during their recent trip to Tuscany or enjoyed at a local restaurant. They want access to products from the greatest wineries, including those in Quebec, and to discover the flavours of the world. More knowledgeable than ever, our customers appreciate the range of grape varieties and countries whose products are available to them. Some are also fascinated by the offer of wines from countries less well represented at the SAQ while others wish that every SAQ product was available for purchase online.

With more than 43,900 products offered for sale in fiscal 2021-2022, we are focused on democratizing our offer, including expanding it to include private import products.

OUR CHALLENGE
Provide access to the widest variety of products
from here and abroad

Facilitate relations with our business customers

During the consultations held as part of our strategic planning process, holders of liquor permits detailed the challenges they are facing, in particular the ongoing labour shortage and lack of time to perform their many tasks.

Sensitive to this reality, we want to improve our business relations by streamlining our processes and providing them with an experience adapted to their needs.

OUR CHALLENGE
Better support liquor permit holders by simplifying
our business processes



TECHNICIAN, CORPORATE AFFAIRS

Contribution to Quebec society and the environment

Support local producers and the Quebec economy

Buying locally not only lets us shrink our environmental footprint, it also enables us to support local entrepreneurs and the Quebec economy. In this way, the SAQ plays an important social role and is pleased to actively contribute to the province's economic health by purchasing more than \$250 million in local goods and services and selling more than \$535 million worth of beverage alcohol products that are locally made, blended or bottled.

Proud of its involvement with Quebec entrepreneurs, the SAQ intends to continue spotlighting their talent and enterprise.

OUR CHALLENGE

Remain a stimulus for the local economy, better spotlight products made by local producers and offer even more products that are bottled in Quebec

Climate change and environmental footprint

The Quebec government has adopted the Plan pour une économie verte 2030 (PEV 2030),¹ a plan for transitioning to a green economy by 2030, as part of its broader sustainable development strategy. The challenge of the fight against climate change is enormous and requires that everyone do their part. The SAQ intends to play a leading role in this collective effort. In fiscal 2021-2022, its vehicle fleet and the buildings it owns (scopes 1 and 2) were the source of more than 7,200 metric tons of emissions.

According to a GHG inventory carried out in 2019-2020, 96% of the SAQ's emissions are from sources it can influence (scope 3). These relate mainly to its supply chain, specifically the production of containers, packaging and products sold as well as shipping them overland or overseas.

It is often forgotten that the wine industry is, first and foremost, an agriculture industry. As such, it is among the businesses most vulnerable to climate change. In October 2022, the International Organisation of Vine and Wine (OIV) affirmed that "Severe drought and extreme heat pose a new threat to wine production."² A reduction or shifting of the offer, especially of products favoured by our customers, could constitute a significant risk for us.

For the SAQ, the challenge is two-fold. Not only must the company redouble its efforts to reduce the impact of its activities on the climate and the environment but it also has to prepare for and adapt to a new environment shaped by climate change.

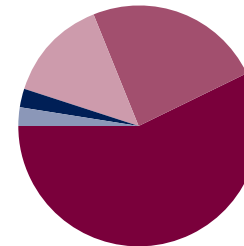
Our carbon footprint

(Based on the 2019-2020 greenhouse gas emissions inventory carried out for the SAQ)

4%

Scope 1 and 2
GHG emissions:

■ Our buildings 2%
■ Our vehicles 2%



96%

Scope 3 GHG emissions:

■ Transporting products 14%
■ Producing products 24%
■ Containers and packaging 57%

OUR CHALLENGE

Change how we work to minimize our environmental impact and collaborate with all our partners to accelerate the energy and ecological transition

1. Gouvernement du Québec, 2020. *Plan pour une économie verte 2030*

2. <https://www.oiv.int/fr/presse/la-secheresse-et-la-chaaleur-extreme-constituent-une-nouvelle-menace-pour-la-production-de>

Contribution to Quebec society and the environment

Looking after the glass we put on the market

The SAQ has been concerned about the glass it sells for nearly 40 years. Our involvement in numerous initiatives aimed at reduction, recovery and transformation is nothing new.

