

ANNUAL REPORT 2024

The Strength of Our Team



2	Highlights
3	Message from the Chair of the Board of Directors
4	Message from the President and Chief Executive Officer
5	Management Committee
6	Our Mission, Vision and Values
7	Review of Activities
8	Helping to shape the SAQ of tomorrow
11	Delivering a personalized experience to our customers
15	Sustainably contributing to Quebec society and reaching the objective of zero greenhouse gases by 2040
21	Trends
27	Finance
28	Accountability Report
29	Commercial Data
31	Performance Data
33	Financial Review
40	Quarterly Results
42	Ten-Year Historical Review
49	Corporate Social Responsibility Report
50	2023–2024 Report on the Sustainability Action Plan 2023–2028
61	GRI Content Index

The English-language version of the SAQ Annual Report 2024 does not include the Governance section or parts of the Finance section. For the complete report, please see the French-language version.

In the event of discrepancy between the French- and English-language versions of this report, the French-language version shall prevail.



HIGHLIGHTS

Fiscal years ended March 30, 2024, and March 25, 2023
(in millions of Canadian dollars and in millions of litres for volume sales)

	2024 ¹	2023	Change (%)
Financial results			
Sales	\$4,100.5	\$4,047.5	1.3%
Gross margin	2,031.7	2,039.6	(0.4)
Net expenses ²	603.6	613.5	(1.6)
Profit	1,428.1	1,426.1	0.1
Comprehensive income	1,424.2	1,425.7	(0.1)
Financial position			
Total assets	\$1,308.4	\$1,437.4	(9.0)%
Property, plant and equipment and intangible assets	266.8	212.4	25.6
Net working capital ³	(238.0)	(182.9)	(30.1)
Long-term liabilities	278.2	300.0	(7.3)
Shareholder's equity	34.1	38.1	(10.5)
Sales by network			
Stores and specialized centres	\$3,772.5	\$3,683.5	2.4%
Wholesale grocers	328.0	364.0	(9.9)
Total	\$4,100.5	\$4,047.5	1.3%
Net sales by product category			
Wines	\$2,790.4	\$2,767.4	0.8%
	166.4 L	172.1 L	(3.3)
Spirits	1,147.4	1,125.5	1.9
	31.3 L	31.7 L	(1.3)
Beers, ciders and coolers ⁴	162.7	154.6	5.2
	25.3 L	24.4 L	3.7
Total	\$4,100.5	\$4,047.5	1.3%
	223.0 L	228.2 L	(2.3)%
Additional financial data			
Government revenue ⁵	\$2,692.9	\$2,696.5	(0.1)%

1. 53-week fiscal year.

2. Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) expenses.

3. Current assets less current liabilities.

4. Also known as ready-to-drinks, flavoured alcoholic beverages and cocktails.

5. Includes the dividend declared, sales taxes, the specific tax on alcoholic beverages, excise taxes and customs duties.



MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS



To remain a player rooted in its environment, an organization—even a century-old organization—needs to continue prioritizing the needs of its customers, maintain its performance and properly plan its future development.

During its 2023–2024 fiscal year, with the support of the members of its Board of Directors, the Société des alcools du Québec (SAQ) shared its vision for the future in the 2024–2026 edition of its strategic plan, *Shaping the SAQ of Tomorrow*, and in its Sustainability Action Plan 2023–2028. These two documents lay the groundwork for the ongoing modernization of the SAQ with even more emphasis placed on corporate social responsibility. To do more and do better in the areas of the environment, social issues and governance, the SAQ has launched a voluntary disclosure process relating to the Global Reporting Initiative Standards, the initial report on which is presented at the end of this annual report.

The members of the Board of Directors and I are confident that the arrival of Jacques Farcy as President and Chief Executive Officer, succeeding Catherine Dagenais, whom we thank for her excellent work, will enable the company to make progress toward achieving the ambitious objectives it has set for itself. I also want to thank the Board of Directors, which supports him in this huge endeavour and contributes to the SAQ's success.

On behalf of the members of the Board of Directors, I also thank Jean-Pierre Poulin for his valued contribution to the work of the Board committees and welcome Alain Pinsonneault, who joined the Board of Directors team on January 23, 2024. In addition, I want to acknowledge the exceptional work of the members of the Management Committee and of all the employees who make the SAQ a key asset for Quebec's future.

Johanne Brunet
Chair of the Board of Directors



MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Every day since taking up my position on June 26, 2023, I've seen the incredible strength of the big SAQ team, which works to satisfy every customer to the benefit of all of Quebec.

The contribution of my 7,042 colleagues, not to mention their enthusiasm and collaboration, have enabled us to achieve an overall customer satisfaction level of 93.4%. That customers are satisfied is also proved by the fact that, since 2016, they have ranked us in the top 10 of the Léger firm's Wow index. Guided by our Strategic Plan 2024-2026 and our Sustainability Action Plan 2023-2028, our achievements during the fiscal year just ended once again demonstrate how committed our teams are to shaping the SAQ of tomorrow. Projects like the expansion of our Montreal distribution centre, our involvement in the setting up of the expanded deposit system and our efforts to decarbonize our operations are a few of the many examples you will find mentioned in this report.

In fiscal 2023-2024, we had to contend with a decline in our litre sales, reflecting a trend seen in the global wine and spirits trade, one accentuated by the less vigorous economy and increasing inflationary pressure on customers' pocketbooks. In this new environment, teaming up with our partners and listening closely to our stakeholders, we made the necessary business decisions to strike a balance between customer satisfaction and our expected contribution to the common good, paying special attention to controlling our costs. It is thus with pride that, despite the current economy, we are remitting a dividend of \$1.428 billion to the Quebec treasury this year, a \$2 million increase compared with fiscal 2022-2023.

I would like to thank all my SAQ colleagues for the outstanding work accomplished in the last fiscal year and the members of our Board of Directors for their support. With humility and determination, I want to continue working with my teams to modernize our company so we can continue showing, day after day, that the SAQ is much more than a question of taste.

Jacques Farcy
President and Chief Executive Officer



MANAGEMENT COMMITTEE



Left to right: **Édith Filion**, Vice-President and Chief Financial Officer; **Alexandre Côté**, Vice-President, Talent and Employee Experience; **Martine Comtois**, Vice-President, Corporate Affaires and Secretary General; **Marie-Hélène Lagacé**, Vice-President, Public Affairs, Communications and Social Responsibility; **Isabelle Dufour**, Vice-President, Sales Network Operations; **Jacques Farcy**, President and Chief Executive Officer; **Sandrine Bourlet**, Vice-President, Marketing and Merchandising; **Martin Lévesque**, Vice-President, Operations – Supply Chain; **Luc Bourdeau**, Vice-President, Strategic Development – Supply Chain; **Anju Bissessur**, Vice-President, Information Technology

Our 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.

Our 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 performance to give the most back to Quebecers, and
- By placing the public good at the centre of our decision-making

Our values

Passion

We like discovering, tasting and sharing. 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 contribute to the public good that leads us to make enlightened, sustainable and responsible decisions.

Inclusion

By recognizing everyone's value, we build a welcoming and respectful corporate culture that favours diversity and allows us to think bigger.

Review of activities

2024

in a few figures



Profit of
\$1.428

billion remitted in full to
the Quebec government in the
form of a dividend benefiting
all Quebecers

Nearly
25

million cases shipped
to our points of sale

The equivalent of
\$5.2

million given to Quebec
organizations and events in
the form of donations and
sponsorships

410

stores

7,043

employees

423

SAQ Agency stores

93.4%


of customers satisfied
with their in-store shopping
experience

More than
40,000

products offered for sale
in fiscal 2023-2024

90%

of bottles for wines
under \$25 now made from
lightweight glass

A middle-aged man with glasses, wearing a blue shirt and a high-visibility safety vest, stands in a warehouse. He is holding a small blue object in his hands. The background shows tall blue metal shelving units filled with various items, with warm lights creating a bokeh effect.

Helping to shape the SAQ of tomorrow



Our teams are passionate and every day outdo themselves in our stores, warehouses and administrative centres. It is they who ensure we have the right product in the right place at the right time, who, behind the scenes, pull the strings to ensure the company runs smoothly. They drive our achievements and quickly make the necessary adjustments to correct any shortcomings. Our teams are of high quality and deserve to work in a healthy, safe, diversified and stimulating environment in which they can achieve their full potential.

Encouraging employee engagement and pride

To better understand the expectations of SAQ employees and provide them with a work environment equal to their talent, we seek their feedback every year through an anonymous, independently run satisfaction survey. In fiscal 2023–2024, employees' overall satisfaction level was 6.9 out of 10 while the employee engagement rate was 7.7 out of 10.

Developing and recognizing talent

At the SAQ, having opportunities for self-development and taking on challenges is a key part of employee satisfaction. That is why we continued offering an array of training sessions to the company's teams. Last fiscal year, store teams had access to training on the wines of the Rhône valley, Argentina, Quebec, Australia, Beaujolais and Rioja. Embodying the knowledge and advice available in our points of sale, a number of wine advisors were also able to develop their skills through the accreditation program we developed in partnership with the Institut de tourisme et d'hôtellerie du Québec.

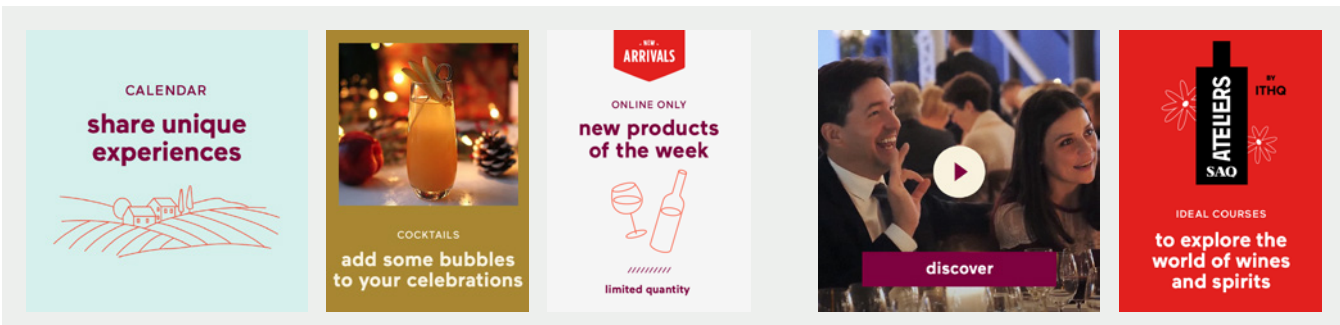
A new talent development program for managers was also implemented as were training workshops for next-generation managers. In addition, training programs were provided to persons promoted to a store operations coordinator and wine advisor positions.

Feeling that our work is appreciated and recognized by our peers is a source of satisfaction that boosts our engagement. Besides the gratitude frequently expressed by managers to their teams, we attach great importance to our annual recognition day. Last fiscal year, a total of 64 colleagues were celebrated for their outstanding contribution within the company.

A safe and healthy environment for all

Several years ago, the SAQ embarked on an occupational health and safety shift. This essential and progressive cultural change has a single objective: protecting the employees who form the core of the Société des alcools du Québec.

Last fiscal year, as part of an effort to reduce load-handling injuries, we equipped our stores across Quebec with nearly 50 additional lifting devices. At the same time, we continued training employees, including many warehouse employees, on safe load handling. Comprehensive health and safety training was also provided to store operations coordinators and new managers. The constant health-and-safety efforts of our work teams have allowed us to maintain results showing an overall improvement in this area over time. More specifically, although our results fell short of the fiscal 2023–2024 target, they were the second best in 10 years.





Maintaining a sound mental health balance

Because mental health is as important as physical health, we launched a process to identify psychosocial risks at work. A risk assessment involving groups of SAQ employees and managers was carried out; an action plan aimed at reducing the risk level is about to be completed; and the follow-up process for events of a psychosocial nature has been improved.

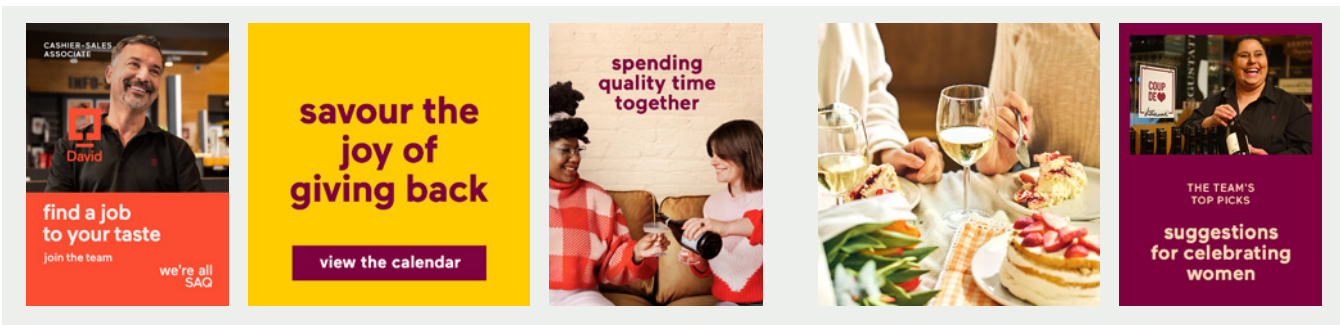
In addition, by sharing a wide range of information on topics as varied as the right to disconnect, mental loads and the importance of physical activity, we help make our colleagues aware of the importance of looking after themselves.

Providing a workplace where equity, diversity and inclusion are valued

At the SAQ, we believe that an inclusive workplace, where diversity is valued and management practices are fair, encourages the engagement, creativity and innovation of our personnel. It is up to us to create a work environment free from racism and discrimination in which all individuals feel they have a place and are respected and fully valued.

Last fiscal year, we added inclusion to our organizational values. We also carried out an evaluation of the SAQ's maturity level in its equity, diversity and inclusion (EDI) practices in addition to determining the company's demographic profile through a voluntary survey of personnel. The survey allowed us to identify groups whose representation within the company should be increased in order to better reflect the make-up of Quebec society, namely the indigenous, the disabled and members of visible and ethnic minorities. The collected data will enable us to develop an EDI strategy adapted to the SAQ's needs and an action plan for supporting a sustainable inclusive culture.

Even as we laid this essential EDI foundation, we updated our Employee Code of Ethics and Conduct to include examples of behaviour to avoid. We also continued working with our various teams to provide support and training on biases, awareness and diversity.





**Delivering
a personalized
experience to
our customers**



Our customers are passionate about wine and spirits, and our objective remains to provide them with an experience equal to their curiosity and taste for discovery. That is why we constantly improve our product offer and keep a close eye on global trends. We are redoubling our efforts to implement initiatives that can increase the personalization of customers' experience, their satisfaction and their support, whether in stores, online or with the mobile app.

Products from everywhere and for every taste

One of the main factors driving customer satisfaction is our product mix, the envy of many around the planet. With a portfolio of some 16,200 wines, beers, spirits and coolers available in stores and online and 23,900 private import products from 6,019 producers in 79 countries, our customers can always find a product sure to please.

Trend: low-alcohol, organic and Quebec products continue to draw attention

Quebecers remain interested in local versions of their preferred beverages, in products' percentage alcohol and in products' impact on the environment. To fuel their curiosity, we have continued developing all three categories.

In fiscal 2023–2024, customers continued discovering low-alcohol products. Coolers remained the favourites in this category, with volume sales growing 49% to 284,000 litres. White wines also turned in a good showing, with litre sales up 14% to end the year at 239,000 litres. A growing trend that led to a 36% increase in litre sales, our selection of low-alcohol products now enjoys a dedicated section in our stores and was expanded last year with the addition of 15 new products.

Our many certified organic products continue to attract customers' interest. And with good reason! Avoiding the use of synthetic chemicals, including fertilizers, pesticides, herbicides and fungicides, in the production process helps preserve the environment. Last fiscal year, litre sales of our organic products rose 11.9%, an increase undoubtedly influenced by the addition of nearly 700 such products to our catalogue.

Ever appreciated by customers, Quebec products maintained great appeal, though sales appear to have plateaued. Taken together, litre sales of Origine Québec, Made in Québec and Bottled in Québec products saw an overall increase of 2.0%. While the Quebec beer, cider and coolers category continued their rise with a 9.6% increase in litre sales, wine and spirits sales have lost some of the momentum they had enjoyed since the start of the COVID-19 pandemic. Still, it is interesting to note that, setting aside the pandemic bubble that sparked a boom in Quebec products, sales have been growing steadily since 2019 and the products continue to intrigue customers. This was especially true for the Bottled in Québec identifier, which continued to see strong growth, a positive development from both an economic and an environmental standpoint.

To encourage discovery of Quebec products and because the SAQ is aware of the added value these products have for the local economy, we continued featuring them in numerous visibility campaigns in our newsletters, on SAQ.COM and in our stores. We also produced the *Quebec, a land of many tastes* webseries, which investigates how our terroir affects the flavour of local products. To raise the profile of Quebec producers, we told the stories of 25 of them, presenting the humans behind their products. In addition, we sponsored the *Arrive en campagne* television series, which airs on the TVA network, and spotlighted Quebec products in two of our three fundraising campaigns for Food Banks of Quebec (FBQ), in which a meal was donated to the FBQ for each Quebec product purchased.





The popularity of Value Pick products rebounds

Because customers want to treat themselves despite the inflationary environment, they have been rediscovering our Value Picks section in recent months. Retailing for \$12 or less, the high-quality wines found in the section are friendly to the palate and the pocketbook. As a result, litre sales for the category rose 14% last fiscal year. In response to the increased demand and to meet the expectations of customers keen on discovery, 27 new products were added to the category.

Recognizing SAQ Inspire members with personalized offers

For the SAQ, the Inspire experience is much more than a rewards program. It is also a way to connect with customers, to get to know them better and to point them toward products aligned with their tastes. In short, it is our way of sharing our universe and encouraging discovery.

Last fiscal year, some 1.9 million Inspire members took advantage of our various in-store and online offers. Sent out in November and adapted to each member-recipient's taste profile, the My Extra Offer promotion was the most popular.

Based on their taste profiles, Inspire members also took part in events and contests that interested them. Gourmet encounters, theme tasting events, virtual tastings and outings featuring meals and showcasing wine and food pairings were all on offer. Worth noting, too, is that 54.6% of member customers redeemed their Inspire points at least once during the fiscal year, obtaining reductions of nearly \$59 million on products they like.

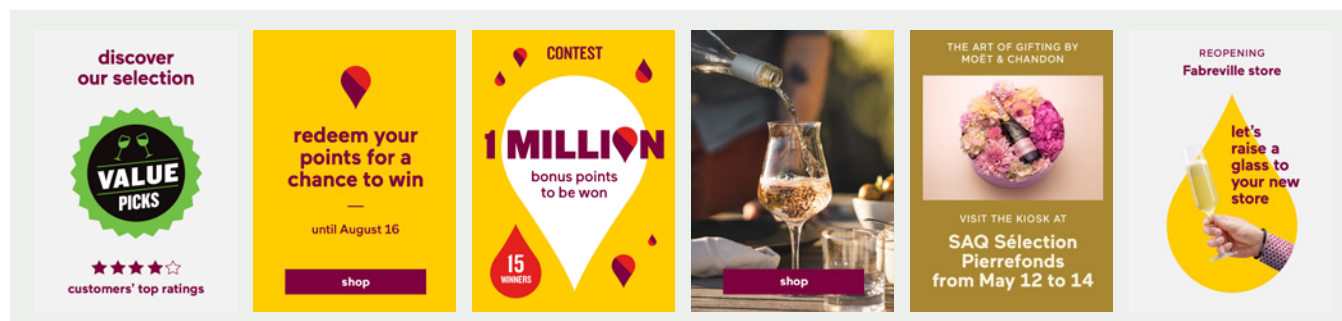
Promotions, contests, points and personalized guidance in stores are all appealing ways to take advantage of the Inspire program, which explains why 73.6% of our sales to consumers this year were linked to an Inspire account.

The art of being in the right place at the right time

At the SAQ, we strive to offer customers the best possible selection in the best location. To accomplish this, nothing is left to chance. Selecting the location of each of our 410 stores by our Planning and Development team is based on a rigorous real estate strategy guided by market studies, evaluation of the existing store network, demographic analysis and awareness of retailing trends and customer behaviour. This way of working ensures we are at the right spot on customers' shopping routes and can achieve the desired performance level for our store network.

