

# Enriching the Lives OF MANITOBANS

## 2020/21 CORPORATE RESPONSIBILITY PERFORMANCE MEASURES

Our strong commitment to corporate responsibility drives everything we do – from how we run our business to how we serve our customers and communities. In alignment with Global Reporting Initiative (GRI) standards, this report provides our economic, social and environmental measures for the fiscal year ending March 31, 2021.



Operating Responsibly



Making Significant Economic Contributions



Strengthening Local Communities



Focusing on Customer Well-being



Being Good Business Partners



Reducing Our Environmental Footprint



Being a Great Place to Work

## MATERIAL TOPICS

GRI Standard	Disclosure	Liquor & Lotteries Response
<b>GRI 200: ECONOMIC STANDARD SERIES</b>		
GRI 201 Economic Performance	201-1	<p>Direct economic value generated and distributed</p> <p><b>\$1,210.7 million - Revenue</b>  <b>\$65.2 million - Operating costs</b>  <b>\$132.8 million - Employee wages and benefits (paid to over 3,000 employees)</b>  <b>\$425.1 million - Allocation to the Province of Manitoba</b></p> <p>For provincial programs and initiatives related to health care, education, social services, housing and infrastructure:  <a href="#">Manitoba Liquor &amp; Lotteries 2020/21 Annual Report</a></p>

## GRI 200: ECONOMIC STANDARD SERIES (CONTINUED)

Making significant economic contributions	<p>Total revenue of \$1,210.7 million was down 17.0% from 2019/20, due to the following:</p> <ul style="list-style-type: none"> <li>• Cannabis revenues increased by \$28.7 million (55.7%)</li> <li>• Casino revenues decreased by \$195.2 million (-85.3%)</li> <li>• Video Lotto revenues decreased by \$216.9 million (-61.2%)</li> <li>• Liquor operations revenues increased by \$85.6 million (10.7%)</li> <li>• Online gaming revenues increased by \$51.0 million (238.3%)</li> </ul> <p>Allocation to the Province of Manitoba: \$425.1 million, down 29.9% from 2019/20.</p>
Public opinion	66% of Manitobans are aware of and value Liquor & Lotteries' contributions to the Province of Manitoba.
Manitoba hotel & restaurant industry	\$71.9 million - VLT commissions and contributions; hotel beer vendor margins and handling fees
First Nations VLT siteholders	\$23.2 million - VLT commissions and contributions
Lottery retailers	\$16.0 million - Agreements with lottery retailers
Private liquor retailers	\$22.5 million - Agreements with private liquor retailers and specialty wine stores

## GRI 200: ECONOMIC STANDARD SERIES (CONTINUED)

GRI 203 Indirect Economic Impacts	203-2	Significant indirect economic impacts	<p>Community Programs \$1.5 million of which:</p> <ul style="list-style-type: none"> <li>\$979.6 thousand - Community sponsorships</li> <li>\$524.0 thousand - Other community funding</li> </ul> <p>350 - Community, non-profit and charitable organizations supported 34 - Organizations received used asset donations</p> <p>\$77.6 thousand - Donations by employees through annual charitable campaign 47 - Employee volunteers 77 - Volunteers, including employees, alumni and their family and friends 4,133 - Volunteer hours, including employees, alumni and their family and friends</p> <p>\$12.9 million - Funding support for social responsibility programs and addiction services: Funds support responsible gambling and responsible alcohol and cannabis consumption programs, including research and treatment.</p>
		Public opinion	55% of Manitobans are aware of and value Liquor & Lotteries' contributions to communities.
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	<p>The Manitoba provincial government has made procurement commitments under several trade agreements.</p> <p>These agreements ensure interprovincial access to opportunities for suppliers. As a Crown corporation, Liquor &amp; Lotteries complies with the agreements and does not apply local supplier preferences in procurements.</p> <p>For business reasons, casino restaurants, a significant component of casino hospitality services, support a number of customer trends including offering local food. To ensure customer satisfaction, contracted food suppliers source at least 25% of food products (based on total food spend) as local, using the "Buy Manitoba" definition of local as the criteria.</p> <p>The casino restaurants were closed for most of the 2020 calendar year due to COVID-19 restrictions. Between January and March 2020, the casino restaurants purchased approximately \$842,000 worth of food, of which 32% was locally sourced.</p>