For more than a decade now, we have been working with suppliers to transition to glass bottles that are as light as possible. In fiscal 2021-2022, 82% of the wines we sold for \$20 or less were bottled in lightweight glass. This reduces the quantity of raw materials used to manufacture the bottles, the quantity of residual materials to be managed and the greenhouse gas emissions related to bottle production, transformation and transportation. In addition, by decreasing the weight of the cases that employees handle, it also lowers the risk of injury.

We firmly believe in the importance of finding uses for recovered glass and have been working toward this goal since 2004, when we helped create the Chaire SAQ de valorisation du verre dans les matériaux at the Université de Sherbrooke. This partnership has led to the discovery that, when added to concrete during manufacture, glass powder improves the material's durability, strength and impermeability and reduces the manufacturing-related greenhouse gas emissions. In 2021, glass powder was incorporated into two Montreal road bridges, a world first.

Since 2020, we have also been working closely with the government and beverage industry partners to modernize Quebec's deposit-return system. We want to help put in place the most accessible and environmentally and economically effective system to improve glass recycling in Quebec.

OUR CHALLENGE

Work on all aspects of glass, from bottle design
to recycling and transformation in order to reduce
the environmental impact of our business

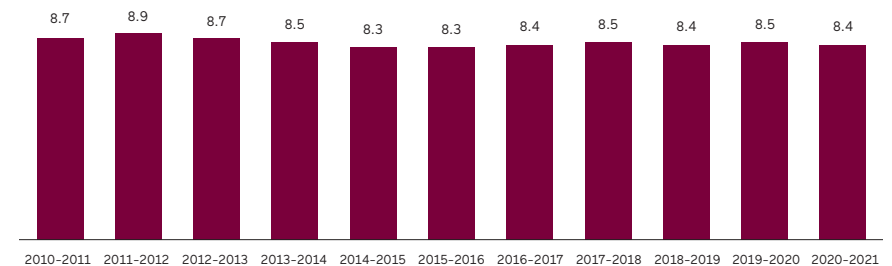


Contribution to Quebec society and the environment

Selling alcohol responsibly

Beverage alcohol is a product unlike any other. That is why, 100 years ago, the Quebec government entrusted its sale to a public corporation. According to data compiled in Quebec by Statistics Canada, the equivalent of 8.4 litres of absolute alcohol per inhabitant 15 years of age and over¹ were purchased in 2020-2021, a decrease from 8.9 litres in 2011-2012. Through its sales ethic, the SAQ helps to control beverage alcohol sales in Quebec. In fiscal 2021-2022, no less than 89.2% of the underage mystery customers involved in 740 store visits were prevented from buying alcohol in the SAQ store network. Moreover, though the sales ethic remains a constant priority in our stores, we also need to maintain a balance between our sales and our public health responsibilities.

Total sales in litres of absolute alcohol per inhabitant age 15 and older in Quebec²



OUR CHALLENGE
Meet the highest sales ethic standards

1. According to the Statistics Canada [questionnaire method](#): "The value of sales of alcoholic beverages excludes all sales taxes, the value of returnable containers, and deposits. Per capita sales by value and volume are based on the population of inhabitants of 15 years of age and over. This is in accordance with the practice of Health Canada in presenting trends that are more realistic in the consumption of alcoholic beverages. This allows comparability with other countries, the Organization of Economic Co-operation and Development and the World Health Organization as they also present alcohol per capita data using the population of inhabitants of 15 years of age and over."
2. Statistics Canada, Table 10-10-0010-01 - [Sales of alcoholic beverages types by liquor authorities and other retail outlets, by value, volume, and absolute volume](#).



