

Building a  
responsible  
industry

# Social Responsibility Plan 2024-2026



# The organization in brief

The Société québécoise du cannabis (SQDC) is a government corporation whose mission is to distribute and sell cannabis in Québec while prioritizing the protection of customers' health and safety. The company is committed to offering quality products and informing and advising users on how to minimize the health impacts of cannabis use. The long-term goal is to shrink the illegal cannabis market in Québec. All of the company's profits are paid to the Fonds de lutte contre les dépendances<sup>1</sup>, which is managed by the Ministère des Finances du Québec. The monies are reinvested primarily in cannabis education and research and the prevention of adverse effects. For more information, visit SQDC.ca.

## Overview of our operations<sup>2</sup>

More than  
**1,200**  
employees

**97**  
stores

Presence in all of  
Québec's  
**17**  
administrative  
regions

More than  
**50**  
cannabis  
producer-  
partners

More than  
**700**  
products  
offered for sale

**\$479.2**  
million  
paid  
into the Fonds de  
lutte contre les  
dépendances<sup>3</sup>

more than  
**half**  
of which  
are Québec-  
based

1. Fund to counter dependency.  
2. As of March 25, 2023.  
3. Since our founding in 2018.



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# What guides the SQDC

**Our mission,**  
as defined  
in the Cannabis  
Regulation Act

**Sell cannabis in accordance with the Act and with a focus on health protection to convert users from the market to the legal market but without encouraging cannabis use.**

**Our renewed vision**

**Be your trusted destination for cannabis**

**Our values,**  
which have driven  
our teams since  
our founding

## Responsibility

Responsibility forms the basis of who we are. We always place customers' health at the centre of our actions. We advise and support customers to reduce the risks related to cannabis use. We are also committed to efficiently and effectively managing our business so our profits benefit all Québécois. We have also adopted the principles of sustainable development to limit our impact on society and grow our value for Québec.

## Simplicity

We strive to make the right choices and solve problems at the source. Our determination to keep our processes simple and improve our efficiency guides us every day, throughout the company.

## Proximity

At the SQDC, the notion of proximity is ubiquitous. Whether between colleagues, with our partners or through customer guidance, we establish a relationship of trust, so we all move forward together.

## Excelling

Every day, we work to build the SQDC by being bold and courageous. Our passion for our work and our collective desire to succeed drive us to go beyond appearances, encourage initiative and always give the best of ourselves.

# Introduction



Robert Dalcourt

Éliane Hamel

**A** company of its era, the Société québécoise du cannabis (SQDC) was founded when sustainability concerns were – as they remain today – a crucial aspect of strategic thinking. Aware of the major challenges facing Québec society, we are committed to being part of the collective response by implementing exemplary practices, with responsibility being one of our core values.

In 2021, the SQDC released its first Social Responsibility Plan, which included commitments to pursue specific priority actions for jumpstarting our CSR efforts. Three years after the plan's publication, we are proud to have laid a strong foundation for sustainable development at every level of our organization.

In the years since, our organization has seen both its structure and ecosystem grow. This has prompted us to review our priorities, the better to continue building on past accomplishments and taking stakeholders' expectations around social responsibility into account. Our new plan is therefore aligned with the key orientations of our strategic planning, demonstrating the strong commitment of senior management and our teams to placing sustainable development at the centre of the organization's priorities.

Moreover, as a government corporation, it is crucial that we embody good corporate citizenship and that our social responsibility process reflect this commitment. Our efforts not only align with but also contribute to achieving the goals of Québec's Stratégie gouvernementale de développement durable 2023-2028.<sup>1</sup>

Remaining true to our values of simplicity, proximity, responsibility and excelling, we have made sure these values are embedded in the plan, even as we have updated our priorities to reflect our key concerns. Accordingly, the initiatives to be implemented during this next three-year period will focus on four areas: environment, governance, community and our teams. Implementing this plan will engage all our internal teams and enlist the cooperation of our stakeholders.

This plan is based on the results of an analysis of the sustainable development priorities in our industry and input from our teams, Board of Directors and stakeholders, most of which are active in the healthcare, environment and the cannabis sectors. We want to thank all who helped us identify the main areas our organization will focus on for the next three years.

We look forward to continuing down this responsible path with you!

A handwritten signature in black ink, appearing to read 'Dalcourt'.

Robert Dalcourt  
Interim President and  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Éliane Hamel'.

Éliane Hamel  
Vice-President,  
Social Responsibility,  
Health Protection and  
Communications

1. 2023-2028 government sustainable development strategy.