Besides attaching the utmost importance to choosing optimal locations, we want customers to feel comfortable in our stores. That is why we invest considerable sums each year in making our stores welcoming and warm. Last year, some \$9.3 million was spent on renovating and refreshing our stores.

Because we want to satisfy our customers wherever they live in Quebec, we also enlist the services of 423 SAQ Agency stores across the province. These local businesses offer an appealing selection of the most popular products sold at the SAQ, one aimed at meeting every need.





Sometimes the best place to do your SAQ shopping is from the comfort of your home. That is why we are determined to deliver an enhanced experience with our mobile app and our online shopping site, SAQ.COM. In fiscal 2023-2024, we added new payment methods (Apple Pay and Google Pay) to these online platforms and began displaying Inspire members' points totals in the app so each member can easily find their purchase history and the number of points earned for their recent purchases. Nearly 133,000 unique customers made online purchases last fiscal year, buying \$104.6 million worth of products, a 12.1% increase from the preceding fiscal year.

Satisfied customers

A significant percentage of our customers take note of our ongoing efforts to please them. They also appreciate the initiatives we take to better guide and support them. Specifically, 93.4% of customers said they were satisfied with the SAQ. Customers also ranked us eighth in the Best In-Store Experience category of the 2023 WOW index for Quebec and seventh in the Best Online Experience category in Canada. Note, too, that the SAQ has placed in the top 10 since 2016, a recognition of which we proud!

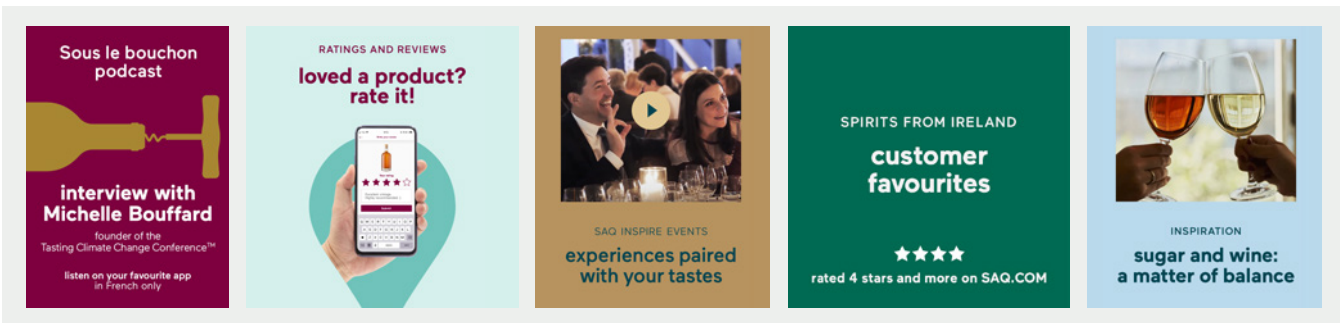
Gratified to be served in French and pleased with its predominance on signage in our stores, our customers also recognized our efforts to promote the use of the language. This is why the Société des alcools du Québec recently received the prestigious Molière Retail Award for the company whose use of the French language in its stores is predominant and of high quality. Presented by the Retail Council of Canada in collaboration with the Léger firm and the Office québécoise de la langue française, this year's awards saw more than 14,000 respondents identifying companies that stood out for the quality of their French in 2023.

The SAQ beyond the storefront

Quebecers know their SAQ very well. They frequent its stores, where they receive sound advice and are guided toward discoveries by our in-store teams. But what happens behind the scenes? To answer their questions, we launched the *Sous le bouchon* podcast, which features discussions with experts from the company and the beverage alcohol industry on the less well-known aspects of the business and on hot topics and other subjects of interest. In fiscal 2023-2024, 11 new episodes were made available to customers on SAQ.COM, Spotify, YouTube and Apple Podcasts among other platforms.

The Montreal automated centre: a forward-looking project

A key investment in modernizing the Société des alcools du Québec, our Montreal automated centre is being planned to increase the number of products, including by-the-unit private import products, available to SAQ.COM customers and permit holders, to ensure swift preparation of online orders and to optimize warehouse operations, most notably by adding automated single-order pick/pack equipment. Last fiscal year saw the start of the centre's construction along with an upgrade of our warehouse management system in preparation for integration of the automated system. In the run-up to the launch of construction on the new warehouse, Mercier-Hochelaga-Maisonneuve Borough recognized our planning efforts around this major corporate project for respecting the environment and nearby citizens.



A man with a beard, wearing a blue suit and a white shirt, is sitting on an orange office chair. He is giving a thumbs up with his right hand. The background is a grey wall and a window. The text is overlaid on the image.

**Sustainably contributing
to Quebec society
and reaching the objective
of zero greenhouse
gas emissions by 2040**



The SAQ's performance has been one of our priorities for decades because it enables us to contribute even more to the common good. This is a significant motivating factor for our teams as well as a source of great pride.

\$2.693 billion returned to the community

In fiscal 2023-2024, the SAQ reported sales of \$4.101 billion, a \$53 million or 1.3% increase from the preceding fiscal year.

The ongoing work to contain our operating costs—especially at a time when our litre sales are declining, a phenomenon related to the inflationary environment and the reduction in households' discretionary spending, among other things—has allowed us to significantly lower our ratio of net expenses to sales, now standing at 14.7%, a 0.5 percentage point improvement from the preceding fiscal year. Combined with the addition of a 53rd week of operations in the fiscal year, this performance-focused work allows us to remit a dividend of \$1.428 billion for fiscal 2023-2024. Adding in the amounts paid to the two levels of government, a total of \$2.693 billion in government revenues was generated by the operations of the Société des alcools du Québec, a 0.1% decrease from fiscal 2022-2023. Of this amount, \$2.174 billion will be remitted to the Quebec government, the equivalent of \$41 million a week for the benefit of all Quebecers.

Despite the tight economy, customers still wanted to celebrate the holiday season by sharing a good bottle and toasting the year to come. As usual, they flocked to the stores to do their holiday shopping in late December. Saturday, December 23, was the day of the fiscal year on which the greatest number of transactions were completed.

Fair prices at all times

Besides refreshing our range of low-priced products, we exceptionally postponed our price adjustment period from May to June as part of an effort to offer fair prices. The postponement gave us time to complete negotiations with our ocean transport partners and adjust the retail prices of products sold at the SAQ to reflect the lower shipping costs to customers' benefit.

Additionally, the progressive rebate for the SAQ Dépôt banner was reviewed in November 2023. This initiative was aimed at better controlling the rising cost of rebates for the SAQ while maintaining a significant discount in our 10 Dépôt stores, which customers are fond of. The new rebates are 10% on the purchase of 12 or more bottles and 5% on the purchase of six to 11 bottles.

Product quality: one of our constant concerns

The quality and safety of the products we put on the market have always been an indispensable part of our offer. That is why our laboratory and quality control teams analyzed nearly 39,000 product samples last fiscal year. The excellence of their processes and depth of their knowledge ensured the SAQ maintained ISO 17025 accreditation for its laboratory and ISO 9001 accreditation for its quality management.

whipped feta



shop



SAQ DÉPÔT

**YOU CAN
COMBINE
PRODUCTS!**

discover



Ethics: at every level of the company

Acting responsibly and ethically is one of our core values. This explains why we included extracts from our Code of Ethics in the various information bulletins published for our personnel. The bulletins provided examples of behaviour employees should adopt to make the best work-related decisions in accordance with our corporate values.

The handling of the personal information that customers and employees entrust to us is also part of our work ethic. Last fiscal year, in addition to implementing the requirements stipulated in the *Act to modernize legislative provisions as regards the protection of personal information*, which included managing consent for the use of cookies on SAQ.COM and the mobile app, we made sure our work teams were able to recognize personal information. We have also continued to raise their awareness of and provide training on this issue.

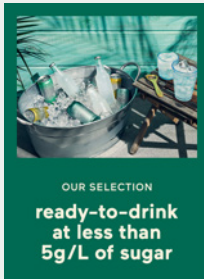
Undoubtedly the best known of all our ethical business practices across the company, our sales ethic—refusing to sell alcohol to minors or persons in an obvious state of inebriation and to anyone attempting to buy on their behalf—was especially well applied in fiscal 2023–2024. No fewer than 95.5% of the underage mystery customers who took part in 770 store visits were prevented from buying beverage alcohol through the SAQ network. This success rate, which exceeded our annual target, reflects the efforts made by our store teams to apply the law as well as the effectiveness of our employee training. It is a result of which we are very proud.

Because alcohol is no ordinary product, we continued providing financial support to Éduc'alcool, whose mission is to raise Quebecers' awareness of the importance of making responsible and informed decisions about consuming beverage alcohol. Accordingly, we collected and paid nearly \$3.7 million to the organization in fiscal 2023–2024.

Contributing sustainably to the well-being of the community

A company that is invested in the community, that rethinks its operations to minimize its impact on the environment and that cares about the well-being of its people is a company that inspires pride. At the Société des alcools du Québec, it is what we strive to do every day, because we are determined to make a positive difference all around us.

Accordingly, the company has committed to an ambitious Sustainability Action Plan 2023–2028. This road map spells out 15 concrete actions on important issues, including responsible products, diversity, inclusion and the fight against climate change, not to mention occupational health and safety and the responsible sale of beverage alcohol products.





Minimize our greenhouse gas emissions

Achieving the objective of zero greenhouse gas (GHG) emissions from SAQ vehicles and buildings by 2024 is indisputably the most ambitious challenge in our Sustainability Action Plan 2023-2028. To meet the target, we have created a decarbonization committee formed of representatives from the corporate divisions called on to play a role in our GHG reduction efforts. We also updated our GHG inventory to better track changes in our emissions and evaluate the impacts of our future actions. Among the initiatives carried out in fiscal 2023-2024, we acquired an electric road tractor for use in store deliveries. We also tested two types of truck available on the market, namely an electric yard truck and a renewable natural gas-powered road tractor. The tests allowed us to see how technology is evolving from a GHG standpoint and to focus on models that can both satisfy our requirements for the transport of heavy goods and meet our goal of minimizing emissions. In addition, the electrical capacity of our warehouses was analyzed to give us a clear idea of the infrastructure to be put in place in preparation for the eventual electrification of our vehicle fleet. Our aim is simple: to be ready to take action as soon as the mobile equipment capable of meeting our needs and decarbonization requirements is available. Lastly, we worked to reduce the use of natural gas in our buildings in favour of hydroelectricity.

Contributing to the vitality of events and organizations

Quebecers like events that reflect them and bring them together. They also like major corporations to contribute to causes they care about. With that in mind, the SAQ supported nearly 250 events and organizations across the province through donations and sponsorships amounting to nearly \$5.2 million in fiscal 2023-2024. To make festivalgoers' experience even more enjoyable, we supplied free of charge the wines and spirits sold in the SAQ Bistros set up on the festival sites. All monies generated by alcohol sales were donated to the organization behind the event, a significant source of income for them.

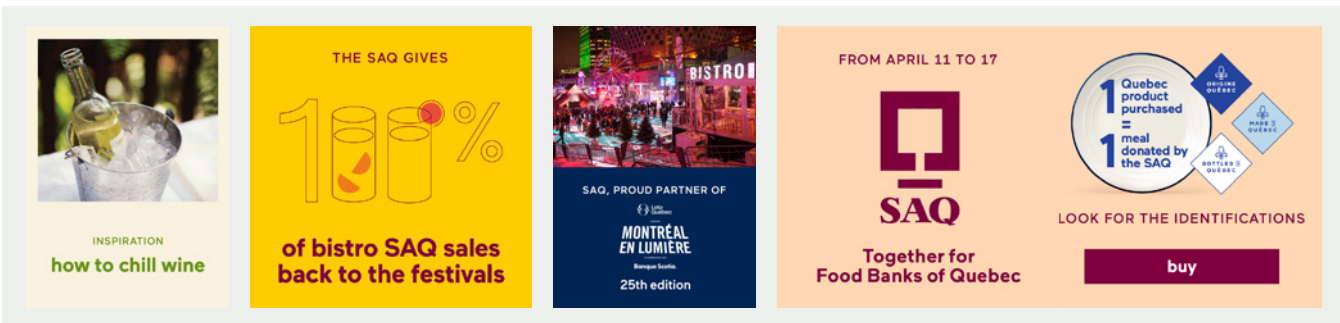
The SAQ also presented more than \$276,000 to Entraide, 90% of which came from employee donations. A fundraising campaign involving working and retired Quebec public service employees, Entraide supports 36 organizations across the province that provide assistance to persons in vulnerable situations.

Food assistance: a cause we care deeply about

A partner of the Food Banks of Quebec (FBQ) network for 15 years now and the organization's leading donor, the SAQ likes to remind everyone that drinking well only comes after getting enough to eat. Last fiscal year, to continue supporting the food assistance cause, we ran three major fundraising campaigns targeting customers, who were encouraged to make a donation. In addition to the funds raised, the SAQ donated an amount for each Quebec product and wrapping product sold during two of the three campaigns. In all, some \$2.6 million was raised and remitted to this food assistance network so vital for an increasing number of households.

Besides our special relationship with the FBQ, we continue to be involved with La Tablée des Chefs, an organization to which we donate surplus foodstuffs from our Montreal distribution centre cafeteria. All told, 3,076 portions of fresh food were distributed to needy families during the year just ended. We also make an annual contribution to the organization's Nourir food assistance program and to its major fundraising events.

At the SAQ, we care about the well-being of the communities around us. Knowing that our head office is located in a food desert, we have made land next to our Montreal distribution centre available to the Cuisine collective Hochelaga-Maisonneuve organization to create a huge vegetable garden and run a 530 m² greenhouse. Focused mainly on supplying succulent fruit, crisp vegetables and fresh herbs to locals in need, this kitchen garden yielded 9.7 metric tons of high-quality produce last year, 126% more than in the preceding year.





Glass: from lightweight packaging to the deposit system

Year in, year out, the SAQ puts some 195 million glass bottles into circulation. Aware of the environmental consequences of our business, we diligently work to reduce the impacts on the environment at every stage in the bottle's life cycle.

Because good practices start with the container's design, we are encouraging our partners to think about ecological design for their bottles. Our increased awareness-raising efforts among producers and the additional points we award for eco-responsible practices, including reducing container weights, in our calls for tenders are bearing fruit. Over the last five years, SAQ customers have seen the percentage of still wines retailing for less than \$25 and bottled in lightweight glass containers grow. In fiscal 2023-2024, it reached 90%.

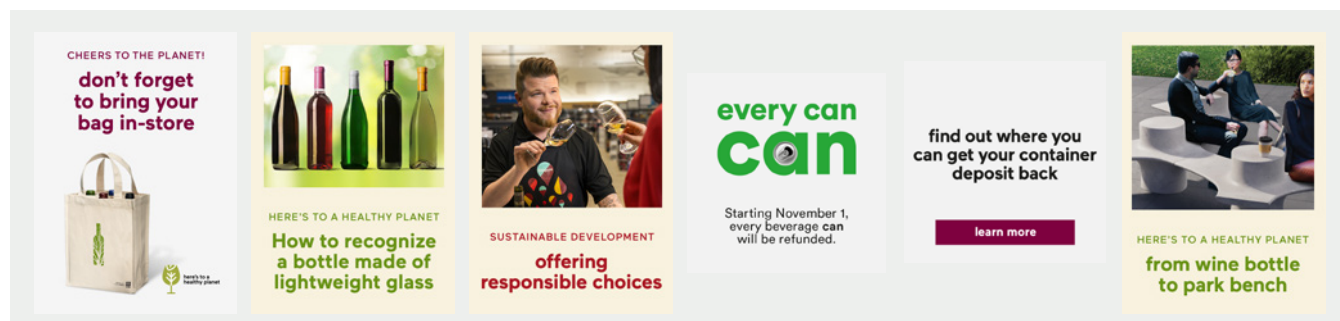
Once emptied, wine and spirits bottles should be recovered and given a second life. Last fiscal year, in addition to contributing some \$28.6 million to funding selective collection (curbside recycling), we actively took part in implementing the first phase of the expanded deposit system in collaboration with the Quebec Beverage Container Recycling Association, the body mandated by the Quebec government to oversee this major social project. In the first phase, all 100 ml to 2 L aluminum beverage containers have been included in the Quebec deposit system since November 1, 2023. Phase 2, which will expand the system to include glass, plastic and multilayer containers, will be a turning point for glass recycling across the province. The goal of container deposits is to increase the recovery rate of these containers everywhere, the better to recycle and transform them.

At the SAQ, we know that the relevance of bringing glass bottles into the deposit system depends on what will be done with the recovered glass. That is why we continued investing in the Chaire SAQ de valorisation du verre dans les matériaux at the Université de Sherbrooke, whose research has led to the discovery that adding glass powder to concrete makes it more durable and stronger as well as less polluting. To encourage its use, we created the Mobilier urbain SAQ competition in which urban design students at the Université de Montréal and the Université Laval created a piece of convivial urban furniture incorporating powder made from recycled glass. Their creations were built and have been or will be added to the landscaping of public spaces in Montreal and Quebec City.

Minimizing our residual materials

Managing the material inputs and outputs related to our operations is one of the daily challenges at the SAQ. To minimize the impact of our activities on the environment, we are seeking alternative solutions to how we produce and use. In fiscal 2023-2024, we reviewed our practices to reduce our reliance on single-use plastic glasses for in-store tastings. Our 91 stores equipped with glass washers now run tastings with reusable glasses. All other stores across Quebec will soon be using paper goblets.

Prestigious wines often arrive at the SAQ in fine wood cases. Once opened, the cases have no real use and are sent to recycling. Last fiscal year, besides continuing to work to eliminate overpackaging, we also succeeded in developing a new outlet to transform 1.15 metric tons of this wood through a circular economy project in cooperation with the Centre de formation en entreprise et récupération (CFER) in LaSalle. CFER's objective is to support students in developing the know-how and skills needed for the job market by transforming wood into carpentry and interior decoration products and into kindling for sale in hardware stores.





Every year, the SAQ issues some 60 million cash register receipts. With the rollout of our new checkout systems, we are now able to offer customers options including no receipts and electronic receipts.

New eco-responsible containers

Lighter, easier to recycle, generating fewer greenhouse gas emissions during manufacturing and shipping, all while having no impact on product taste: these are all good reasons to replace conventional glass bottles with PET (polyethylene terephthalate) plastic bottles, multilayer containers and aluminum cans. More and more of our partners around the globe are aware of their advantages and are daring to use them. In fiscal 2023-2024, we put on the market 440 products packaged in these new types of container, a responsible trend we intend to continue encouraging.

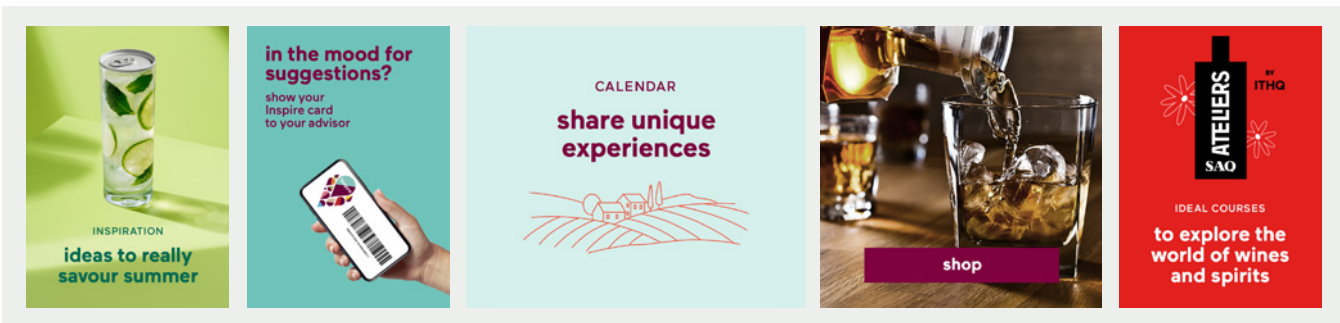
Supporting wine stewardship

At the SAQ, discovering and learning about wines and spirits is part of our DNA. Unsurprisingly, we are keen to support the next generation of wine stewards. In addition to contributing to the Fondation de l'Institut de tourisme et d'hôtellerie du Québec and to the wine stewardship fund for the Institut's sommelier training program, the SAQ supported the Quebec chapter of the Canadian Association of Professional Sommeliers. Last fiscal year, the Société des alcools du Québec was pleased to award bursaries to the three winners of the Concours Meilleur Sommelier du Québec and to the winner of the Best Sommelier of Canada Competition. The company also invited the candidates to take part in a tasting training session at the SAQ in preparation for the national competition.