Contribution to Quebec society and the environment

A successful and socially involved government corporation

An economic driving force that's 100% made in Quebec, the SAQ has a clear goal: to give the maximum back to Quebecers. Our ability to remain focused on performance and apply the highest management standards while also increasing our contribution to the coffers of the Quebec and Canadian governments clearly demonstrates our skill at setting and reaching ambitious goals, selling beverage alcohol responsibly and offering the same fair prices across the province. During the three years of its 2021-2024 strategic plan, the SAQ remitted some \$7.67 billion to the two levels of government.

In recent years, the SAQ has upgraded its technological tools and business methods, significantly improving its performance. Facing worldwide economic uncertainty, which appears set to linger, the government corporation must continue working to increase its efficiency and productivity to ensure the continued growth of its financial contribution to Quebec society.

The SAQ is deeply involved in the community. Our sustained commitment to food banks since 2009, our donations to and sponsorship of events and organizations across the province amounting to \$4.3 million a year, our support for local producers and our progress on sustainable development are actions that only increase our added value for Quebec.

OUR CHALLENGE

Increase our added value for Quebec by contributing
even more to the community

Preparing for economic, demographic and regulatory change

Two major risks recur in the economic forecasts of the major financial institutions: the tenacity of the current inflation rate and the rapid rise in Bank of Canada's key interest rate, which is aimed at reducing it. As a result, the economic growth predicted for Quebec for the first two years of the SAQ Strategic Plan 2024-2026 should be relatively modest, specifically 0.5% in 2023 and 1.2% in 2024.¹ The dampening effect of the successive interest rate hikes, among other things, have shaken households' confidence, which could lead to a decrease in their discretionary spending. In such a climate of uncertainty, the SAQ will need to be more agile and disciplined than ever.

In its July 2022 *Bulletin sociodémographique*, the Institut de la statistique du Québec concluded that "the demographic challenges remain acute. An ageing population, workforce renewal, structural change and the regional distribution of the population are all challenges facing Quebec society."² Not only will these demographic changes have an impact on the workforce, they will also require the SAQ's commercial offer to be adapted, including the locations of its stores, their design and the selection of products it sells.

The regulatory framework that defines the sales model for beverage alcohol is subject to various pressures in Quebec, in Canada and abroad. This means the SAQ has to be prepared to operate in a different context. The strategies we adopt must be conceived with this in mind and ensure the company is able to serve its customers well, regardless of future changes in the regulatory environment.

OUR CHALLENGE

Achieving an organizational agility that enables us to adapt
to a constantly changing environment, continue offering fair prices
and increasing our contribution to government coffers

1. Financial institutions (average of forecasts): Desjardins, RBC, National, TD, BMO, Scotia, Laurentian.

2. Institut de la statistique du Québec, 2022. *Mise à jour 2022 des perspectives démographiques du Québec et de ses régions, 2021-2066* [translated].

Our strategic orientations

DIRECTOR,
SOCIAL RESPONSIBILITY



Christian

1

**All of us engaged,
involved and proud
to be building the
SAQ of tomorrow**



Marcel

DELIVERY CLERK

2

**All of us engaged
in delivering a
personalized experience
to our customers**

WINE ADVISOR



Marika

3

**All of us engaged
in making a sustainable
contribution to society
and reaching the objective of
zero emissions by 2040¹**

1. Zero GHG emissions for SAQ-owned vehicles and buildings in conformance with government orientations.

1

All of us engaged,
involved and proud
to be building the
SAQ of tomorrow

PROCUREMENT AGENT




Marie-Ève

To continue being a strong and inspiring company involved in the community, we need employees who are qualified, engaged and healthy. As an employer of choice, we recognize that our workforce is the cornerstone of our success and intend to remain attentive to its needs and expectations. We support our employees and value their role so they can give their very best. We want to provide them with a stimulating, diversified, healthy and safe work environment where they can achieve their full potential.