# Social responsibility at the SQDC

The SQDC's first Social Responsibility Plan ("CSR Plan") was developed and implemented when the country's legal cannabis industry was in its infancy. The light that guided the initial steps of our social responsibility process, the plan was built around four pillars: health, ethics, the community and the environment.



## Highlights 2021-2023

### Health

<b>100%</b>	<b>of the organization's employees have completed the annual training session on responsible use of cannabis.</b>
	→ This session covered, among other things, the methods of using cannabis and the associated risks. It was developed in collaboration with the Ministère de la Santé et des Services sociaux (MSSS) and experts hired by this government department.

### Ethics

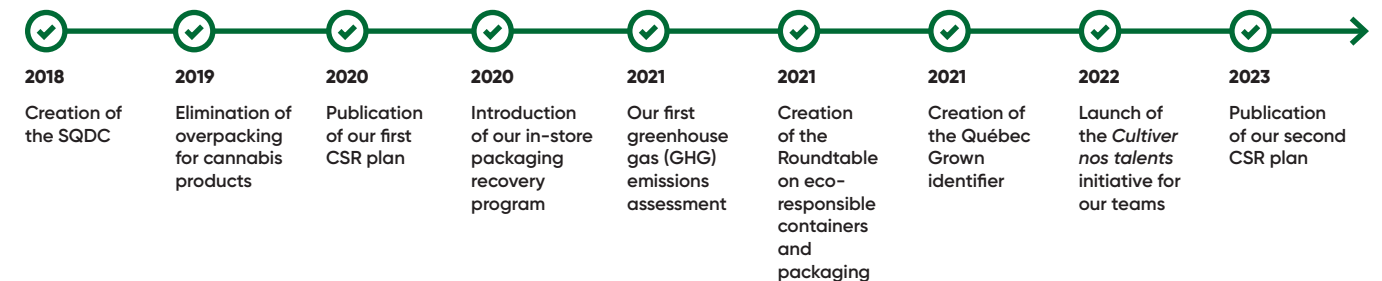
<b>60%</b>	<b>of the company's goods and services procurement agreements integrated responsible criteria.</b>
	→ In fiscal 2022-2023, the SQDC began taking the necessary steps to implement a new responsible procurement performance monitoring approach. The new approach will be based on the Guide des indicateurs d'acquisition responsable <sup>1</sup> published by the Québec government's Bureau de coordination de développement durable <sup>2</sup> (BCDD).
<b>81%</b>	<b>of SQDC employees express overall satisfaction with their job.</b>

### Community

<b>78%</b>	<b>of the Québec public holds a positive view of the SQDC's mission.</b>
<b>41%</b>	<b>of the products sold qualify for the Québec Grown identifier.</b>
	→ Introduced in 2021, the Québec Grown identifier was developed to make it easier for customers keen on buying locally to identify the Québec products in our catalogue.

### Environment

<b>57%</b>	<b>of packaging of dried flower products in 3.5 g formats meets eco-responsible criteria.</b>
	→ A roundtable bringing together industry players was created in the first year of the CSR Plan 2021-2023. The terms of reference were to propose innovative solutions in eco-responsible packaging and identify the barriers and means to implementing them, all while fostering the exchange of best strategies among the various parties involved in the value chain.
<b>100%</b>	<b>of stores offer the container and packaging recycling program.</b>
	→ This well-established program provides a way to recycle packaging that is not accepted by the provincial and municipal recycling programs.



1. Responsible acquisition indicators guide.  
2. Sustainable development coordination bureau.

# Governance

## Governance and Ethics Committee

The Governance and Ethics Committee of the SQDC's Board of Directors is responsible for assessing the main environmental, social and governance (ESG) risks to which the organization is exposed. In addition, the summary table in the company's CSR Plan, which lists the main CSR actions to be taken during the three-year period covered by the plan, is submitted to the Governance and Ethics Committee.

## Management Committee

The SQDC's Management Committee is responsible for establishing the strategic CSR orientations on which the CSR Plan is based and ensuring the plan's objectives are achieved.

## Social responsibility advisor

Reporting to the Vice-President, Social Responsibility, Health Protection and Communication, the social responsibility advisor is responsible for implementing and reporting on the plan. He or she also ensures all internal teams and external stakeholders are aware of sustainable development issues.

# Process

This, the second SQDC CSR plan, covers the years from 2024 to 2026. It was developed alongside the company's strategic plan, which covers the same period and one of whose orientations is to bring the social responsibility process to fruition. This CSR Plan aligns with the SQDC's initiatives over the previous three-year and introduces new thematic orientations for the organization's structure.