New disclosure for more transparency and better performance

Last fiscal year, because we take our commitments in the areas of the environment, social involvement and governance very seriously, we embarked on a voluntary disclosure process in keeping with the standard of the Global Reporting Initiative (GRI). This internationally recognized standard provides a common language so organizations can report transparently on the impact of their activities on communities and the environment. Our first GRI standard content index is incorporated into this annual report and has led us to think deeply and continuously about how we go about selling beverage alcohol.

In fiscal 2023-2024, we also published our first Report on Forced Labour and Child Labour, as required by the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. The report, work on which involved evaluating our supply chain from an ethical standpoint, paints a highly relevant portrait that will enable us to step up the dialogue with our partners and help ensure the well-being of the communities involved in the beverage alcohol trade, wherever they may be found in our supply chain.

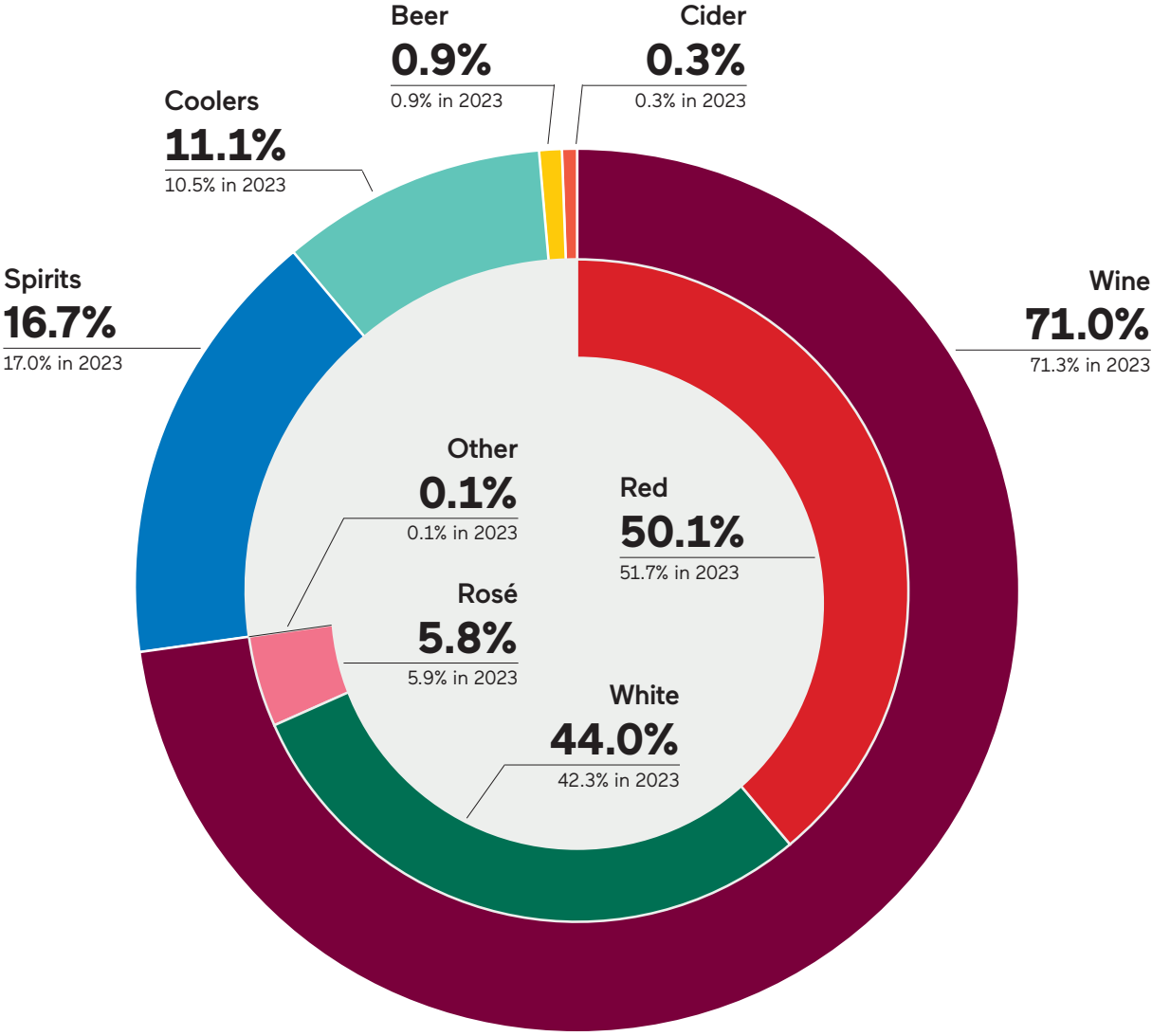


A hand holding a glass of sparkling wine against a sunset background. The glass is tilted, and the liquid inside is bubbling. The background is a warm, golden sunset with a blurred cityscape in the distance.

Trends 2024



Sales by Product Category and Wine Colour
(breakdown of litre sales)
(stores, SAQ.COM and specialized centres)





The slow shift in tastes continues

Our customers continue to slowly move from red wine toward products like white wine and coolers. Litre sales of low-alcohol products also saw exceptional growth. Though the litre sales growth of low-alcohol beers appears exceptional, the category only accounts for some 65,000 litres sold during the year.

Low-Alcohol Product Sales

(breakdown of litre sales)
(stores, SAQ.COM and specialized centres)

	Market share	Change in litre sales
Wine	54.9%	19.4%
Spirits	3.9%	14.1%
Beer, cider and coolers	41.2%	70.4%

Tequilas on the rise

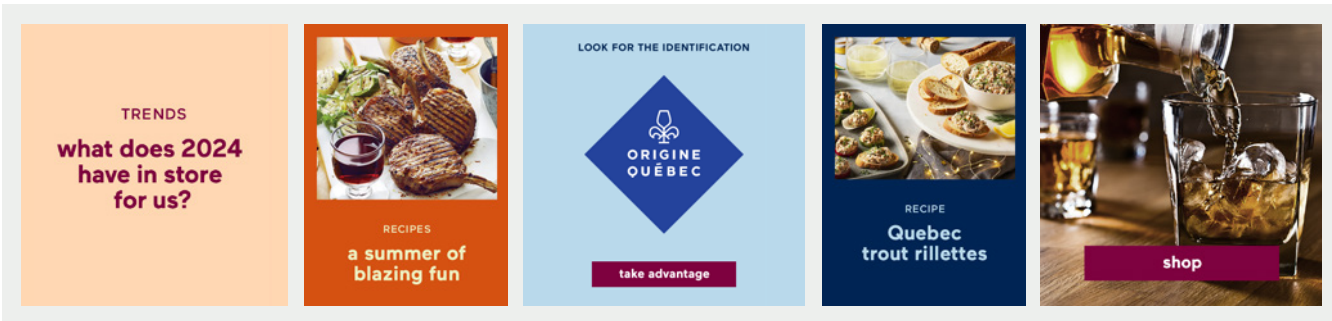
The market share of the spirits categories remained stable compared with last fiscal year. We have here decided to pull tequilas from the Other Spirits section because they continue to charm customers and win new fans. Though still marginal, the category saw litre sales growth of 16.5%, supported by the arrival of 25 new tequilas in stores and on SAQ.COM last fiscal year.

After experiencing dizzying growth for several years, the gin category has reached maturity. With sales of 4.1 million litres in fiscal 2023-2024, compared with 2.2 million litres in fiscal 2013-2014, the category continues to interest our customers, who remain Canada's largest consumers of gin.

Sales by Type of Spirits

(breakdown of litre sales)
(stores, SAQ.COM and specialized centres)

	Market share	Change in litre sales
Liqueur	22.9%	(2.8)%
Vodka	21.6%	1.2%
Rum	19.1%	(1.2)%
Gin	13.2%	(5.1)%
Whisky	13.1%	-
Brandy	4.5%	(6.1)%
Tequila	3.8%	16.5%
Other spirits	1.8%	(7.1)%

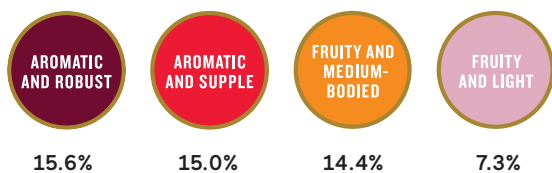




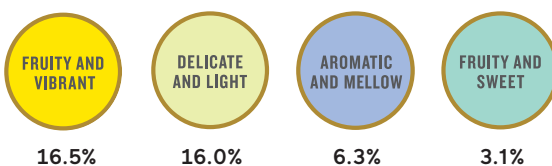
Sales of Still Wines and Spirits by Taste Tag

(breakdown of litre sales)
(stores, SAQ.COM and specialized centres)

Red wine



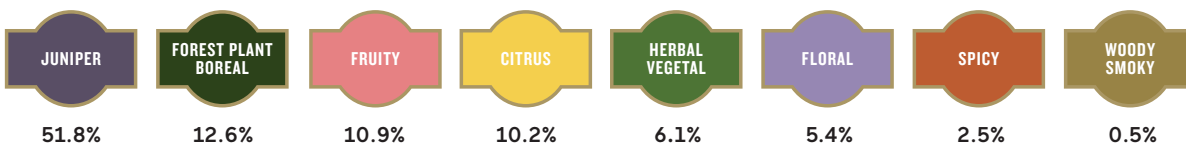
White wine



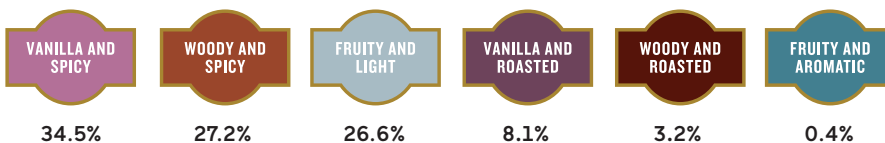
Rosé wine



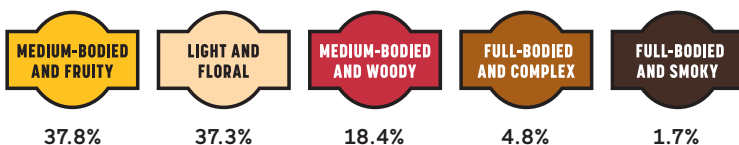
Gin



Rum



Spirits





White wine tags outsell red wine tags

For the first time since Taste Tags were introduced, two white wine tags—Fruity and Vibrant and Delicate and Light—have climbed to the top of our ranking, leaving red wine tags in their dust. Though red wine tags remain the most popular overall, the growing appeal of white wines is once again confirmed.

Quebec coolers and low-alcohol products are increasingly popular

That our customers enjoy discovering and rediscovering the many Quebec coolers is not only clear but easy to understand. With 54 new products introduced this year, customers' interest was definitely piqued. Formerly associated with the summer season, coolers have thoroughly seduced customers, who now ask for them year round.

Ancestral craftsmanship as appreciated as ever

Quebecers mostly drink wine products from traditional wine-producing countries. For instance, of all the bottles of wine sold this year, one in three came from France and nearly a quarter from Italy. By themselves, these two countries hold more than a 56% share of the still wine market in Quebec.




Still Wines by Country of Origin

(breakdown of litre sales)
(stores, SAQ.COM and specialized centres)

	Market share
France	33.2%
Italy	23.3%
Spain	10.8%
United States	6.8%
Portugal	4.8%
Australia	4.0%
Canada	3.6%
Chile	3.0%
South Africa	2.4%
Argentina	2.2%
Other	5.9%

Sales by Identifiers

(thousands of litres)
(percentage change in litre sales)
(stores, SAQ.COM and specialized centres)

	Wine	Spirits	Beer, cider and coolers	Overall change per identifier
	625.7 L (8.5%)	186.5 L (2.5%)	548.9 L 1.0%	(4.1%)
	N/A	1,405.4 (8.7%)	749,2 (7.3%)	(8.2%)
	11,445.0 1.6%	10,819.2 (2.1%)	9,607.5 11.7%	3.1%
Total change per product category	1.0%	(2.9%)	9.6%	2.0%



Jean-Pierre Dubois, District Manager

Finance

The SAQ's mission is to sell a broad range of high-quality beverage alcohol products throughout Quebec, products it imports, stores, distributes, market and retails.





ACCOUNTABILITY REPORT

Financial results

Fiscal years ended the last Saturday in March
(in millions of Canadian dollars)

	2024 ¹		2023		2022 ²		2021 ²	
	Actual	Forecast	Actual	Forecast	Actual	Forecast ³	Actual	Forecast ³
Sales	4,100.5	4,155.0	4,047.5	3,911.0	3,854.1	3,658.0	3,590.2	3,489.0
Gross margin	2,031.7	2,089.0	2,039.6	1,966.0	1,934.0	1,842.0	1,803.8	1,763.0
Net expenses ⁴	603.6	630.0	613.5	606.0	584.0	560.0	584.7	541.0
Net income	1,428.1	1,459.0	1,426.1	1,360.0	1,350.0	1,282.0	1,219.1	1,222.0
Comprehensive income	1,424.2	1,459.0	1,425.7	1,360.0	1,349.9	1,282.0	1,217.7	1,222.0

- 53-week fiscal year.
- Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.
- The forecasts are prepared at the beginning of the calendar year for use by the Quebec government in preparing its budget. The forecasts for the 2021 and 2022 fiscal years did not take into account all the impacts of the pandemic.
- Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) charges.

Investments in property, plant and equipment and intangible assets

Fiscal years ended the last Saturday in March
(in thousands of Canadian dollars)

	2024 ¹	2023	2022	2021
Capital projects – Distribution and administrative centres	11,668.4	8,015.8	3,378.2	4,074.6
Store network	9,258.6	10,999.5	7,023.1	5,161.3
Information systems development	18,701.5	11,670.1	10,610.7	19,466.7
Rolling stock and mobile equipment	6,099.6	5,294.9	3,574.8	4,289.0
Specific equipment	37,111.6	6,455.9	698.9	596.8
Total	82,839.7	42,436.2	25,285.7	33,588.4

- 53-week fiscal year.



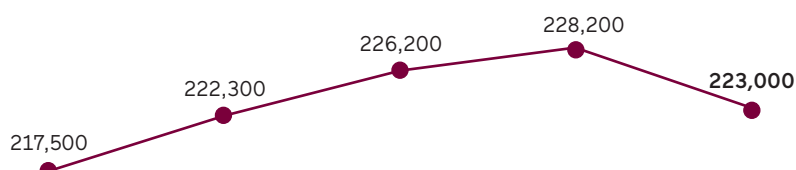
COMMERCIAL DATA

Management indicators for the last five fiscal years

Change in volume sales

(in thousands of litres)

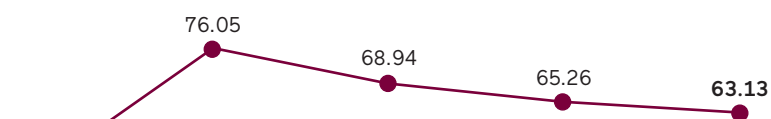
	2020	2021 ¹	2022 ¹	2023	2024 ²
Change (%)	4.2	2.2	1.8	0.9	(2.3)



Change in average purchase in stores and on SAQ.COM³

(in dollars)

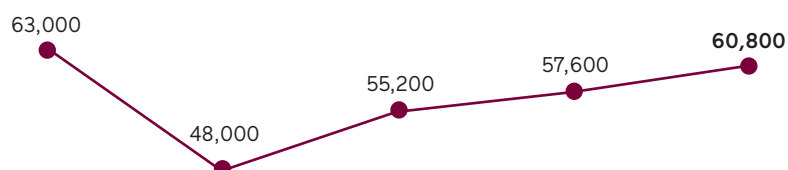
	2020	2021 ¹	2022 ¹	2023	2024 ²
Change (%)	3.1	48.0	(9.3)	(5.3)	(3.3)



Change in traffic in stores and on SAQ.COM⁴

(in thousands of transactions)

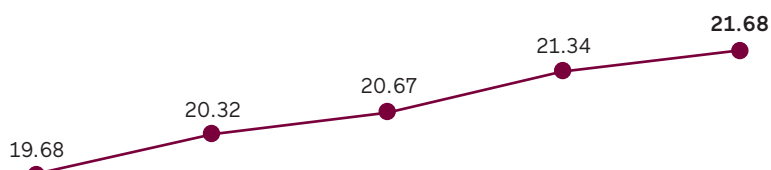
	2020	2021 ¹	2022 ¹	2023	2024 ²
Change (%)	4.5	(23.8)	15.0	4.3	5.6



Change in average sales price per litre in stores and on SAQ.COM^{4,5}

(in dollars)

	2020	2021 ¹	2022 ¹	2023	2024 ²
Change (%)	1.8	3.3	1.7	3.2	1.6



- Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.
- 53-week fiscal year.
- Average expenditure by consumers (including sales taxes).
- Consumers.
- Excluding sales taxes.

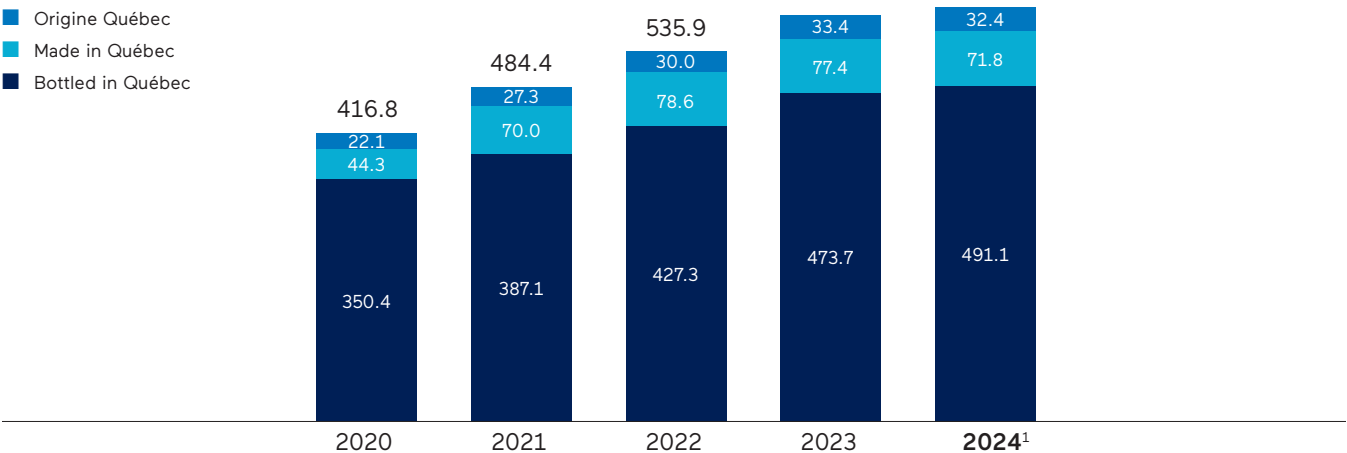


Change in Quebec product sales



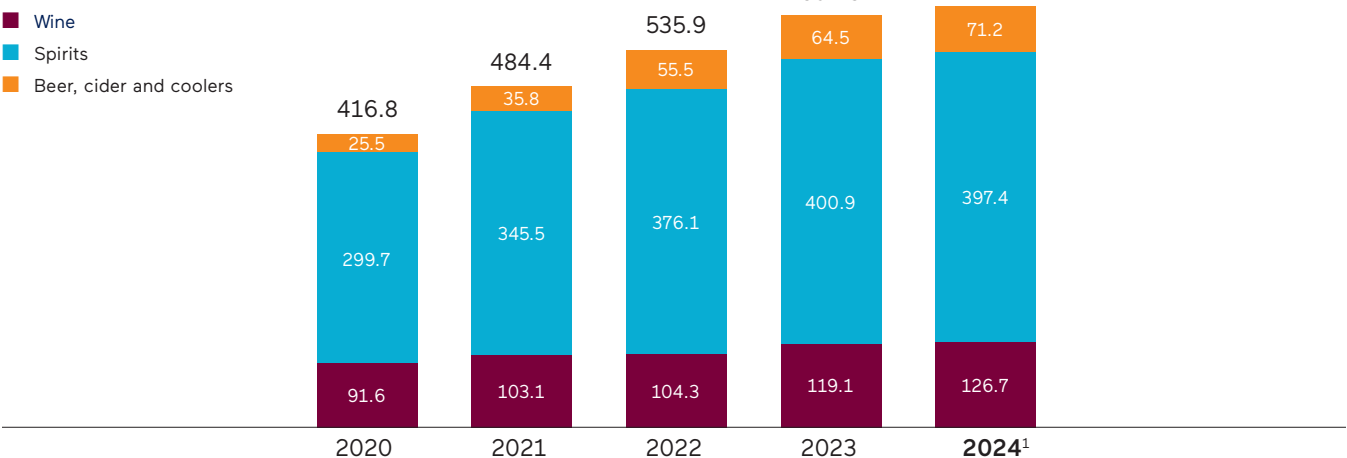
Change in Quebec Product Sales by Identifier

(stores and specialized centres)
(in millions of Canadian dollars)



Change in Quebec Product Sales by Product Category

(stores and specialized centres)
(in millions of Canadian dollars)



1. 53-week fiscal year.