Main challenges	Objectives	Indicators	Estimated 2022-2023	Target 2023-2024 ¹	Target 2024-2025	Target 2025-2026
<ul style="list-style-type: none">Attracting and retaining employees at a time of labour shortagesProviding a work environment that values our employees and facilitates their workShifting our focus on health, safety and well-beingCreating workplaces that are diverse and inclusive	1 Provide a healthy and safe work environment	Accident frequency rate: Number of accidental events with time loss injuries per 200,000 hours worked	5.8	5.5	5.2	4.9
	2 Increase our employees' engagement and pride	Employee pride index: Average overall score out of 10	7.2	7.2	7.3	7.4
	3 Provide a workplace that embraces diversity and inclusion	Representation rate of employees from diverse backgrounds	7.5%	8.0%	9.0%	10.0%

1. The 2023-2024 fiscal year included a 53rd week.

1

**All of us engaged,
involved and proud
to be building the
SAQ of tomorrow**

Our objectives:

Provide a healthy and safe work environment

In the coming years, we will evolve our corporate culture by continuing to place the health and safety of our colleagues at the centre of our priorities. Involving our managers and mobilizing all employees to identify risks and implement best practices will enable us to reach this objective. Though our fondest hope in occupational health and safety is to be accident-free and maintain employees' health, we also know that reaching this goal takes time. Encouraged by our accomplishments in this area in recent years, we have set ambitious but achievable objectives for ourselves. Preventing and reducing risks at the source are the main thrusts of this ongoing evolution. We will also take action in the areas of accountability, supportive management and the day-to-day leadership of teams. We will maintain our focus on continuously improving our practices, environments and work tools and will put in place a process for identifying, analyzing and preventing psychosocial risks.

Increase our employees' engagement and pride

Employees who are engaged with and proud of the company they work for support the aims of their organization and feel recognized for their contribution. At the SAQ, all our employees matter. We want to help them achieve their potential. We want to give them effective tools so they can provide value-added service. It is also our ambition to invest more in training and developing their talents, the better to bring them up in the company. To increase dialogue and remain attentive to their needs, we will introduce new communication approaches. We will also adapt the working conditions we offer in order to maintain our power to attract and retain employees.

Provide a workplace that embraces diversity and inclusion

To have the best possible team in place to take the SAQ where we want it to be in three years, we will implement new strategies to attract and integrate employees and ensure fairness and freedom from discrimination. This will help us interest and recruit candidates who are more representative of the rich diversity of Quebec's population. The SAQ intends to continue building a corporate culture that is even more welcoming and respectful and recognizes the contribution of all, thereby increasing every employee's sense of belonging.

2

All of us engaged in delivering a personalized experience to our customers

WINE ADVISOR



At the SAQ, our customers are passionate about wine and spirits. To provide them with an experience equal to their curiosity and taste for discovery, we constantly improve our practices and procedures in order to provide the best possible customer experience. Though our customers generally prefer shopping in stores with the assistance of experienced advisors, they also expect an online experience every bit as personalized, enjoyable and efficient.

Main challenges	Objectives	Indicators	Estimated 2022-2023	Target 2023-2024 ¹	Target 2024-2025	Target 2025-2026
<ul style="list-style-type: none"> Meeting the expectation of a personalized relationship Providing access to a wide variety of products from here and abroad at fair and competitive prices Delivering a digital experience and sales systems aligned with customers' expectations Simplifying business processes for holders of liquor permits 	Overall indicator:	Customer satisfaction rate	92%	92%	92%	92%
		Sales (\$ million)	4,006	4,155	4,184	4,297
	4 Personalize the experience across the omnichannel customer journey	Discovery pillar: Rate of customer agreement with the discovery promise	64%	66%	68%	70%
	5 Facilitate the shopping process on all channels	Accessibility pillar: Rate of customer agreement with the accessibility promise	78%	78%	79%	80%
	6 Adapt the product offer, network and logistic model to the omnichannel approach	Choice pillar: Rate of customer agreement with the product choice promise	80%	80%	81%	82%
	7 Improve the experience for holders of liquor permits	Sales to holders of liquor permits (\$ million)	481	480	485	494

1. The 2023-2024 fiscal year included a 53rd week.

2

**All of us engaged
in delivering a
personalized experience
to our customers**

Our objectives:

Personalize the experience across the omnichannel customer journey

Offering the right product to the right customer based on new arrivals and each individual's taste is a challenge our store employees respond to with panache. To go even further in this personalization so popular with customers, our advisors will soon be able to use a mobile tool and app that lets them view customers' Inspire profile, favourites and purchase history. Employees will even be able to advise and assist customers with buying products available only online, especially specialty products. Technological upgrades to the Inspire program will also allow us to personalize contests and product proposals on SAQ.COM.