To develop the plan in a structured way, the SQDC has carried out a thorough materiality assessment to identify and prioritize the sustainable development issues it must address in the coming years.

This process included:

- 1 **Analyzing the main sustainable development reference frameworks**, including the Global Reporting Initiative and the Sustainability Accounting Standard Board
- 2 **Benchmarking the sustainable development issues** found in related business segments (retailing, the cannabis industry, government corporations)
- 3 **Observing the best practices** of Canadian leaders in sustainable development
- 4 **Actively consulting** the company's stakeholders to ensure their concerns are taken into account
- 5 **Identifying, analyzing and prioritizing** the main CSR issues related to the SQDC's vision.

As a government corporation, the SQDC also contributes to achieving the sub-objectives of the Stratégie gouvernementale de développement durable (SGDD)<sup>1</sup> by harmonizing its actions with them.<sup>2</sup>

In addition, the plan's actions help achieve the Sustainable Development Goals (SDG) established by the United Nations (UN), particularly in the areas of responsible consumption and production, climate action, life on land and good health and well-being (see Appendix 2). The analysis of the concordance between the SDG and the sub-objectives off the SGDD was carried out by the BCDD.

1. The details of the SGDD's sub-objectives applicable to this plan will be found in Appendix 1.  
2. The sub-objectives to which this plan's action will contribute are listed in the Summary Table at the end of this document.

# Issues

## Issue 1

### Impact of our business activities on the environment

The fight against climate change is one of the major challenges facing society, and humans' influence on the climate is undeniable. Despite the world's ambitions to reduce greenhouse gas (GHG) emissions, the GHG emission rate rose 23.6% between 2005 and 2019. According to Québec's 2020 GHG emissions inventory, the main business segments contributing to the province's GHG emissions are transportation (42.8%), industry (30.6%), agriculture (10.6%), buildings (9.6%) and residual materials (6.1%).

Generally speaking, producing and transforming cannabis are not without their share of environmental impacts, including heavy use of water, power and fertilizer. That said, the period of financial instability that the cannabis industry is currently going through has significantly limited producers' scope of action in this area. As a retailer, the Société québécoise du cannabis (SQDC) should therefore focus its efforts on where it can have an actual influence, specifically on increasing its employees' awareness of sustainable mobility, making its buildings more energy efficient and managing the residual materials related to its business activities.

For its part, the SQDC generates a sizeable quantity of residual materials across its store network, mainly in the form of fiberboard boxes used for product deliveries. According to RECYC-QUÉBEC data, 32% of the total residual materials sent for disposal in Québec in 2021 – the equivalent of 1,947,000 metric tons – is generated by the industrial, commercial and institutional (ICI) sectors. Of the total amount disposed, 594,000 metric tons are recyclable materials that could have a second life. We also note that only 3.5% of the Québec economy was circular in 2021. In short, the environmental impact related to residual materials from the Québec retail sector is not insignificant.

Each year, the SQDC puts several million cannabis products on the market. These products have to be packaged in strict compliance with government packaging and labelling requirements, as specified in the *Cannabis Act* and Health Canada guidelines. This legal framework somewhat complicates the eco-design process for packaging, which is required to be air-tight, opaque and child-resistant. Plastic pollution, which results in environmental waste, is a major issue for the cannabis industry and one which the SQDC, as a member of the value chain, has to address.

1. 2022 responsible consumption barometer.  
2. Québec government responsible procurement strategy.

## Issue 2

### Responsible management practices

From an acquisition of goods and services standpoint, using renewable and non-renewable resources responsibly is a crucial societal concern. According to the Baromètre 2022 de la consommation responsable<sup>1</sup>, 31.6% of Québécois say they are seeking ways to reduce their environmental impact.

To lead the way in adopting this trend, the Québec government has set itself the goal of equipping public bodies with mechanisms that allow them to track responsible acquisitions and measure their performance in this area. By the end of 2025-2026, the Stratégie gouvernementale des marchés publics<sup>2</sup> aims for 15% of the acquisitions made by public bodies to be responsible.

Under the *Sustainable Development Act*, public administration is required to take 16 sustainable development principles into account when framing its actions. The public's expectations of the SQDC, a government corporation, are also very high when it comes to setting an example within the government.

At the same time, organizations have no choice but to incorporate new information technologies when updating their business processes, as adopting effective governance practices requires flexibility and speed. However, the increasing use of these technologies brings its own set of management risks, particularly those related to corporate cybersecurity. According to the National Cyber Threat Assessment 2023-2024 published by the Canadian Centre for Cyber Security, hybrid work – a flexible arrangement that is offered to the members of the SQDC's head office teams – brings an increase in the risk to which individuals and organizations are exposed.

