Saskatchewan Liquor and Gaming Authority

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Beverage Alcohol Quality Assurance Policy

Effective September 24, 2018

1.0 Purpose

The Saskatchewan Liquor and Gaming Authority (SLGA) Beverage Alcohol Quality Assurance Policy (QA Policy) seeks to to provide assurance to the general public that beverage alcohol products made available in Saskatchewan are authentic, compliant with applicable regulations and generally safe for consumption.

2.0 Persons Affected

The QA Policy affects agents/suppliers distributing beverage alcohol products through the SLGA Distribution Centre (DC), Retail Store Permittees, Commercial Permittees, and consumers or organizations purchasing Special Order beverage alcohol products for resale or personal consumption.

3.0 Policy

3.1. Core and Conditional Listed Products

All Core and Conditional products distributed through the SLGA DC must have a valid Certificate of Analysis (CoA). The CoA must be from a laboratory acceptable to SLGA.

Products selected for new listings will not be ordered by SLGA Purchasing until agents/suppliers provide a valid CoA; and in the prolonged absence of a CoA, SLGA reserves the right to deny the product listing.

Core and Conditional Listings already in the DC must have a valid CoA submitted to SLGA by November 31st, 2018; in the prolonged absence of a CoA, SLGA reserves the right to delist such products.

CoAs must be updated every 24 months, at a minimum. SLGA will remind agents/suppliers three months prior to the expiry of the CoA on file, but agents/suppliers are responsible for ensuring SLGA has a valid CoA for all listed products.

CoAs should be emailed to listings@slga.gov.sk.ca.

3.2. Acceptable Certificates of Analysis/Laboratories

A CoA from one of the following sources is acceptable:

- Canadian Vintners Alliance (VQA)**;
- Liquor Control Board of Ontario (LCBO);
- Société des alcools du Québec (SAQ);
- Independent laboratories* acceptable to SLGA.

*Independent laboratories are required to have a quality management system accredited to the ISO/IEC 17025 standard, and must be accredited in the analysis of alcoholic beverages and must conduct testing in compliance with the parameters established by LCBO's Quality Assurance Departments (reference LCBO Guidelines for Chemical Analysis).
**VQA certificates will be accepted only for VQA-certified products. Non-VQA products must be tested at a lab accredited to ISO/IEC 17025 standards.

All CoAs must be presented in English.

3.3. Special Order Products

Special Order product(s) are exempt from the QA Policy and do not require a CoA.

3.3.1. For Personal Use

Consumers and clubs ordering Special Order products for personal consumption will be advised that Special Order products are not part of SLGA's core listed products, and may not have been tested and may not meet QA standards; consumers and club members are required to acknowledge in writing the potential risk associated with Special Order products. In submitting such orders, consumers and clubs acknowledge the following:

1. The potenetial risk that product may not be fit for consumption; and
2. May not meet federal and provincial statutory and regulatory requirements.

For consumers or clubs refusing to acknowledge and accept such risks, SLGA may, at its discretion, refuse to order and/or import such product on behalf of consumers and clubs.

3.3.2. For RSPs and Commercial Permittees

Retail Store Permittees (RSPs) and Commercial Permittees (CPs) ordering Special Order products for commercial use are required to acknowledge and accept responsibility that Special Order products may not have been tested and may not meet QA standards. In submitting such orders, RSPs and CPs acknowledge the following:

1. The potential risk that product may not be fit for consumption;
2. May not be of merchantable quality; and,
3. May not meet federal and provincial statutory and regulatory requirements.

By submitting Special Order requests, RSPs and CPs assume responsibility for the quality and safety of the product and indemnify SLGA from and against, losses, damages, liabilities, actions, claims, costs, charges and expenses incurred by SLGA in respect of any threatened or commenced action or proceeding made by a party who purchased a Special Order product from a permittee.

In the event an RSP or CP refuses to acknowledge and accept the risk, SLGA may, at its discretion, refuse to order and/or import product on behalf of the RSP or CP.

3.4. Holiday/Seasonal Gift Packs or Product Allocations

Gift Packs and Allocation products are exempt from the QA policy and do not require a CoA.

