

2015 CARBON NEUTRAL ACTION REPORT



LIQUOR
DISTRIBUTION
BRANCH



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This *Carbon Neutral Action Report* for the period January 1st, 2015 to December 31st, 2015 summarizes the Liquor Distribution Branch's (LDB) emissions profile, the total offsets to reach net-zero emissions, the actions the LDB took in 2015 to reduce its greenhouse gas emissions and the LDB's plans to continue reducing emissions in 2016 and beyond.

By June 30, 2016, the LDB's final *Carbon Neutral Action Report* will be posted at www.bcldb.com.

EXECUTIVE SUMMARY

The British Columbia Liquor Distribution Branch (LDB) has been a leader in sustainable retailing in BC for more than four decades, starting with the beverage alcohol container return program in BC Liquor Stores.

As a public sector organization that works closely with the beverage alcohol industry, as well as a wholesale distributor and retailer with 198 stores across BC, the LDB is able to have a positive influence on the environment beyond its own operations. By connecting with industry partners, our 4,000-plus employees, and reaching out to millions of BC customers, the LDB is proud to promote and inspire sustainable business practices that protect our province – and our planet.

As outlined in the LDB's *2016/17 – 2018/19 Service Plan*, the LDB is committed to reducing the impact of its operations on the environment.

For the sixth consecutive year, the LDB's operations were carbon neutral in 2015. The LDB achieved this by reducing operational greenhouse gas (GHG) emissions and investing in BC-based carbon reduction projects through the BC Ministry of Environment to offset remaining emissions. This is the eighth consecutive year for which the LDB has reported steps it has taken to reduce GHG emissions from its operations.

The LDB adopted a *Waste Reduction and Recycling Strategy* in 2014 and in 2015 the LDB's cross-departmental Waste Reduction Team worked diligently to expand and improve the recycling program at the LDB's head office and Vancouver Distribution Centre. This success of this program is evident in the 85 per cent diversion rate achieved. Starting in 2016, the LDB is expanding its recycling and waste reduction programs at all BC Liquor Stores.

As one of BC's largest retailers and a global purchaser of beverage alcohol products, it is both the LDB's duty and privilege to continue building on its legacy of environmental leadership. This report highlights the LDB's ongoing efforts to make its business operations as sustainable as possible.



Blain Lawson
General Manager and Chief Executive Officer



2015 HIGHLIGHTS

Electricity Conservation



High-efficiency LED overhead lighting was installed in 5 BC Liquor Stores. LED lighting is the new standard for all new and remodeled BC Liquor Stores.

Responsible Purchasing



91 per cent of office paper purchased contained 100 per cent recycled content, 1 per cent was made from sugar cane fibers – an agricultural waste product - and 2 per cent contained 30 per cent recycled content.

Waste Reduction



Plastic bags were redesigned to save 21,000 kg of plastic per year.



New reusable shopping bags are now made from unbleached cotton and recycled plastic.

Recycling



The LDB's recycling program at head office and the Vancouver Distribution Centre diverted 85 per cent of waste from the landfill.

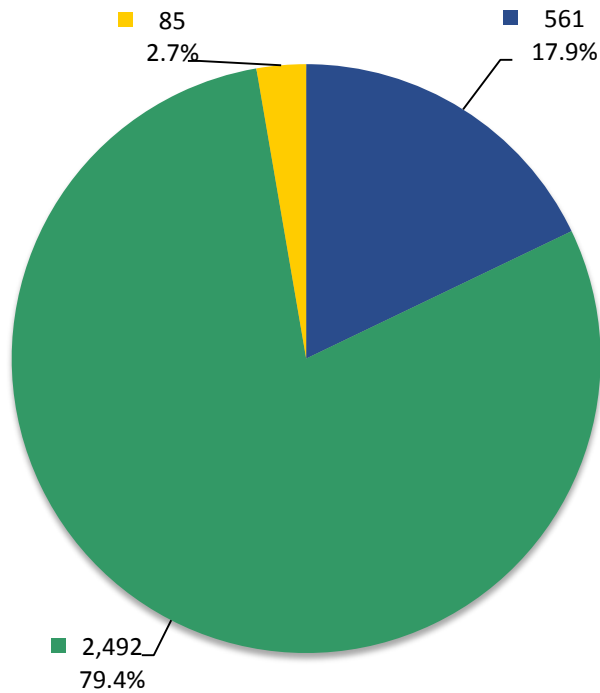


Approximately 2375 tonnes of cardboard, 144 tonnes of plastic, and 23 tonnes of mixed paper were recycled.

