

Saskatchewan Liquor & Gaming Authority

Wholesale Policies and Supplier Manual

Last updated: February 2023

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1. Purpose of This Document

This document provides agents/suppliers details on working with SLGA wholesale for the purposes of listing and selling beverage alcohol.

SLGA reserves the right to make changes to this document and all policies and guidelines, as necessary.

2. Product Listings

A. Types of Listings

i. Core (i.e. General List)

- Definition: Products made available to retailers through the Distribution Centre on an ongoing basis. The products fit within the category strategy and are expected to achieve sales forecasts.
- Core products are subject to the Beverage Alcohol Quality Assurance Policy; see the policy on the Supplier website for details. If the required valid Certificate of Analysis (CoA) is not received within 90 days of the listing notification, SLGA reserves the right to cancel the listing.

ii. Supplier-Limited Allocation

- Definition: Products which have a limited quantity available for Saskatchewan and are typically available only one time or one time per year. New vintages of previously allocated products are considered new products and require a new application.
- SLGA will manage the distribution process, ensuring equitable opportunity for all retailers, unless SLGA approves other arrangements prior to distribution.

iii. Pre-Order

- Definition: Products where SLGA takes orders from retailers prior to committing to quantities from the agent/suppliers.
- The agent/supplier may choose if the product should be available via Special Orders before or after a Pre-Order.

iv. Special Order

- Definition: Products which are not stocked in the Distribution Centre but are ordered by a retailer on an as-needed basis.
- Agents/suppliers may work with retailers, commercial permittees, consumers, or special-event permittees to generate product demand.
- Special Order products may be selected for a Core listing if they meet the overall category need or if there is sufficient and ongoing demand for the product.

v. Exclusive

- Definition: Products that are available only to supplier-specified retailers.
- Overall accountability for product exclusivity is the responsibility of the

agent/supplier, who is accountable for notifying SLGA if the product is considered exclusive.

vi. Third-Party Distributed

- Definition: Products distributed by approved third-party distributors in Saskatchewan.
- How to apply: Listing must be agreed upon with the distributor. Required application forms are available by contacting wholesalepricing@slga.com and must be submitted along with a pricing sheet and product image to wholesalepricing@slga.com four weeks in advance of the product launch date.
- When the product is set up in SLGA systems, a product-item number will be provided and is required to distribute the product. Products applied for with less than 4 weeks' notice may not be ready for expected launch.

B. Application Process

- Call-out Each month, SLGA posts call-out details on the Supplier page of slga.com, outlining the products being sought to help grow the category. The listing schedule is also on the Supplier page, indicating when each category is reviewed.
- Applications
 - Core, Allocation, and Pre-Order must be submitted via the online application form; digital bottle image and supporting information must be emailed to <u>listings@slga.com</u>. Incomplete and late applications will not be considered.
 - Special Order must be emailed to <u>specialorders@slga.com</u> when a retailer requests a Special Order product; Special Order applications can be obtained by emailing <u>specialorders@slga.com</u>.
- Off-call applications
 - Applications received outside of the listing schedule will typically be held until the next listing call corresponding to the appropriate category. At the sole discretion of SLGA, off-call applications may be reviewed with the next listing call, regardless of category.
 - Applications for products that do not fit within the call-out will be reviewed; however, the primary focus will be on the products meeting the specifics of the call-out as they will most help SLGA grow the category.
- SLGA reserves the right to decline a listing application if it is determined that the
 product offends prevailing community standards or contradicts the promotion of
 the responsible use of beverage alcohol products.

C. Samples

 Samples are not required for listing applications. However, if samples are provided, SLGA will sample them for the purposes of better understanding the product. Note: per the Alcohol and Gaming Regulation Act 1997, agents/suppliers may
not ship samples to Saskatchewan for purposes other than an SLGA wholesale
listing application. To import non-listed products for sampling with retailers and
commercial permittees, agents/suppliers must make arrangements directly with
the retailer/commercial permittees to order via the Special Order process.

D. Core Listing Evaluation Criteria

Product listing applications are evaluated based on the following criteria, as well as the overall judgment of SLGA:

- Category need preference will be given to products that meet the call-out criteria and have the capacity to generate revenue and additional sales in the category. Each call, SLGA establishes an approximate threshold and any product expected to generate revenue over that threshold will be granted a listing. The threshold varies each time depending on market conditions, available space in the Distribution Centre, and other variables.
- Sales history Product and brand performance across Canada; Special Order sales in Saskatchewan.
- Marketing provincial and national promotional plans; agent/supplierforecasted sales; local representation with an active representative.
 Consideration is given to characteristics such as third-party awards and accolades; product differentiation; innovation in product; and package appeal.

It is strongly recommended that the agent/supplier meet with the listing manager prior to the listing call to discuss the product to be applied for.