Agents/suppliers of Holiday Gift Packs or Allocation products assume full responsibility for the safety of these beverage alcohol products, and for ensuring products meets applicable regulatory requirements, including packaging/labelling requirements. Agents/suppliers are required to indemnify SLGA against all losses, damages, liabilities, actions, claims, costs, charges and expenses arising from the product's lack of fitness for purpose, lack of merchantable quality, and/or lack of compliance with federal and provincial statutory and regulatory requirements.

3.5. Cost of Testing/CoA

The cost for testing of the beverage alcohol and/or obtaining a CoA is the responsibility of the agent/supplier.

4.0 Additional Testing

SLGA reserves the right, in its sole discretion, to test samples of beverage alcohol product at any time. The cost of SLGA-initiated testing and all related shipping fees will be charged directly to the agent/supplier.

5.0 Quality or Packaging Concerns

In the event of an 'unacceptable' testing result, beverage alcohol products in the SLGA DC and RSP locations may be disposed or shipped back to the agent/supplier, at the agent/supplier's expense.

In the event that chemical, quality or packaging issues arise with products distributed through the SLGA DC, including from a consumer complaint, SLGA will launch a full investigation of the product. Products that do not comply with testing requirements, organoleptic assessment, or packaging and labeling requirement will be treated in a manner appropriate to the type of defect or non-compliance, at SLGA's sole discretion.

One or more of the following actions may occur:

- Available stock at the DC is placed on hold and unavailable for ordering;
- Notice issued to RSPs and Commercial Permittees advising that stock be withdrawn from sale to the general public;
- Public recall;
- Corrective action to be taken by the agent/supplier to correct the deficiency.

Suppliers determined to be responsible for a defect or non-compliance will be responsible for all costs to correct a deficiency, or remove or dispose of impacted beverage alcohol product. These costs may include one or more of the following:

- A rebate to SLGA to reduce the SLGA wholesale price of the product;
- Correcting packaging or labeling deficiencies;
- Product returns from the DC to the supplier;
- Destruction of the product at the DC.

6.0 Product Recall

SLGA has two types of product recalls processes: Class 1 and Class 2. SLGA works with the National Quality Assurance Committee (NQAC) and the National Canadian Food Inspection Agency (CFIA) to determine the seriousness of an issue and the appropriate level of recall.

6.1. Class 1 Recall

A Class 1 recall involves a public notice to inform customers of a potentially serious quality or safety issue with one of its products. These types of recalls are very rare and occur on average about once every two years. Examples of Class 1 recalls include the presence of glass particles or a chemical contaminant that exceeds Canadian limits. All the other Canadian liquor jurisdictions are informed of all Class 1 recalls. In cases where the issue is started in another province, a member of the NQAC will notify the membership, to alert them of the situation. The Product Manager (Saskatchewan member of NQAC) will disseminate the information and enact the recall process.

6.1.1. Class 1 Recall Process

- The agent/supplier notifies SLGA that potentially serious quality or safety issue has occurred with one of their products. Agent/supplier provides product information, including affected lot numbers/batch codes.
- SLGA Product Manager notifies the DC to check inventory, isolate and put on hold any inventory that is affected, to prevent shipping it to RSPs.
- SLGA Product Manager notifies Customer Relations, who notifies all RSPs about the recall, asking them to check and isolate their inventory and to respond back with their quantities. RSPs are asked to notify their Commercial Permittees as well.
- The supplier and CFIA, advise NQAC and SLGA on the next recommended communication. Depending on the number of units shipped/sold and the severity of the quality issue will determine if a Class 1 recall is initiated.
- After the confirmation of inventory in Saskatchewan, and the determination of a Class 1 recall, SLGA Product Manager will work with Customer Relations on internal messaging and Communications Branch on external messaging. At that point, either the supplier or SLGA will initiate a public recall message. A standard message for inquiries will be communicated within the Supply Chain and Category Management

Division. This will include the direction for customers and Commercial Permittees to return the product to the RSP the product was purchased from. The RSP will determine the affected product and hold returned product until claims process and disposition plan are communicated.

- SLGA Product Manager will work with the supplier to determine the best disposition plan, through RSPs and SLGA's DC. Once a disposition plan has been determined, this will be communicated through Customer Relations to all affected RSPs.
- The supplier and CFIA complete follow-ups with SLGA Product Manager, to obtain copies of communications and possible random location checks to safeguard in the future.

6.2. Class 2 Recall

A Class 2 recall involves product that does not pose a health risk, but is discontinued from sale due to quality reasons. Examples of Class 2 recalls include the presence of natural sediment or a product that is stale-dated.