## GRI 300 ENVIRONMENTAL STANDARDS SERIES

GRI Standard	Disclosure	Energy consumption within the organization	Liquor & Lotteries Response
GRI 302 Energy	302-1	Energy consumption within the organization	<p>Total consumption for 2020 calendar year:</p> <p>Building-related consumption:            Natural gas: 51,619 GJ            Propane: 293 GJ            Electricity: 133,668 GJ            Diesel for generators: 215 GJ (5,564 L)            Maintenance equipment gas: 104 GJ (3,010 L)            Maintenance equipment diesel: 159 GJ (4,104 L)</p> <p>Total for buildings: 186,058 GJ</p> <p>Fleet vehicle fuel consumption:            Gasoline: 6,051 GJ (174,589 L)            Diesel: 201 GJ (5,196 L)            Ethanol: 383 GJ (16,218 L)            Biodiesel: 4 GJ (106 L)</p> <p>Total for fleet: 6,639 GJ            Total (building + fleet): 192,697 GJ</p> <ul style="list-style-type: none"> <li>• Diesel for back-up generators and maintenance equipment fuel data is obtained from fuel consumption invoices.</li> <li>• Fleet fuel consumption data is collected through GEOTAB, a fleet telematics system.</li> <li>• Building-related heating and cooling data is generated through ENERGY STAR® Portfolio Manager.</li> <li>• Gasoline, diesel and ethanol related fuel consumption is converted to GJ using the Government of Canada, National Energy Board online Energy Conversion Tables.</li> </ul> <p>Note: 302-1 does not include fuel consumption associated with liquor distribution from the Distribution Centre to Liquor Marts. Contracted services emissions data related to this service is included in the greenhouse gas inventory 305-3 (Scope 3).</p> <p>In 2020, Liquor &amp; Lotteries maintained operational control of 63 buildings - (2 casinos, 54 Liquor Marts, 4 warehouses and 3 corporate locations). The total floor area associated with the building portfolio was 108,953 m<sup>2</sup>.</p> <p>Corporate fleet in 2020 was comprised of 78 vehicles. The fleet is made up of light-duty vehicles used for ticket distribution and for video lotto terminal maintenance, and a few heavy-duty service trucks associated with our warehouses.</p>

## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

302-4 Reduction in energy consumption

Liquor & Lotteries measures reductions in energy consumption using intensity-based targets for building-related heating, cooling and operations, and absolute targets for fleet fuel consumption.

## Buildings:

Energy intensity targets benchmarked using ENERGY STAR® Portfolio Manager (all figures in GJ/m<sup>2</sup> (weather-normalized)). Building-related energy consumption includes electricity, natural gas and propane usage.

\*Calendar year 2012 was selected as the base year due to completeness of data for all buildings.

		2012* (base year) GJ/m <sup>2</sup>	2020 GJ/m <sup>2</sup>
Casinos	1425 Regent Avenue West, Winnipeg	7.00	5.12
	484 McPhillips Street, Winnipeg	6.99	5.00
Corporate office with warehouses	1555 Buffalo Place, Winnipeg	1.49	1.42
	1390 Pacific Avenue, Winnipeg	1.94	1.74
	2 Wagon Trail, Morris	1.41	1.40
Corporate offices	830 Empress Street, Winnipeg	4.24	3.41
	842 Milt Stegall Drive, Winnipeg	2.43	1.80
	223 Main Street, Morris	3.52	2.15
Liquor Marts - Average		2.10 (44 LMs)	2.09 (52 LMs)

Liquor & Lotteries continues to improve the efficiency of buildings through renovations, preventive maintenance, equipment upgrades and optimization (e.g. adding sensors/controls) and energy-use monitoring. Conservation and efficiency initiatives are budgeted and implemented by Property Services and recorded by Sustainable Development.

## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

## Fleet Vehicles:

Fleet vehicle fuel consumption derived from GEOTAB, a fleet telematics system.

All figures presented in litres.

\*Calendar year 2015 was selected as the base year. Installation of telematics in fleet vehicles in 2015 allowed accurate tracking and monitoring of consumption.