PERFORMANCE DATA

Background

In accordance with the *Act Respecting the Governance of State-Owned Enterprises*, which requires the SAQ Board of Directors to adopt “measures to assess the effectiveness and performance of the enterprise, including benchmarking against similar enterprises,” the SAQ has prepared a corporate dashboard that includes a series of indicators making it possible to track the organization's effectiveness and performance.

Fiscal 2023–2024 highlights

During the year, economic conditions in Quebec were not as dynamic as in previous years, which had an effect on several of the SAQ's dashboard indicators. Despite the less favourable context, the implementation of the SAQ's commercial, operational and social-responsibility strategies allowed it to reach or exceed the targets for 14 out of 29 of its dashboard indicators at the close of the fiscal year.



SAQ Dashboard Indicators

Includes the 16 indicators from the Strategic Plan 2024-2026

	Actual 2023-2024 ¹	Target 2023-2024	Actual 2022-2023
Help shape the SAQ of tomorrow			
Frequency rate: Number of time-loss accidental events per 200,000 hours worked	6.6	5.5	5.5
Employee pride index: Average overall score out of 10	7.0	7.2	7.2
Representation rate of employees from underrepresented groups	11.0%	8.0%	7.5%
Employee turnover rate	2.4%	≤ 5.9%	3.1%
Deliver a personalized experience to our customers			
Customer satisfaction rate	93%	92%	93%
Sales (millions of dollars)	\$4,101	\$4,155	\$4,048
Discovery pillar: Rate of customer agreement with the discovery promise	65%	66%	64%
Accessibility pillar: Rate of customer agreement with the accessibility promise	79%	78%	78%
Choice pillar: Rate of customer agreement with the product choice promise	81%	80%	81%
Price pillar: Rate of customer agreement with the fair price promise	53%	56%	54%
Sales to holders of liquor permits (millions of dollars) ²	\$495	\$480	\$498
Traffic growth ³	5.6%	3.0%	4.3%
Average purchase per transaction ^{3,4}	\$63.13	\$66.28	\$65.26
Average price per bottle ^{3,4}	\$17.38	\$17.44	\$17.25
Sales per square foot	\$2,834	\$2,858	\$2,767
Ratio of SAQ.COM sales to consumer sales	3.4%	3.5%	3.1%
Make a sustainable contribution to society and reach the objective of zero emissions by 2040			
Profit (millions of dollars)	\$1,428	\$1,459	\$1,426
Social responsibility pillar: Rate of customer agreement with the social responsibility promise	67%	71%	69%
Ratio of net expenses to sales ⁵	14.7%	15.2%	15.2%
Annual technological application upgrade target	15.6%	12.5%	–
Sales refusal rate for underage mystery customers	96%	95%	91%
Rate of reduction of GHG emissions compared with reference year 2021-2022 (scopes 1 and 2) ⁶	(0.4)%	(3.0)%	2.7%
Sales growth of Quebec products ^{7,8}	1.9%	4.2%	3.3%
Ratio of units sold to hours worked	39.2	38.5	38.8
Ratio of total operational costs to sales	13.0%	13.0%	13.0%
Number of weeks of inventory in warehouses	7.6	8.2	8.1
Number of weeks of inventory in stores	3.5	3.8	3.4
Cases shipped per hour worked in distribution and delivery centres	23.3	23.5	24.6
Ratio of gross margin to sales ⁵	49.5%	50.3%	50.4%

1. 53-week fiscal year.

2. Sales to holders of liquor permits include in-store sales, sales in specialized centres and sales of private-import products.

3. In-store and SAQ.COM consumers.

4. Average expenditure by consumers (including taxes).

5. The SAQ's results for these indicators compare with results from the comparable group of nine Canadian liquor boards, including the SAQ. Based on the financial results for fiscal 2022-2023, two medians were calculated to assess the SAQ's performance in relation to that of its peers:

– Median ratio of net expenses to sales: 16.2%;

– Median ratio of gross margin to sales: 50.1%.

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

7. This indicator measures growth in sales to consumers and to SAQ Agency stores.

8. Includes Origine Québec, Made in Québec and Bottled in Québec products.

Some comparable figures have been restated to reflect the presentation adopted during the fiscal year.



FINANCIAL REVIEW

This financial report reviews the operations of the Société des alcools du Québec (SAQ) for the fiscal year ended March 30, 2024, and its financial position as at that date. Note that the fiscal year ended March 30, 2024, comprised 53 weeks of operation, compared with 52 weeks during the fiscal year ended March 25, 2023. This report should be read in conjunction with the financial statements and related notes found in the French-language version of the report. The information contained in this analysis includes all significant events that have occurred up to May 24, 2024.

Overview of results

The SAQ reported net income of \$1.428 billion for the fiscal year ended March 30, 2024, an increase of \$2 million or 0.1% from the preceding fiscal year. The entire amount was remitted in the form of a dividend to the company's sole shareholder, the Ministre des Finances du Québec. Government revenues from operations, in the form of excise taxes, customs duties, consumption taxes and the dividend, stood at \$2.693 billion.

Sales

Sales rose to \$4.101 billion in fiscal 2023–2024, compared with \$4.048 billion for the preceding fiscal year, an increase of \$53 million or 1.3%. Volume sales were 223 million litres, as opposed to 228.2 million litres in fiscal 2022–2023, a decrease of 5.2 million or 2.3%.

By sales network

Sales in the store and specialized centre network amounted to \$3.773 billion, versus \$3.684 billion in the preceding fiscal year, an increase of \$89 million or 2.4%. Volume sales for this network grew by 0.7 million litres or 0.4% to 187.5 million litres, compared with 186.8 million litres for the preceding fiscal year. Fiscal 2023–2024 included an extra week of operations, which is the primary reason for the increase in sales. Online sales, meanwhile, rose by \$11.3 million or 12.1% to \$104.6 million, as opposed to \$93.3 million in fiscal 2022–2023. They account for 3.4% of consumer sales.

The value of customers' average shopping cart was \$63.13 during the fiscal year, compared with \$65.26 for fiscal 2022–2023. Overall, the average per-litre sales price in the store network and online rose by 1.6% to \$21.68, versus \$21.34 for the preceding fiscal year.

In addition, sales in the wholesale grocer network stood at \$328 million as opposed to \$364 million during the preceding fiscal year, a decrease of \$36 million or 9.9%. Volume sales were 35.5 million litres, compared with 41.4 million litres in fiscal 2022–2023, a decrease of 5.9 million litre or 14.3%. It should be noted that the SAQ acts as a wholesaler to the Quebec grocery and convenience store network. Consequently, sales made in this network do not necessarily correspond to the sales these establishments made to consumers.

By product category

Wine sales in fiscal 2023–2024 totalled \$2.790 billion, compared with \$2.767 billion in the preceding fiscal year, a \$23 million or 8% increase. Volume sales in this category were down by 5.7 million litres or 3.3% at 166.4 million litres, versus 172.1 million litres for fiscal 2022–2023. Wine sales in the store and specialized centre network grew by \$58 million or 2.4% from the preceding fiscal year. Volume sales of wine in this network totalled 133.1 million litres, a decrease of 0.1 million litres or 0.1% versus fiscal 2022–2023.

Spirits, which are sold only in the store and specialized centre network, had sales of \$1.147 billion, compared with \$1.126 billion in fiscal 2022–2023, an increase of \$21.9 million or 1.9%. The corresponding volume sales stood at 31.3 million litres, as opposed to 31.7 million litres for the preceding fiscal year, a decrease of 0.4 million litres or 1.3%.

Sales of coolers, also known as ready-to-drinks or RTDs, rose by \$9.1 million or 7.1% to \$138.6 million, versus \$129.4 million in the preceding fiscal year. Volume sales were up by 1 million litres or 4.6% to \$22.8 million litres, compared with 21.8 million litres. These results are evidence of continued consumer enthusiasm for this product category.

Lastly, the beer, cider and related products category posted sales of \$24.1 million, compared with \$25.2 million for fiscal 2022–2023, a decrease of \$1.1 million or 4.4%. Volume sales, meanwhile, totalled 2.5 million litres, compared with 2.6 million litres in the preceding fiscal year, a decrease of 0.1 million litres or 3.8%.



Cost of sales and gross margin

The cost of sales includes acquisition costs, freight costs for shipment to distribution centres and various points of sale and the related customs duties and excise taxes. In fiscal 2023–2024, the cost of sales stood at \$2.069 billion, compared with \$2.008 billion for the preceding fiscal year. This resulted in a gross margin of \$2.032 billion, compared with \$2.040 billion in fiscal 2022–2023, a decline of \$7.9 million or 0.4%. In percentage terms, the gross margin was 49.5%, versus 50.4% for the preceding fiscal year. Given that SAQ purchases of products in euros account for over 20% of total purchases, the change in the gross margin is attributable in particular to the depreciation of the Canadian dollar against the euro.

Net expenses

Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial income and charges.

Defined thus, net expenses totalled \$603.6 million, a decrease of \$9.9 million or 1.6% from the \$613.5 million recorded in fiscal 2022–2023. Expressed as a percentage of sales, the ratio of net expenses was 14.7%, down from 15.2% for the preceding fiscal year.

Employee compensation, which is the SAQ's largest net expense category, was \$438 million, compared with \$440.8 million during fiscal 2022–2023, a decrease of \$2.8 million or 0.6%. Expressed as a percentage of sales, employee compensation amounted to 10.7%, versus 10.9% for the preceding fiscal year.

Building occupancy expenses, the second-largest net expense category, were \$97.1 million, up \$2.5 million or 2.6% from the \$94.6 million posted in 2022–2023.

Expenses for equipment use and supplies totalled \$42.9 million, compared with \$44.7 million in the preceding fiscal year, a decline of \$1.8 million or 4%.

Delivery and communications expenses amounted to \$3.3 million, down \$0.4 million or 10.8% from the preceding fiscal year.

Lastly, other charges totalled \$22.3 million, compared with \$29.7 million for fiscal 2022–2023, a decrease of \$7.4 million or 24.9%. This result is due mainly to an increase in revenue from business activities.

Net income and comprehensive income

For the fiscal year ended March 30, 2024, the SAQ reported net income of \$1.428 billion, compared with \$1.426 billion for the preceding fiscal year, an increase of \$2 million or 0.1%. Net income amounted to 34.8% of sales, as opposed to 35.2% in fiscal 2022–2023.

Comprehensive income, meanwhile, was down by \$1.5 million, totalling \$1.424 billion in fiscal 2023–2024.

Government revenues

As a government corporation, the SAQ pays substantial amounts to both levels of government in the form of consumption taxes, excise taxes, customs duties and its net income from operations, remitted in the form of a dividend. In fiscal 2023–2024, these government revenues stood at \$2.693 billion, compared with \$2.697 billion in fiscal 2022–2023, corresponding to a decrease of \$3.6 million or 0.1%.

Government Revenues from Operations

(in millions of dollars)

	2024 ¹	2023
Government of Quebec		
Declared dividend	1,428.1	1,426.1
Provincial sales tax	439.1	438.1
Specific tax	280.4	287.5
Specific permit holder tax	26.8	27.4
	2,174.4	2,179.1
Government of Canada		
Excise taxes and customs duties	298.5	297.8
Goods and services tax	220.0	219.6
	518.5	517.4
Total	2,692.9	2,696.5

1. 53-week fiscal year.

Amounts owed to the Quebec treasury totalled \$2.174 billion, a decrease of \$4.7 million or 0.2% from the \$2.179 billion remitted the previous fiscal year. The decrease is due primarily to a reduction in the specific tax amount collected, resulting from the decline in the number of litres sold.

Amounts owed to the Government of Canada totalled \$518.5 million, an increase of \$1.1 million or 0.2%. This change is due to the higher amount of federal sales tax collected due to higher sales and an increase in the excise tax and customs duty payments.



Investments

Investments in capital assets amounted to \$82.8 million during fiscal 2023–2024. Specifically, the SAQ invested \$43.2 million in equipment required for its new Montreal automated distribution centre (CAM) and in upgrades to rolling stock and equipment. Another \$18.7 million was invested in information systems development, while \$20.9 million was spent on CAM construction and improvements to retail and administrative facilities.

Financial position

As at March 30, 2024, the SAQ had total assets of \$1.308 billion, compared with \$1.437 billion as at March 25, 2023, a \$129 million decrease. Since the start of the 2023–2024 fiscal year, the cash position has decreased by \$64.3 million, investment declined by \$75 million trade and other accounts receivable were down \$3.3 million and the value of inventories decreased by \$20.7 million. Deposits and prepaid expenses increased by \$4.9 million. Non-current assets grew by \$29.4 million from March 25, 2023, an increase resulting mainly from acquisitions of property, plant and equipment and intangible assets.

Current liabilities stood at \$996.1 million at the end of fiscal 2023–2024, down \$103.3 million from the \$1.099 billion recorded at the end of the preceding fiscal year. This change is explained primarily by a \$73-million decrease in the dividend payable as well as \$46.2 million in taxes and government duties payable. This was offset by an increase in reserves of \$11.1 million and accounts payable of \$5.7 million. Lastly, non-current liabilities decreased by \$21.8 million, attributable mainly to a decline in capital lease obligations.

Cash flows

Cash flows related to operating activities increased \$39 million from the preceding fiscal year to \$1.484 billion. This rise is mainly due to \$46.2 million change in non-cash working capital items resulting from lower inventories.

The company's investment activities resulted in a cash inflow of \$5.3 million during the fiscal year, \$123.7 million more than in fiscal 2022–2023. This is attributable in part to the \$150 million change in guaranteed investments, offset by a \$26.2 million increase in acquisitions of property, plant and equipment and intangible assets.

Financing activities required \$1.554 billion in cash in fiscal 2023–2024, compared with \$1.469 billion in the preceding fiscal year. This difference is mainly attributable to the \$83.1 million increase in the dividend paid to the shareholder.

During fiscal 2022–2023, SAQ activities required \$64.3 million in cash, resulting in a cash balance of \$122.9 million as at March 30, 2024, compared with the preceding fiscal year, which required \$142.4 million in cash and for which the cash balance was \$187.2 million.

Financing of operations

The SAQ manages the financing of its operations within certain limits set by the Quebec government and by its Board of Directors, as specified in Note 20 to its financial statements. As dividend advances are paid periodically to its shareholder, the Ministre des Finances du Québec, the SAQ relies on external sources to finance its operations. Consequently, the company is authorized to take out short-term loans up to a maximum amount outstanding of \$300 million. The company had no borrowings outstanding as at March 30, 2024 or as at March 25, 2023.

Financing of the SAQ's money market activities resulted in net financial income of \$7.5 million, compared with \$7.9 million for the preceding fiscal year. This change is due to a decrease in the average net surplus for treasury activities in fiscal 2023–2024.

Interest under lease obligations totalled \$5.9 million, versus \$5.3 million in the preceding fiscal year. Net interest related to liabilities and assets arising from employee benefit plans amounted to \$1.3 million in fiscal 2023–2024, compared with \$0.9 million in the preceding fiscal year.

Future standards, amendments and interpretations

Accounting standards published but not yet in force

On the date that publication of these financial statements was authorized, new standards, amendments and interpretations of existing standards had been published but were not yet in force. The SAQ did not adopt them in advance, but plans to adopt them as they come into effect. They are not expected to have a significant impact on the company's financial statements.

Amendment of IAS 1 – Presentation of Financial Statements

In February 2021, the International Accounting Standards Board (IASB) amended IAS 1 – Presentation of Financial Statements to require that entities now disclose their material accounting policy information instead of their significant accounting policies. These amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. The company began applying the amended standard in the fiscal year ended March 30, 2024. It had no significant impact on its financial statements.



Disclosure controls and procedures

The SAQ's disclosure controls and procedures, under the supervision of the President and Chief Executive Officer and of the Vice-President and Chief Financial Officer, are designed to provide reasonable assurance that significant information about the company is communicated to management in a timely manner.

An evaluation of the design and effectiveness of these controls and procedures was performed on March 30, 2024, under management supervision and with management participation. Based on this evaluation, the President and Chief Executive Officer and the Vice-President and Chief Financial Officer concluded that the controls and procedures are properly designed and are operating effectively.

Internal control over financial reporting

The SAQ's internal control over financial reporting is designed to provide reasonable assurance that the financial information is reliable and that the financial statements were prepared, for financial reporting purposes, in accordance with International Financial Reporting Standards (IFRS).

Company management, including the President and Chief Executive Officer and the Vice-President and Chief Financial Officer, has evaluated the effectiveness of the internal controls over financial reporting using the framework and criteria set out in the document Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations (COSO 2013) of the Treadway Commission. Based on this evaluation, management concluded that, as at March 30, 2024, the internal controls over financial reporting are properly designed and are effective in providing reasonable assurance as to the reliability of the financial information and the presentation of the SAQ's financial statements in accordance with IFRS.

Risks and uncertainties

SAQ management follows best practices in risk management, having implemented an organization-wide risk management framework that is integrated into its day-to-day activities. This ongoing process is used to mitigate certain risks to which the SAQ is exposed in the normal course of business and which could have an impact on its operating results, financial position or cash flows. Support for attainment of business objectives and for decision-making are additional benefits of the process.

To provide a common reference framework, SAQ management collaborated with the Board of Directors to adopt an integrated risk management policy. The policy describes the SAQ's approach and strategy for managing corporate risks and establishes a formal structure for the process. This structured and effective integrated risk management approach allows risks to be identified, assessed, managed and monitored to avoid situations of change or uncertainty and to take action when such situations arise by deploying appropriate measures to minimize their impact. The process is accompanied by surveillance of the internal and external environment and supplemented by information from across the organization, along with key risk indicators enabling more diligent monitoring of risk conditions.

In addition to the financial risks outlined in Note 23 to the financial statements, the SAQ is exposed to business risks, which are the focus of special attention. The most significant of these are described below.

Economy, market and performance

Beverage alcohol sales are dependent on, among other things, consumers' disposable income and the strength of the Quebec economy. An extended economic slowdown in Quebec could have an adverse impact on the sale of products offered by the SAQ and, consequently, on the company's performance. The company must also contend with demographic factors related to the market it serves. Due to the ageing population, the growth in beverage alcohol sales in Quebec could slow in coming years, following a trend already apparent in many parts of the world.

The SAQ is always looking for innovations that will help it optimize how it does business and maintain its operational efficiency. The company constantly studies consumer shopping habits and trends in order to adapt its business strategies and provide an integrated shopping experience aligned with customers' needs.

Procurement and shipping

The products sold at the SAQ come from around the planet. Product prices are influenced by supply and demand and are subject to disruptions that may affect supply chains. When seeking products to sell, the SAQ is in competition with other buyers on global markets. Meanwhile, supply is often unable to keep up with demand, making some products difficult to obtain. Over the years, the SAQ has built solid relationships with its suppliers, allowing it to mitigate this risk. The SAQ is also dependent on marine carriers and their lead times and freight costs. The company has adopted a procurement strategy designed to minimize the risk of stockouts in its stores.



