

APPENDIX B – RFP PARTICULARS

THE DELIVERABLES

1) BACKGROUND

The Liquor Control Board of Ontario (LCBO) is the leading retailer and wholesaler of beverage alcohol in the world, offering more than 28,000 products annually from more than 80 countries to consumers and licensed establishments. The LCBO is committed to going above and beyond meaningful contributions to the Government of Ontario. Therefore, we strive to be a purpose-led organization, and this comes to life through our social impact platform, Spirit of Sustainability (“SoS”).

Spirit of Sustainability, developed in 2018 is the LCBO’s enterprise-wide social impact platform, designed to support the province’s social and environmental needs. It’s our bold commitment to our customers, employees, and partners to hold ourselves to a higher standard, lead the industry in sustainable practices and take better care of our planet. SoS integrates sustainability across our business and recognizing partner brands who do the same to drive meaningful change in the beverage alcohol industry and beyond. Last year – together with our customers and industry partners, we provided over \$16 million to support the health and well-being of Ontario’s diverse communities and returned \$2.55B back to the province supporting public programs and services, including healthcare, education, and infrastructure across Ontario.

The beverage alcohol market in Ontario has evolved rapidly over the past years with COVID-19 accelerating channel diversification. Today, consumers have access to beverage alcohol through several other retail channels including The Beer Store, grocery stores, bottle shops, licensees and on-site at local breweries, wineries, and distilleries with many offerings direct-to-consumer delivery. Consumer expectations of brands and attitudes about beverage alcohol are also shifting. A trend to moderate health-conscious consumption, continued economic uncertainty and consumer demand for purpose-led brands making an impact through sustainable practices are a few of the consumer trends requiring the LCBO to adapt and think differently about how we communicate.

The LCBO is laser-focused on evolving the SoS platform to align with Environment, Social, Governance (ESG) principals to create shared value for employees, customers, partners and ultimately the province of Ontario.

Links to LCBO’s Corporate Information and SoS Impact Reports may be found in Appendix D – Reference Links.

RFP OBJECTIVE

The LCBO seeks a consulting services provider to work closely with LCBO leadership to deliver an innovative five (5)-year ESG strategy, action plan and roadmap that evolves and integrates into our existing Spirit of Sustainability and positions LCBO as leader in the space. The new

strategy should provide shared value for employees, customers and stakeholders while integrating into LCBO's broader business strategies.

The successful proponent is required to be a visionary in ESG with a minimum of five (5) years of demonstrated experience in strategy development and implementation, and integration of ESG into an existing platform.

The successful proponent is required to have extensive understanding or experience in alcohol beverage and broader retail consumer goods industry, government regulation knowledge, environment regulations, analytics, and operational expertise, with a proven track record of success advising on ESG or similar projects within other retailers or organization of similar size and complexity to the LCBO.

2) SCOPE OF WORK

Each phase and corresponding Deliverables provided for in this section are to be submitted as a written report and executive summaries. All reports are to be provided to the LCBO (Word and/or PowerPoint) in final draft form for review and approval. Reports may be returned to the successful proponent for revisions/changes by LCBO (acting reasonably) at no charge to LCBO. Only those reports that have been approved in writing by LCBO are to be published and presented to LCBO stakeholders and or Board of Directors when required. LCBO will require the successful proponent to present reports and executive summary and clarify any results as needed by LCBO to relevant internal stakeholders.

We seek support across four (4) major areas:

1) Phase 1: ESG Research and Analysis:

Conduct external and internal best practice ESG research on trends, risks, opportunities; and internal analysis on the LCBO current state and gaps through stakeholder engagement and double materiality assessment in order to bring forward key considerations for the LCBO on future organizational design, ESG models, ESG ecosystems, shared value approach, industry collaboration opportunity, insights, and new technologies and impact measurement and reporting framework. *The LCBO is open to alternative approaches*

2) Phase 2: ESG Strategy Development:

- i. Design a five (5)-year ESG strategy, roadmap and action plan that elevates SoS and aligns to broader business strategies and government mandate.
- ii. Demonstrate LCBO as an innovative leader in ESG.
- iii. Develop action plan and implementation roadmap that outlines the sequence and time to implement initiatives related to ESG and financial projects.
- iv. Design and align ESG strategy with the purpose and values of the LCBO and government mandate.