	2015 (base year) Litres*	2020 Litres
Gasoline	333,106	174,518
Diesel	10,194	5,196
Ethanol	30,944	16,218
Biodiesel	204	106
TOTAL	374,448	196,038

Reductions in fuel consumption were largely attributed to COVID-19 related closures in our business. In addition, ongoing efforts to encourage fleet vehicle operators to reduce idling time and speed have contributed to this reduction.

302-5 Reductions in energy requirements of products and services

Liquor & Lotteries ensures the objectives outlined in the Manitoba Green Building Policy are met. Checklists, templates and forms aligned with the Green Building Policy are used for all capital projects. In accordance with the Policy, the Thompson Liquor Mart, constructed in 2019, meets LEED Silver standards and the certification process is expected to be finalized by the end of 2021.

## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

GRI 305  
Emissions

305-1

Direct (Scope 1) GHG  
emissions

Scope 1 emissions are calculated on an annual basis (calendar year).

The selected approach for consolidating GHG emissions by Liquor & Lotteries is operational control. Gases included in the CO<sub>2</sub> equivalent (CO<sub>2</sub>e) are CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub> and HFCs.

\* The base year for emissions is 2012. Base year 2012 was selected to reflect completeness of data.

Scope 1 - Direct emissions	Metric tons CO <sub>2</sub> e 2012 base year*	Metric tons CO <sub>2</sub> e 2020
Stationary combustion - Natural gas	3,144.8	2,548.5
Stationary combustion - Propane	14.1	17.9
Stationary combustion - Diesel for back-up generators	31.0	21.4
Stationary combustion - Maintenance fuel	26.4	26.4
Mobile combustion - Fleet	1,201.4	614.0
Fugitive emissions - Refrigerants	36.2	63.0
<b>TOTAL SCOPE 1</b>	<b>4,453.9</b>	<b>3,291.2</b>

- Methodologies – Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition.
- Emission factors for natural gas and propane sourced from ENERGY STAR® Portfolio Manager/ Natural Resources Canada.
- Fleet fuel calculations are based on the GLEC Framework for Logistics Emissions. Emission factors for fleet and maintenance fuel usage were obtained using the 2019 GREET model, selecting fuel sourced from Alberta oil sands.
- Global Warming Potentials for refrigerants are obtained from the Greenhouse Gas Protocol GWP Values sheet – AR5 column and manufacturer spec sheets.

## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

305-2 Energy indirect (Scope 2) emissions

Scope 2 emissions are calculated on an annual basis (calendar year).

The selected approach for consolidating GHG emissions by Liquor & Lotteries is operational control. Gases included in the CO<sub>2</sub> equivalent (CO<sub>2</sub>e) are CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>.

\* The base year for emissions is 2012. Base year 2012 was selected to reflect completeness of data.

	Metric tons CO <sub>2</sub> e 2012 base year*	Metric tons CO <sub>2</sub> e 2020
Scope 2 - Indirect emission		
Electricity use	105.0	16.3
<b>TOTAL SCOPE 2</b>	<b>105.0</b>	<b>16.3</b>

- Methodologies – Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition.
- Base year recalculation was conducted for Scope 2 in 2019 due to the recommendation from the Provincial Low Carbon Government Office to no longer use ENERGY STAR® Portfolio Manager's emission factors and instead use Manitoba Hydro's yearly published emission factor. Manitoba Hydro's emission factor does not account for transmission and distribution losses.
  - > The reductions in emissions associated with electricity consumption are due to modifications in Manitoba Hydro's generation of electricity not due to a reduction in consumption at Liquor & Lotteries (e.g., closure of coal fired power plants in 2015/16).



## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

305-3 Other indirect (Scope 3) GHG emissions

Scope 3 emissions are calculated on an annual basis (calendar year). The selected approach for consolidating GHG emissions by Liquor & Lotteries is operational control.

Through operational control, Liquor & Lotteries has an opportunity to manage or influence the GHG emissions associated with the selected Scope 3 Categories noted below.

\* The base year for emissions is 2012. Base year 2012 was selected to reflect completeness of data.

