

# Sustainability Action Plan 2023–2028







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Communications and Sustainability
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Our employees on the cover page: **Maxime Rivet**, Sustainability Analyst, **Geneviève Cormier**, Communications Spokesperson and Media Relations Officer, **Christian Marier-Pilon**, Director, Social Responsibility, **Émilie Hébert**, Cashier-Salesclerk at the Sainte-Brigitte-de-Laval store

**MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

A company that is invested in the community, that is rethinking its operations to minimize its environmental footprint and that looks after its people is a company that inspires pride. At the Société des alcools du Québec, this is the company we are and intend to continue being because we care about having a positive impact all around us. Satisfying our customers and sustainably creating value for Quebec are part of our raison d'être. Accordingly, our Strategic Plan 2023-2026 positions us to be a leader in the global beverage alcohol industry by initiating change and influencing our partners in their ecological transition. It paves the way for our becoming an agent of change that supports the Quebec government's sustainability strategy, the Stratégie gouvernementale de développement durable 2023-2028, and the United Nations' 2030 Agenda for Sustainable Development.


While our objectives are ambitious, they remain achievable because they will be accomplished through small and big actions that mobilize all our stakeholders, beginning with our employees across the company. From our stores to our distribution and administrative centres, employees will be encouraged to put their shoulder to the wheel and contribute even more to the collective good.

Our Sustainability Action Plan 2023-2028 describes concrete actions to be taken to address the decade's hottest issues, including climate change, diversity and inclusion as well as occupational health and safety and selling beverage alcohol responsibly. It demonstrates our determination to continuously improve how we work and make informed, sustainable and responsible decisions in order to reduce our environmental footprint and foster Quebecers' well-being, specifically by reaching zero greenhouse gas emissions from all SAQ vehicles and buildings by 2040.

All of us are committed and proud to contribute to the SAQ of tomorrow!



**Jacques Farcy**  
President and Chief Executive Officer



Inspiring pride  
by having a  
positive impact  
all around us

## MESSAGE FROM THE VICE-PRESIDENT, COMMUNICATIONS AND SUSTAINABILITY

With climate change increasingly disrupting the global ecosystem and social inequality growing, companies need to demonstrate that they add value to society. They also need to become more involved in their community. At the Société des alcools du Québec, we believe we have a positive role to play for Quebec and for the beverage alcohol industry. Our Social Responsibility Action Plan 2023-2028 aims to meet Quebecers' ever-higher expectations of their government corporation. It reflects changes in customers' drinking habits and stimulates employees' ambition to work for a company that constantly endeavours to be more responsible and responsive to the major issues facing society.

As the head of sustainability at the Société des alcools du Québec, I see this action plan as an opportunity to build an SAQ that is strong, more open and more attuned to stakeholders' concerns. We will also build on the new plan's momentum to launch a broader environmental, social and governance disclosure process inspired by the best practices in the industry. This additional, entirely voluntary approach will give us a more complete understanding of our impact and lead to a structuring process for continuing to shape the SAQ of tomorrow.



**Marie-Hélène Lagacé**

Vice-President, Communications and Sustainability

Yet another step  
toward shaping  
the SAQ  
of tomorrow



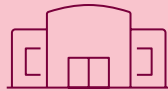
## Who we are



**\$1.426 billion**  
remitted to the  
Quebec government  
in the form of a  
dividend benefiting  
all Quebecers in  
fiscal 2022–2023



**7,223**  
employees, including  
**5,500**  
dedicated to customer service



**410** **428**  
stores and agency stores



More than  
**40,300**  
products brought to market  
in fiscal 2022–2023  
from  
**3,800** **77**  
suppliers and countries



**BAO**

More than  
**\$16 million**  
given to the Food Banks  
of Quebec network  
since 2009



**4.3**  
metric tons of produce  
from our fruit and vegetable  
garden donated to the  
Hochelaga–Maisonneuve  
community in 2022



Support for more than  
**230**  
festivals and events  
across Quebec



**83%**  
of wines retailing for  
less than \$25 now sold  
in lightweight glass bottles

**6,000**  
metric ton reduction in GHG  
in fiscal 2022–2023  
due to using lightweight glass



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

**49**  
LEED–certified  
stores

**2**  
BOMA BEST  
–certified  
distribution centres

At the Société des alcools du Québec, sustainability is everybody's business. While the main strategic orientations are approved by the Board of Directors and the guiding principles and objectives are set by senior management, we make sure all our employees are agents of change who, in their daily actions and creative thinking, help make the SAQ not only better but also better integrated into its community and ever more responsible.

To keep track of our major projects and give legitimacy to the many smaller initiatives, sustainability governance is integrated into every level of the company.

## Our sustainability governance

### Board of Directors

The Board's Governance, Ethics and Communications Committee (GECC) is responsible for stimulating the Management Committee's reflection on all subjects related to corporate social responsibility. It oversees initiative implementation and reviews the reporting produced by the company. The GECC recommends that the sustainability plans and reports be approved by the Board of Directors.