### Issue 3 Social acceptability

In the years since recreational cannabis was legalized in 2018, the social acceptability of cannabis use has grown. Although only 48.5% of respondents to the 2019 Canadian Cannabis Survey said that the regular use of cannabis for non-medical purposes was completely or somewhat acceptable, that figure had risen to 63.2% by 2022.

Despite the public showing signs of increasing acceptance of cannabis use, the risks related to its use remain tangible. No fewer than 78.8% of respondents to the SQDC's 2022 public survey said they considered people who use cannabis daily to have a moderate or high risk of suffering health impacts. As Québec's only legal distributor of recreational cannabis, the SQDC has no choice but to act as a conduit for information and education for its customers if it is to fulfill its mission.

As the SQDC is a relatively new entity, part of the public remains unaware of its business model among the public. A better understanding of its dual mandate of selling cannabis and protecting public health and of its approach is essential if the company is to fully accomplish its mission.

While working to increase acceptance of its mission, the SQDC also needs to remain attentive to its stakeholders and to collaborate with them. Whether through prevention or research, through the efforts made by public security organizations, through education and information or by developing relevant products controlled by producers, each of the cannabis industry players the SQDC collaborates with plays a key role in protecting users' health and thus in fulfilling the mission of the Société québécoise du cannabis.

It is in this spirit of collaboration that the SQDC wants to encourage the local economy by reserving a preferred place for Québec-grown products. This featured place given to buying locally is aligned with the values of Québécois, 77.2% of whom in 2022 affirmed the importance of opting for Québec products to support the local economy.

### Issue 4 Accelerated transformation of the job market

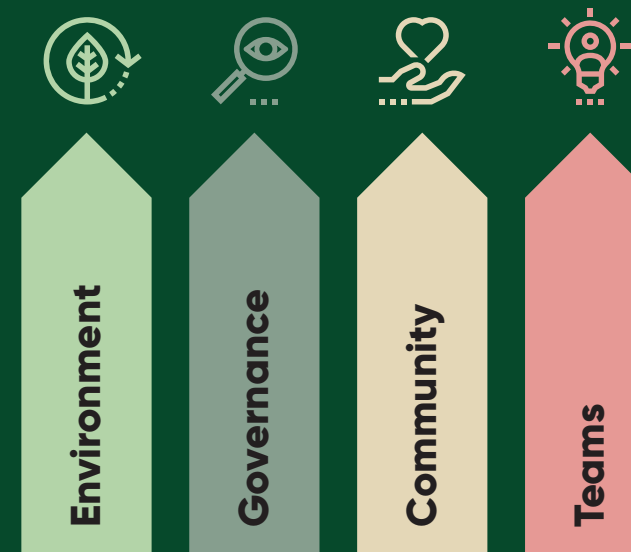
The job market has evolved significantly in recent years. All businesses, including those in the cannabis retail sector, are now dealing with a labour shortage.

According to the 2022 white paper of the Forum économique de la relève d'affaires<sup>1</sup> (FERA), individuals today find themselves with more job options, which allows them to be more demanding of their employer. Job-hopping is also increasingly common in North America, with workers even leaving their current positions before they find a new one. This means it is imperative for organizations to maintain their appeal to both current and prospective employees.

It is especially important for companies to be proactive on the issues of equity, diversity and inclusion (EDI), particularly when it comes their internal and external communications, recruitment efforts and the workplace. Prejudice and systemic barriers encountered by individuals, whether due to their gender, ethnocultural background or disability situation, remain a reality. Companies therefore need to adopt exemplary practices in order to be vectors of change in this area and ensure they attract top candidates from the entire talent pool.

At the same time, the SQDC needs to provide proactive and ongoing training for its teams in order to favour personal and professional development, maintain internal expertise and fulfill its role of protecting public health. Although legalization has led to greater awareness of the adverse effects of recreational cannabis use, it remains a real public health issue. To encourage responsible use of the cannabis products it sells, the SQDC must ensure that its in-store and online advisors provide reliable and accurate information. According to a 2022 survey, 78% of SQDC employees find the SQDC's mission inspiring and 83% feel they are playing a direct role in fulfilling it.

# Our pillars for 2024-2026



1. Young business people's economic forum.






## Pillar 1

# Environment

The SQDC aims to minimize the impact of its activities on the environment. It is by concentrating on initiatives over which we have operational control that we will succeed in limiting the impact of our activities on the climate, all while ensuring the most efficient use is made of the natural resources, we require for doing business. A concern for awareness and transparency has led us to commit to regularly informing our stakeholders about the progress of our various environmental initiatives.