- v. Design action plan and implementation roadmap that outlines the sequence and time to implement initiatives related to ESG and financial projections.
- vi. Clearly identify the roles and responsibilities of all parties with specific attention to the LCBO in each specific phase.
- vii. Bring forward ESG innovation and industry collaboration approaches.
- viii. Establish key environmental initiatives and programs and introduce an approach to sustainable supply chain, sustainable packaging standards, circular economy approach, life cycle analysis, climate change and decarbonization, greenhouse gas footprint development, regenerative agriculture, water stewardship and more. The LCBO is open to alternative approaches.
- ix. Improve social efforts and provide social innovation, robust approach to diversity, inclusion, belonging and equity, stakeholder value creation, indigenous reconciliation, effective controls for regulatory compliance and business ethics, software and data solutions, data metrics and targets and more. The LCBO is open to alternative approaches.
- x. Improve governance efforts related to ESG and introduce a governance management approach, risk management and disclosure recommendations, and more. The LCBO is open to alternative approaches.
- xi. Establish an impact measurement and reporting framework that sets measurable and time-bound targets and goals, tracking the progress of the strategy while considering emerging reporting and disclosure frameworks.
- xii. Identify and ensure alignment of the ESG strategy with ESG certifications, reporting, standards, current and upcoming government regulations, and signatory programs.

3) Phase 3: ESG Strategy Execution

- i. Successfully execute action plan and implementation roadmap in alignment with the proposed sequencing of initiatives and within proposed financial projections.
- ii. Successfully execute action plan and implementation roadmap, including key ESG initiatives and policies within the initial 13–24-month period.
- iii. Ensure alignment of the ESG strategy with organization resources and capabilities and financial projections.
- iv. Ensure regular and consistent communications for alignment with project team and across key stakeholders.

- v. Create and execute first and preceding LCBO ESG Annual Reports that reinforce LCBO as leader in ESG and align with best practise reporting and publication standards.
- vi. Execute the impact measurement and reporting framework that sets measurable and time-bound targets and goals.
- vii. Track progress of the ESG strategy while considering emerging reporting and disclosure frameworks

4) Phase 4: ESG Strategy Execution: Continued Support

- i. Continue to successfully execute the ESG strategy action plan and implementation roadmap that outlines the sequence and time to implement initiatives related to ESG and financial projections within the remaining 36-month period.
- ii. Identify new or changed key initiatives within the remaining 36-month period.
- iii. Provide ad-hoc support as required or as needed due to the result of potential changing ESG priorities and or business needs. If ad-hoc support is required, the LCBO will request the selected proponent to provide a quote based on their proposed hourly rates (per Tab 2 of the Pricing Form) which will include the estimated number of hours required.

3) TIMELINE

The duration of the work outlined above is anticipated to be provided over the full five (5) years of the term however, the first two (2) years fixed term will encompass Phases 1 – 3, with an optional three (3)-year renewal for continued execution and ad hoc work in Phase 4. **Proponents are required to provide a detailed timeline and a project plan outlining their approach and work effort for each phase, and the milestone Deliverables with their proposal submission.**

Phase 1 ESG Research and Analysis – completed by three (3) to five (5) months

Phase 2 ESG Strategy Development – completed by 10 months and approved by 12 months

Phase 3 ESG Strategy Execution – 13 – 24 months

Phase 4 ESG Strategy Execution Continued Support – remaining 36 months at the LCBO's option

4) DETAILED PROJECT DELIVERABLES

Phase 1: ESG Research and Analysis

This phase will result in conducting best practice external and internal ESG research and analysis. The results will be brought forward as key considerations for Phase 2: ESG Strategy Development. The results are required to be presented and shared as a report with an executive summary to LCBO project team and key stakeholders. This phase will be completed within the first three (3) to five (5) months of the contract.

Deliverables include but are not limited to:

- i. Report on ESG trends, risks and opportunities, organizational design, business model ecosystems, industry collaborations, and technology and reporting, and the LCBO current state assessment, maturity, and gaps. Examples include but are not limited to:
 - a. Strategic Stakeholder Engagement Plan and Report;
 - b. ESG Trends, Risk and Opportunity Report;
 - c. Social and Governance Benchmarking Report;
 - d. Double Materiality Assessment;
 - e. Industry ESG Collaboration Report;
 - f. LCBO ESG Current State and Gaps and Opportunities Assessment; and
 - g. Organizational Design, Business Model and Ecosystem Transformation Report.

Phase 2: ESG Strategy Development

This phase will result in the design of a five (5)-year ESG strategy, action plan and implementation roadmap that elevates Spirit of Sustainability and aligns to broader business strategies and government mandate. The developed strategy should demonstrate LCBO as an innovative leader in ESG and align with the purposes and values, and mandate of the organization. Innovation and industry collaboration is key to success. The action plan and roadmap should be realistic while balancing long-term value creation against the pressure of short-term financial requirements and take into consideration the complexity of a multitude of change initiatives. The ESG strategy will require approval from the LCBO and potential amendments based on feedback.