### Management Committee

The Management Committee approves the strategy and ensures the company-wide sustainability objectives are understood and integrated into the business objectives of the company's various divisions.

### Communications and Sustainability Division

The Communications and Sustainability Division develops the company's strategic sustainability orientations, communicates its vision, rallies employees around shared objectives and makes progress reports to the Management Committee and the GECC. It is the conductor of the strategy.

### Sustainability Department

The Sustainability team supports the company's various divisions in implementing ambitious sustainability initiatives. It stays up-to-date with the best practices in the industry and the latest studies and provides input to company teams on their continuous improvement process.

### In-house teams

Guided by the divisions responsible for implementing the Sustainability Action Plan, the in-house teams assigned to the initiatives ensure they are carried out in accordance with the established objectives and targets.

# Our guides

## Our mission

The mission of the Société des alcools du Québec (SAQ) 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 exploring, tasting and discovering. We like the stories behind the products and those that customers tell us. Our passion for people and what we do pushes us to improve and become the best we can be.

### Collaboration

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

### Responsibility

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

### Inclusion

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



## Background

For Quebecers, our employees, the government and our partners, the expectations around sustainability are high. With the fight against climate change on everybody's mind, our customers want to be guided toward more sustainable choices even as everyone expects companies to act responsibly and truly commit to being involved in their community and in the causes they support. Social mores are changing and employees are looking to contribute to the success of organizations aligned with their values. Combined with our desire to actively contribute to the ecological transition, this transformation of expectations and demands is influencing the ecosystem in which the Société des alcools du Québec does business.


It is with this goal of moving the SAQ toward a more sustainable business model that we have identified the main challenges and studied our business environment, the better to develop the strategies required to make the transition a success.





## Our main challenges

- Sell products aligned with our value of responsibility
- Minimize the impact of our activities on the environment
- Provide a safe, attractive and inclusive work environment and support the community
- Strengthen our management practices to cultivate a sustainable business model that creates value for Quebec



Keith-Shady Sterlin, Distribution Clerk,  
Centre de distribution de Montréal



## Sell products aligned with our value of responsibility

### Product production

It is often forgotten that the wine industry is, first and foremost, an agricultural one. As such, it is among the industries most vulnerable to climate change. In October 2022, the International Organization of Vine and Wine (OIV) affirmed that “Severe drought and extreme heat pose a new threat to wine production.”<sup>1</sup> The reduction or shifting of the product offer, especially of products prized by customers, such as the wines of Burgundy, Champagne and California, could constitute a significant risk for us. This is why the SAQ needs to prepare for and adapt to a new environment shaped by climate change.

In addition, product production accounts for 24% of the SAQ's GHG emissions.<sup>2</sup> These impacts are caused by, among other things, the use of farm inputs (fertilizers, pesticides, herbicides) and the fossil fuels consumed by our partners' operations. To reduce their impacts and better adapt to them, several industry organizations have turned to sustainable production practices often certified by third parties, including organic and biodynamic farming and other eco-responsible certification programs respectful of the environment and workers.

#### Our challenge

**Recognize and spotlight products made  
using sustainable practices**

### Local products

Buying local not only lets us shrink our environmental footprint, it lets us support local entrepreneurs and the Quebec economy. In recent years, the SAQ has favoured this approach by promoting local products, resulting in sales of locally crafted, developed or bottled beverage alcohol products totalling \$535 million.

A point of pride for the SAQ, Quebec products have been given their own space, dubbed Espace Québec, on SAQ.COM and in a growing number of SAQ stores across the province. And to help Quebecers easily identify local products, three identifiers—Origine Québec, Made in Québec and Bottled in Québec—have been created.

#### Our challenge

**Adopt more sustainable procurement practices  
by favouring buying local**

### Low-alcohol products

Quebecers are increasingly concerned about what they drink. They also want to make more informed choices when selecting products. With responsible drinking a growing trend, low-alcohol products are now popular and continue to attract customers' interest. In recent years, the SAQ has begun showcasing these products and, in fiscal 2022-2023, the company increased its offer of low-alcohol products by 15%. We intend to continue developing this category so we can offer customers a diverse range of products whose flavours they can enjoy while limiting their alcohol intake.

#### Our challenge

**Offer a broad range of products allowing customers  
to make informed choices**

1. OIV. 2022. [Severe drought and extreme heat pose a new threat to wine production](#).

2. SAQ greenhouse gas inventory 2019-2020 – carried out in collaboration with CCG Climat.



## Minimize the impact of our activities on the environment

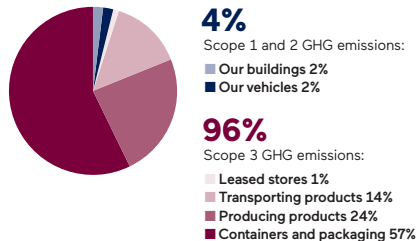
### The SAQ's greenhouse gas emissions

The Quebec government has adopted its plan for transitioning to a green economy by 2030, which is in addition to the objectives of the government's sustainable development strategy for 2023-2028.<sup>3</sup> The challenge of the fight against climate change is enormous and requires that everyone do their part. The SAQ intends to play a leading role in this collective effort. In fiscal 2021-2022, its vehicle fleet and the buildings it owns (scopes 1 and 2) were the source of more than 7,200 metric tons of emissions.