Facilitate the shopping process on all channels

Our customers expect shopping to be quick, easy and fun, whether in a store or online. To improve their experience, we stay up-to-date on the best practices. Over the next three years, we will work to offer multiple delivery options for online orders, including next-day delivery, and will gradually expand the SAQ.COM offer to include private import products. We will also provide even more information about the products we sell by dynamizing our in-store touch-screen terminals and continuing development of the SAQ mobile app and SAQ.COM.

Adapt the product offer, network and logistic model to the omnichannel approach

Online shopping has risen sharply in recent years, even as customers' expectations have evolved. To meet the changing needs of customers, who want to see a broader variety of products on SAQ.COM and have the option of next-day delivery, we will adapt our supply chain. We will begin work on our new distribution centre and on automating the chain, allowing us to offer faster service and some 20,000 products by the unit online. The rise in SAQ.COM sales will also have an effect on our stores, which will need to be rethought in light of this new reality. For example, they will require more space for the pick-up of online orders. We want to be able to offer the right product at the right time and the right location to the right customer, and this is exactly what the transition to the omnichannel approach will enable us to do in the years to come.

Improve the experience for holders of liquor permits

Restaurants, bars and hotels are important partners of the SAQ. To improve our already-close collaboration with the hospitality industry, we will not only improve the customer experience we provide to them but also offer more personalized service, adapted delivery solutions and simplified ordering, among other things.

3

**All of us engaged
in making a sustainable
contribution to society
and reaching the objective
of zero emissions by 2040¹**



To contribute to society on a sustainable basis and play a role in the fight against climate change, the SAQ must continue acting as an influencer, most importantly by sustainably managing the glass it puts on the market. To accomplish this, the company must be healthy, have irreproachable governance and be engaged in a continuous improvement process. Our performance is therefore one of our priorities, because it enables us to give back more and contribute even more actively to the well-being of all Quebecers.

Main challenges	Objectives	Indicators	Estimated 2022-2023	Target 2023-2024 ²	Target 2024-2025	Target 2025-2026
<ul style="list-style-type: none">Adapting to climate change and reducing our environmental footprintAdding value to glass and promoting the new deposit-return modelMaintaining a balance between selling beverage alcohol and our responsibility to do so ethicallyPurchasing local products, goods and services and promoting Quebec productsMeeting expectations for government corporations to be responsible and successfulPreparing for regulatory, demographic and economic change	Overall indicators:	Net earnings (\$ billion)	1,413	1,459	1,469	1,512
		Social responsibility pillar: Rate of customer agreement with the social responsibility promise	70%	71%	72%	74%
	8 Improve our transversal operations from acquisition to sales	Ratio of net expenses to sales	15.2%	15.2%	15.2%	15.2%
	9 Continue evolving our information technology and sales and administrative functions	Annual upgrade target	15.0%	12.5%	12.5%	12.5%
	10 Increase our contribution to society through initiatives and sell products responsibly	Rate of refusal of underage mystery customers	87%	95%	95%	95%
	11 Favour sustainable choices and reduce our environmental footprint in every aspect of our operations	Rate of reduction of GHG emissions compared with the reference year 2021-2022 (scopes 1 and 2) ³	–	(3)%	(7)%	(18)%
	12 Work with Quebec producers to dynamize buying locally	Sales growth of Quebec products	4.0%	4.2%	2.0%	3.2%

1. Zero GHG emissions for SAQ-owned vehicles and buildings in conformance with government orientations.

2. The 2023-2024 fiscal year included a 53rd week.

3. GHG emissions for scope 1 (the SAQ's direct emissions) and scope 2 (indirect emissions related to the SAQ's energy consumption).

