

ContainerWorld Update
March 25, 2020

During these difficult times created by Covid-19, ContainerWorld is pleased to provide BTAP with regular updates on our BC beverage alcohol activities. As ContainerWorld participates in only a portion of the total BC beverage alcohol market we can only comment on the operations and volumes we handle, we cannot speak for the BCLDB, BDL or other entities involved within this market.

We are targeting weekly updates, to be provided on Tuesdays - here is our update for today:

- Our Inbound volumes of import product remains steady, while inbound domestic winery volumes have been increasing during the past two weeks, in response to the Covid-19 created increased sales through the BCLDB and private liquor stores.
- BCLDB ordering is high this week, roughly 25% to 30% higher than last week. This is replenishment due to the high consumer demand experienced by BCLS and private stores the last couple of weeks. We conference call with the BCLDB multiple times each week to discuss shipping volumes for the current and subsequent week, to ensure that we are in sync and to ensure that we remain as current as is possible as their ordering ramps up throughout the week.
- Our private distribution channel remains strong although this has been focused on the LRS and BCLS locations almost exclusively.
- Currently our keg shipping volumes are down to very small numbers, as an indicator of the effect Covid-19 is having on the hospitality sector.
- No interruptions in our Commercial Logistics (CLI) direct store distribution (DSD) operations and the absenteeism rate has remained reasonably low, to date. However, within our Richmond warehouse operation, which has a much larger work force, we are experiencing increasing Covid-19 related absenteeism, which is affecting our pick capabilities, which we are addressing with significant overtime to try and maintain 'on-time' shipping volumes with the BCLDB and CLI.
- Our Interior operations (Kamloops and Kelowna) remain intact, however, they are being hampered by the unfortunate challenges BDL is experiencing as a result of the recent attack on their computer systems.