According to a GHG inventory carried out in 2019-2020, 96% of the SAQ's emissions are from sources over which it has some influence (scope 3).<sup>4</sup> These relate mainly to its supply chain, specifically the production of the containers, packaging and products it sells as well as shipping them overland or overseas.

#### Our carbon footprint at a glance

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



#### Our challenge

**Change our ways of doing business to reduce our GHG emissions and collaborate with our partners to accelerate the ecological transition**

### Design of our buildings and management of our construction sites

Reducing the our environmental impact also happens by eco-responsibly managing our construction sites. With 49 LEED-certified stores and two BOMA BEST-certified distribution centres, the SAQ is continuing to systematically include eco-responsible criteria in all its building plans.

That said, one of the current challenges is to reduce at source as a way of limiting the amount of construction, renovation and demolition waste generated annually in Quebec, only half of which ends up in a sorting centre.<sup>5</sup> The SAQ must continue its efforts in this area and improve segregation of these waste materials at source to avoid sending them to landfill. This is all the more true during the period covered by its Sustainability Action Plan 2023-2028, when the company will be building its Montreal automated distribution centre, one of the biggest construction projects in its history.

#### Our challenge

**Rethink how we manage our construction sites to minimize our residual materials and participate more in the circular economy**

3. Gouvernement du Québec, 2020. [Plan pour une économie verte 2030](#).  
 4. SAQ greenhouse gas inventory carried out in collaboration with CCG Climat.  
 5. RECYC-QUÉBEC. 2021. [Bilan 2021 de la gestion des matières résiduelles](#).



## Our residual materials

The waste sector is the Quebec's fifth largest greenhouse gas emitter and the government is aiming to significantly reduce land-filling in the province.<sup>6</sup> Sound residual materials management is thus essential to building a green and sustainable economy and achieving the objectives of the current Politique québécoise de gestion des matières résiduelles, the Quebec residual materials management policy.

Thousands of products from the four corners of the world enter and leave our warehouses and stores every day, generating large amounts of residual materials, including fiberboard, wood residues and plastic wrap. Determined to do our part to reduce the amount of waste sent to landfill, we have already launched several pilot projects to test best practices.

### Our challenge

**Rethink our activities to minimize the residual materials we generate and participate more in the circular economy**

## The impact of containers and the modernization of the deposit system

The environmental impact of the thousands of containers used by our industry is a constant concern for the SAQ—and that is even more true in the context of climate change. According to our 2019-2020 GHG emissions inventory, containers and packaging account for 57% of our total emissions.

To obtain an environmental portrait of the containers we put on the market, we commissioned the International Reference Center for the Life Cycle Analysis and Sustainable Transition (CIRAIG) to carry out a comparative life cycle analysis for wine containers and a complementary sensitivity analysis aimed at assessing the environmental impact of glass and plastic containers based on the percentage of recycled material they contain. Together, the results of these studies will enable us to better define our orientations and raise suppliers' awareness of eco-design for their containers.

This process is also one of the actions necessary to ensure attainment of the goals driving the expansion of Quebec's deposit and selective collection (curbside recycling) system, namely to recover more and recycle better and locally in accordance with circular economy principles. Since 2020, the SAQ has worked in close collaboration with the government and beverage industry partners to modernize the province's deposit system. We want to help put in place the most accessible and best-performing solution from an environmental and economic standpoint with the ultimate aim of improving glass recycling in Quebec.

### Our challenge

**Work with the industry to foster use of lower-impact containers that are recyclable in Quebec**

6. Gouvernement du Québec. 2021.  
*Inventaire québécois des émissions de gaz à effet de serre en 2019 et leur évolution depuis 1990.*



## Provide a safe, attractive and inclusive work environment and support the community

### The health, safety and well-being of our employees

The health and safety of our employees are among our constant concerns. Despite undertaking a major shift in this area in recent years, which has enabled us to cut time-loss injuries by 31%, efforts must continue to be made. The key success factor in ensuring health and safety in the workplace is that each employee needs to become a prevention ambassador. Reducing psychosocial risks at a time when workplaces are undergoing a rapid transformation in the wake of the COVID-19 pandemic remains another priority. Some 14% of Canadian workers point to the issue of mental health and wellness as the factor with the biggest negative impact on the effort they put into work.<sup>7</sup>

#### Our challenge

**Develop our corporate culture by continuing to place health, safety and well-being at the workplace among our top priorities**

### Equity, diversity and inclusion (EDI)

The SAQ recognizes the richness that diversity brings to the workplace and the company wants to be more representative of Quebec society. In fiscal 2021-2022, the SAQ had a self-declared diversity rate<sup>8</sup> of 7.5%, compared with 10% for all Quebec government corporations, according to a report issued by the Commission des droits de la personne et des droits de la jeunesse.<sup>9</sup> As a government corporation, the SAQ wants to offer a more inclusive, diversified and equitable workplace. It therefore intends to develop new initiatives aimed at guaranteeing employment equity, a focus we will maintain in the coming years in order to approach the diversity rate of Quebec's population. We note that companies that favour diversity, inclusion and equity also strive to create an internal culture based on a strong sense of belonging in which all employees feel valued.