	Metric tons CO <sub>2</sub> e 2012 base year*	Metric tons CO <sub>2</sub> e 2019
Scope 3 - Upstream and downstream emissions		
Cat. 1 - Purchasing goods and services		
Paper products	5,274.1	4,388.4
Animal-based proteins	1,630.4	446.4
Cat. 4 - Upstream transportation and distribution		
Distribution to Liquor Marts	365.0	534.1
Distribution to commercial customers	163.9	340.3
Distribution to lottery retailers and account customers	13.8	11.7
Cat. 5 - Waste generated in operations (landfilled waste from buildings)	1,781.0	105.5
Cat. 6 - Business travel (employee vehicle and air travel)	292.1	70.9
Cat. 9 - Liquor Mart Home Delivery (estimated)	Not applicable	64.0
Cat. 12 - End-of-life treatment of sold products (paper products landfilled)	91.0	68.4
<b>TOTAL SCOPE 3</b>	<b>9,611.2</b>	<b>6,029.7</b>

**GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)**

---

## Notes for 305-3

- Methodologies and guidance for calculating Scope 3 emissions are based on World Resource Institute Technical Guidance for Scope 3 emissions.

## Emission Factors

- The Environmental Paper Network's (EPN) paper calculator was used to calculate emissions associated with purchasing paper products.
- Emissions associated with the purchase of animal-based proteins were calculated using the CleanMetrics Food Carbon Emissions Calculator.
- Solid waste emissions were calculated using the EPA WARM model v15, May 2019 (solid waste emissions not available using Environment Canada's GHG Emissions Calculator).
- Brady Road Landfill upgraded to include a methane collection system for flaring in 2014. Therefore, Landfill Gas Recovery with Flare is selected through the model for current inventory year.
- Air travel emissions calculated using the ICAO calculator include assumed stopovers for that flight (when direct flights are not available). Emissions calculated are based on one passenger. Assume all flights are round trip.
- Employee vehicle travel fuel consumption was divided based on Statistics Canada's 2009 Canadian Vehicle survey.
- The DHL International's carbon calculator which is in part based on the GLEC Framework was used to estimate Category 4 emissions.

Note: All liquor distribution trucks are assumed to use diesel fuel only and therefore will use the CO<sub>2</sub>e Well-to-Wheel emission factor for diesel/biodiesel.

A base year recalculation was conducted in 2019 to reflect the inclusion of additional material emission including the purchase of animal-based proteins for casino restaurants (Cat.1) and with the distribution of Liquor & Lotteries products to all channels (Cat. 4).

## GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

305-4 Emissions intensity 2020 8.43 g CO<sub>2</sub>e/\$

Liquor & Lotteries g CO<sub>2</sub>e/\$ Revenue Calculation

Total greenhouse gas emissions and revenue calculated on a calendar year basis.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total greenhouse gas emissions (Scope 1 + Scope 2 + Scope 3) (g)	14,170,134,728	14,636,417,847	14,076,622,299	15,722,419,467	14,293,322,393	13,998,248,641	14,578,019,952	13,431,015,444	9,337,111,502
Revenue adjusted for inflation (Base year 2012 = 100%)	1,227,546,000	1,204,050,881	1,216,783,862	1,248,822,412	1,261,166,823	1,306,611,624	1,280,034,173	1,265,645,558	\$1,107,432,196
g CO <sub>2</sub> e/\$	11.54	12.16	11.57	12.59	11.33	10.71	11.39	10.61	8.43

All items were adjusted for inflation using Statistics Canada, Consumer Price Index, by province base year 2012.

305-5 Reduction of GHG emissions

In comparison to the 2012 base year, 2020 GHG emissions for Scope 1, 2 and 3 have decreased as follows:

Scope 1 - decrease 1,163 metric tons CO<sub>2</sub>e

Scope 2 - decrease 89 metric tons CO<sub>2</sub>e

Scope 3 - decrease 3,582 metric tons CO<sub>2</sub>e

Changes are due to refinement in inventory calculation methodology (resulting in base year recalculations); short-term reductions in current year emissions due to COVID-19 closures; and operational changes such as paper consumption reduction and building retrofits.

Environmental Scorecard - Water (m<sup>3</sup>)

Year 2012 - 85,058 m<sup>3</sup>

Year 2020 - 34,310 m<sup>3</sup>

= 60% reduction\*

\*Reduction is mainly attributed to building closures.