Attraction and retention

To carry out its business activities, the SAQ employs more than 7,000 people in its stores, distribution centres and administrative centres. The company's ability to retain those employees and attract new ones constitutes a risk that could interfere with the organization's activities, given the scarcity of labour resulting from demographic change and a resilient job market. Various initiatives making it easier to attract and retain personnel provide the company with a way to mitigate that risk and maintain its service offering.

Product quality control

With a catalogue of more than 40,000 products from 6,019 suppliers worldwide, the SAQ must ensure that the quality of the products it sells is beyond reproach. It achieves a high standard of product quality control via its ISO 9001 and ISO 17025–certified laboratory. Various measures are also in place to ensure compliance with Health Canada regulations.

Technology environment and information security

As part of its operations, the SAQ has warehouses and a large network of stores and specialized centres that rely on an extensive information technology infrastructure. The continuity of the company's operations could be interrupted if its information systems were to become unavailable for an extended period.

The SAQ is also aware of the risks related to the security of its information systems. The company has implemented robust controls and contingency plans to maintain the continuity of its operations and is constantly evaluating its protective measures to ensure the security and integrity of its data.

Lastly, the SAQ makes sure to protect the personal information of individuals associated with it, in compliance with the Government of Quebec Law 25 and its provisions safeguarding Quebecers' privacy.

Social responsibility

Society has high expectations of the SAQ with regard to its environmental, social and economic responsibilities. Failing to meet its obligations could expose the company to criticism, reprimands, demands and even lawsuits.

Social responsibility is one of the SAQ's key concerns, as can be seen in the central place it has been accorded in the company's successive strategic plans. Employee health and safety, responsible sales, glass recycling and climate change are very real concerns, not only for the SAQ but for society as a whole, and sustained efforts are made to reach ambitious goals. Indeed, the SAQ Strategic Plan 2024–2026 includes a commitment to achieve zero greenhouse gas (GHG) emissions for all of the company's vehicles and buildings by 2040, in accordance with government guidelines.

The SAQ also plays an active role in community life by contributing to the economic and social well-being of Quebec society, be it through the company's Donations and Sponsorship Program, its campaign in support of Food Banks of Quebec or contributions—in combination with that of its employees—to the Entraide fundraising campaign. The SAQ is also fully engaged, across all of its operations, in promoting Quebec-sourced and responsible procurement.

Lastly, it should be noted that the SAQ faces various claims and lawsuits. In the opinion of management, no settlement arising from these claims would have a significant impact on the company's financial position.

Outlook

Fiscal 2024–2025 will be marked by improvements to the experience of all customers, which will remain a top priority for the organization. Store employees will be equipped with new tools for improving operational processes and making personalized recommendations to customers. In addition, the SAQ will continue its business initiatives and collaborations with local producers.

Always seeking to benefit Quebecers by maximizing the spin-offs from its operations, the SAQ will continue improving its performance. Several projects will help achieve this goal, most notably the ongoing expansion of the Montreal distribution centre, which will automate order picking and preparation, and the optimization of the company's information systems.

Significant progress has been made in occupational health and safety over the past few years. The initiatives that contributed to that transformation will continue in fiscal 2024–2025. The SAQ will also maintain its initiatives to encourage and value diversity in its teams.

Lastly, the SAQ will continue to negotiate the collective agreement for store and office employees during the coming fiscal year.

The SAQ has adopted a target of zero emissions by 2040, and several initiatives toward that goal will be implemented in fiscal 2024–2025, most notably in the area of decarbonizing buildings and electrifying the vehicle fleet. In addition, preparations will be made for Phase 2 of the deposit system expansion, a major project that will mark a significant environmental turning point across Quebec, in collaboration with the government and industry stakeholders.

**Sales by network**

(in millions of Canadian dollars)

	2024 ¹	2023	2022 ²	2021 ²	2020
Stores and specialized centres	3,772.5	3,683.5	3,507.7	3,197.9	3,137.2
Wholesale grocers	328.0	364.0	346.4	392.3	351.5
Total	4,100.5	4,047.5	3,854.1	3,590.2	3,488.7

Sales by product category

(in millions of Canadian dollars)

	2024 ¹	2023	2022 ²	2021 ²	2020
Wine	2,790.4	2,767.4	2,674.2	2,535.7	2,503.8
Spirits	1,147.4	1,125.5	1,037.4	949.3	890.8
Beer, cider and coolers	162.7	154.6	142.5	105.2	94.1
Total	4,100.5	4,047.5	3,854.1	3,590.2	3,488.7

Financial results

(in millions of Canadian dollars)

	2024 ¹	2023	2022 ²	2021 ²	2020
Sales	4,100.5	4,047.5	3,854.1	3,590.2	3,488.7
Cost of sales	2,068.8	2,007.9	1,920.1	1,786.4	1,726.7
Net expenses ³	603.6	613.5	584.0	584.7	536.5
Net income	1,428.1	1,426.1	1,350.0	1,219.1	1,225.5
Comprehensive income	1,424.2	1,425.7	1,349.9	1,217.7	1,225.7

Government revenues from operations

(in millions of Canadian dollars)

	2024 ¹	2023	2022 ²	2021 ²	2020
Declared dividend	1,428.1	1,426.1	1,350.0	1,219.1	1,225.5
Taxes and duties paid to governments	1,264.8	1,270.4	1,231.0	1,186.8	1,147.1
Total	2,692.9	2,696.5	2,581.0	2,405.9	2,372.6

Asset mix

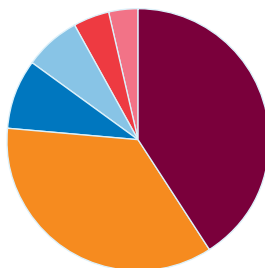
(in millions of Canadian dollars)

	2024 ¹	2023	2022 ²	2021 ²	2020
Inventories	558.5	579.2	541.1	473.9	387.6
Property, plant and equipment and intangible assets	266.8	212.4	201.4	204.3	196.0
Other assets	483.1	645.8	700.4	684.2	700.1
Total	1,308.4	1,437.4	1,442.9	1,362.4	1,283.7

1. 53-week fiscal year.
2. Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.
3. Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) charges.



BREAKDOWN OF THE SALES PRICE



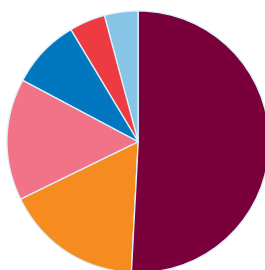
Imported wine,¹ 750 mL format

(in dollars and percentages)
March 30, 2024

● Markup ²	\$6.16	41.1%
● Supplier price, in Canadian dollars, including shipping	5.31	35.4
● Provincial sales tax	1.30	8.7
● Specific tax paid to the Government of Quebec	1.05	7.0
● Federal goods and services tax	0.65	4.3
● Excise taxes and customs duties paid to the Government of Canada	0.53	3.5
Retail price (per bottle)	\$15.00	100.0%

1. Continuous replenishment products.

2. The markup covers selling, merchandising, distribution and administrative expenses and generates net income.



Local spirits, 750 mL format

(in dollars and percentages)
March 30, 2024

● Markup ¹	\$13.27	51.0%
● Supplier price, in Canadian dollars, including shipping	4.30	16.6
● Excise taxes and customs duties paid to the Government of Canada	3.99	15.4
● Provincial sales tax	2.26	8.7
● Federal goods and services tax	1.13	4.3
● Specific tax paid to the Government of Quebec	1.05	4.0
Retail price (per bottle)	\$26.00	100.0%

1. The markup covers selling, merchandising, distribution and administrative expenses and generates net income.



QUARTERLY RESULTS

Fiscal years ended March 30, 2024, and March 25, 2023
(unaudited figures)

2024¹

	Fiscal year 53	Q4 13	Q3 16	Q2 12	Q1 12
--	-------------------	----------	----------	----------	----------

Financial results

(in millions of Canadian dollars)

Sales	\$4,100.5	\$838.2	\$1,414.1	\$945.7	\$902.5
Gross margin	2,031.7	423.1	703.9	470.8	433.9
Net expenses ²	603.6	155.3	181.2	134.5	132.6
Net income	1,428.1	267.8	522.7	336.3	301.3
Comprehensive income	1,424.2	263.9	522.7	336.3	301.3
Dividend paid	1,501.1	445.0	390.0	277.1	389.0

Sales by network

(in millions of Canadian dollars)

Stores and specialized centres					
Consumers – Stores	\$2,986.8	\$616.2	\$1,031.3	\$690.8	\$648.5
Consumers – SAQ.COM	104.6	19.1	44.6	18.5	22.4
Consumers	3,091.4	635.3	1,075.9	709.3	670.9
Permit holders	495.4	95.5	154.7	120.6	124.6
Agency stores and other customers	185.7	37.2	59.1	48.2	41.2
	3,772.5	768.0	1,289.7	878.1	836.7
Wholesale grocers	328.0	70.2	124.4	67.6	65.8
Total	\$4,100.5	\$838.2	\$1,414.1	\$945.7	\$902.5

Volume sales by network

(in millions of litres)

Stores and specialized centres					
Consumers – Stores	152.8 L	30.8 L	49.7 L	37.7 L	34.6 L
Consumers – SAQ.COM	2.9	0.6	1.0	0.6	0.7
Consumers	155.7	31.4	50.7	38.3	35.3
Permit holders	19.4	3.7	6.0	4.9	4.8
Agency stores and other customers	12.4	2.3	3.7	3.4	3.0
	187.5	37.4	60.4	46.6	43.1
Wholesale grocers	35.5	7.9	13.2	7.2	7.2
Total	223.0 L	45.3 L	73.6 L	53.8 L	50.3 L

Volume sales by product category

(in millions of litres)

Wine	166.4 L	34.6 L	57.2 L	38.1 L	36.5 L
Spirits	31.3	6.5	10.7	7.3	6.8
Beer, cider and coolers	25.3	4.2	5.7	8.4	7.0
Total	223.0 L	45.3 L	73.6 L	53.8 L	50.3 L

1. 53-week fiscal year.

2. Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) expenses.

Some comparable figures have been restated.



Fiscal years ended March 30, 2024, and March 25, 2023
(unaudited figures)

2023

	Fiscal year 52	Q4 12	Q3 16	Q2 12	Q1 12
--	-------------------	----------	----------	----------	----------

Financial results

(in millions of Canadian dollars)

Sales	\$4,047.5	\$755.7	\$1,427.3	\$951.4	\$913.1
Gross margin	2,039.6	373.5	723.2	482.9	460.0
Net expenses ²	613.5	164.8	181.8	132.5	134.4
Net income	1,426.1	208.7	541.4	350.4	325.6
Comprehensive income	1,425.7	208.3	541.4	350.4	325.6
Dividend paid	1,418.0	410.0	370.0	273.0	365.0

Sales by network

(in millions of Canadian dollars)

Stores and specialized centres

Consumers – Stores	\$2,918.3	\$544.2	\$1,040.8	\$690.3	\$643.0
Consumers – SAQ.COM	93.3	17.5	34.3	17.7	23.8
Consumers	3,011.6	561.7	1,075.1	708.0	666.8
Permit holders	498.0	93.6	157.7	120.7	126.0
Agency stores and other customers	173.9	32.2	56.7	47.3	37.7
	3,683.5	687.5	1,289.5	876.0	830.5

Wholesale grocers	364.0	68.2	137.8	75.4	82.6
Total	\$4,047.5	\$755.7	\$1,427.3	\$951.4	\$913.1

Volume sales by network

(in millions of litres)

Stores and specialized centres

Consumers – Stores	152.1 L	27.3 L	50.8 L	38.5 L	35.5 L
Consumers – SAQ.COM	2.8	0.6	0.9	0.6	0.7
Consumers	154.9	27.9	51.7	39.1	36.2
Permit holders	19.9	3.7	6.2	5.0	5.0
Agency stores and other customers	12.0	2.0	3.7	3.4	2.9
	186.8	33.6	61.6	47.5	44.1

Wholesale grocers	41.4	8.0	15.4	8.4	9.6
Total	228.2 L	41.6 L	77.0 L	55.9 L	53.7 L

Volume sales by product category

(in millions of litres)

Wine	172.1 L	32.2 L	60.4 L	39.8 L	39.7 L
Spirits	31.7	6.0	11.2	7.5	7.0
Beer, cider and coolers	24.4	3.4	5.4	8.6	7.0
Total	228.2 L	41.6 L	77.0 L	55.9 L	53.7 L

For the footnotes, see p. 40.



TEN-YEAR HISTORICAL REVIEW

Fiscal years ended the last Saturday in March
(unaudited figures)

2024¹

2023

2022²

Financial results

(in millions of Canadian dollars)

Sales	\$4,100.5	\$4,047.5	\$3,854.1
Gross margin	2,031.7	2,039.6	1,934.0
Net expenses ^{3,4}	603.6	613.5	584.0
Net income ³	1,428.1	1,426.1	1,350.0
Comprehensive income	1,424.2	1,425.7	1,349.9

Financial position

(in millions of Canadian dollars)

Total assets ⁴	\$1,308.4	\$1,437.4	\$1,442.9
Property, plant and equipment and intangible assets	266.8	212.4	201.4
Net working capital ⁴	(238.0)	(182.9)	(175.6)
Long-term liabilities ⁴	278.2	300.0	293.5
Shareholder's equity	34.1	38.1	38.5

Cash flows

(in millions of Canadian dollars)

Cash flows related to operating activities	\$1,484.0	\$1,445.0	\$1,429.9
Acquisitions of property, plant and equipment and intangible assets	69.7	43.5	24.1
Dividend paid	1,501.1	1,418.0	1,354.1

1. 53-week fiscal year.
 2. Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.
 3. Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) charges, the writedown of an investment in a joint venture that ended in 2015 and the share of net income from an equity-accounted interest that ended in 2018.
 4. Reflecting the adoption of IFRS 16 on March 31, 2019.
- Some comparable figures have been restated to reflect the presentation adopted during the fiscal year.



2021 ²	2020	2019	2018 ¹	2017	2016	2015
\$3,590.2	\$3,488.7	\$3,293.9	\$3,251.7	\$3,122.6	\$3,073.6	\$3,006.3
1,803.8	1,762.0	1,670.8	1,652.9	1,654.1	1,637.8	1,600.3
584.7	536.5	524.9	539.2	568.4	570.8	566.6
1,219.1	1,225.5	1,145.9	1,113.7	1,085.7	1,067.0	1,033.7
1,217.7	1,225.7	1,144.5	1,113.6	1,085.4	1,067.1	1,032.7
\$1,362.4	\$1,283.7	\$913.8	\$813.1	\$827.7	\$779.8	\$708.0
204.3	196.0	193.8	201.9	222.4	241.5	246.5
(176.9)	(168.2)	(118.4)	(129.6)	(150.8)	(164.1)	(169.5)
288.0	289.5	35.8	33.0	32.4	36.3	36.1
38.5	39.9	39.7	41.1	41.2	41.5	41.4
\$1,269.1	\$1,353.8	\$1,228.2	\$1,095.5	\$1,135.4	\$1,157.1	\$1,126.2
31.2	32.5	17.9	23.4	22.3	33.7	26.2
1,191.5	1,171.9	1,126.7	1,097.7	1,097.0	1,038.7	971.0

For the footnotes, see p. 42.



Fiscal years ended the last Saturday in March
(unaudited figures)

2024¹

2023

2022²

Sales by network

(in millions of Canadian dollars and in millions of litres)

Stores and specialized centres			
Consumers – Stores	\$2,986.8 152.8 L	\$2,918.3 152.1 L	\$2,935.7 158.6 L
Consumers – SAQ.COM	104.6 2.9 L	93.3 2.8 L	106.4 3.4 L
	3,091.4 155.7 L	3,011.6 154.9 L	3,042.1 162.0 L
Permit holders	495.4 19.4 L	498.0 19.9 L	302.8 12.5 L
Agency stores and other customers	185.7 12.4 L	173.9 12.0 L	162.8 11.8 L
	3,772.5 187.5 L	3,683.5 186.8 L	3,507.7 186.3 L
Wholesale grocers	328.0 35.5 L	364.0 41.4 L	346.4 39.9 L
Total	\$4,100.5 223.0 L	\$4,047.5 228.2 L	\$3,854.1 226.2 L

Sales by product category

(in millions of Canadian dollars and in millions of litres)

Wine	\$2,790.4 166.4 L	\$2,767.4 172.1 L	\$2,674.2 172.9 L
Spirits	1,147.4 31.3 L	1,125.5 31.7 L	1,037.4 30.2 L
Beer, cider and coolers	162.7 25.3 L	154.6 24.4 L	142.5 23.1 L
Total	\$4,100.5 223.0 L	\$4,047.5 228.2 L	\$3,854.1 226.2 L

1. 53-week fiscal year.

2. Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.

Some comparable figures have been restated.



2021 ²	2020	2019	2018 ¹	2017	2016	2015
\$2,834.5 154.6 L	\$2,528.3 143.3 L	\$2,345.0 135.6 L	\$2,328.7 138.1 L	\$2,238.8 126.6 L	\$2,236.0 126.3 L	\$2,194.1 123.4 L
96.9 3.8 L	42.0 1.4 L	35.6 1.2 L	30.3 1.1 L	19.8 0.7 L	14.7 0.6 L	7.6 0.3 L
2,931.4 158.4 L	2,570.3 144.7 L	2,380.6 136.8 L	2,359.0 139.2 L	2,258.6 127.3 L	2,250.7 126.9 L	2,201.7 123.7 L
101.9 4.6 L	423.8 19.6 L	428.7 20.3 L	418.7 20.4 L	390.1 19.5 L	370.4 19.1 L	361.9 19.2 L
164.6 12.1 L	143.1 10.3 L	137.7 9.9 L	131.3 9.4 L	127.9 8.9 L	125.1 9.1 L	120.2 9.3 L
3,197.9 175.1 L	3,137.2 174.6 L	2,947.0 167.0 L	2,909.0 169.0 L	2,776.6 155.7 L	2,746.2 155.1 L	2,683.8 152.2 L
392.3 47.2 L	351.5 42.9 L	346.9 41.7 L	342.7 41.3 L	346.0 42.3 L	327.4 41.0 L	322.5 40.5 L
\$3,590.2 222.3 L	\$3,488.7 217.5 L	\$3,293.9 208.7 L	\$3,251.7 210.3 L	\$3,122.6 198.0 L	\$3,073.6 196.1 L	\$3,006.3 192.7 L
\$2,535.7 176.6 L	\$2,503.8 174.8 L	\$2,393.8 169.6 L	\$2,387.9 173.1 L	\$2,320.1 163.8 L	\$2,300.9 162.9 L	\$2,264.2 160.2 L
949.3 28.2 L	890.8 27.3 L	816.6 25.5 L	787.3 25.1 L	726.9 23.7 L	697.7 23.0 L	664.7 22.1 L
105.2 17.5 L	94.1 15.4 L	83.5 13.6 L	76.5 12.1 L	75.6 10.5 L	75.0 10.2 L	77.4 10.4 L
\$3,590.2 222.3 L	\$3,488.7 217.5 L	\$3,293.9 208.7 L	\$3,251.7 210.3 L	\$3,122.6 198.0 L	\$3,073.6 196.1 L	\$3,006.3 192.7 L

For the footnotes, see p. 44.



Fiscal years ended the last Saturday in March
(unaudited figures)

	2024 ¹	2023	2022 ²
Net expenses³ (in millions of Canadian dollars)			
Employee compensation ⁴	\$438.0	\$440.8	\$413.0
Building occupancy expenses ^{5,6}	97.1	94.6	94.5
Equipment use and supply expenses ^{5,6}	42.9	44.7	36.9
Freight out and communications	3.3	3.7	4.0
Other expenses ^{6,7}	22.3	29.7	35.6
Total	\$603.6	\$613.5	\$584.0

Operating ratios

(as a percentage of sales)

Gross margin	49.5%	50.4%	50.2%
Net income ⁶	34.8%	35.2 %	35.0%
Net expenses ^{3,6}	14.7%	15.2%	15.2%

Other information

(at fiscal year-end)

Number of employees ⁸	5,483	5,609	5,584
Number of stores	410	410	410
Number of Agency stores	423	428	426
Number of products offered for sale ⁹	16,200	15,500	15,900

Surface area of business premises

(in thousands of square feet)

Stores	1,907.6	1,909.1	1,916.5
Distribution centres and warehouses	1,461.4	1,477.2	1,477.2

- 53-week fiscal year.
- Operations in the 2021 and 2022 fiscal years were impacted by the COVID-19 pandemic. These impacts had financial repercussions on the breakdown of sales to the various customer segments, on the related gross margin and on net expenses.
- Net expenses consist of selling, marketing, distribution and administrative expenses, from which advertising, promotional and miscellaneous revenues are deducted. They also include net financial (income) charges, the writedown of an investment in a joint venture that ended in 2015 and the share of net income from an equity-accounted interest that ended in 2018.
- Employee compensation includes payroll, employee benefits, pension plan-related costs and other employee benefit-related charges.
- Including amortization expenses and the amortization of right-of-use assets.
- Reflecting the adoption of IFRS 16 on March 31, 2019.
- Other expenses include an IFRS 16-related interest expense of \$5.9 million for fiscal 2024.
- The number of employees is determined on a full-time basis.
- Number of products offered for sale during the fiscal year (excluding private imports).