Beyond embracing EDI for its employees, the SAQ wants customers from every background to feel at home in its universe. Whether it be how customers visiting stores are greeted, the selection of products offered for sale or the ways in which the company supports organizations and events that promote diversity, the SAQ is intent on sharing with all Quebecers.

#### Our challenge

**Foster equity and inclusion and increase representativeness and diversity at the SAQ, a true plus for Quebec society**

7. TELUS Health, 2022. Mental Health Index Report by LifeWorksMC, September, Canada.

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

9. CDRJQ, June 2020. Rapport triennal 2016-2019 – Act respecting equal access to employment in public bodies.

### Labour and job fulfillment

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

This is why providing an engaging workplace in which employees can flourish and grow is a constant concern of the SAQ, especially as 23.6% of its current workforce will be eligible for retirement by 2025-2026. The COVID-19 pandemic has also transformed workplaces. Jobs that do not offer the option of working from home are likely to be less popular.

#### Our challenge

**Attract new employees and encourage retention by providing a stimulating and rewarding work environment**

### Food assistance

According to Food Banks of Quebec's Bilan-Faim 2022, 671,000 persons a month turned to food banks for sustenance in 2022, a 33% increase from 2019.<sup>10</sup> Because the SAQ thinks that drinking well comes after getting enough to eat and because sharing means giving back to those in need, it has made food assistance its corporate cause. Since 2009, we have given more than \$16 million to the Food Banks of Quebec network. Through an innovative partnership with the Cuisine collective Hochelaga-Maisonneuve, we have also created on our head office campus an urban farm with a surface area one and a half times that of a professional hockey rink and a greenhouse where fruits and vegetables are grown 10 months a year. The harvested produce is distributed to the borough's needy residents. We also donate the surpluses from our cafeterias to food assistance organizations through La Tablée des Chefs.

#### Our challenge

**Increase our support for food assistance**

10. Food Banks of Quebec. 2022. [Bilan-faim\\_2022\\_F.pdf](#).





## Strengthen our management practices to cultivate a sustainable business model that creates value for Quebec

### Responsible sales

Beverage alcohol is a product unlike any other. That is why, more than a 100 years ago, the Quebec government entrusted its sale to a public corporation. According to Statistics Canada data, the equivalent of 8.4 litres of absolute alcohol per inhabitant 15 years of age and over<sup>11</sup> was purchased in 2021, a level that has remained relatively stable since fiscal 2013-2014.

Through its sales ethic, the SAQ helps control beverage alcohol sales in Quebec. In fiscal 2022-2023, no less than 90.9% of the underage mystery customers involved in 740 store visits were prevented from buying alcohol in the SAQ network. This role of responsible sales is also apparent in our efforts to maintain a balance between our commercial mission and our duty not to encourage drinking. We address this challenge through a calculated media presence and customer communications focused on personalization and product knowledge.

#### Our challenge

**Achieve the highest standards in responsible sales**

### Our procurement of goods and services

The SAQ's responsible procurement processes are a major area in which the company's divisions can reduce their environmental footprint. That is especially the case for low-emission vehicles, supplies for outfitting stores and other facilities and information technology. Buying locally also plays an important role in our efforts to minimize our environmental impact and make an active contribution to Quebec's economic health. Currently, the SAQ buys some \$250 million worth of Quebec goods and services a year.

#### Our challenge

**Increase the percentage of eco-responsible acquisitions while favouring local buying**

### Our donations and sponsorships

Through its Donation and Sponsorship Policy, the SAQ contributes to the economic and cultural vibrancy of Quebec's regions by investing more than \$5 million annually in some 230 organizations and events. This special involvement with parts of the community allows us to be an important lever for supporting the transition to a green and responsible economy by incorporating eco-conditions and eco-responsible criteria when selecting events to sponsor.

#### Our challenge

**Play an even bigger role in fostering social well-being by helping the events and organizations we sponsor to be part of the ecological transition**

11. According to the Statistics Canada questionnaire method: "Per capita sales by value and volume are based on the population of inhabitants of 15 years of age and over. This is in accordance with the practice of Health Canada in presenting trends that are more realistic in the consumption of alcoholic beverages. This allows comparability with other countries, the Organization of Economic Co-operation and Development and the World Health Organization as they also present alcohol per capita data using the population of inhabitants of 15 years of age and over."