## GRI 306 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

GRI 306 Effluents and Waste	306-2	Waste by type and disposal method		2020 calendar year
			Liquor & Lotteries has a number of waste minimization and collection programs at the casinos, Liquor Marts, corporate offices and warehouse locations. This includes mixed recycling programs in the office areas and specific collection programs to manage the materials generated through liquor distribution, sales and casino operations. The tables below provide the weight of non-construction material of significance generated from liquor and gaming operations diverted for recycling and the total non-construction mixed materials sent to the landfill. Additional information is provided regarding efforts to recycle construction-related materials.	
			Liquor Distribution Centre unsellable liquor recycling program	
			Unsellable liquor	125,068 litres*
			Glass	19.7 metric tons
			Aluminum cans	1,884 kg
			*10,005 litres of ethanol was produced.	
			*All ethanol production effluent is processed through a waste water treatment system.	
				2020 calendar year annual weight (metric tons)
			Single stream collection programs	
			Cardboard (restaurant supplies and liquor distribution/sales)	639.0
			Electronics	24.5
			Lightbulbs	0.9
			Scrap metals	18.2
			Shrink wrap	17.0
			Composting program	
			Organics collection for casino restaurants and corporate offices	42
			Landfill	
			Non-diverted	210
			Construction material	
			Concrete	124.9
			Steel	139.6
			Carpet	13.6
			Fixtures	3.0
			Landfill (non-diverted)	7.9
			<ul style="list-style-type: none"> <li>• No other disposal methods such as reuse, energy recovery, deep well injection or incineration are applicable to operational functions.</li> <li>• Lightbulb weights were estimated using the Table of Volume to Weight Conversion of Recyclable Materials, California Integrated Waste Management Board, 2007.</li> <li>• Liquor &amp; Lotteries also has established collection and recycling programs to capture natural corks from sold liquor products, depleted batteries, spent cooking oil, pens and cigarette butts. No weight metrics are available for these programs. An asset and item disposal program is used to manage surplus and end-of-life items such as furniture.</li> </ul>	

### GRI 300 ENVIRONMENTAL STANDARDS SERIES (CONTINUED)

GRI 307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	There were no fines or sanctions for non-compliance with environmental laws and/or regulations during the 2020/21 fiscal year.
--	-------	--	--

### GRI 400 SOCIAL STANDARDS SERIES

GRI 403 Occupational Health and Safety	403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Liquor &amp; Lotteries has eight joint Workplace Safety and Health (WSH) Committees with representation from the applicable bargaining units.</p> <p>The committees aid Liquor &amp; Lotteries in the prevention and reduction of injuries to employees and customers. They assist in identifying hazards, recommend and monitor safety and health programming initiatives and conduct inspections and investigations into incidents within our properties as required. They meet quarterly to discuss progress made on these initiatives. As such, members have a heightened awareness of safety, health and site-specific presences.</p> <p>An employee co-chair is selected by the employee members on the committee, and management representation is assigned by the site locations for proactive participation in safety and health matters.</p> <p>Additionally, Liquor Mart's workplace safety and health representatives conduct these duties within their respective stores.</p> <p>In 2020/21, COVID-19 pandemic restrictions prevented some committees from meeting regularly due to temporary closures. Efforts were shifted to pandemic planning and implementation of control measures to assist in managing COVID-19 exposures and to allow the business operations that remained open to continue to operate safely and effectively during the pandemic.</p>
GRI 404 Training and Education	404-1	Average hours of training per year per employee	<p>Total hours of training for 2020/21: 19,744 hours</p> <p>Breakdown by employee category: Corporate/Operations Management: 6,825 hours Frontline Employees: 12,919 hours</p>
	404-2	Programs for upgrading employee skills and transition assistance programs	Liquor & Lotteries provides training and development opportunities to support employees in their current positions and prepare them for career advancement. This includes courses on: leadership and coaching; effective communication; process improvement; computer and occupation-specific skills; working remotely; as well as health, safety, and wellness. Through the educational assistance program, qualifying employees also receive financial support to complete developmental courses at accredited educational institutions.