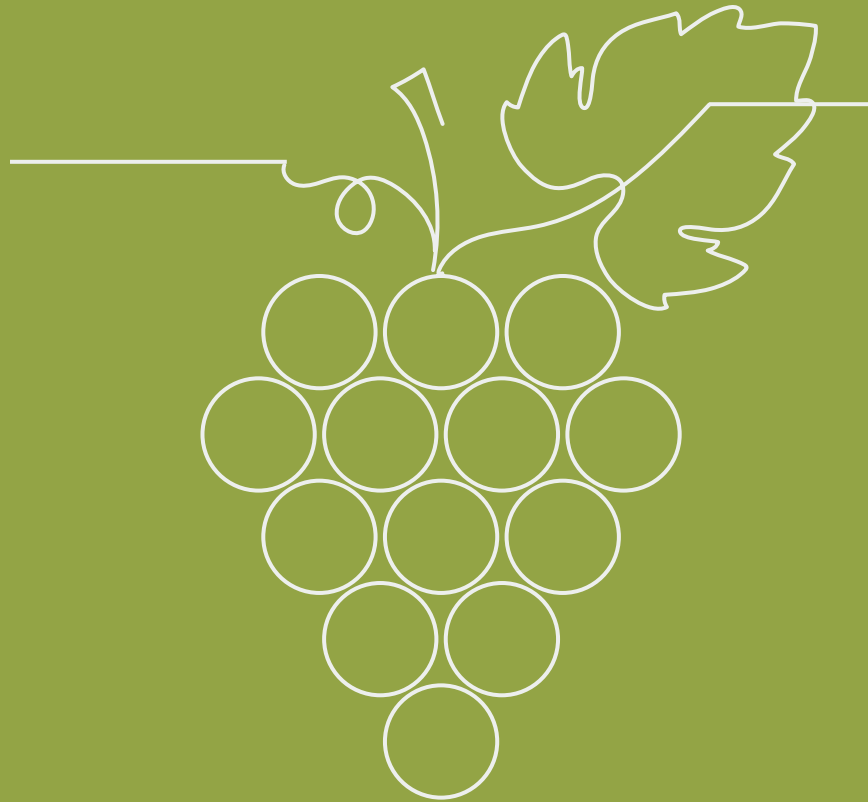


2021 ²	2020	2019	2018 ¹	2017	2016	2015
\$409.9	\$383.4	\$371.7	\$380.9	\$392.3	\$388.2	\$389.5
96.7	95.1	96.5	99.2	98.6	97.8	94.6
38.9	35.3	39.8	42.1	48.8	47.6	45.7
5.3	3.4	3.2	2.8	7.0	7.5	7.7
33.9	19.3	13.7	14.2	21.7	29.7	29.1
\$584.7	\$536.5	\$524.9	\$539.2	\$568.4	\$570.8	\$566.6
50.2%	50.5%	50.7%	50.8%	53.0%	53.3%	53.2%
34.0%	35.1%	34.8%	34.2%	34.8%	34.7%	34.4%
16.3%	15.4%	15.9%	16.6%	18.2%	18.6%	18.8%
5,517	5,169	5,044	5,159	5,277	5,456	5,499
409	410	409	407	405	406	402
429	426	428	432	436	438	439
15,800	15,700	14,350	13,300	13,200	13,500	12,500
1,934.1	1,947.8	1,952.0	1,947.8	1,969.7	1,980.2	1,921.0
1,477.2	1,477.2	1,477.2	1,464.4	1,464.4	1,464.4	1,467.1

For the footnotes, see p. 46.



Corporate Social Responsibility Report





2023–2024 Report on the Sustainability Action Plan 2023–2028

Being mindful of our goal of moving the Société des alcools du Québec toward a more sustainable business model, during the last fiscal year we worked to achieve progress on the initiatives set out in our Sustainability Action Plan 2023–2028.

The results achieved, notably with respect to responsible product offerings and sales, support for local organizations and the incorporation of sustainability criteria into our tendering processes, clearly demonstrate the commitment of teams across all our divisions to working hand-in-hand to realize our objectives.

This report, which contributes to the Quebec government's sustainability strategy, the *Stratégie gouvernementale de développement durable 2023–2028*, and is aligned with the United Nations Sustainable Development Goals, should be read in conjunction with the Review of Activities presented elsewhere in this Annual Report, and with the ESG (environmental, social and governance) reporting provided with reference to the GRI (Global Reporting Initiative) Standards. Taken together, these documents illustrate the scope of our achievements.

The four priorities of our Sustainability Action Plan

OFFER
RESPONSIBLE
PRODUCTS

REDUCE OUR
ENVIRONMENTAL
FOOTPRINT

SUPPORT OUR
COMMUNITY

DO THINGS
BETTER



OFFER RESPONSIBLE PRODUCTS

ACTION 1

Expand the offer of products packaged in eco-responsible containers¹

Indicator	Result	2023–2024 Target	Target achievement
Percentage of continuous replenishment products ² packaged in eco-responsible containers	50%	47%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> – Request to suppliers so as to expand our range of continuous replenishment products available in lightweight glass containers for new price segments; – Implementation of a new directive on lightweight glass for continuous replenishment sparkling wines sold for under \$200; – Addition of aluminum-can half-bottle formats to the assortment plans for red, white and rosé wines; – Talks given and a kiosk operated at the Tasting Climate Change conference, presenting information on eco-responsible containers and local bottling; – Presentation and sharing of a reference guide to responsible products to a meeting of the Canadian Association of Liquor Jurisdictions (CALJ); and – Participation in a Spirits Canada industry conference on sustainability about the environmental impact of containers and the importance of reducing bottle weights. 			

1. A container that meets the SAQ's lightweight glass requirements or a recyclable alternative container whose carbon footprint is less than that of a traditional glass container based on the results of the container life cycle carried out by CIRAIG in fiscal 2021–2022.
2. These products form approximately 20% of the product offer (more than 3,500 products), but nearly 95% of the volumes sold at the SAQ.

ACTION 2

Expand the offer of eco-responsible-certified products³

Indicator	Result	2023–2024 Target	Target achievement
Annual increase in the number of eco-responsible-certified products offered	22%	5%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> – Issuing of a call for tenders to source new products with requirements for certain eco-responsible certifications, or as an asset for new product selection; and – Awareness-raising efforts with suppliers and associations regarding eco-responsibility certifications. 			

3. Organically or biodynamically farmed products that have been granted a seal from a certification program recognized by the Canadian Food Inspection Agency (CFIA) under the Canada Organic Regime. Also included are products made using sustainable production practices (integrated farming, environmental management and socially responsible and equitable practices) certified by a label recognized by the SAQ. The SAQ currently recognizes some 40 certifications used by the beverage alcohol industry.



ACTION 3

Spotlight

eco-responsible and local products in our sales networks

Indicator	Result	2023-2024 Target	Target achievement
Annual growth in sales of eco-responsible-certified products, in litres	12%	2%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Spotlighting of eco-responsible products in stores and across all communications channels, including on social platforms and on SAQ.COM. 			
Annual growth in Quebec product sales, in dollars ⁴	1.9%	4.2%	NOT ACHIEVED
<p>Explanation of why the target was not achieved:</p> <p>Although Quebec products are still appreciated by our customer groups, had benefited from a buy-local wave prompted by the COVID-19 pandemic, and remain appealing, growth in their sales has slowed. Interestingly, however, if we disregard the pandemic bubble, the growth curve of their sales in dollars has remained positive since 2019, and the products continue to generate curiosity. The Bottled in Québec identifier in particular continues to show strong growth, which is good news in view of its economic and environmental advantages.</p> <p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Spotlighting of Quebec products via several visibility campaigns in our newsletters, on SAQ.COM and in stores; - Broadcast of the webseries <i>Le Québec de goût en goût</i>, illustrating the impact of our <i>terroir</i> on the taste of Quebec products; - Faster rollout of a new floor plan that increases the shelf space available for Quebec products and ensures prime positioning along the customer route in 180 stores; - Virtual training on Quebec wines provided to sales network personnel; - Support for Quebec producer associations through a range of sponsorships;⁵ - Production of <i>Inspire</i> events dedicated to promoting Quebec winegrowers; - Sponsorship of the TVA program <i>Arrive en campagne</i> to raise the profile of Quebec products and producers; - Association of sales of Quebec products with two of our three campaigns benefiting the Banques alimentaires du Québec / Food Banks of Quebec: 1 Quebec product = 1 food-bank meal); and - Addition on SAQ.COM of 25 profiles of Quebec producers whose products bear the Origine Québec identifier. 			

4. This indicator measures the variation in sales to consumers and agencies.
Products that qualify for one of three identifiers: Origine Québec, Made in Québec and Bottled in Québec.

5. For example, the Bistros SAQ at festivals sponsored by the SAQ sell a minimum of 40% products with the Origine Québec identifier.



ACTION 4

Showcase low-alcohol products

Indicator	Result	2023–2024 Target	Target achievement
Annual growth in sales of low-alcohol products, in litres	35.9%	10%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Implementation of sections dedicated to low-alcohol products in 171 stores; - Introduction of 15 new low-alcohol products; - Execution of a major campaign that aims to position the SAQ as a destination for low-alcohol products; and - Implementation of a strategy for in-store promotion of low-alcohol products. 			

REDUCE OUR ENVIRONMENTAL FOOTPRINT

ACTION 5

Reach our objective of zero-carbon emissions by 2040⁶

Indicator	Result	2023–2024 Target	Target achievement
GHG reduction rate compared with fiscal 2021–2022	(0.4)%	(3)%	NOT ACHIEVED
<p>Explanation of why the target was not achieved:</p> <p>Faced with the challenge of procuring zero-emission vehicles suitable for our particular heavy-transport requirements, coupled with the constraints involved in increasing the electrical capacity of our buildings, we took a step back to reassess its decarbonization strategies. Although we supported commercialization of the initial electric heavy trucks, the current state of technology has prompted us to seek new ways of reducing our carbon footprint, pending the availability of technology solutions that are viable for us.</p> <p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Implementation of a decarbonization governance structure to oversee achievement of the goal of zero GHG emissions by 2040 and implementation of various emissions reduction projects; - Updating of our GHG inventory for fiscal 2023–2024 (Scope 1 and 2 emissions); - Implementation of various GHG emissions reduction projects, including the commissioning of an electric vehicle (one tractor truck) and retrofitting of HVAC equipment in certain buildings; - Evaluation of electrical capacity in distribution centres ahead of installation of electric vehicle charging infrastructure; - Trials of an electric tractor truck and a tractor truck fuelled by renewable natural gas; and - Monitoring of technology developments in the area of electric, renewable natural gas and hydrogen-powered tractors. 			

6. Scope 1 and 2 emissions over which the SAQ has complete operational and financial control, i.e., the vehicles and buildings it owns. The targets are based on the greenhouse gas inventory for fiscal 2021–2022.



ACTION 6

Improve our performance in managing our residual materials

Indicator	Result	2023–2024 Target	Target achievement
Increase in the average diversion rate of residual materials from our distribution centres for recycling and conversion purposes ⁷	N/A	N/A	N/A
Summary of activities completed during the fiscal year: <ul style="list-style-type: none"> – Installation of new equipment to improve sorting at source and recovery of plastic film at the <i>Centre de distribution de Montréal</i> (CDM); – Installation of a new cardboard press ensuring optimized management of cardboard and plastic film at the CDM; – Implementation of a new market outlet for reclaiming broken wooden pallets at the <i>Centre de distribution de Québec</i>; – Development of a new market outlet with the <i>Centre de formation en entreprise et récupération de LaSalle</i> that has enabled reclamation of 1.15 metric tons of wooden packaging; – Donation of wooden furniture to the <i>Centre d'encadrement pour familles à faible revenu et familles monoparentales en difficulté</i> (CEFEDI); and – Donation of equipment from our distribution centres to the social-economy organization Renaissance. 			
Number of stores certified annually by the ICI on recycle+ program	N/A	N/A ⁸	N/A
Summary of activities completed during the fiscal year: <ul style="list-style-type: none"> – Replacement of single-use plastic tasting glasses with reusable glasses in 91 stores, and with recyclable cardboard goblets in the other network stores; – Introduction of no-receipt and electronic-receipt purchase options for customers and optimization of cash register receipts to enable at-source reduction of paper; – Expansion of the use of Velcro straps for palletization in the store network, thus reducing single-use rope; – Optimization of sorting of plastic wrap in 34 stores to boost reclamation; and – Introduction of an intranet-based form enabling adjustments to point-of-sale (POS) advertising orders based on store-specific needs, thus enabling at-source reduction. 			

7. Rate obtained from residual materials characterization in our distribution centres. Characterization will be conducted in 2025–2026 and 2027–2028 to calculate the increase in the average rate of diversion to recycling and reclamation.

8. The year 2023–2024 saw the in-store residual materials management procedure updated in order to better structure the store certification process.



ACTION 7

Increase
eco-responsible management of our construction and renovation sites

Indicator	Result	2023-2024 Target	Target achievement
Annual diversion rate of construction, renovation and demolition (CRD) waste for recycling purposes	58.6% ⁹	50%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none">- Completion of store design and fit-up projects in compliance with the four responsible design criteria (use of recycled and Forest Stewardship Council [FSC] certified wood, energy-efficient lighting, reuse of existing fixtures and, where possible, incorporation of glass powder in our infrastructures);- Procurement of a set of reconditioned mobile filing units for stores;- Tightening of at-source sorting requirements for contractors performing fit-up work in stores for which the SAQ holds leases to ensure that 75% of CRD waste is directed to recycling; and- Directing of 94% of CRD waste to recycling during demolition of the diesel mechanical shop (Bloc E) conducted as part of the work preparatory to construction of the new Montreal automated distribution centre.			

9. This result corresponds to the rate of diversion of CRD waste to recycling for store network design and fit-up projects budgeted at more than \$200,000.



SUPPORT OUR COMMUNITY

ACTION 8

Provide healthy and safe work environments

Indicator	Result	2023–2024 Target	Target achievement
Rate of accident events with time-loss injuries ¹⁰	6.6	5.5	NOT ACHIEVED
<p>Explanation of why the target was not achieved:</p> <p>Although we did not achieve the 2023–2024 target, our occupational health and safety efforts have allowed us to maintain results demonstrating global improvement in this area over time: the results reported for the fiscal year just ended are the second-best in the past 10 years. Our target was established in 2022–2023, when we recorded our best results to date. That being so, we are pursuing our efforts and constantly striving to improve, because employee health and safety is a priority.</p> <p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none">- Installation of 49 new lifting devices in as many stores, reducing the effort required to move cases of bottles;- Introduction of equipment designed to improve ergonomics for staff and to reduce accident risk, including a depalletization tool and an overhead-crane-type lifting device at the CDM;- Trials of three models of exoskeletons¹¹ by an order-picking team at the Quebec City distribution centre;- Training of staff in safe load handling;- Comprehensive health and safety training for new store operations managers and coordinators;- Initiation of a process for identifying psychosocial risks in the workplace, which led to a risk assessment of employees, implementation of an action plan to reduce the level of risk, and improvements to the investigation process following reporting of events of a psychological nature;- Awareness-raising among staff of the importance of self-care, via distribution of information on subjects ranging from the right to disconnect to mental workload and the value of exercise; and- Awareness-raising among staff of domestic-violence prevention and victim protection.			

10. Rate of accident events: calculated based on 200,000 hours worked.

11. Exoskeleton: a mechanical support structure that augments the structure of the human skeleton to assist in performing an arduous or repetitive task.



ACTION 9

Provide
a workplace conducive to diversity and inclusion

Indicator	Result	2023-2024 Target	Target achievement
Representation rate of employees from diverse backgrounds	11% ¹²	8%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none">- Evaluation of the SAQ's level of maturity in equity, diversity and inclusion (EDI) practices;- Completion of a demographic profile of the company via a voluntary self-identification survey of staff;- Addition of inclusion to our organization values;- Updating of the Employee Code of Ethics;- Continuing of support for and training of teams on unconscious bias, sensitivity and diversity;- Publication of a special newsletter marking International Women's Day, including a trivia quiz and an infographic with statistics on the role of women at the SAQ;- Publication of a podcast on women in the wine industry; and- Publication of a series of newsletters for Black History Month, including a weekly video on the history of Black communities, featuring Fabrice Vil.			

12. Percentage of employees from underrepresented groups, based on voluntary self-identification by staff.



ACTION 10

Increase employees' feeling of engagement and pride

Indicator	Result	2023-2024 Target	Target achievement
Employee pride index ¹³	7.0	7.2	NOT ACHIEVED
<p>Explanation of why the target was not achieved:</p> <p>Ensuring that our employees are engaged and develop pride in the company they work for is a constant challenge. While efforts to nurture employee pride are ongoing, the index being down by 0.2/10 should also be seen in the context of collective bargaining, which affected 70% of the survey respondents. That employees would echo their demands in a survey on their experience at the SAQ is perfectly understandable.</p> <p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Conducting of an independent, anonymous satisfaction survey, which resulted in an overall satisfaction score of 6.9/10 and an engagement score of 7.7/10; - Organizing several training sessions, talks and tastings, providing development pathways and workshops for managers, employees registered for the emerging-generation program and store operations coordinators; - Benevolent leadership training provided to managers; - Organization of employee meetings twice during the fiscal year to share the corporate vision and common objectives; - Annual <i>Millésime</i> recognition evening, which celebrated the outstanding contributions of 64 staff members; and - Conducting of activities designed to enhance the employee experience (e.g., barbecue, Holiday meals, djamboola fitness, sound therapy, crafts market). 			

13. Overall average rating on a scale of 10.

ACTION 11

Continue supporting food assistance

Indicator	Result	2023-2024 Target	Target achievement
Annual funding remitted to organizations working in the food assistance field	\$2.8 M	\$2.5 M	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none"> - Three in-store fundraising campaigns benefiting the Food Banks of Quebec network; - Continuation of the partnership with the <i>Cuisine collective Hochelaga-Maisonneuve</i> (CCHM, a community kitchen), including \$50,000 in financial support in 2023-2024 and the loan of land for a vegetable garden and greenhouse; - Production in the SAQ vegetable garden, in partnership with the CCHM, of 9.7 metric tons of fresh fruit, vegetables and herbs for Hochelaga-Maisonneuve community members in need; - Financial support totalling \$100,000 in fiscal 2023-2024 and donation to <i>La Tablée des Chefs</i> of 3,076 servings (923 kg) of surplus food from our cafeteria at the Montreal distribution centre; and - Publication of a podcast about the CCHM and its role in food assistance. 			



DO THINGS BETTER

ACTION 12

Sell beverage alcohol responsibly

Indicator	Result	2023–2024 Target	Target achievement
Refusal rate of attempted purchases by underage mystery customers	95.5%	95%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none">– \$3.7 million remitted to Éduc’alcool to support its awareness and education activities;– 806 in-store visits by underage mystery customers who were unable to purchase alcohol in the SAQ retail network;– Participation in multiple forums and meetings on the subject of responsible consumption, including the second edition of <i>Sciences et industrie</i>, organized by Éduc’alcool, the conference “La consommation, parlons-en” presented by the group <i>Drogue: aide et référence</i>, and the 25th-anniversary colloquium of the INSPQ;– Training of all new employees in sales ethics and provision of refresher training sessions; and– Execution of a three-phase sales ethics campaign via the SAQ’s various communications channels.			