## Our priorities

**Offer**  
responsible  
products

**Reduce**  
our environmental  
footprint

**Support**  
our community

**Do things**  
better

# Offer responsible products

Our customers tell us—and their in-store purchases confirm it—that sustainability has become an important selection criterion for a growing number of people. A government corporation, the SAQ is a major player in the worldwide wine and spirits industry. We do business with some 3,800 suppliers in 77 countries. Producers around the globe are interested in being present in our market and are ready to make the efforts required to join it. We have an enviable buying power, which gives us influence worldwide, a power we intend to use to encourage the ecological transition. In the coming years, we want to continue leveraging our leadership and ability to rally our Quebec, Canadian and international partners around shared goals aimed at minimizing our collective environmental footprint, playing an active role in the fight against climate change and satisfying our customers, who are increasingly interested in buying responsible products.

Action	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	2026-2027 target	2027-2028 target
1. <b>Expand the offer of products packaged in eco-responsible containers<sup>12</sup></b>	Percentage of continuous replenishment products packaged in eco-responsible containers <sup>13</sup>	47%	49%	51%	51%	52%
2. <b>Expand the offer of eco-responsible-certified products<sup>14</sup></b>	Annual increase in the number of eco-responsible-certified products offered	5%	5%	5%	5%	5%
3. <b>Spotlight eco-responsible and local products in our sales network</b>	Annual growth in sales of eco-responsible-certified products	2%	2%	2%	2%	2%
	Annual growth in Quebec product sales <sup>15</sup>	4.2%	2%	3.2%	2%	2%
4. <b>Showcase low-alcohol products</b>	Annual growth in sales of low-alcohol products	10%	10%	8%	5%	5%

12. **Eco-responsible container:** 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.
13. **Continuous replenishment products:** These products form approximately 20% of the product offer (around 3,000 products) but 80% of the volumes sold at the SAQ.
14. **Eco-responsible-certified product:** 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. In fiscal 2022-2023, the SAQ's offer of organic and biodynamic products totalled 3,112 products.
15. **Quebec products:** Products that qualify for one of three identifiers: Origine Québec, Made in Québec and Bottled in Québec.

Samuel Dubois, Cashier-Salesclerk, Papineau / Crémazie store, and  
Yousra Mahmoudi, Manager, Mont-Royal Est / Mentana store



## Offer responsible products

### 1.

#### Expand the offer of products packaged in eco-responsible containers



Based on the results of a life cycle analysis of containers and on eco-design principles, among other things, we are maintaining our efforts to reduce the environmental impact of the containers we sell.

We will continue exerting a positive influence on the industry with the aim of leading our suppliers to optimize their packaging and migrating them toward lighter-weight containers that incorporate more recycled content and have no overpackaging. We will also encourage the use of containers that have a smaller carbon footprint than traditional glass and are recyclable in Quebec.

### 2.

#### Expand the offer of eco-responsible-certified products



Because sustainable production practices help reduce climate change, we have been making certified organic and biodynamic products available to our customers for several years now.

Producers from around the globe have to adapt to this new reality, change how they work and shrink the footprint of their production. That is why we recognize their efforts by establishing clear criteria for their environmental and sustainability certifications, ensuring that the product is made using sustainable production practices respectful of the environment and workers.

In the coming years, customers keen on these products will be able to find an expanded selection in our sales networks.

### 3.

#### Spotlight eco-responsible and local products in our sales networks



Our customers expect to be guided toward responsible choices and informed about the impact of the products they buy. To help them recognize eco-responsible products and make more informed choices, we will better identify and communicate the products' environmental and sustainability certifications and more prominently feature them in our sales networks and on our digital platforms.

Though local products are already clearly identified in our networks, we are working closely with local producers to spotlight Quebec products more than ever in stores and online. We are also collaborating with suppliers to expand our offer of locally bottled products.

### 4.

#### Showcase low-alcohol products



While place of origin, grape variety, sugar content and eco-responsible production methods are important selection criteria for our customers, alcohol content has also become a criterion considered when buying. In response to customers' growing interest in responsible drinking, we are continuing to showcase low-alcohol products and expand the offer.

# Reduce our environmental footprint

At the SAQ, 96% of our carbon footprint is related to our supply chain (production of the containers, packaging and products sold and their overland and overseas transport). Every day, we work actively with our suppliers to minimize these emissions by advocating for better practices and more sustainable ways of working. To ensure our advocacy is viewed as legitimate, we also need to do everything possible to reduce our own direct emissions. That is why we have committed to reaching our zero GHG emissions objective by 2040.