## 1.1 Eco-responsible packaging

Objective	Reduce the environmental footprint of containers and packaging				
	  				
SGDD <sup>1</sup> sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	
1.3.1	<ul style="list-style-type: none"> <li>Proportion of packaging that meets at least two of the four eco-responsible criteria</li> </ul> Baseline: 57% <sup>2</sup>	45%	50%	55%	
	<ul style="list-style-type: none"> <li>Number of initiatives in place to support eco-responsible measures in the industry</li> </ul> Baseline: 1	2	2	2	

In our CSR Plan 2024-2026, we are expanding the scope of our packaging eco-responsibility evaluation process to new product categories, including ground cannabis, pre-rolleds, hash and kief.

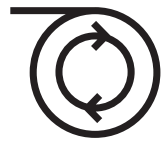
To be considered eco-responsible, packaging is required to meet at least two of the following four criteria:

- 1 Incorporation of recycled content
- 2 Optimized design (lighter-weight packaging)
- 3 Recyclability (compatibility with the Québec sorting and recycling system)
- 4 Locally sourced.

In addition, to help facilitate their transition to eco-responsible packaging, we intend to continue building a relationship of trust with our suppliers and support them in developing their business practices, whether by holding roundtables, developing tools and guides, organizing events or any other relevant measure.

1. Québec government sustainable development objectives.

2. The 57% baseline corresponds to the result obtained for the products sold in the dried flower category in the 3.5 g format.



## 1.2 Circular economy

<b>Objective</b>	<b>Increase participation in our container and packaging recovery program through better outreach</b>				
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>	
<b>1.1.2</b>	<ul style="list-style-type: none"> <li>▶ Packaging recovery rate</li> <li>Baseline: N/A</li> </ul>	<b>3%</b>	<b>4%</b>	<b>5%</b>	

We want to make our recovery program better known to our customers so they develop good habits around disposing cannabis containers and packaging.

Implemented across our store network, our recovery program is complementary to Québec's selective collection (curbside recycling) system. We are especially focusing our efforts on recovering packaging that is incompatible with the Québec sorting and recycling system. In collaboration with our Québec recycler-partner, we will help give packaging a second life and reduce the amount of waste sent to landfill.







## 1.3 Residual materials management

<b>Objective</b>	<b>Structure our residual materials management practices</b>			
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>
<b>5.7.1</b>	<ul style="list-style-type: none"> <li>▶ Put in place the processes necessary to obtain <i>ICI on Recycle</i> + attestation</li> <li>Baseline: N/A</li> </ul>	<b>Processes established</b>	-	-
	<ul style="list-style-type: none"> <li>▶ Percentage of stores with <i>ICI on Recycle</i> + attestation</li> <li>Baseline: 0%</li> </ul>	-	<b>20%</b>	<b>40%</b>

We want our teams to have a better understanding of our network-wide residual materials sorting system so they can improve their waste management habits. To guide them in adopting the best practices and increasing our overall performance, we will follow the recommendations issued by RECYC-QUÉBEC. Our goal is for all our stores to obtain *ICI on recycle* + attestation.



## 1.4 Climate change (GHG emissions)

Objective	Continue quantifying the company's GHG emissions				
	   				
SGDD sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	
5.6.1	<ul style="list-style-type: none"> <li>Publication of the GHG quantification report</li> </ul> Baseline: Quantified assessment (unpublished)	Publication of the report	Publication of the report	Publication of the report	
	<ul style="list-style-type: none"> <li>Number of new initiatives put in place to reduce GHG emissions</li> </ul> Baseline: 0	1	2	2	




Now that our network has reached a certain level of maturity, we will continue our GHG quantification efforts by gradually expanding our collection of data related to the organization's direct and indirect GHG emissions.

We also want to implement specific initiatives aimed at reducing our GHG emissions.

Although we do not own any commercial vehicles or buildings, we do have a certain operational control over the use and design of the buildings we lease. In this regard, we will take on issues such as our buildings' energy consumption, our employees' travel methods, the transportation of goods, etc.

We also commit to making our GHG quantification report publicly available.

## 1.5 Sustainable mobility

Objective	Raise SQDC employees' awareness of using active and public transit				
	  				
SGDD sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target	
5.8.2	<ul style="list-style-type: none"> <li>Percentage of employees reached by communications aimed at promoting sustainable mobility</li> </ul> Baseline: 0%	100%	100%	100%	

We are determined to encourage our teams to adopt sustainable methods of travel, such as carpooling, cycling, walking and taking public transit. With that in mind, we are developing a communication campaign aimed at reaching all our team members and raising their awareness about the importance of a healthy and active lifestyle. In addition, we are continuing discussions with our lessor partners to increase the number of bike racks available to our store network teams.