E. Delisting and Liquidation

i. Core (i.e. General List)

- Core products are typically delisted three times per year; however, SLGA reserves the right to delist product at any time.
- Products may be delisted due to:
 - Poor sales performance and market demand.
 - · Inconsistent supply.
 - Failure to comply with Canadian standards.
 - Offense to prevailing community standards.
 - A sizeable increase in wholesale price resulting from a revised vendor quote or foreign exchange fluctuations.
- When a product has been selected for delist, the agent/supplier will be notified in writing and no further purchase orders will be issued. The agent/supplier should take action to deplete remaining inventory in the Distribution Centre.
- Remaining inventory will be liquidated 2 months after delisting; the product will be liquidated at up to 50% off wholesale base price, with the agent/supplier charged the difference in landed cost for any remaining inventory on the effective date of the liquidation. Voluntary liquidations done by the agent/supplier will count toward the above-mentioned 50% liquidation.

ii. Supplier-Limited Allocations

- Allocations are typically delisted during the three mass delists per year, but SLGA reserves the right to delist Allocations at any time after the initial forecasted sales period has passed. For example, if inventory was purchased for 3 months and inventory remains after that time period, the product may be delisted.
- Remaining inventory will be liquidated 2 months after delisting. Allocations will be liquidated at up to 50% off wholesale base price, with the agent/supplier charged the difference in landed cost for any remaining inventory on the effective date of the liquidation. Voluntary liquidations done by the agent/supplier will count toward the above-mentioned 50% liquidation.

3. LION Reporting

- Agents/suppliers are expected to monitor the performance of their products through SLGA's <u>Liquor Information On-line (LION)</u> system, which provides reports on distribution of beverage alcohol within the province. LION includes information on both SLGA wholesale and privately-distributed products.
- Information on how to use LION can be found on the Supplier Portal under '<u>Data</u> Reporting'.

4. Product Standards Policy

Agents/suppliers are responsible for ensuring beverage alcohol products meet all federal and provincial requirements, including but not limited to:

- · The Canadian Food and Drugs Act and Regulations;
- The Litter Control Act.
- The Guide to Food Labelling and Advertising Chapter 10, available on the Canadian Food Inspection Agency web site.
- The *Product Identification Standards Manual*, as issued by the Canadian Association of Liquor Jurisdictions, specifically relating to Universal Product Codes.
- The Product Identification Standards Manual, issued by the Canadian Association of Liquor Jurisdictions, specifically relating to each case being labelled with the GTIN/SCC code, and case weight not exceeding 18.9 kg (41.58 lbs).

In the event that there are issues with the product standards, it is the agent/supplier's responsibility to resolve the issue or pay for the disposal of the product.

5. Quality Assurance Policy

Agents/suppliers are responsible for ensuring beverage alcohol products meet the 'Beverage Alcohol Quality Assurance Policy' found on the Supplier Portal on slga.com.

6. Pricing Structure & Policy

Pricing details and policies can be found in the 'Wholesale Pricing Structure & Policy Manual' on slga.com.

7. Stock-Shortage Distribution Policy

In situations where demand exceeds current supply of Core-listed product, SLGA will manage the distribution process using a formula based on retailer size, which is designed to ensure equitable opportunity for all retailers.

While it is preferred that agents/suppliers support the SLGA distribution model, agents/suppliers may choose to direct up to 25% of available stock to any one specific retailer and up to 40% of available stock if allocating to more than one retailer. SLGA will manage distribution of remaining stock using the current distribution process.

Requests for exemption to the SLGA distribution model must be made in writing to Listings@slga.com prior to stock arriving at the SLGA Distribution Centre and shall include reasons for the exemption request. SLGA may further consult with the agent/supplier before final approval/denial of the request.

8. Contact Information

Please direct all emails to the general email. This is a shared email box that is ensures a timely response regardless of people being absent.

General email: listings@slga.com

Manager, Products & Supplier Relations – Spirits & Liqueurs Chelsea Benaschuk

Manager, Products & Supplier Relations – Beer, RTD & gift packs
David Merenick

Manager, Products & Supplier Relations – Wine Courtney Birnie

Director, Product Management & Supplier Relations
Tara Mantyak

Email: tmantyak@slga.com

Appendix A – Document Revisions

DATE	REVISIONS
02Feb2020	Updated: Listing Schedule
2Sep2020	 General formatting improvements & content clarification Removed Marketing sections; created new document 'Marketing Programs and Policies' found on the Supplier
	websiteUpdated: 2C. SamplesAdded: 2D. Pre-Order
	Updated 2E. Listing Evaluation Criteria
	Added: 15. Stock-Shortage Distribution Policy
16Dec2020	 Updated: Appendix A – Listing Schedule Updated: 2F. Category Review and Delisting re: delisted inventory.
20Aug2021	Added: 2Diii. One-Time Buy AllocationsUpdated: 1F. Delisting and Liquidation
	Added: 1Fii. Supplier-Limited Allocations
	Added: 1Fiii. One-Time Buy Allocations
	Updated: 8. Contact information for Product Manager - Spirits, Liqueurs, Refreshment Beverages
	Deleted: Appendix A Listing Schedule (see schedule posted on Supplier page of slga.com)
	General formatting improvements & content clarification.
Feb2023	Updated: 2. Allocations, Listing Process, Delisting and Liquidations.
	Updated: 8. Contact information
	Deleted: Appendix A Listing Schedule (see schedule posted on Supplier page of slga.com)
	 General formatting improvements & content clarification; updated email addresses.