

FIVE-YEAR STRATEGIC PLAN

2015/16 – 2019/20



A decorative border of colorful bottle outlines surrounds the text. The bottles are in various colors including purple, teal, orange, and yellow, and are arranged in a grid-like pattern around the central text.

OUR PURPOSE.

To bring a world of responsible beverage enjoyment to Nova Scotia.

OUR VISION.

To be a superb retailer recognized for an engaging customer experience and to be a valued industry partner.

THE PATH AHEAD.

The next five years will no doubt be a period of change. Nova Scotia will continue to be faced with changing demographics and challenging economic conditions. Tastes might change. The costs of doing business may rise. And the weather may even turn out to be less than spectacular. But I remain optimistic and confident that the NSLC can continue to excel and provide significant value and returns to the people of Nova Scotia.

The NSLC is an organization that is built to provide an exceptional customer experience and one that is dependent on our well-trained and dedicated team to do so. This is a plan that is based on leveraging our collaborative spirit and continuing on our journey to a customer centric organization. That's the drive behind our five-year strategic plan. It's about sharing a renewed focus and common vision, goals and values so we can all do our part to connect with our customers and continue delivering exceptional, personalized service.

To support this strategic plan, we will continue to invest in our people, our supporting technologies and our tremendous network of retail stores and distribution channels. During this time, our commitment to corporate social responsibility and the values we share will continue to drive our approach to business and how we interact with the world around us. They're what makes us truly unique, and in my opinion, hallmarks of our success and serves as an example to which all other businesses can aspire.

The NSLC provides more than just great financial value to Nova Scotians and the last five years have been a period of tremendous growth in terms of local products, promoting our social and environmental objectives and enhancing our customer service. We will work hard together to make the next five even better.

Kindest regards,

Bret Mitchell, PRESIDENT & CEO

NSLC
BEER • WINE • SPIRITS

CUSTOMER
LOCAL INDUSTRY
FINANCIAL

CSR

STATUS

TECHNOLOGY

PEOPLE

WHO WE ARE.

We believe that every well-built store begins with a good foundation. And for the NSLC, that foundation is our people and technology. Over the next five years, we will continue to support our employees with the tools and technology they need to improve productivity and provide exceptional customer service.

We will also continue to ingrain corporate social responsibility in everything we do, keeping beverage alcohol out of the hands of minors through efforts such as our We ID program and supporting responsible consumption initiatives. This commitment, along with our exceptional customer experience are the driving force behind our brand. Together, along with our organizational values, they serve as the filter we view all decisions through, supporting a culture rooted in customer service excellence and responsible sales.

Our customers, local industry and our fiscal responsibilities, are our key focuses, with our people and technology serving as our foundation. It is through the strength of our foundation, primarily our people, that our brand is well supported.

We want to be known as a corporation that cares about our communities, supports local industry and delivers an inviting and engaging retail experience. Together, we can achieve this while continuing to grow our contribution to the province.

WE BELIEVE THAT EVERY
WELL-BUILT STORE BEGINS WITH A
GOOD FOUNDATION.



KEY FOCUSES.

Over the next five years, we will gauge our success by focusing our strategies in three areas: customers, local industry and our financial performance.

CUSTOMERS

Our promise to customers is to engage them on their journey of discovery by:

- Aligning products, services and events with customer needs
- Offering vibrant, interactive and inviting shopping experiences
- Ensuring discovery and personal service with friendly, knowledgeable, professional and enthusiastic employees
- Assisting them in celebrating life's occasions

LOCAL INDUSTRY

Our promise to our local beverage alcohol industry is to:

- Continue and expand ways to get product innovation to our customers
- Act as an enabler to the overall success of the industry
- Act as a partner, using our retail expertise to promote our great local products
- Share in the efforts to celebrate local

FINANCIAL

Our promise to Nova Scotians is to:

- Conduct business in an operationally efficient manner
- Keep fiscal responsibility top of mind in all our activities
- Exercise capital discipline

CELEBRATING LIFE'S OCCASIONS.