Deliverables include but are not limited to:

- i. Five (5) year ESG strategy that clearly defines the LCBO's direction and framework in becoming an ESG leader in the industry;
- ii. Action plan and implementation roadmap:
 - a. Five (5)-year plan outlining Deliverables and initiatives, roles, objectives, goals, milestones and the sequence and time to implement them.
 - b. Align organization resources and capabilities and propose optimal model to support future ESG strategy
- iii. Five (5)-year financial projections;
- iv. Impact measurement and reporting framework and feasibility report;
- v. Change management approach;
- vi. Technology requirements;
- vii. Certification requirements; and;
- viii. Disclosure and publication approach.

Phase 3: ESG Strategy Execution

This phase will result in successfully executing the approved five (5)-year action plan and roadmap in alignment with the sequence and time to implement initiatives related to ESG and financial projects. Execution should be within the 13-24 months.

- i. Execute action plan and implementation roadmap:
 - a. Execute five (5)-year plan aligned to the approved sequence and time; and
 - b. Report and evaluate execution progress.
- ii. Provide consistent communications for alignment with project team and across key stakeholders; and
- iii. Create and execute first and preceding ESG reports.

Phase 4: ESG Strategy Execution Continued Support

The fourth phase will result in the continued execution of the action plan and implementation roadmap of key initiatives and components of the strategy in the potential final 36 months of the contract. This includes ad-hoc support for changing ESG priorities, including but not limited to:

- i. Execution of the action and implementation roadmap within financial projections;
- ii. Analyze gaps to achieving future state;
- iii. Execute key initiatives within the final 36-month period; and
- iv. Provide ad-hoc support as required or as needed due to the result of changing ESG priorities.

5) OUT OF SCOPE

Conventional corporate governance matters.

F. EVALUATION CRITERIA

All proposals will be evaluated through a comprehensive review and analysis by an evaluation committee (the "Evaluation Team"). The goal of the Evaluation Team will be to select one (1) or more proposals which, in the opinion of the Evaluation Team, meet the LCBO's requirements under this RFP and provide the best overall value to the LCBO. The selected proposal(s) will not necessarily represent the lowest fees or cost: pricing is only one of the components that will be used to determine the best overall value for the LCBO.

The following sets out the categories, weightings, and descriptions of the rated criteria of the RFP. Proponents who do not meet a minimum threshold score for a category will not proceed to the next stage of the evaluation process.

Non-Price Rated Criteria Category	Weighting (Points)	Minimum Threshold
i. Company Qualifications	5 points	Top three (3) scoring proponents from sections i. through v. will proceed to
ii. Case Studies/Examples	10 points	
iii. Team and Experience	10 points	

iv. Work Plan, Approach and Methodology	30 points	section vi. In-person Presentation.
v. References	5 points	
vi. In-person Presentation	20 points	Top two (2) scoring proponents in vi. In-person Presentation will proceed to Pricing.
Pricing (see Section G below)	20 points	
Total Points	100 points	

To facilitate the evaluation, proponents are requested to create a separate file addressing items i. through v. below when assembling their proposals.

i. Company Qualifications (5 points)

Proponents should describe and outline their company profile to clearly illustrate the organization and infrastructure and its ability to support scope of work and requirements of this RFP. This may include, but is not limited to, past experience that is necessary to successfully fulfill the scope of work outlined in this RFP.

Proponents should include in their company profile the following information on not more than ten (10) pages. Please list each question with the response.

- a) Description of the company, its social purpose, history, and background, including years of operation and experience providing similar requirements both in a government and in a retail environment. (1 points)
- b) Organization chart including number of full-time permanent staff members that are employed for work related to the requirements of the LCBO program (project lead, researchers, analysts, etc.). (1 points)
- c) Illustrate their capability, capacity, and experience in providing services similar to those required in this RFP to previous comparable clients and at least one (1) current comparable client with a portfolio of a similar size to LCBO and with similar requirements as outlined in this RFP. (2 point)
- d) Describe the company's values and strengths as they relate to this requirement, sustainability, ESG or CSR certifications, ESG or other policy, ESG or other strategy, etc. (1 points)

ii. Case Studies / Examples (10 points)

Provision of two (2) case studies that clearly illustrate services provided for banks/retailers, global monopolies or corporate entities similar in size and in structure to LCBO.