3

**All of us engaged
in making a sustainable
contribution to society
and reaching the objective
of zero emissions by 2040¹**

Our objectives:

Improve our transversal operations from acquisitions to sales

Because the SAQ belongs to all Quebecers, we are determined always to do better. We're rethinking our processes up and down our value chain and making every effort to grow our operations as optimally as possible. Over the next three years, we will continue improving our supply chain processes. We will also review our purchasing and restocking model. The resulting operational gains will enable us to remain a high-performance company.

Continue evolving our information technology and our sales and administrative functions

To support our commercial ambitions and provide effective work tools to our employees, we will continue upgrading our technology systems. Besides increasing our flexibility and agility, this modernization will support our commercial and operational requirements and protect our assets. Our human resources, data and asset management systems will also be upgraded, helping to improve our performance. To prevent cybersecurity risks, we will further improve our processes, structure and tools with the aim of maintaining our robust information system security.

Increase our contribution to society through initiatives and sell products responsibly

Our top social commitment, the one for which the Société des alcools du Québec was created, is to sell beverage alcohol responsibly. Alcoholic beverages are unlike any other product. We therefore have a duty to meet the highest standards in sales ethics and to do so across our network, whether in stores or online. The coming years will bring a renewed commitment in this area.

We also want to be more present in Quebecers' daily lives by increasing our contributions (donations and sponsorships), which have a tangible social impact on communities, and investing in sustainable relations with those around us.

1. Zero GHG emissions for SAQ-owned vehicles and buildings in conformance with government orientations.

3

**All of us engaged
in making a sustainable
contribution to society
and reaching the objective
of zero emissions by 2040¹**

Our objectives:

Favour sustainable choices and reduce our environmental footprint in every aspect of our operations

A government corporation, the SAQ is a major player in the global wine and spirits industry. We do business with some 3,700 suppliers in 76 countries. Producers around the globe are interested in being present in our market and are ready to make the efforts required. We have an enviable buying power, which also gives us considerable influence worldwide, a power we intend to use for the good of the planet. In the coming years, we want to continue leveraging our leadership and ability to rally Quebec, Canadian and international partners around shared goals aimed at minimizing our collective environmental footprint and actively fighting climate change. In particular, we will continue encouraging the use of lightweight glass and upping our requirements for eco-responsible products and containers as well as finding new ways to promote them.

Sustainably managing the glass we put on the market will remain a priority. We will continue our deep involvement with and commitment to the transition to an expanded deposit-return system in Quebec. We are eager to join with other beverage producers to improve glass recycling in Quebec and reach the ambitious recovery and recycling targets set by the government. Because the relevance of a deposit-return system for glass bottles depends on what is done with the recovered material, we will push forward with our efforts to develop circular economy models that favour the recycling of our residual materials, including glass (lightweight glass, local bottling, eco-design, developing new markets, etc.).

We are committed to reaching the objective of zero greenhouse gas (GHG) emissions¹ by 2040. To do so, we will decarbonize our buildings and reduce our greenhouse gas emissions by focusing on our truck fleet, sustainable planning and development and responsible procurement.

We will make a major shift in how we manage our operations: all corporate structuring projects will be evaluated upstream using environment, social and governance (ESG) criteria, ensuring we grow the SAQ sustainably.

Work with Quebec producers to dynamize buying locally

Because local procurement is beneficial for the environment and the Quebec economy, we will work closely with local producers to further spotlight Quebec products both in stores and online. We will re-examine how we manage and market local spirits, a category that has experienced strong growth in recent years. We will also collaborate with suppliers to increase our offer of locally bottled products.

1. Zero GHG emissions for SAQ-owned vehicles and buildings in conformance with government orientations.

Expected results

Under the financial framework of the Strategic Plan 2024-2026, we intend to remit a total dividend of \$4.4 billion, a 7.0% increase over three years. We are aiming for a 7.3% growth in sales. Meanwhile, focusing on efficiency and productivity will help limit expense growth to 7.1%, a rate under that of our sales growth, and thus maintain our ratio of net expenses to sales at 15.2% over the next three years.