## Pillar 2

# Governance

The SQDC intends to continue its drive to adopt sound governance practices. As part of this process, we plan to identify and mitigate the environmental, social and governance (ESG) risks to which the organization is exposed and give ourselves responsible and exemplary business practices.



## 2.1 Responsible acquisitions

Objective	Increase our responsible acquisitions			
	  			
SGDD sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target
5.4.1	<ul style="list-style-type: none"> <li>Percentage of acquisitions with responsible features (goods and services)</li> </ul> Baseline: N/A	20%	25%	35%
5.6.2	<ul style="list-style-type: none"> <li>Percentage of acquisitions with responsible features (construction work)</li> </ul> Baseline: N/A	20%	25%	35%

Under this new plan, we will consider the various stages in the life cycle of goods and services as part of the acquisition process in order to optimize our responsible procurement decisions. To evaluate our performance in this area, we will refer to the 21 responsible acquisition indicators developed by the BCDD.<sup>1</sup>

1. Sustainable development coordination bureau.



## 2.2 Cybersecurity

Objective	Increase employees' awareness of cybersecurity and the protection of personal information			
SGDD sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target
N/A	<ul style="list-style-type: none"> <li>Percentage of employees having successfully completed cybersecurity training</li> </ul> Baseline: N/A	80%	83%	85%

Out of a constant concern for sound governance, we will work to ensure the security of our information systems by training all our team members on proper cybersecurity practices. The regularly updated online training that team members will receive will prepare them for dealing with current information security issues. We will therefore closely track employee's acquisition of knowledge as a performance indicator.

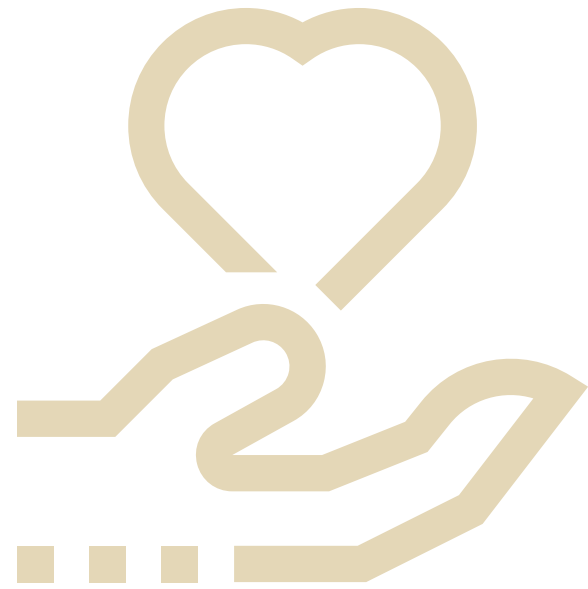


## 2.3 Sustainability appraisal

Objective	Incorporate the notion of sustainability into the organizational policy development process			
SGDD sub-objective number	Indicator	2023-2024 target	2024-2025 target	2025-2026 target
5.1.1	<ul style="list-style-type: none"> <li>Percentage of new organizational policies evaluated for sustainability</li> </ul> Baseline: N/A	100%	100%	100%

Again out of a concern for sound management, we will take sustainable development principles into account when developing our organizational policies and strategic planning, particularly as regards health, the quality of life, equity, social solidarity, environmental protection and prevention.

In doing so, we will make use of the BCDD's sustainability assessment guide when considering the range of risks to which we are exposed.



Pillar 3

# Community

As a leading player in Québec in the legal cannabis ecosystem, it is essential that we listen to our community, which is comprised of Québec citizens, our customers and our suppliers. We are therefore determined to better carry out our mission with a focus on public health. We also want to encourage the local economy while remaining aligned with our mission.



## 3.1 Québec product identifier


<b>Objective</b>	<b>Increase</b> the number of products available at the SQDC with a Québec product identifier			
SGDD sub-objective number	<b>Indicator</b>	2023-2024 target	2024-2025 target	2025-2026 target
<b>1.3.2</b>	▶ Percentage of products with a Québec product identifier  Baseline: 40%	<b>42%</b>	<b>43%</b>	<b>44%</b>



As a government corporation, we consider it important for customers keen to buy locally to be able to easily identify and choose products from our Québec suppliers. Under our new CSR Plan, we will continue both using the Québec Grown identifier and further developing it.