ACTION 13

Redouble the integration of sustainability principles into the core of our business model

Indicator	Result	2023–2024 Target	Target achievement
Percentage of structuring initiatives that have undergone a sustainability assessment ¹⁴	83% ¹⁵	50%	ACHIEVED
<p>Summary of activities completed during the fiscal year:</p> <ul style="list-style-type: none">– Revision of the project prioritization grid with the project management office, to systematize sustainability assessment (SA) in project briefs;– Analysis of the project management office’s processes ahead of incorporation of SA; and– Completion of four SAs for structuring projects.			

14. SA is used to analyze the structuring projects submitted to our project management office and at the various steps of the strategic planning process.

15. The initiatives considered in calculation of the result are the projects stemming from the Strategic Plan 2024–2026 that were scheduled to be implemented in 2023–2024.



ACTION 14

Increase
our responsible acquisition of goods and services

Indicator	Result	2023-2024 Target	Target achievement
Percentage of acquisitions that incorporate responsible content ¹⁶	58%	20%	ACHIEVED
Summary of activities completed during the fiscal year: <ul style="list-style-type: none">- Incorporation of the responsible procurement indicators into tendering templates;- Continued training of staff and requesters on the new responsible procurement indicators; and- Introduction of the responsible procurement indicator tracking system in the integrated management system.			

16. The result corresponds to the percentage of contracts worth \$25,000 or more that meet the conditions of at least one of the 21 Quebec government responsible-procurement indicators. In 2023-2024, this corresponded to 124 of the 214 contracts awarded. Expressed in purchase volume, 89.9% of acquisition amounts met the conditions of at least one of the 21 responsible-procurement indicators; i.e., \$251 million of the \$279 million awarded.

ACTION 15

Increase
the percentage of sustainable partnerships

Indicator	Result	2023-2024 Target	Target achievement
Sustainable sponsorships as a percentage of total sponsorships ¹⁷	84% ¹⁸	50%	ACHIEVED
Summary of activities completed during the fiscal year: <ul style="list-style-type: none">- Incorporation of a questionnaire on responsible practices in sponsorship request forms (related to the eco-conditions requested); and- Production of a reference guide to implementing responsible practices for promoters, in collaboration with the <i>Fonds d'action québécois pour le développement durable</i>.			

17. Sponsorships granted to recipient organizations that meet all the eco-conditions of the SAQ Donations and Sponsorship Policy.

18. Result compiled based on promoters' statements when submitting their sponsorship requests, since the eco-conditions were not mandatory for events that took place in 2023-2024. Only sponsorships of events (celebrations and festivals) for which organizers completed the form on eco-responsible practices were considered in this compilation.



GRI

Content Index

At the Société des alcools du Québec, we have always maintained a commitment to doing things right. We conduct our business with respect for communities and the environment, ensuring that we create value for Quebecers while delivering an unparalleled customer experience.

To ensure that we continue to make the right decisions in the interests of our stakeholders and the public good, we have begun an ESG (environmental, social and governance) reporting process with reference to the GRI Standards.¹ This voluntary, scalable approach means we can adopt a more holistic view of our impacts, manage the risks inherent to our business, and pursue avenues that will help us take even greater pride in what we do.

We thus view this initial report as an exercise in transparency and the start of an in-depth, ongoing reflection on the way we conduct the business of beverage alcohol sales. In the years to come, we will analyze the ESG topics that are relevant to the SAQ and our stakeholders. Our enhanced knowledge of the company in relation to the selected topics will further enrich our disclosure process.

Statement of use

The SAQ has reported the information cited in this GRI Content Index for the period March 26, 2023, to March 30, 2024, with reference to the GRI Standards.

GRI 1 standard used

GRI 1: Foundation 2021



Fully disclosed as requested by the GRI Standards








Partially disclosed
(missing at least one required indicator)








Not disclosed

1. The Global Reporting Initiative (GRI) is an independent international organization that helps organizations report on and take responsibility for the impacts of their activities by providing them with a common language for communicating their performance.








GRI 2: General Disclosures 2021	
2-1 Organizational details 	<p>Name of the organization: Société des alcools du Québec</p> <p>Nature of ownership and legal form: The Société des alcools du Québec (SAQ) is a government corporation. Its sole shareholder is the Ministre des Finances du Québec (Canada). It was constituted under the <i>Act Respecting the Société des alcools du Québec</i> (CQLR, c. S-13). The mandate of the SAQ is to sell beverage alcohol products responsibly.</p> <p>Location of headquarters: 750, rue Tellier, Montreal, Quebec, Canada</p> <p>Location of operations: The SAQ markets alcohol products in Quebec, Canada only. The products it sells originate from 6,019 suppliers in 79 countries.</p> <p>For more information, see p. 49 of the French version of our 2024 Annual Report.</p>
2-2 Entities included in the organization's sustainability reporting 	<p>Our ESG disclosure report concerns our own activities only.</p> <p>On June 12, 2018, the sale of cannabis was incorporated into the mandate of the SAQ, which fulfils that mission through the <i>Société québécoise du cannabis</i> (SQDC), a business corporation with headquarters at 7355, rue Notre-Dame Est, Montreal, Quebec, Canada. The SQDC is considered to be an affiliate company. Consequently, that entity's accounts are not consolidated with those of the SAQ.</p> <p>Non-consolidated financial statements are audited and submitted annually to the National Assembly of Quebec.</p> <p>For more information, see p. 49 of the French version of our 2024 Annual Report.</p>
2-3 Reporting period, frequency and contact point 	<p>The SAQ wishes to progressively improve its ESG disclosure practices and report annually. This ESG Disclosure Report is the first to be issued by the company.</p> <p>The period covered by this report is identical to that of the fiscal year. In 2024, the Annual Report and ESG Disclosure Report covered the period March 26, 2023, to March 30, 2024. These reports are made public annually during the first week of June.</p> <p>For more details about the information presented in these reports, please contact our Customer Relations Centre.</p>
2-5 External assurance 	<p>We are committed to producing reliable, comprehensive non-financial information. Unlike financial information, which is disclosed in accordance with International Financial Reporting Standards (IFRS), non-financial information is not subject to external audit. It is, however, subjected to a thorough internal process that aims to validate the robustness of the data used, then reviewed and approved by the most senior authorities in the company, i.e., the Board of Directors and the Executive Committee.</p>
2-6 Activities, value chain and other business relationships 	<p>Area of activity</p> <p>The SAQ's mission is to sell a broad range of high-quality beverage alcohol products throughout Quebec, products it imports, stores, distributes, market and retails.</p> <p>Value chain</p> <p>To exercise its mandate, the SAQ operates 410 stores located throughout Quebec, also sells its products in 423 Agency stores, and acts as a wholesaler to authorized distributors. Its customer base also includes restaurateurs, bar operators and hotel operators that hold permits for the sale of alcohol in Quebec.</p> <p>To meet the needs of its various customer groups, the SAQ markets some 40,000 products from 6,019 suppliers in 79 countries. The majority are imported to Quebec via maritime routes and redistributed by truck to its stores.</p>







<p>2-7 Employees</p> 	<p>The SAQ has 7,043 employees representing 5,483 full-time equivalents. Of that number, 45% are women. All SAQ employees work in Quebec in one of our 410 stores, in one of our three distribution centres or in one of our administrative offices in Montreal and Quebec City.</p> <p>Personnel data disclosed are a snapshot as at the last day of the fiscal year. The number of employees fluctuates seasonally, as the year-end Holidays approach, and over the summer, coinciding with the vacation period.</p> <p>For more information, see p. 112 of the French-language version of our 2024 Annual Report.</p>
<p>2-9 Governance structure and composition</p> 	<p>The <i>Act Respecting the Société des alcools du Québec</i> stipulates that the company is administered by a Board of Directors comprising nine to 15 members, including the Chair of the Board and the President and Chief Executive Officer. As at March 30, 2024, the Board of Directors consisted of 13 members appointed by the government, including eight men and five women.</p> <p>The Board of Directors ensures that the company's business is managed in accordance with the laws and regulations that govern it, and that the company's managers take the necessary steps to meet the goals arising from its mission. To that end, the Board, together with management, examines the proposals, scenarios and strategic orientations that inform the SAQ's actions and development.</p> <p>Our governance structure and the various Board of Directors committees are explained in the Governance section on pp. 92-94 of the French-language version of our Annual Report.</p>
<p>2-10 Nomination and selection of the highest governance body</p> 	<p>The SAQ Board of Directors establishes a skills and experience profile that is relevant and advisable for the Board and its members. The members are appointed by the Quebec government.</p> <p>The company seeks to ensure that all members of the Board, except for the President and CEO, are qualified as independent directors, and that the regions and the cultural diversity of Quebec society are properly represented. The Board aims for gender parity, and its members include one person from a diverse background and one aged 35 or under.</p> <p>For information about all of the required qualifications, see <i>Desired profile of board members</i> at saq.com/en/governance.</p>
<p>2-11 Chair of the highest governance body</p> 	<p>The Chair of the Board of Directors is appointed by the Quebec government and is not a member of the SAQ Executive Committee.</p>
<p>2-12 Role of the highest governance body in overseeing the management of impacts</p> 	<p>The Governance, Ethics and Communications Committee (GECC) of the Board of Directors is responsible for stimulating discussion and analyzing topics related to Corporate Social Responsibility (CSR). It oversees implementation of initiatives and reviews the reporting produced by the SAQ. The GECC recommends approval of sustainability plans and reports by the Board of Directors.</p> <p>The Executive Committee, meanwhile, develops the CSR strategy and sees to it that company-wide CSR objectives are properly understood and incorporated into the business objectives of the company's various divisions. It submits quarterly reports to the GECC on topical subjects. The Executive Committee is also one of the bodies that maintains connections with stakeholders to identify and manage the organization's impacts on the economy, the environment and individuals.</p> <p>For information on social responsibility governance at the SAQ, see p. 6 of the Sustainability Action Plan 2023-2028.</p>





2-13 Delegation of responsibility for managing impacts 	<p>The SAQ Board entrusts the development of social responsibility guidelines to the Vice-President, Public Affairs, Communications and Social Responsibility (VP, PAC-SR). She is responsible for developing and recommending her vision to the Executive Committee, which approves it and in turn submits it to the GECC, which reviews and comments on it and recommends its adoption to the Board. The VP, PAC-SR is also responsible for stimulating SAQ employees' engagement with shared objectives and reporting on company progress to the Executive Committee and the GECC.</p> <p>Social responsibility advances, challenges and relevant topics are presented to the GECC every quarter.</p>
2-14 Role of the highest governance body in sustainability reporting 	<p>The SAQ Board regularly discusses social responsibility initiatives and challenges.</p> <p>The GECC oversees implementation of initiatives and reviews the reporting produced by the SAQ. It recommends approval of sustainability plans and reports by the Board of Directors.</p> <p>The VP, PAC-SR reports to the Board on implementation of the Sustainability Action Plan.</p> <p>Our Annual Report discloses efforts deployed in terms of social responsibility.</p> <p>An analysis of the relevant topics will be conducted in 2024–2025 and approved by the GECC.</p>
2-15 Conflicts of interest 	<p>All the members of the Board of Directors are required to adhere to the Directors' Code of Ethics and Professional Conduct and also pledge to comply with the ethics and conduct principles enshrined in the Act. All directors also sign a declaration of interests so as to avoid actual or potential conflicts of pecuniary or associative interest as well as such conflicts on the part of their immediate family members. The SAQ Secretary General also ensures that issues are raised proactively.</p> <p>The content of the SAQ Directors' Code of Ethics and Professional Conduct is available in the Governance section of the SAQ.COM website.</p>
2-16 Communication of critical concerns 	<p>The Internal Audit Director exercises an independent function, reporting directly to the Audit Committee. She is the person appointed to audit complaints and report periodically to the Audit Committee.</p> <p>None of the cases reported via the whistle-blowing channel in 2023–2024 was categorized as major.</p> <p>See the section on accountability under the <i>Act to Facilitate the Disclosure of Wrongdoings Relating to Public Bodies</i> on p. 113 in the French-language version of our 2024 Annual Report.</p>
2-18 Evaluation of the performance of the highest governance body 	<p>Pursuant to its terms of reference, the Governance, Ethics and Communications Committee (GECC) establishes and submits to the directors, on a yearly basis, criteria for evaluating the performance of the Board of Directors and its Chair as well as the committees and their chairs, including self-evaluation by directors and their peers. The GECC also conducts a yearly analysis of the results of the evaluation of the Board and its committees, the results of which are submitted to the Board for formal approval.</p> <p>Following the evaluation, a report is submitted to the GECC and the Board. The Board members then discuss what changes must be made based on the weaknesses / areas for improvement observed.</p>








<p>2-19 Remuneration policies</p> 	<p>Remuneration of directors Remuneration of the SAQ Board members is regulated by a government decree. It considers three variables: basic compensation, attendance at Board meetings, and additional compensation granted to committee chairs.</p> <p>Detailed information about the remuneration of directors is available on p. 109 of the French-language version of our 2024 Annual Report.</p> <p>Remuneration of senior managers Detailed information about the Senior Executive Compensation Policy is available on pp. 110-111 of the French-language version of our 2024 Annual Report.</p>
<p>2-22 Statement on sustainable development strategy</p> 	<p>See the statement by the President and CEO of the SAQ on the importance of social responsibility on p. 3 of our Sustainability Action Plan 2023-2028.</p>
<p>2-25 Processes to remediate negative impacts</p> 	<p>Being mindful of the specific nature of the products we market and the exemplary community role that the SAQ must play as a corporate citizen, we make sure that we sell responsibly.</p> <p>We have therefore established an Ethics Committee that, among other things, ensures that suppliers and their products are not offensive to our customers' gender identity, sexual orientation, religion or ethnocultural origin. It also makes sure that suppliers behave in a manner that is respectful toward everyone, that no product depicts the SAQ in a negative light, and that dissemination of inappropriate imagery that incites consumerism or is attractive to customers aged under 18 is avoided. All potential cases and issues must be brought to the attention of the committee for assessment and so that recommendations for action can be made.</p> <p>We also promote the products that we sell responsibly, in a manner that does not encourage consumption. In our stores, we apply stringent sales ethics, refusing to sell to minors, to people who are clearly intoxicated, or to people attempting to purchase alcohol for them. To ensure that our employees have the skills to apply the strictest standards in this respect, we provide them with training upon hiring, as well as refresher courses, and we provide coaching to store managers to ensure that they become effective guides in the process. During fiscal 2023-2024, underage mystery customers in our stores were prevented from buying or tasting alcohol products in 95.5% of cases.</p> <p>We also believe that it is essential to raise Quebecers' awareness of the importance of making responsible, informed decisions about their alcohol consumption. Echoing our commitment to that awareness-raising, we raised and donated close to \$3.7 million to Éduc'alcool in 2023-2024 to support its awareness and education efforts.</p>
<p>2-26 Mechanisms for seeking advice and raising concerns</p> 	<p>The SAQ's Code of Ethics and Conduct for Employees and its Supplier Code of Conduct are available at all times on SAQ.COM for consultation by employees and partners. If in doubt about a decision to make or an action to initiate, our stakeholders are urged to contact the Secretary General for guidance. Contact information for the latter is provided on the last page of each Code of Ethics document.</p> <p>In addition, wrongful acts involving the SAQ, its employees or its partners may be reported at any time and completely confidentially to a third-party hotline, contact information for which is easily accessible via the intranet and on SAQ.COM.</p>



<p>2-28 Membership associations</p> 	<p>The SAQ's senior executives are involved on behalf of the company in the following associations and on the boards of directors of the following organizations:</p> <ul style="list-style-type: none"> - The Quebec Beverage Container Recycling Association, which is responsible for the development, implementation, financing and management of Quebec's modernized deposit-return system, in line with the principle of extended producer responsibility; - Food Banks of Quebec, the mission of which is to support its network of food banks by pooling and increasing resources and expertise to ensure access to nutritious foodstuff by vulnerable populations throughout the province; - The Retail Council of Canada, which advances the interests of Canadian retailers; - The Retail Council of Quebec, whose mission is to represent, promote and enhance the retail sector in the province so as to develop resources to foster the advancement of its members and the industry in general; - Éco Entreprises Québec, which represents producers that market packaged products, containers and printed material regarding their responsibilities to finance curbside recycling; - Écotech Québec, the mission of which is to accelerate the development, commercialization and use of innovative clean technologies from Quebec; and - Éduc'alcool, whose mission is to promote informed decision-making by Quebecers regarding responsible consumption.
<p>2-30 Collective bargaining agreements</p> 	<p>SAQ employees belong to different labour unions depending on the nature of their work:</p> <ul style="list-style-type: none"> - The Syndicat des employé(e)s de magasins et de bureaux de la Société des alcools du Québec, with 4,947 members (70%), most of whom work in the company's stores; - The Syndicat des travailleurs et travailleuses de la Société des alcools du Québec, with 938 members (14%), most of whom work in the company's distribution centres; and - The Syndicat du personnel technique et professionnel de la Société des alcools du Québec, with 504 members (7%), most of whom work in the company's administrative centres. <p>The SAQ has 654 non-unionized managers and employees (9%) who are not covered by any collective agreement. Their working conditions are described in a manual of working conditions for executives, store managers and non-unionized personnel, available via the intranet. That manual sets out policies for sound management and fair treatment of employees, and covers the following aspects: compensation, performance management, professional development, social leave, vacations, work schedules, group insurance, the employee assistance program, the pension plan, and management policies (e.g., harassment, travel expenses, dress code).</p>



GRI 3: Material Topics 2021	
<div>3-1</div> <div>Process to determine material topics</div> <div></div>	<p>In 2023–2024, the SAQ conducted an analysis of the GRI disclosures with a view to identifying the information available in accordance with the GRI standards. The company prioritized certain disclosures, and also conducted a benchmarking exercise with similar entities to determine which disclosures were essential for the current year.</p> <p>To improve the consideration of material topics and comply with the requirements of the GRI Standards, the company plans to conduct a materiality analysis in 2024–2025. This will enable it to determine which topics are essential for the organization and its stakeholders, and to specify the disclosures about which it intends to report.</p>
<div>3-2</div> <div>List of material topics</div> <div></div>	<p>Given that a materiality analysis is planned for fiscal 2024–2025, the SAQ has not determined its list of material topics. An initial prioritization of GRI disclosures was, however, conducted in 2023–2024. The prioritized disclosures are those presented in this GRI Content Index.</p>
<div>3-3</div> <div>Management of material topics</div> <div></div>	
GRI 201: Economic Performance 2016	
<div>201-1</div> <div>Direct economic value generated and distributed</div> <div></div>	<p>At the SAQ, direct economic value generated and distributed corresponds to the company's profit. For fiscal 2023–2024, that profit was \$1.428 billion.</p> <p>Direct economic value</p> <p>Direct economic value corresponds to sales. In 2023–2024, the SAQ's sales were \$4.101 billion.</p> <p>Economic value distributed</p> <p>Operating costs:</p> <ul style="list-style-type: none">– Employee wages and benefits: \$438 million (for further information, see note 7 on p. 60 of the French-language version of our 2024 Annual Report);– Payments to providers of capital (dividend): \$1.428 billion. <p>Amounts remitted to governments:</p> <ul style="list-style-type: none">– Including amounts paid to both levels of government, Société des alcools du Québec operations generated \$2.693 billion in government revenues. <p>Community investments:</p> <ul style="list-style-type: none">– The SAQ supported close to 250 events and organizations through donations and sponsorships totalling almost \$5.2 million. <p>Economic value retained</p> <p>Economic value retained corresponds to net undistributed profit. For 2023–2024, this amount was \$15.2 million. See the statement of changes in equity on p. 47 of the French-language version of our 2024 Annual Report for further information.</p>
<div>201-3</div> <div>Defined benefit plan obligations and other retirement plans</div> <div></div>	<p>All SAQ employees contribute to a pension plan managed by Retraite Québec, a government organization.</p> <p>See Note 18 on pp. 69–73 of the French-language version of our 2024 Annual Report, for full details.</p>



GRI 203: Indirect Economic Impacts 2016

203-1 Infrastructure investments and services supported



The SAQ makes donations in the areas of food assistance, health, education, arts & culture and the environment. It also plays a social role, supporting projects that have positive community impact. The company's contributions take the form of either direct financial support or donations of products. In 2023–2024, the SAQ remitted close to \$5.2 million in value to some 250 organizations. See our on [Donations and Sponsorships Policy](#) for information about areas supported.