Action	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	2026-2027 target	2027-2028 target
<b>5. Reach our objective of zero carbon emissions by 2040<sup>16</sup></b>	GHG reduction rate compared with fiscal 2021-2022	- 3%	- 7%	- 18%	TBD in fiscal 2024-2025	TBD in fiscal 2024-2025
<b>6. Improve our performance in managing our residual materials</b>	Increase in the average diversion rate of residual materials from our distribution centres for recycling and conversion purposes <sup>17</sup>	-	-	3%	-	2%
	Number of stores certified annually by the ICI on recycle+ program <sup>18</sup>	-	9	20	30	30
<b>7. Increase eco-responsible management of our construction and renovation sites</b>	Annual diversion rate of construction, renovation and demolition waste for recycling purposes	50%	52%	54%	57%	60%

16. **Zero-emission objective:** 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.

17. **Average diversion rate of residual materials for recycling and conversion purpose:** rate obtained from the residual materials characterization carried out over two target years for the purpose of calculating the increase in the average diversion rate.

18. **Certified stores:** fiscal 2023-2024 will see the in-store residual materials management procedure updated in order to better structure qualification for the certification in the store network.

## Reduce our environmental footprint

### 5.

#### Reach our objective of zero carbon emissions by 2040



To reach this objective, we will work to decarbonize the buildings we own by relying on renewable energy. We will also stay informed about technological innovations to gradually convert our vehicle fleet to clean technologies.

### 6.

#### Improve our performance in managing our residual materials



To improve residual materials management in our distribution centres, which have already been awarded *ICI on recycle+* status, we will continue taking advantage of opportunities for reduction at source and reuse. Based on two analyses of our residual materials in the next five years, we will establish priorities for increasing the residual materials diversion rate for recycling and conversion purposes.

We will also qualify part of our store network for *ICI on recycle+* attestation. In this way, we hope to improve our residual materials management by mobilizing our employees and implementing the best reduction, reuse and sorting practices and thereby support the circular economy.

### 7.

#### Increase eco-responsible management of our construction and renovation sites



In the coming years, we will work to update our store network in addition to building our automated distribution centre in Montreal. This will be an opportunity for us to improve our sustainable management practices by further integrating circular economy principles into our planning. In addition to our eco-responsible criteria, we will rely on, among other things, reduction at source and better sorting of our construction, renovation and demolition waste to increase its recyclability.



# Support our community

Our community is our employees, who are the foundation of our success. It is also our partners, who make it possible for us to grow, and citizens—our neighbours—who welcome us into their neighbourhoods and whom we wholeheartedly support. It is the festival-goers, who we join in celebrations at events across Quebec, and our customers, who we guide toward new discoveries and inspire every day.

To continue being a strong and inspiring company rooted in the here and now, we remain attentive to our community. We support our employees and value their role so they can give the very best of themselves. We aim to provide a stimulating, diversified, healthy and safe work environment in which they can achieve their full potential. We build relationships of trust with our partners and continue supporting the community through our corporate cause, food assistance, and the monthly dividend we pay to the Quebec government. And every day, because beverage alcohol is a product unlike any other, we strive to sell it responsibly and without encouraging drinking.

Action	Indicator	2023–2024 target	2024–2025 target	2025–2026 target	2026–2027 target	2027–2028 target
<b>8. Provide healthy and safe work environments</b>	Rate of accident events with time loss injuries <sup>19</sup>	5.5	5.2	4.9	4.9	4.9
<b>9. Provide a workplace conducive to diversity and inclusion</b>	Representation rate of employees from diverse backgrounds	8%	9%	10%	10%	11%
<b>10. Increase employees' feeling of engagement and pride</b>	Employee pride index <sup>20</sup>	7.2	7.3	7.4	7.4	7.4
<b>11. Continue supporting food assistance</b>	Annual funding remitted to organizations working in the food assistance field	\$2.5 million	\$2.5 million	\$2.5 million	\$2.5 million	\$2.5 million

19. **Rate of accident events:** calculation based on 200,000 hours.

20. **Pride index:** overall average rating on a scale of 10.

## Support our community

### 8.

#### Provide healthy and safe work environments



In the years to come, we will evolve our corporate culture by continuing to place the health, safety and well-being of our employees at the centre of our priorities. Involving our managers and mobilizing all our employees in identifying risks and implementing best practices will allow us to reach this objective. While our biggest desire in occupational health and safety is to achieve zero-accident status and maintain the health of all our colleagues, we are also aware that reaching such a goal takes time. Building on our accomplishments in this area in recent years, we have adopted a set of ambitious but realistic objectives. Prevention and risk reduction at source are the fundamentals of this ongoing process. We will also act on the day-to-day accountability, management and leadership of our teams. We will continuously work to improve our practices, work environments and work tools and will put in place a processes for identifying, analyzing and preventing psychosocial risks.

### 9.

#### Provide a workplace conducive to diversity and inclusion



To have the best team in place to lead the SAQ to where it hopes to be in five years, we will implement new employee attraction and integration strategies that ensure equity, eliminate discriminatory bias and enable us to appeal to and recruit candidates more representative of the rich diversity of Quebec's population. We will continue to fashion an ever-more welcoming and respectful corporate culture that recognizes the contribution of all employees and increases their sense of belonging.