- a) An illustrative description of similar work previously performed by the proponent, either in an advisory capacity or as a leader within a relevant business. The case study should be fully

disguised in such a way that the company name is removed and the manner in which it is described is not identifiable, and no confidential data is disclosed. (2 points per case study)

- b) The case study should provide an overview of the challenge to be solved, the approach to the work, the high-level process, and sample (disguised) deliverables and outcomes that would be similar in nature to the work being proposed for the LCBO (3 points per case study)

This section will be evaluated based on the following:

- i. Relevance of the case study to the LCBO project
- ii. Appropriateness and effectiveness of the approach in solving the stated challenge
- iii. Quality of sample deliverables

iii. **Team and Experience (10 points)**

Provide the following information on not more than ten (10) pages (page count does not include the use of Project Personnel Experience Form). If different teams will be utilized for each Phase as described in the Deliverables, please provide a response showing both for each question below. Please list each question with the response.

- a) The proponent will provide a detailed organizational chart for this project showing a Team Leader and all other key team members (as defined by proponent). The organizational chart should demonstrate clear lines of accountability within the team for project Deliverables. If the proponent includes multiple consultant groups/firms, the organizational chart should demonstrate clear lines of accountability within the team for project specific deliverables. (1 point)
- b) The proponent shall provide staff descriptions, project role, relevant experience and qualifications for each key individual identified in the staff organization chart by completing the attached form "Project Personnel Experience Form" for each key individual identified in the organizational chart. (1 point)
- c) The LCBO expects one (1) individual from the proponent's team (the "**Team Leader**") to be responsible for the coordination and integration of the delivery of all the services required by this RFP. The Team Leader will be the primary contact with the LCBO for this project. Proponents should describe the overall experience, capability and leadership ability of the individual named as the proponent's Team Leader. (2 points)
- d) Demonstrated experience in the development of similar strategies for large, retail, and/or public sector organizations. (0.5 point)
- e) Demonstrated experience managing and meeting timelines for large, complex projects with multiple, interdependent deliverables. (2 points)
- f) Demonstrated experience on creating and implementing ESG strategies. (3 points)
- g) Demonstrated experience successfully organizing, managing, and working with multiple internal and external users and stakeholder groups. (0.5 point)



Project Personnel
Experience Form

iv. Work Plan, Approach and Methodology (30 points)

This section must be limited to a maximum of ten (10) pages (page count does not include the Work Plan (as defined below)/Time Task Matrix). Please list each question with the response. The proposal should specifically address how the proponent will perform this project for each category by describing the following:

- a) Proponents are required to demonstrate their understanding of the LCBO's Deliverables, as well as expected challenges, and how they propose to undertake and complete the work. (4 points)
- b) Proponents should provide a general list of all items, resources and information that the proponents will require from the LCBO in support of the Work Plan to execute and successfully complete the project along with consultation process for internal stakeholder participation. (4 points)
- c) Provide details to demonstrate their approach and methodology in creating and implementing ESG strategies, for comparable clients in the retail industry with a portfolio of a similar size to LCBO. (3 points)
- d) Provide details to demonstrate their approach and methodology assisting organizations with developing a business case, value realization, and for providing quality and consistent service to support project objectives. (10 points)
- e) Proponents should include a proposed detailed work plan for the completion of the Deliverables ("**Work Plan**"). In the Work Plan, the proponent should demonstrate a comprehensive understanding of the project and describe the roles and responsibilities of each proponent team member who will be involved in performing the services. The Work Plan should also indicate the general timelines proposed for the project. (4 points)
- f) The proponent should provide a detailed Time Task Matrix corresponding with the Deliverables (in the attached table format), identifying each team member, including name and role, and their estimated work contribution to the project in hours. (5 points)



Time_Task_Matrix.xls
x

v. References (5 points)

Proponents should complete the attached form and submit three (3) references which include company, contact name, contact phone number, and brief description of the service(s)

provided (approximate value of work) and length of association. References should be for projects worked on in the last five (5) years that are similar in size and complexity to this project.



Reference Form

vi. In-person Presentation (20 points)

The top three (3) scoring proponents on sections i. through v. will be invited to give an in-person presentation to the LCBO at its head office in Toronto, to include a review of all elements of the technical requirements as noted in Appendix B. The presentation should be attended by all resources who would be staffed to the project and should be given by the person(s) who will be the primary leader(s) of the work.

This section will be evaluated based on the following:

- (i) Compelling presentation of the approach, process, and timeline proposed to perform the work. (5 points)
- (ii) Relevance and quality of the case studies provided. (5 points)
- (iii) Effectiveness of the presentation and ensuing discussions in conveying the qualifications and expertise of the proponents, including the quality of the participants' responses to the LCBO's questions. (8 points)
- (iv) Perceived ability of the proponents to effectively collaborate with the LCBO team. (2 points)

The top two (2) scoring proponents in vi. (In Person Presentation) will proceed to G. Pricing Evaluation.