(in millions of dollars)

	Forecast 2022-2023	Forecast ¹ 2023-2024	Change	Forecast 2024-2025	Change	Forecast 2025-2026	Change	AAGR ²
Sales	4,006	4,155	3.7%	4,184	0.7%	4,297	2.7%	2.4%
Gross margin	2,021	2,089	3.4%	2,103	0.7%	2,163	2.9%	2.3%
Net expenses	608	630	3.6%	634	0.6%	651	2.7%	2.3%
Net earnings	1,413	1,459	3.3%	1,469	0.7%	1,512	2.9%	2.3%
Total dividend = \$4,440								
Ratio to net sales								
Gross margin	50.4%	50.3%		50.3%		50.3%		
Net expenses	15.2%	15.2%		15.2%		15.2%		
Net earnings	35.3%	35.1%		35.1%		35.2%		

1. The 2023-2024 fiscal year included a 53rd week.
2. AAGR is the average annual growth rate corresponding to the geometric mean over three years, namely fiscal 2023-2024 to fiscal 2025-2026.

Summary table

Main challenges	Orientations	Objectives	Indicators	Estimated 2022-2023	Target 2023-2024 ¹	Target 2024-2025	Target 2025-2026
<ul style="list-style-type: none"> Attracting and retaining employees at a time of labour shortages Providing a work environment that values our employees and facilitates their work Shifting our focus on health, safety and well-being Creating workplaces that are diverse and inclusive 	All of us engaged, involved and proud to be building the SAQ of tomorrow	1 Provide a healthy and safe work environment	Accident frequency rate: Number of accidental events with time loss injuries per 200,000 hours worked	5.8	5.5	5.2	4.9
		2 Increase our employees' engagement and pride	Employee pride index: Average overall score out of 10	7.2	7.2	7.3	7.4
		3 Provide a workplace that embraces diversity and inclusion	Representation rate of employees from culturally diverse backgrounds	7.5%	8.0%	9.0%	10.0%
<ul style="list-style-type: none"> Meeting the expectation of a personalized relationship Providing access to a wide variety of products from here and abroad at fair and competitive prices Delivering a digital experience and sales systems aligned with customers' expectations Simplifying business processes for holders of liquor permits 	All of us engaged in delivering a personalized experience to our customers	Overall indicator:		Customer satisfaction rate	92%	92%	92%
				Sales (\$ million)	4,006	4,155	4,184
		4 Personalize the experience across the omnichannel customer journey	Discovery pillar: Rate of customer agreement with the discovery promise	64%	66%	68%	70%
		5 Facilitate the shopping process on all channels	Accessibility pillar: Rate of customer agreement with the accessibility promise	78%	78%	79%	80%
		6 Adapt the product offer, network and logistic model to the omnichannel approach	Choice pillar: Rate of customer agreement with the product choice promise	80% ¹	80%	81%	82%
		7 Improve the experience for holders of liquor permits	Sales to holders of liquor permits (\$ million)	481	480	485	494
<ul style="list-style-type: none"> Adapting to climate change and reducing our environmental footprint Adding value to glass and promoting the new deposit-return model Maintaining a balance between selling alcohol and our responsibility to do so ethically Purchasing local products, goods and services and promoting Quebec products Meeting expectations for government corporations to be responsible and successful Preparing for regulatory, demographic and economic change 	All of us engaged in making a sustainable contribution to society and reaching the objective of zero emissions by 2040²	Overall indicators:		Net earnings (\$ billion)	1,413	1,459	1,469
				Social responsibility pillar: Rate of customer agreement with the social responsibility promise	70%	71%	72%
		8 Improve our transversal operations from acquisition to sales	Ratio of net expenses to sales	15.2%	15.2%	15.2%	15.2%
		9 Continue evolving our information technology and sales and administrative functions	Annual upgrade target	15.0%	12.5%	12.5%	12.5%
		10 Increase our contribution to society through initiatives and sell products responsibly	Rate of refusal of underage mystery customers	87%	95%	95%	95%
		11 Favour sustainable choices and reduce our environmental footprint in every aspect of our operations	Rate of reduction of GHG emission compared with the reference year of 2021-2022 (scopes 1 and 2) ³	–	(3)%	(7)%	(18)%
		12 Work with Quebec producers to dynamize buying locally	Sales growth of Quebec products	4.0%	4.2%	2.0%	3.2%