## GRI 400 SOCIAL STANDARDS SERIES (CONTINUED)

	404-3	Percentage of employees receiving regular performance and career development reviews	Percentage of total employees who received an Annual Performance Summary (APS) during the 2020/21 fiscal period: 87%			
			Breakdown by employee category: Corporate/Operations Management - 92% Frontline Employees - 83%			
GRI 405 Diversity and Equal Opportunity	405-1	Diversity	Total employees (full-time, part-time, casual): 3,044			
			Gender	Female	Male	
			1,570	1,474		
			51.6%	48.4%		
			Age	<30	30-50	>50
				602	1,442	1,000
				19.8%	47.3%	32.9%
			Employment Equity Categories	Visible minority	Indigenous	Persons with disabilities
				1,009	306	166
				33.1%	10.0%	5.5%
	405-2	Ratio of basic salary and remuneration of women to men	The ratio of basic salary remuneration of women to men is the same. All positions are placed into pay bands based on roles and responsibilities.			
GRI 413 Local Communities	413-2	Operations with significant actual and potential negative impacts on local communities	Liquor & Lotteries' products may impact customers and communities which is why the Corporation has a range of initiatives to prevent and/or mitigate potential negative impacts. Initiatives like consumer awareness (DrinkSense & GameSense), funding addictions treatment and support programs, community sponsorships and volunteerism which contribute to enriching the lives of Manitobans, and environmental initiatives to reduce waste, water and energy impacts all contribute to customer and community well-being.			

## GRI 400 SOCIAL STANDARDS SERIES (CONTINUED)

GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<p>Gaming Integrity</p> <p>Electronic Gaming:</p> <p>The Liquor, Gaming and Cannabis Authority of Manitoba (LGCA) requires all electronic gaming devices to be tested and certified by an independent laboratory and to meet LGCA technical standards.</p> <p>Liquor &amp; Lotteries must verify all critical files as indicated in the independent laboratory certification prior to being offered for play. Successful test results must be provided to LGCA within 5 business days of the testing.</p> <p>100% of casino and VLT games are independently certified. 100% of casino and VLT games are approved by LGCA.</p> <p>Lottery:</p> <p>Western Canada Lottery Corporation (WCLC) develops, tests, and audits (internal and external) lottery games (Draw-Based, Scratch 'n Win, and Sports products) to ensure the technical/game integrity for all products.</p> <p>PlayNow.com:</p> <p>All games managed by PlayNow.com meet LGCA requirements as well as British Columbia Gaming Policy Enforcement Branch (GPEB) requirements. These games are certified by an independent laboratory and meet strict technical standards.</p> <p>Liquor Quality</p> <p>The Canadian Food Inspection Agency (CFIA) legislation requires producers to be responsible for the safety of all consumables, compliant with labeling guidelines and the effective recall of non-compliant items.</p> <ul style="list-style-type: none"> <li>• Tamper-proof seals are used during transport and Liquor &amp; Lotteries is notified when there is an issue.</li> <li>• There is an inspection of product from affected loads to ensure product has not been tampered with or damaged.</li> <li>• The carrier is responsible for the investigation.</li> </ul> <p>The purchase order terms and conditions outline several points related to safety of products:</p> <ul style="list-style-type: none"> <li>• Labeling should be CFIA compliant.</li> <li>• Product must be compliant with Health Canada and the Food and Drugs Act and Regulations.</li> <li>• The producer/supplier warrants and certifies that the beverage alcohol does not contain any contaminants, chemical or otherwise, or foreign materials which render the product unacceptable by Canadian standards.</li> </ul> <p>Liquor &amp; Lotteries has a comprehensive Quality Control program in place.</p> <ul style="list-style-type: none"> <li>• When quality concerns arise, Liquor &amp; Lotteries will work with the supplier and local agent to take corrective action.</li> <li>• When safety concerns arise, Liquor &amp; Lotteries will work with Health Canada, the supplier, and local agent to take corrective action.</li> </ul> <p>Liquor &amp; Lotteries</p> <ul style="list-style-type: none"> <li>• has access to third party product testing on an ad hoc basis</li> <li>• performs visual inspections at receipt for nonconformities</li> <li>• participates in industry training and conferences related to quality assurance and quality control</li> </ul>
--	-------	--	--

## GRI 400 SOCIAL STANDARDS SERIES (CONTINUED)

## Cannabis Quality

Industry must follow:

