

Product Listing Factors for LDB Central Delivery

Purpose

This document explains the principal factors considered when deciding whether to list a product for sale through the Central Delivery channel. The objective of the selection process is to maintain a broad and operationally efficient assortment that fits the needs of the B.C. market.

Decision-Making Approach

Each product application is reviewed on its own merits and in the context of the existing assortment, current market conditions and the supplier's overall portfolio, and operational capabilities.

The relative importance of each factor may vary by category and market need.

Factors Considered

1. Assortment Need and Existing Coverage

- The need for new or additional coverage in a specific portfolio segment
- The anticipated ability for the new product to outperform existing or inbound listings
- The anticipated ability for the new product to drive incremental sales

2. Product Characteristics & Value Proposition

- A compelling value proposition for the consumer
- The overall value proposition relative to comparable existing or inbound listings
- Whether the product's quality and attributes support its price positioning
- Product ingredients, quality, format, branding, hardware, and packaging
- Production, cultivation, and post harvest practices
- Cultivar, cannabinoid profile, terpene profile, flavour, and potency

3. Marketing and Sales Support

- An established launch plan to introduce new items to the market. e.g.
 - In-market sales representation
 - Planned retail engagement, education and promotional support available
 - Brand and marketing collateral
- The supplier's ability to sustain awareness and support sell-through after launch

4. Supply and Operational Readiness

- Readiness to complete registration and deliver market-ready inventory within the required launch timelines
- Production capacity, continuity of supply, and accuracy of communicated available inventory

5. LDB Portfolio Performance (as applicable)

- Current inventory health, including excess, slow-moving or aging inventory
- In-stock performance and the supplier's ability to maintain reliable product availability
- The current financial standing of the supplier's LDB accounts.
- Sales performance of the supplier's LDB product portfolio, including recent launches and historical performance of comparable products
- Compliance with LDB Shipping Requirements Guide and the Licenced Producer Supply Agreement, both available on <https://www.bclddb.com/bclddb-cannabis-supplier-information>
- The supplier's demonstrated ability to address issues promptly and work effectively with the LDB

6. Evidence of Market Demand (as applicable)

Evidence of proven market demand may improve the strength of a given product application. e.g.

- Product requests or other documented interest from B.C. retailers
 - Product requests are only one factor considered and do not guarantee a listing
- Consistent proven market demand in other markets
- Sales and velocity demonstrated through B.C. Direct Delivery, where applicable

7. Supplier Location and Licence Type

Geographic proximity and licence type of the processor and cultivator may be considered alongside the other factors. These considerations do not replace the need for demonstrated product fit, demand, value and operational readiness, and the overall review remains based on the needs of the Central Delivery channel.

How the Factors Work Together

A strong submission generally demonstrates a clear assortment need, compelling value proposition, effective launch support, and reliable supply. A product may be compelling in one area but may not be selected if the assortment is already well covered, demand is uncertain, there is a lack of sales support, operational risk is high, or stronger submissions are available.

Possible Outcomes

- **Approved:** The product is selected for Central Delivery and proceeds to registration and launch planning.
- **Declined:** The product is not added at this time. It remains in the product pool and may be reconsidered if market or assortment needs change.
- **Alternative route:** A licensed producer may choose to sell an eligible product through the Direct Delivery program to build product awareness and demonstrate demand. See the Direct Delivery website for details, terms, and conditions: <https://www.bclddb.com/bclddb-cannabis-direct-delivery>

Ongoing Performance After Listing

The central delivery assortment is actively managed to balance choice, demand, supply reliability and operational efficiency.

New products receive an initial launch window of 12 weeks before minimum performance thresholds apply.

Sales, inventory, supply continuity, defect rates and operational compliance are monitored regularly. Products are removed from the assortment based on sales or operational performance.

More detailed information regarding doing business with the LDB on central delivery can be found here: <https://www.bclddb.com/bclddb-cannabis-supplier-information>