GRI 204: Procurement Practices 2016

204-1 Proportion of spending on local suppliers



Procurement of products

Sales of Quebec products (Bottled in Québec, Made in Québec and Origine Québec) account for 15.8% of sales in the store and specialized centre network (18.9% of volume in litres).

Moreover, these sales increased slightly (sales of \$595.3 million / +1.8% or 35.4 million litres / +2%) in 2023–2024 compared with the preceding fiscal year, owing to the fact that the fiscal year comprised 53 weeks. Bottled in Québec is the only identifier for which sales grew.

Purchases of goods and services

In 2023–2024, the SAQ awarded more than \$318 million in operations goods and services procurement contracts to companies based in Quebec. This represented 89% of procurements from suppliers established in Quebec.

The definition of "local" applies to any and all purchases from suppliers located in Quebec. The SAQ's major sites of operations include its administrative centre, its distribution centres and its sales network.

GRI 302: Energy 2016

302-1 Energy consumption within the organization



In 2023–2024, the SAQ consumed a total of 204,665,426 megajoules of energy.

That quantity included the consumption of:






- 113,716,858 megajoules of fuel from non-renewable sources (natural gas, diesel, gasoline); and
- 90,948,568 megajoules (25,263,491 kWh) of hydroelectricity.

Although steps are being taken to evaluate the procurement of fuels from renewable sources, for the moment the SAQ is not using any such fuels.



The SAQ's energy consumption comes from its fleet of 85 heavy trucks and 13 light vehicles used to transport merchandise and ensure the organization's operations, and from its real estate assets, consisting of eight buildings, including three stores that it owns. The SAQ does not procure external cooling or steam sources and does not sell any energy.

In calculating its energy consumption from various sources, the SAQ took account of all energy bills from its suppliers and, to a lesser extent, used estimates for its back-up equipment. In the interest of consistency with other government bodies, the conversion factors used to establish consumption in joules are those in the *Table of emission factor conversions* published by the Quebec ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs in 2019.






GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions 	<p>According to the SAQ's 2023–2024 greenhouse gas (GHG) inventory, direct (Scope 1) GHG emissions were 7,163 metric tons of carbon dioxide equivalent (tCO₂e). The inventory includes all GHGs (CO₂, CH₄, N₂O, HFC) emitted by the SAQ.</p> <p>The SAQ's GHG inventory was conducted using the GHG Protocol Scope 1 and Scope 2 Inventory Guidance. The chosen emissions consolidation methodology is the financial control approach. The GHG Global Warming Potentials are taken from the IPCC Fifth Assessment Report (AR5). The inventory was subjected to internal review. The baseline year used for the SAQ's strategic reduction targets and reduction efforts accounted for is 2021–2022.</p>
305-2 Indirect (Scope 2) GHG emissions 	<p>According to the SAQ's 2023–2024 GHG inventory, indirect (Scope 2) GHG emissions were 43 tCO₂e. These emissions are entirely related to hydroelectricity consumption. They were calculated using the data from the <i>National inventory report: Greenhouse gas sources and sinks in Canada</i> (Part 3).</p> <p>The SAQ's GHG inventory presents data in metric tons of carbon dioxide equivalent, but includes all GHGs (CO₂, CH₄, N₂O, HFC) emitted indirectly by the company.</p> <p>For information about the consolidation method, standards, methodologies and assumptions used to account for GHG emissions other than those described above, see the last paragraph of the description of disclosure 305-1 Direct (Scope 1) GHG emissions.</p>
305-3 Other indirect (Scope 3) GHG emissions 	<p>In 2023–2024, the SAQ further developed its GHG inventory to include other indirect (Scope 3) GHG emissions, and plans to make them public in 2024–2025.</p> <p>For information purposes, the categories and activities that will be considered in the calculation of other indirect GHG emissions correspond to the priority categories determined by CDP (formerly the Carbon Disclosure Project):</p> <ul style="list-style-type: none"> – Category 1: Purchased goods and services; – Category 4: Upstream transportation and distribution; – Category 8: Upstream leased assets; and – Category 9: Downstream transportation and distribution.
305-5 Reduction of GHG emissions 	<p>In 2023–2024, the SAQ instituted a decarbonization governance structure, with the goal of overseeing achievement of the zero-GHG emissions objective by 2040 and the implementation of reduction projects to ensure this. During the fiscal year, the SAQ launched various projects, including the addition of an electric vehicle to its fleet and the retrofitting of HVAC equipment in its buildings. At this stage in the projects' development, it has not been possible to record the emissions reductions associated with their implementation. The SAQ is developing the necessary metrics to monitor the GHG reductions in question.</p> <p>For information about the consolidation method, standards, methodologies and assumptions used to account for GHG emissions other than those described above, see the last paragraph of the description of disclosure 305-1 Direct (Scope 1) GHG emissions.</p>
305-6 Emissions of ozone-depleting substances (ODS) 	<p>The SAQ does not produce, import or export any ozone-depleting substances (ODS).</p>






GRI 306: Waste 2020	
<p>306-2 Management of significant waste-related impacts</p> 	<p>Responsibility for products marketed Because the SAQ markets some 195 million glass bottles and seeks to minimize its environmental footprint, it encourages its partners to think about eco-design, responsible containers and reducing overpackaging, and supports initiatives aimed at improving glass recovery and recycling. In addition, to encourage the recovery and transformation of the products it puts on the market, the company contributes to the funding of selective collection (curbside recycling) and to the expansion of the deposit system in collaboration with the Quebec Beverage Container Recovery Association, the management body designated by the government to implement this major social project.</p> <p>For more information about the SAQ's achievements, see p. 19 of the French-language version of our 2024 Annual Report.</p> <p>Waste management in operations With a view to improving its business practices to enable responsible production and consumption, the SAQ applies a number of residual-materials prevention and management initiatives. During fiscal 2023–2024, the company implemented a number of projects in line with a circular economy approach.</p> <p>For more information, see p. 19 of our 2024 Annual Report and our report on the Sustainability Action Plan 2023–2028, Action 6, p. 54.</p> <p>Management of the residual materials generated by the SAQ is exclusively handled by third parties. Where management is not handled by a municipal body (e.g., curbside recycling operated by a municipality) or by a property manager leasing a store, the company works with suppliers who comply with the regulations and laws in effect and hold the permits, certificates, licences and authorizations required to conduct their operations. Our contracts include an obligation to provide proof to that effect, and require our suppliers to prioritize waste reclamation and to limit disposal. Note that the amounts of residual materials generated (disclosure 306-3) that are sent for reclamation (disclosure 306-4) and elimination (disclosure 306-5) do not include residual materials generated by construction, renovation or demolition work in the SAQ's stores, administrative centres and distribution centres. Although the SAQ requires that contractors favour reclamation of residual materials in those cases, these amounts have not been accounted for because they are non-recurring projects.</p> <p>There are various processes in place at the SAQ to collect and monitor data on residual materials prevention and management. Private suppliers contracted to recover and manage residual materials at our distribution and administrative centres provide monthly reports with details of invoicing, the quantities of residual materials recovered and the reclamation method used. When this information is not available or when third parties are not under contract with the Company (e.g., pickup by a municipal body or contract under the responsibility of a property manager), we establish the quantities of residual materials using estimates based on assumptions as to the volume of operations.</p> <p>At set intervals, the SAQ also conducts characterization studies for the various buildings it owns, so as to better assess the performance of at-source sorting, refine its data, and better target measures to be implemented for residual material prevention and management. Taken together, this information is used to compile the quantities of residual materials generated, sent for recycling or reclamation and disposed of, and to better define strategies for waste prevention and management.</p>
<p>306-3 Waste generated</p> 	<p>Residual materials generated in 2023–2024: 13,033 metric tons</p> <ul style="list-style-type: none"> – Recyclable materials: 7,926 metric tons; – Dry materials: 82 metric tons; – Organic materials: 161 metric tons; – Ultimate waste: 4,864 metric tons; and – Hazardous materials: data not available. <p>For information about the processes for collection and monitoring of data on residual materials prevention and management, see the last paragraph of the description of disclosure 306-2 Management of significant waste-related impacts.</p>



306-4 Waste diverted from disposal 	<ul style="list-style-type: none"> – Hazardous materials sent for reclamation: data not available. – Non-hazardous materials sent for reclamation (recycling): 8,087 metric tons. <p>All residual materials recovered for reclamation are processed off-site by suppliers.</p> <p>For information about the processes for collection and monitoring of data on residual materials prevention and management, see the last paragraph of the description of disclosure 306-2 Management of significant waste-related impacts.</p>
306-5 Waste directed to disposal 	<ul style="list-style-type: none"> – Non-hazardous materials sent for elimination (landfill): 4,946 metric tons – Hazardous materials sent to elimination: no data available. <p>All residual materials recovered for elimination are processed off-site by suppliers.</p> <p>For information about the processes for collection and monitoring of data on residual materials prevention and management, see the last paragraph of the description of disclosure 306-2 Management of significant waste-related impacts.</p>
GRI 308: 308: Supplier Environmental Assessment 2016	
308-1 New suppliers that were screened using environmental criteria 	<p>Procurement of products</p> <p>The SAQ has instituted various directives that require its suppliers to bottle their products using lightweight glass, eliminate overpackaging and ensure compliance with the federal <i>Single-use Plastics Prohibition Regulations</i>. Likewise, the annual assortment plan in which the SAQ publishes its product needs states, among other things, its requirements with respect to lightweight glass, overpackaging, etc.</p> <p>For its selection of new alcohol products, the SAQ uses an evaluation matrix that includes environmental criteria. All bidders are asked to list the following:</p> <ul style="list-style-type: none"> – Weight of container; – Materials used; – Whether the product is bottled locally; – Organic certifications; and – Responsible practices certifications. <p>Bidders are therefore asked to declare their environmental practices when submitting an offer to the SAQ. When a product is selected, our laboratory performs chemical analyses and validates the documentary evidence of the certifications submitted with the offer. In 2023–2024, 30% of new products selected by our teams had recognized environmental certifications.</p> <p>Purchases of goods and services</p> <p>The Quebec government adopted the <i>Stratégie gouvernementale des marchés publics</i> (public procurement strategy, or SGMP) in 2022 and the <i>Stratégie gouvernementale de développement durable</i> (sustainable development strategy, SGDD) in 2023, confirming that it prioritizes responsible procurement. Pursuant to this, the SAQ began applying the government's responsible-procurement indicators to new contracts worth more than \$25,000 (excluding transportation contracts) so as to better monitor the progress of our responsible-procurement practices and assist the Quebec government in doing the same for all of public organizations.</p> <p>As a result, 100% of new contracts in excess of \$25,000 (except those for transportation) are considered with regard to the 10 environmental-dimension responsible-procurement indicators introduced by the Quebec government. In 2023–2024, 43% of new contracts awarded (92 out of a total of 214 contracts) met the conditions of at least one of the 10 environmental-dimension responsible procurement indicators.</p>



GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system 	<p>As a government corporation, the SAQ complies with all of the workplace health and safety laws and regulations applicable in Quebec, with respect to all of its staff. In addition, because the health and safety of its teams is a priority, it invests time and effort in prevention and in implementation of best practices. The company has created joint committees with the members of its unions, working tables for its Sales division and all areas of its supply chain, as well as governance and extensive reporting in this respect. Where required, employees have access to WHS procedures, personal protective equipment and training. Joint inspections, risk analyses and action plans for all areas are also implemented annually.</p> <p>In 2020–2021, Quebec’s occupational health and safety regime was modernized to encompass the concepts of psychosocial risks and protection against spousal and family violence. In 2023–2024, the SAQ initiated a process to identify psychosocial risks, with a view to highlighting the risk factors with a potential impact on the health of employees and preparing for the implementation of reduction and prevention strategies. To learn more, see the Workplace well-being section of the SAQ.COM website.</p>
403-6 Promotion of worker health 	<p>The SAQ provides all members of its personnel with various services and resources to promote their health and well-being. They include:</p> <ul style="list-style-type: none"> - An employee and family assistance program, offering free, confidential and round-the-clock access to professional resources in areas ranging from physical, social and financial wellness to healthy lifestyle habits; - A free, confidential and round-the-clock telemedicine service for employees eligible for a group insurance plan and members of their families; - A mutual care and support network; and - Other resources provided free of charge, which the company promotes via its internal communications channels and that cover subjects such as mental health, tobacco use, nutrition, physical activity, healthy lifestyle habits, etc. <p>In addition, 66% of staff members are eligible for a group insurance plan guaranteeing access to health services.</p> <p>The SAQ also has a workplace health and safety action plan, the status of which is monitored by a dedicated working committee. Employees also benefit from the work of a workplace harassment prevention committee.</p>
403-8 Workers covered by an occupational health and safety management system 	<p>The SAQ complies with all of the workplace health and safety laws and regulations applicable in Quebec, with respect to all of its staff (100%). Its 7,043 employees are covered by the occupational health and safety (OHS) system. Workers who are not employees but who work on our premises (e.g., consultants, contractual workers) must comply with our OHS rules, but coverage is provided by their employer in the event of an accident.</p> <p>The SAQ’s OHS system may be subjected to an internal audit if concerns are raised.</p> <p>Employees of companies providing services to the SAQ on its premises (e.g., store housekeeping, audio-visual services) but have no employment relationship with the SAQ are covered by the companies they work for.</p>



GRI 404: Training and Education 2016

404-1 Average hours of training per year per employee



In Quebec, the *Act to Promote Workforce Skills Development and Recognition* requires companies with a payroll of \$2 million or more to invest the equivalent of 1% or more of that payroll in training activities aimed at skills development for their personnel. The number of hours of training must be declared annually.

During the 2023 calendar year, the SAQ invested a total of \$5.6 M in training for its staff. The company provided an average of more than 12 hours of training per employee.

404-3 Percentage of employees receiving regular performance and career development reviews



Executives, senior managers, non-unionized staff and employees affiliated with the *Syndicat du personnel technique et professionnel de la SAQ* benefit from a performance management program. These 1,160 people had the opportunity to meet their manager at least twice during fiscal 2023–2024 to review their performance objectives and their contributions to the SAQ. These meetings allowed them to discuss their career opportunities and development within the organization with their managers.

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees



Executive Committee – 10 members

- 6 women (60%)
- 0 people aged under 30 (0%)
- 4 people aged 30 to 50 (40%)
- 6 people aged over 50 (60%)
- 1 person with a diversity background (10%)

Senior managers in the company – 588 employees

- 265 women (45%)
- 23 people aged under 30 (4%)
- 406 people aged 30 to 50 (69%)
- 159 people aged over 50 (27%)
- 56 people with a diversity background (10%)

Office professionals – 621 employees

- 347 women (56%)
- 37 people aged under 30 (6%)
- 355 people aged 30 to 50 (57%)
- 229 people aged over 50 (37%)
- 92 with a diversity background (15%)





Supply chain staff – 938 employees

- 52 women (6%)
- 136 people aged under 30 (15%)
- 545 people aged 30 to 50 (58%)
- 257 people aged over 50 (27%)
- 145 with a diversity background (15%)

Sales network staff – 4,886 employees

- 2,522 women (52%)
- 1,446 people aged under 30 (30%)
- 1,828 people aged 30 to 50 (37%)
- 1,612 people aged over 50 (33%)
- 454 people with a diversity background (9%)



GRI 408: Child Labour 2016 GRI 409: Forced or Compulsory Labour 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour 	<p>In 2023–2024, the SAQ’s product offering comprised nearly 40,000 beverage alcohol products from 79 countries, nearly half of which are countries considered to be at a higher risk for failing to respect human rights. There are six high-risk countries on which our attention is focused—Argentina, Chile, Jamaica, Mexico, Moldavia and South Africa—because they are among the countries from which we import the highest volumes of beverage alcohol products. We have no knowledge of any confirmed cases involving our partners based in these countries. We have, however, noted media reports of isolated cases of modern slavery in the Champagne region of France and in Brazil. We have not succeeded in identifying the companies involved in the confirmed cases in Champagne, but have taken action regarding those based in Brazil.</p> <p>For further information, see the <i>Report on the Fight Against Forced Labour and Child Labour</i>, available on SAQ.COM.</p>
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour 	
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria 	<p>Procurement of products</p> <p>The SAQ uses an evaluation matrix for its selection of new alcohol products, which for the moment does not contain any specific social assessment criteria. It does, however, take into consideration certain responsible practices certifications, which may include such criteria. Given that context, we cannot at present determine the proportion of new products assessed using social criteria.</p> <p>Purchases of goods and services</p> <p>The Quebec government adopted the <i>Stratégie gouvernementale des marchés publics</i> (public procurement strategy, or SGMP) in 2022 and the <i>Stratégie gouvernementale de développement durable</i> (sustainable development strategy, SGDD) in 2023, confirming that it prioritizes responsible procurement. Pursuant to this, the SAQ began applying the government’s responsible-procurement indicators to new contracts worth more than \$25,000 (excluding transportation contracts) so as to better monitor the progress of our responsible-procurement practices and assist the Quebec government in doing the same for all of public organizations.</p> <p>As a result, 100% of new contracts in excess of \$25,000 (except those for transportation) are considered with regard to the six social-dimension responsible procurement indicators. In 2023–2024, 9% of new contracts awarded (20 out of a total of 214 contracts) met the conditions of at least one of the six social-dimension responsible-procurement indicators.</p>
GRI 415: Public Policy 2016	
415-1 Political contributions 	<p>The SAQ does not make any political contributions. Its sole shareholder is the Ministre des Finances du Québec, to which all of its profits are remitted.</p>



GRI 418: Customer Privacy 2016

418-1
Substantiated
complaints concerning
breaches of customer
privacy and losses of
customer data



The SAQ has always been committed to managing personal information with the utmost respect for confidentiality and to complying with the rules established in the *Act Respecting Access to Documents Held By Public Bodies and the Protection of Personal Information*.

During fiscal 2023–2024, the SAQ did not report any incidents involving a risk of serious harm to the *Commission d'accès à l'information du Québec*, the organization that regulates privacy protection in Quebec.

Editor

Marie-Hélène Lagacé

Publication management**Drafting of the Review of Activities and Trends sections**

Geneviève Ferron

Drafting of the Finance section

Sabrina Cloutier

Carol-Anne Ethier-Danis

Virginie Geoffrion

Annie Goudreault

George Hajjar

Nathalie McDuff

François Renaud

Annie Perrier

Drafting of the Governance section

Daniel Collette

Drafting of the Fiscal 2023–2024 Report on the Sustainability**Action Plan 2023–2028**

Maxime Rivet

Drafting of the GRI Content Index

Geneviève Ferron

Maxime Rivet

Translation

Craig Schweickert

Concept and graphic design

CG3 inc.

Legal Deposit – Bibliothèque et Archives nationales du Québec, 2024

ISBN: 978-2-550-97527-4



HERE'S TO A HEALTHY PLANET

**from wine bottle
to park bench**

**every can
can**

Starting November 1,
every beverage can
will be refunded.

THE SAQ GIVES



**of bistro SAQ sales
back to the festivals**

**savour the
joy of
giving back**

[view the calendar](#)

**spending
quality time
together**



INSPIRATION

how to chill wine

CASHIER-SALES
ASSOCIATE



**find a job
to your taste**

join the team

we're all
SAQ



**ALCOHOL,
CHECK.**

ask
for an
e-receipt



look for these labels
to support local
and organic
businesses



choose products
that come in
lightweight glass
bottles



learn more about
our sustainable
development
efforts



[discover](#)

FROM APRIL 11 TO 17



**Together for
Food Banks of Quebec**



LOOK FOR THE IDENTIFICATIONS

[buy](#)

COCKTAILS

**low and
sans alcohol**

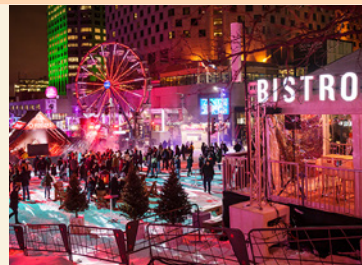
CHEERS TO THE PLANET!

**don't forget
to bring your
bag in-store**



HERE'S TO A HEALTHY PLANET

**How to recognize
a bottle made of
lightweight glass**



SAQ, PROUD PARTNER OF



**MONTREAL
EN LUMIERE**

Banque Scotia.

25th edition



SUSTAINABLE DEVELOPMENT

**offering
responsible choices**