1. The 2023-2024 fiscal year included a 53rd week.

2. Zero GHG emissions for SAQ-owned vehicles and buildings in conformance with government orientations.

3. GHG emissions for scope 1 (the SAQ's direct emissions) and scope 2 (indirect emissions related to the SAQ's energy consumption).

Appendix

2021-2023 results

In April 2020, the SAQ began implementing its Strategic Plan 2021-2023, which established four main strategic orientations: deliver an integrated, omnichannel customer experience; improve our performance; provide our employees with a rewarding, pride-inspiring experience; and place social responsibility at the centre of our activities. The excellent results, particularly in the area of financial performance, clearly indicate the scale of the efforts made by our teams.

It should be noted that the SAQ's activities under its Strategic Plan 2021-2023 were significantly disrupted by the COVID-19 pandemic and the worldwide issues affecting, among other things, its supply chain. The SAQ responded with resilience and agility. Despite the unusual situation around the globe, the SAQ exceeded its objectives and remitted a total dividend of nearly \$4 billion to the benefit of all Quebecers.

Orientation/Objective	Indicators	End targets	Preliminary results
Deliver an integrated, omnichannel customer experience	Sales growth ¹	4.4%	14.8%
	Overall satisfaction rate ²	92%	91%
Provide customers with an inspiring, personalized experience	Discovery pillar: Rate of customer agreement with the discovery promise ³	71%	64%
Develop our digital platforms	Accessibility pillar: Rate of customer agreement with the accessibility promise ³	81%	78%
Provide a customer-centric choice of products	Choice pillar: Rate of customer agreement with the choice promise ³	82%	80%
Raise the profile of Quebec products	Growth of Quebec product sales ¹	16%	42%
Improve our performance	Net expenses to sales ⁴	15.3%	15.2%
	Net earnings growth ¹	4.6%	15.3%
Transform the supply chain	Ratio of total supply chain costs to sales ³	2.92%	3.10%
Increase agility in stores	Ratio of bottles sold per hour worked in stores ³	41.9	48.9
Manage our administrative activities effectively	Ratio of administrative expenses to sales ³	1.3%	1.1%
Evolve our information systems and processes	Overall progress on the main technology applications – upgraded, withdrawn or migrated to the hybrid cloud ⁵	10%	32%
Provide our employees with a rewarding, pride-inspiring experience			
Increase employee engagement and attract top talent	Annual change in the engagement rate	≥ 2%	1.4%
Transform our occupational health and safety practices	Cumulative rate of reduction in the number of time-loss injuries ³	(11)%	(29)%
Place social responsibility at the centre of our activities			
Inspire Quebecers' pride and be seen as an agent of change in glass recycling	Social responsibility pillar: Rate of customer agreement with the social responsibility promise ³	70%	70%
Reduce our environmental footprint	Reduction of our direct GHG emissions related to internal transportation of goods (vs. 2009-2010), proportionally to litres sold ⁵	(22)%	(18)%
Ensure our beverage alcohol products are sold responsibly	Rate of refusal of underage mystery customers (%) ²	95%	89%

1. Cumulative sales growth over three years.

2. Calculation based on the average of the three years of the plan as at November 5, 2022.

3. Cumulative annual result as at November 5, 2022.

4. Forecasts for fiscal 2022-2023.

5. Result for the first six months of fiscal 2022-2023 adjusted to comparable bases.

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