## 3.2 Social acceptability of the mission

<b>Objective</b>	<b>Raise awareness of the SQDC's mission</b>			
				
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>
<b>N/A</b>	▶ Level of public support for the SQDC's mission  Baseline: 78%	<b>75%</b>	<b>75%</b>	<b>75%</b>

To maintain the social acceptability of our mission, we need to increase awareness of that mission, our social role and the related actions. Increasing appreciation of our role is key to responsibly and effectively carrying out our mission with the support of the Québec public. We will therefore maintain our communication channels with citizens by informing them about our work, increasing their awareness of our efforts, addressing their questions and being attentive to their concerns.

As we strive to enhance the customer experience over the next three years, we will focus on achieving a balance between meeting the expectations of our customers and the public.




### Pillar 4

# Teams

At the SQDC, our teams are our most valuable resource as well as the engine that enables us to carry out our mission. To develop our employees and increase their commitment, we aim to favour a culture of learning and knowledge-sharing through a proximity management approach.






## 4.1 Responsible-use training for teams

<b>Objective</b>	<b>Train advisors on responsible cannabis use</b>			
				
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>
<b>N/A</b>	<ul style="list-style-type: none"> <li>Percentage of advisors who have demonstrated their knowledge through an annual evaluation</li> </ul> Baseline: 100%	<b>100%</b>	<b>100%</b>	<b>100%</b>

Out of a concern for responsibility and to encourage lower-risk use, all SQDC advisors take rigorous and exhaustive training online and in person. Focused primarily on cannabis and its components, effects, methods of use and associated risks, the training is continuously updated to maintain the quality of the guidance provided to customers. By conducting annual evaluations, we will ensure store employees' knowledge is always up to date.




## 4.2 Equity, diversity and inclusion

<b>Objective</b>	<b>Provide an equitable and inclusive workplace reflective of diversity</b>			
	  			
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>
<b>N/A</b>	<ul style="list-style-type: none"> <li>Development of an equity, diversity and inclusion action plan</li> </ul> Baseline: N/A	<b>Scan of the current situation</b>	<b>Development of the plan</b>	<b>Implementation of the plan</b>

Because they are central to our decisions, we want to encourage all our teams – in the store network as well as at head office – to contribute to our corporate projects. In concrete terms, we will take stock of the current situation in the organization in order to develop an equity, diversity and inclusion action plan aimed at making the SQDC an employer of choice. In particular, we want to ensure all our employees have access to equitable professional development opportunities.



## 4.3 Team commitment

<b>Objective</b>	<b>Encourage team commitment</b>			
				
<b>SGDD sub-objective number</b>	<b>Indicator</b>	<b>2023-2024 target</b>	<b>2024-2025 target</b>	<b>2025-2026 target</b>
<b>N/A</b>	<ul style="list-style-type: none"> <li>Overall level of job satisfaction</li> </ul> <p>Baseline: 81%<sup>(1)</sup></p>	<b>70%</b>	<b>72%</b>	<b>74%</b>

(1) This baseline measurement excludes the employees who were on strike when the data were collected.

Over the next three years, we will strengthen our strategy of recognizing and encouraging every employee's contribution to the SQDC's success.

With that in mind, we will establish employee experience pillars and together develop all the promises we commit to keeping in order to encourage the professional growth of all members of the organization.

In doing so, we will also define our employer brand, transforming it into one of our own that makes us unique and fosters cohesion within our teams while increasing employee satisfaction and retention.

## Summary Table 2024-2026

For a detailed description of the SGDD sub-objectives, see Appendix 1.