CREATING THE RIGHT ENVIRONMENT FOR SUCCESS.

Making strategic investments in people and technology will be pivotal to our growth and sustainability. Here are the promises we're making in those areas:

PEOPLE

- Invest in developing the skills and knowledge employees need to be successful in their work
- Celebrate their efforts and accomplishments
- Offer a safe, healthy and fun work environment
- Cultivate teamwork, accountability and creativity while providing an open, respectful, honest and fair working environment

TECHNOLOGY

- Enhance our use of technology to continue to meet and exceed customer expectations in the ways they choose to interact with us
- Continue to invest in solutions that enable efficiency

CELEBRATE THEIR EFFORTS AND ACCOMPLISHMENTS.

KNOWLEDGEABLE

Optimistic

RESPONSIBLE

& RESPECTFUL

ENGAGED

OUR "KORE" VALUES.

So what are the values that will help drive our success? We're experts in our business, focused on creating a work environment built on collaborative teamwork. Supported by an optimism in ourselves and Nova Scotia's future, we hold each other accountable, celebrating creative thinking and idea sharing in our everyday actions.

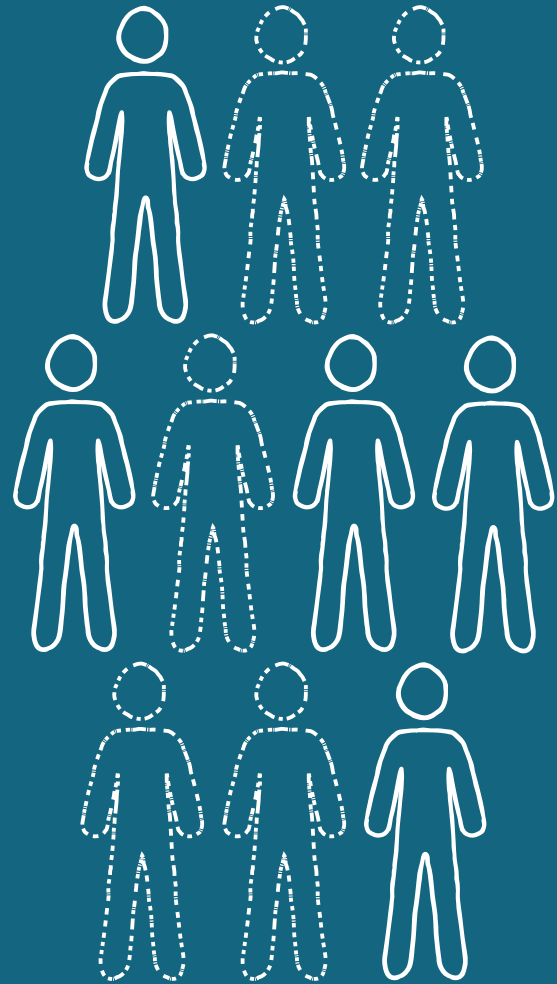
KNOWLEDGEABLE We are proactive teachers and learners. We take the initiative to learn more about our products, our business and our customers and willingly share our knowledge with others while working in a professional manner.

OPTIMISTIC We share a positive outlook and our efforts are considered to be worth every smile. We are passionate about serving our customers and excited about the NSLC's future.

RESPONSIBLE & RESPECTFUL In being responsible, we commit to being held accountable for what we say and do. We maintain focus on our mandate by making well-informed choices and by doing what is right. We think of our customers in everything we do and treat them with respect, while demonstrating respect for one another in pursuing our goals. The opinions, ideas, input and contributions of others matter.

ENGAGED We work collaboratively as one team, believing in our journey, and are committed to achieving the NSLC's goals and objectives in an environment based on trust and transparency.