### 10.

#### Increase employees' feeling of engagement and pride



Engaged employees who are proud of the company they work for support the aims of their organization and feel recognized for their contribution. At the SAQ, all our employees are important and we want them to be able to achieve their full potential. We intend to equip them with effective tools that allow them to provide added value. We also plan to invest more in training and talent development so employees can grow within the company. We will adopt new communications approaches to boost dialogue and remain attentive to employees' needs. To maintain our ability to attract and retain employees, we will adapt the working conditions we offer. Lastly, we will be better about communicating our social responsibility accomplishments because we firmly believe that our efforts are important vectors of engagement and pride. In this way, we hope all our employees will be enabled to help build the SAQ of tomorrow.

### 11.

#### Continue supporting food assistance



The SAQ has embraced the food assistance cause since 2009. Because it is relevant to our employees as well as our customers, this cause lets us all rally around a shared objective: eliminating hunger in Quebec. Knowing this to be the case, we will continue our in-store fund-raising campaigns for Food Banks of Quebec, whose leading donor of funds we are, and reiterate our support for La Tablée des Chefs and the Cuisine collective Hochelaga-Maisonneuve, among other organizations.

# Do things better

The Société des alcools du Québec (SAQ) was founded more than a century ago on the principle of social responsibility: to sell beverage alcohol responsibly. Over the decades, our ways of doing business may have evolved but not our DNA. Every day, we work to do more for our host communities. We like to think that by continuously improving our processes, working hand in hand with our partners and remaining true to the values we espouse, we make a difference in people's lives.

Action	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	2026-2027 target	2027-2028 target
<b>12. Sell beverage alcohol responsibly</b>	Refusal rate of attempted purchases by underage mystery customers	95%	95%	95%	95%	95%
<b>13. Redouble the integration of sustainability principles into the core of our business model</b>	Percentage of structuring initiatives that have undergone a sustainability assessment <sup>21</sup>	50%	58%	65%	73%	80%
<b>14. Increase our responsible acquisition of goods and services</b>	Percentage of acquisitions that incorporate responsible content <sup>22</sup>	20%	25%	35%	45%	50%
<b>15. Increase the percentage of sustainable partnerships<sup>23</sup></b>	Sustainable sponsorships as a percentage of total sponsorships	50%	55%	60%	70%	75%

21. **Structuring initiatives:** sustainability assessments will be used to analyze the structuring projects submitted to our project management office and at the various steps of the strategic planning process.
22. **Responsible content:** based on the 21 responsible acquisition indicators proposed by the MELCCFP. The results will be calculated using acquisitions costing \$25,000 and over, which corresponded to 208 procurement packages in fiscal 2022-2023.
23. **Sustainable sponsorship:** sponsorship granted to a recipient organization that meets all the eco-conditions of the SAQ Donations and Sponsorship Policy. We note that new eco-conditions are added annually. Because post-event reports will be used to check whether the eco-conditions have been properly implemented, only event and social sponsorships of more than \$20,000 in products will be considered when calculating target attainment. This corresponds to approximately 60 sponsorships.



## Do things better

### 12.

#### Sell beverage alcohol responsibly



Our top social commitment—the one behind the creation of the Société des alcools du Québec—is to sell beverage alcohol responsibly. Beverage alcohol products are unlike any other, which is why it is our duty to reach the highest ethical standards for sales across our network, whether in stores or online. In the coming five years, we will renew our commitment to this promise.

### 13.

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



Because analyzing the risks and potentials of our sustainability activities is essential to our ecological transition, we will continue to use the sustainability evaluation method advocated by Quebec's Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) as part of our structuring projects, including our strategic planning process. This will enable us to make sustainability an even bigger part of our core strategies.

### 14.

#### Increase our responsible acquisition of goods and services



To improve and better structure our procurement process, we will take into account the 21 eco-responsible acquisition indicators for all public administration bodies and contribute to the government's Quebec-first procurement strategy, the *Priorité à l'achat québécois : l'État donne l'exemple*. Needs assessment based on sustainability and on prioritizing reduction at source and reuse will therefore be part of the new best practices we adopt.

### 15.

#### Increase the percentage of sustainable sponsorships



In addition to maintaining our contribution to the economic and social vibrancy of Quebec's regions through our donations and sponsorship program, we want to promote eco-responsible practices and support our partners in this transition. When granting sponsorships, we will continue to increasingly favour organizations that implement certain eco-responsible principles. While compliance with eco-conditions will be a requirement for obtaining financial support in 2024, recommendations will also be made for raising overall awareness.