- Licensing to cultivate, sell and research cannabis from Health Canada.
- Mandatory third-party product testing for the presence of pesticide active ingredients in all cannabis products before products can be sold.
- Packaging and labelling requirements for cannabis products designed to:
  - protect against accidental consumption
  - ensure products are not appealing to children and youth
  - provide consumers with information they need to make informed decisions before using cannabis
  - ensure products are produced and purchased from an authorized source
  - ensure products have not been opened or tampered with, by intact excise stamps.
- Cannabis Tracking and Licensing System enabling the tracking of sale and movement of all cannabis products, with the goal of preventing illicit cannabis from diverting into or out of the legal supply chain.

Liquor & Lotteries has implemented the following measures to ensure product quality:

- Licensed cannabis retailers must adhere to a Retailer Agreement and Retailer Directives in which retailers must develop and implement programs ensuring front-line employees meet customer expectations relating to service and product knowledge as well as responsible use of cannabis.
- Licensed suppliers must adhere to purchase order terms and conditions in which suppliers must comply with the Cannabis Act ensuring product meets: testing, packaging, and labelling requirements.
- Processes are in place to ensure all federal cannabis tracking and reporting meet the requirements.

Liquor & Lotteries reports on behalf of Manitoba retailers ensuring retailers are compliant with the requirements established by Health Canada and Statistics Canada.

## Customer behaviors

53% of Manitoba gamblers can identify (unaided) at least one valid strategy for gambling responsibly.

61% of Manitoba alcohol consumers can identify (unaided) at least one strategy they use to reduce alcohol-related risks.



## GRI 400 SOCIAL STANDARDS SERIES (CONTINUED)

Identification checks and intoxication (casinos and Liquor Marts)	<p>Casinos 19,202 casino ID checks 556 instances refused entrance due to improper or no identification 49 instances refused entrance due to showing signs of intoxication Note: Casinos were closed during most of fiscal 2020/21 due to the COVID-19 pandemic restrictions.</p> <p>Liquor Marts 8,256,106 Liquor Mart ID checks 39,432 instances refused service due to improper or no identification 15,643 instances refused service due to showing signs of intoxication</p>
Lottery retailer mystery shop results	<p>Due to COVID-19 related restrictions, lottery retailer mystery shops were only conducted in September and October of 2020.</p> <p>Validation Compliance: 45% (276 mystery shops) A passing score is achieved when the lottery retailer 1) looks for a signature on the ticket, 2) issues the correct prize amount, 3) rips and returns the ticket to the customer, 4) provides a validation slip to the customer.</p> <p>ID Checks: 28% (64 mystery shops) A passing score is achieved when the lottery retailer requests to see ID from customers that appear under the age of 25.</p>
GameSense info centre visitation	<ul style="list-style-type: none"> <li>• 123 information visits</li> <li>• 229 basic interactions</li> <li>• 52 support option interactions</li> <li>• 189 staff visits</li> <li>• 0 special event attendees</li> </ul>
GameSense and DrinkSense awareness	<p>In 2020, 41% of Manitoba gamblers are aware of the GameSense brand (aided). In 2020, 61% of Manitoba consumers of alcohol are aware of the DrinkSense brand (aided).</p>
Customer satisfaction	<p>93% of Liquor Mart customers were satisfied with their overall experience.</p> <p>The Casino Customer Satisfaction Study was not conducted in 2020/21 due to COVID-19 casino closures. It will be reinstated in 2021/22.</p> <p>The VLT Tracking Study was not conducted in 2020/21 due to COVID-19 VLT lounge closures. It will be reinstated in 2021/22.</p>

GRI Standard	Disclosure	Liquor & Lotteries Response	
<b>GRI 400 SOCIAL STANDARDS SERIES (CONTINUED)</b>			
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	All Liquor & Lotteries casinos, Gaming Centre and retail operations have GameSense and DrinkSense information. All product advertising and information includes a social responsibility message ( <b>18+</b> ENJOY RESPONSIBLY ) as required by The Liquor, Gaming and Cannabis Authority of Manitoba (LGCA).
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero complaints concerning breaches of customer privacy. Zero identified leaks, thefts, or losses of customer data.
GRI 419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	There were no known significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area during the 2020/21 year.