6.2.1. Class 2 Recall Process

- The supplier (manufacturer, representative or agent) notifies SLGA of a non-serious quality control issue. They provide product information, including affected lot numbers/batch codes. In cases where the issue is noticed in an RSP by staff or a customer, they notify their Customer Relations representative who will then notify the SLGA Product Manager. In this case, SLGA Product Manager verifies with the DC that product is indeed affected. If available, the DC will provide the location of all affected product, and notify the supplier to confirm affected product, and receive lot numbers/batch codes.
- SLGA Product Manager notifies the DC to isolate and put on hold any inventory that is affected, so as to not continue shipping it to RSPs.
- SLGA Product Manager also notifies Customer Relations, who notify all RSPs about the recall, asking them to check and isolate their inventory and to respond back with their quantities. RSPs are asked to notify their Commercial Permittees as well.
- After the confirmation of inventory in Saskatchewan, and the determination of a Class 2 recall, SLGA Product Manager will work with Customer Relations on internal messaging and Communications Branch on external messaging, if necessary. A standard message for inquiries will be communicated within the Supply Chain and Category Management Division; this will include the direction to return the product to the RSP it was purchased from. The RSP will determine the affected product and hold returned product for shipment and disposal.
- SLGA Product Manager will work with the supplier to determine the best disposition plan, through RSPs and SLGA's DC.

6.3. Claims

- Customer Relations will send out communication of affected product to all RSPs, detailing dates to return product and submit claims by. Customer Relations amalgamates claims and submits to Finance to charge-back the supplier and credit appropriate RSPs.

6.4. Sample Recall Notification

To All RSPs,

An issue has been identified with Item *(insert item number and product description here)*. Please remove from your shelves as soon as possible and await further instruction. Please communicate with any Commercial Permittees you deal with to ensure they are aware of the recall and are removing the affected product as well.

There has been an issue with *(state issue here and special handling instructions if required)*. SLGA is awaiting further instructions from the supplier regarding the status of the product.

For items with the lot code *(enter lot code here)* please complete a claim and submit to claims@slga.gov.sk.ca for a credit. A claim form is attached for your convenience. All customer returns, including Commercial Permittees, should be honoured and a claim made for any returns with this lot code. Please attach a picture to your claim with the lot code easily viewable and **await disposition instructions.** The product lot code can be found *(insert where here)* on the *(front/back side)* of the bottle.

If you have any questions, please contact your Account Manager or Account Representative, or email your questions to skretailers@slga.gov.sk.ca.

Thanks,

SLGA Customer Relations

7.0 Policy Review

The SLGA QA Policy review will be conducted annually to ensure the effectiveness of the policy; necessary improvements will be incorporated into the updated version. The review will consider the result of internal audits, performance audits, feedback from suppliers or appointed agents, and SLGA clients. Required changes to the policy and resulting control mechanism will be implemented at the start of each fiscal year.

8.0 Contacts

Questions concerning the QA Policy should be directed to:

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9.0 Revision History

Date	Revisions Made
September 24, 2018	Posted
November 18, 2018	Edited: 3.2 Acceptable Certificates of Analysis/Laboratories Edited: font to improve spacing Added: Appendix A - FAQs

Appendix A – FAQs

1. What other labs are ISO-accredited?

   ANSWER: At the time of launching the policy, we were not aware of additional accredited labs. However, as agents/suppliers confirm or share accredited labs with SLGA, we will update the list here.

2. What specific testing is required?

   ANSWER: SLGA is following LCBO's lead and requires a chemical analysis that aligns with LCBO testing. If required, additional details can be found on the LCBO certificate of analysis webpage.

   Upon application for a listing, the product is also required to pass organoleptic assessment and package reviews (aligning to Canadian packaging and labeling standards). Those reviews will also be done on-demand by SLGA as required.

3. Do I need a CoA for every product and size?

   ANSWER: Every product/liquid/varietal requires a CoA; but the same liquid in different container sizes only requires one CoA.

4. Do I need a CoA for privately or third-party distributed product?

   ANSWER: No, only for product listed and distributed via the SLGA Distribution Centre. Third-party distributed products fall under the QA policy in the third-party distribution contract; privately-distributed products will fall under the local supplier QA policy, to be launched soon.