Summary table

Contribution to the <u>Stratégie gouvernementale de développement durable (SGDD) 2023-2028</u>			Baseline (2022-2023)	2023-2024 target	2024-2025 target	2025-2026 target	2026-2027 target	2027-2028 target
Action	Indicator							
Offer responsible products								
Subobjective 1.1.2	Expand the offer of products packaged in eco-responsible containers <sup>24</sup>	Percentage of continuous replacement products packaged in eco-responsible containers <sup>25</sup>	46%	47%	49%	51%	51%	52%
Subobjective 1.3.1	Expand the offer of eco-responsible-certified products <sup>26</sup>	Annual increase in the number of eco-responsible-certified products offered	20.3%	5%	5%	5%	5%	5%
Subobjective 1.3.2	Spotlight eco-responsible and local products in our sales network	Annual growth in sales of eco-responsible-certified products	12.8%	2%	2%	2%	2%	2%
		Annual growth in Quebec product sales <sup>27</sup>	4%	4.2%	2%	3.2%	2.5%	2.5%
N/A	Showcase low-alcohol products	Annual growth in sales of low-alcohol products	\$8.5 million	10%	10%	8%	5%	5%
Reduce our environmental footprint								
Subobjective 5.6.1	Reach our objective of zero carbon emissions by 2040 <sup>28</sup>	GHG reduction rate compared with fiscal 2021-2022	7,223 metric tons of CO <sub>2</sub> equivalent (2021-2022)	– 3%	– 7%	– 18%	TBD in fiscal 2024-2025	TBD in fiscal 2024-2025
Subobjective 5.8.1								
Subobjective 5.7.1	Improve our performance in managing our residual materials	Increase in the average diversion rate of residual materials from our distribution centres for recycling and conversion purposes <sup>29</sup>	68%	–	–	3%	–	2%
		Number of stores certified annually by the <i>ICI on recycle+</i> program <sup>30</sup>	New initiative	–	9	20	30	30
Subobjective 5.6.2	Increase eco-responsible management of our construction and renovation sites	Annual diversion rate of construction, renovation and demolition waste for recycling purposes	33.2%	50%	52%	54%	57%	60%
Support our community								
N/A	Provide healthy and safe work environments	Rate of accident events with time loss injuries per 200,000 hours worked	5.8	5.5	5.2	4.9	4.9	4.9
N/A	Provide a workplace conducive to diversity and inclusion	Representation rate of employees from diverse backgrounds	7.5%	8%	9%	10%	10%	11%
N/A	Increase employees' feeling of engagement and pride	Employee pride index: overall average rating on a scale of 10	7.2	7.2	7.3	7.4	7.4	7.4
N/A	Continue supporting food assistance	Annual funding remitted to organizations working in the food assistance field	\$2.4 million	\$2.5 million	\$2.5 million	\$2.5 million	\$2.5 million	\$2.5 million
Do things better								
N/A	Sell beverage alcohol responsibly	Refusal rate of attempted purchases by underage mystery customers	87%	95%	95%	95%	95%	95%
Subobjective 5.1.1	Redouble the integration of sustainability principles into the core of our business model	Percentage of structuring initiatives that have undergone a sustainability assessment <sup>31</sup>	33%	50%	58%	65%	73%	80%
Subobjective 5.4.1	Increase our responsible acquisition of goods and services	Percentage of acquisitions that incorporate responsible content <sup>32</sup>	New measurement	20%	25%	35%	45%	50%
Subobjective 5.3.4	Increase the percentage of sustainable partnerships <sup>33</sup>	Sustainable sponsorships as a percentage of total partnerships	New initiative	50%	55%	60%	70%	75%

24. **Eco-responsible container:** 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,

25. **Continuous replenishment products:** These products form approximately 20% of the product offer (around 3,000 products) but 80% of the volumes sold at the SAQ.

26. **Eco-responsible-certified product:** 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. In fiscal 2022-2023, the SAQ's offer of organic and biodynamic products totalled 3,112 products.

27. **Quebec products:** Products that qualify for one of three identifiers: Origine Québec, Made in Québec and Bottled in Québec.

28. **Zero-emission objective:** 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.

29. **Average diversion rate of residual materials for recycling and conversion purpose:** rate obtained from the residual materials characterization carried out over two target years for the purpose of calculating the increase in the average diversion rate.

30. **Certified stores:** fiscal 2023-2024 will see the in-store residual materials management procedure updated in order to better structure qualification for the certification in the store network.

31. **Structuring initiatives:** sustainability assessments will be used to analyze the structuring projects submitted to our project management office and at the various steps of the strategic planning process.

32. **Responsible content:** based on the 21 responsible acquisition indicators proposed by the MELCCFP. The results will be calculated using acquisitions costing \$25,000 and over, which corresponded to 208 procurement packages in fiscal 2022-2023.

33. **Sustainable sponsorship:** sponsorship granted to a recipient organization that meets all the eco-conditions of the SAQ Donations and Sponsorship Policy. We note that new eco-conditions are added annually. Because post-event reports will be used to check whether the eco-conditions have been properly implemented, only event and social sponsorships of more than \$20,000 in products will be considered when calculating target attainment. This corresponds to approximately 60 sponsorships.