Our KORE values are the ones we put into action and that ultimately define our culture. Engagement comes from all the behaviours and actions being demonstrated and respected by all of us and reflected in our day-to-day operations. Optimism builds success. By working together as a team in a way that promotes growth, sharing and innovation, we can truly take the NSLC to the next level.



**RECENTLY, 50% OF OUR CUSTOMERS
GAVE US A PERFECT 10 OUT OF 10!
WITH YOUR HELP, WE CAN DO EVEN BETTER!**

TRENDS DRIVING CHANGE.

One thing we know for sure: the world never stands still. As a modern retailer, we're constantly exposed to forces that shape our business and the purchasing decisions of our customers. Some evolving trends that we're adapting to include:



The past decade has been marked by a distinct passion toward all things local. It's reflected in the food we eat and the products we consume. Our business is no exception, experiencing an exponential rise in local ciders, craft beer and wines. The way in which customers are purchasing is also under a great deal of change. Thanks to technology, they are expecting to interact with retailers beyond the brick and mortar experience and their path to purchase is being influenced by the digital world at a rapid speed.

On this journey to exceptional customer service, we continue to build a business focused on customer centricity. One that respects their individual needs and desires along with their preference for supporting companies that operate sustainably, acting as a good corporate citizen, demonstrating a broader social voice.

We also see the continued rise of social responsibility as a key driver for decision making. Our customers and stakeholders want to know that we take every opportunity to run a safe and sustainable business. It's something we've been working hard on and will continue to improve upon year over year.

FIVE-YEAR GOALS, STRATEGIES AND MEASUREMENTS.

GOALS & STRATEGIES

MEASUREMENT

CUSTOMER



To achieve exceptional customer satisfaction through engaged and personalized experiences.

- Evolve the customer offer through insights and a relentless focus on the customer
- Leverage omni-channel retailing and adapt our business model to improve service to the customer on their path to purchase
- Create relevant format diversification in our retail network to add value and broaden the shopping experience
- Continue investment in our people, targeting product knowledge and customer engagement skills

Customer satisfaction scores: > 90% ongoing
Employee Engagement: 80% by year five

LOCAL INDUSTRY



To provide an engaged and collaborative business environment for local producers.

- Match retail merchandising activities to support local production levels and satisfy customer demands for local products
- Continue to expand ways to get product innovation to customers
- Align promotional efforts to support the growth of local industry
- Actively participate in industry associations
- Provide clarity to industry on our regulatory role

NS Product Sales: Growth

FINANCIAL



To strategically maintain profitability, delivering \$1.16B in earnings over the five years, and demonstrating value to Nova Scotians by balancing financial objectives with other legislative mandates.

- Leverage opportunities with our industry partners and others as appropriate to improve overall system-wide performance
- Continue to evolve our customer insight discipline to drive profitability performance
- Strategically invest in our network and technology, to support our business model
- Provide financial and operational support for local industry aligned with industry growth strategies
- Invest in training for our people, in support of our customer focused strategy

By Year Five:

Sales: \$606.5m

Net Income: \$236.3m

Net Income %: 39%

Average Retail Transaction: \$32.21

GOALS & STRATEGIES

MEASUREMENT

CORPORATE SOCIAL RESPONSIBILITY



To integrate our Corporate Social Responsibility approach throughout the organization and implement meaningful and impactful initiatives.

- **Accountability:** Increase the level of transparency and reporting through enhanced internal and external communication
- **Sustainability:** Further invest in sustainable business practices
- **Responsibility:** Deliver innovative and effective approaches to responsible consumption in conjunction with industry partners
- **Community:** Leverage the influence and impact of the NSLC to make a meaningful social and economic contribution to Nova Scotia

Accountability: CSR framework: completion & adoption

Sustainability: Public Perception: 70% level of agreement "NSLC operates in an environmentally responsible way"

Achievement of targets set in Environmental Management Plan

Responsibility: Awareness: 80% recall of responsible consumption related programs

Community: Community Plan: completion and adoption

NSLC