SGDD sub-objective	Objectives	Indicators	2023-2024 target	2024-2025 target	2025-2026 target
1.3.1	1.1 Reduce the environmental footprint of containers and packaging	▶ Proportion of packaging that meets at least two of the four eco-responsible criteria Baseline: 57%	45%	50%	55%
		▶ Number of initiatives in place to support eco-responsible measures in the industry Baseline: 1	2	2	2
1.1.2	1.2 Increase participation in our container and packaging recovery program through better outreach	▶ Packaging recovery rate Baseline: N/A	3%	4%	5%
5.7.1	1.3 Structure our residual materials management practices	▶ Put in place the processes necessary to obtain <i>ICI on Recycle</i> + attestation Baseline: N/A	<b>Processes established</b>	-	-
		▶ Percentage of stores with <i>ICI on Recycle</i> + attestation Baseline: 0%	-	20%	40%
5.6.1	1.4 Continue quantifying the company's GHG emissions	▶ Publication of the GHG quantification report Baseline: Quantified assessment (unpublished)	<b>Publication of the report</b>	<b>Publication of the report</b>	<b>Publication of the report</b>
		▶ Number of new initiatives put in place to reduce GHG emissions Baseline: 0	1	2	2
5.8.2	1.5 Raise SQDC employees' awareness of using active and public transit	▶ Percentage of employees reached by communications aimed at promoting sustainable mobility Baseline: 0%	100%	100%	100%
5.4.1	2.1 Increase our responsible acquisitions	▶ Percentage of acquisitions with responsible features (goods and services) Baseline: N/A	20%	25%	35%
5.6.2		▶ Percentage of acquisitions with responsible features (construction work) Baseline: N/A	20%	25%	35%
N/A	2.2 Increase employees awareness of cybersecurity and the protection of personal information	▶ Percentage of employees having successfully completed cybersecurity training Baseline: N/A	80%	83%	85%
5.1.1	2.3 Incorporate the notion of sustainability into the organizational policy development process	▶ Percentage of new organizational policies evaluated for sustainability Baseline: N/A	100%	100%	100%
1.3.2	3.1 Increase the number of products available at the SQDC with a Québec product identifier	▶ Percentage of products with a Québec product identifier Baseline: 40%	42%	43%	44%
N/A	3.2 Raise awareness of the SQDC's mission	▶ Level of public support for the SQDC's mission Baseline: 78%	75%	75%	75%
N/A	4.1 Train advisors on responsible cannabis use	▶ Percentage of advisors who have demonstrated their knowledge through an annual evaluation Baseline: 100%	100%	100%	100%
N/A	4.2 Provide an equitable and inclusive workplace reflective of diversity	▶ Development of an equity, diversity and inclusion action plan Baseline: N/A	<b>Scan of the current situation</b>	<b>Development of the plan</b>	<b>Implementation of the plan</b>
N/A	4.3 Encourage team commitment	▶ Overall level of job satisfaction Baseline: 81%	70%	72%	74%

# Appendix 1

Description of the sub-objectives of the Stratégie gouvernementale de développement durable (SGDD) 2023-2028<sup>1</sup>

<b>Business models</b>	<b>1.1 Support the transition to sustainable business models</b> 1.1.2. Accelerate the development of the circular economy
<b>Consumption</b>	<b>1.3 Favour responsible consumption</b> 1.3.1. Increase the presence of sustainable products and services on the market 1.3.2. Facilitate responsible and local choices
<b>Sustainable development governance</b>	<b>5.1 Place sustainable development at the centre of government decision-making</b> 5.1.1. Evaluate the sustainability of government actions
<b>Government procurement</b>	<b>5.4 Use government procurement as a driver of sustainable growth</b> 5.4.1. Increase responsible acquisitions
<b>Sustainable buildings</b>	<b>5.6 Improve the environmental performance of public buildings and infrastructure</b> 5.6.1. Increase the sustainability of building stock and infrastructure 5.6.2. Increase the eco-responsible management of construction and renovation sites
<b>Residual materials management</b>	<b>5.7 Give a second life to residual materials</b> 5.7.1. Improve the performance of residual materials management
<b>Sustainable mobility</b>	<b>5.8 Effect a change to more sustainable methods of travel</b> 5.8.2. Increase government employees' modal share of active transport, public transport and alternatives to solo driving

# Appendix 2

At the SQDC, we recognize the importance of the United Nation's (UN's) Sustainable Development Goals (SDG) as a global mandate to achieve a better and more sustainable future for everyone.

Adopted in 2015, these goals cover aspects such as poverty eradication, economic growth, education, health care, social safety net, job opportunities and environmental sustainability.

Through its Social Responsibility Plan, the SQDC contributes more specifically to achieving 10 of the 17 established goals by 2030.

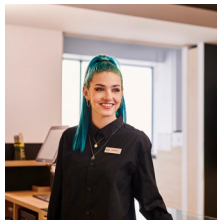
<b>Goal 3</b> Good health and well-being 	<b>Goal 5</b> Gender equality 	<b>Goal 7</b> Affordable and clean energy 
<b>Goal 8</b> Decent work and economic growth 	<b>Goal 9</b> Industry, innovation and infrastructure 	<b>Goal 10</b> Reduced inequalities 
<b>Goal 11</b> Sustainable cities and communities 	<b>Goal 12</b> Responsible consumption and production 	<b>Goal 13</b> Climate action 
<b>Goal 15</b> Life on land 		

1. This is an unofficial translation of selected sub-objectives of the Stratégie gouvernementale de développement durable, the Québec government sustainable development strategy. In the event of a discrepancy between the two versions, the French-language version shall prevail.





Building a responsible industry



The SQDC Social Responsibility Plan is based on extensive consultation with the company's managers, employees and stakeholders.

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