Emissions and Offsets Summary:

Liquor Distribution Branch GHG Emissions and Offset for 2015 (TCO2E)	
GHG Emissions created in Calendar Year 2015	
Total Emissions (tCO ₂ e)	<i>3,138</i>
Total Offsets (tCO ₂ e)	<i>3,116</i>
Adjustments to GHG Emissions Reported in Prior Years:	
Total Emissions (tCO ₂ e)	<i>0</i>
Total Offsets (tCO ₂ e)	<i>0</i>
Grand Total Offsets for the 2015 Reporting Year	
Grand Total Offsets (tCO ₂ e)	<i>3,116</i>

BC Liquor Distribution Branch Greenhouse Gas Emissions by Source for the 2015 Calendar Year (tCO₂e*)



Total Emissions: 3,138

- Mobile Fuel Combustion (Fleet and other mobile equipment)
- Stationary Fuel Combustion (Building Heating and Generators) and Electricity
- Supplies (Paper)

Offsets Applied to Become Carbon Neutral in 2015

Total offsets required: **3,116**. Total offset investment: **\$77,900**. Emissions which do not require offsets: **22** **

* Tonnes of carbon dioxide equivalent (tCO₂e) is a standard unit of measure in which all types of greenhouse gases are expressed based on their global warming potential relative to carbon dioxide.

** Under the Carbon Neutral Government Regulation of the *Greenhouse Gas Reduction Targets Act*, all emissions from the sources listed above must be reported. As outlined in the regulation, some emissions do not require offsets.

Actions Taken to Reduce Greenhouse Gas Emissions in 2015

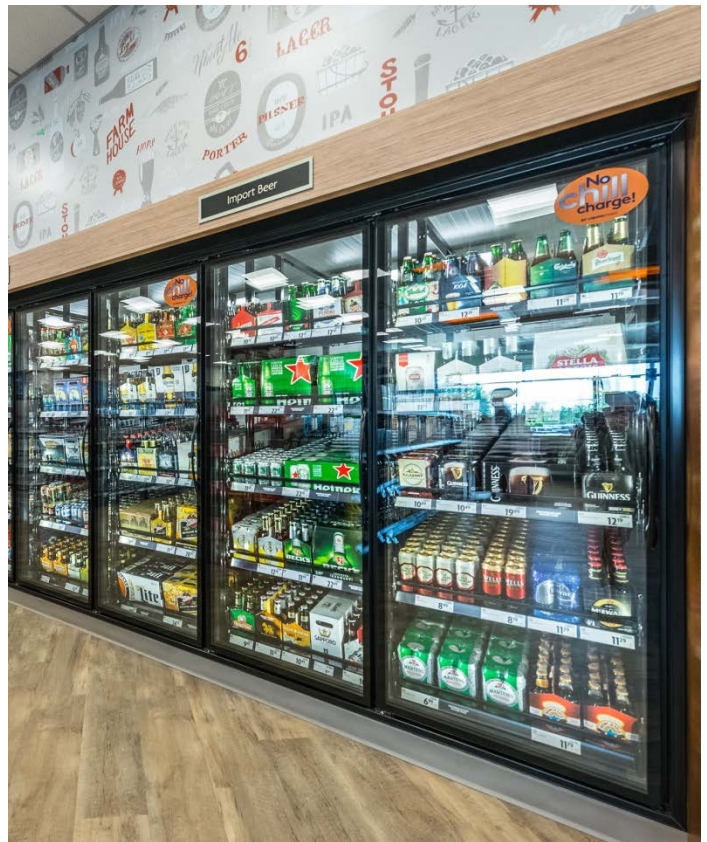
In 2015, the LDB took steps to reduce emissions from all major sources covered by the *Greenhouse Gas Reduction Targets Act* – vehicle fleet fuel use, paper use and the most significant source of emissions: buildings. The LDB's facilities across the province include its head office in Vancouver, 198 retail stores, two wholesale outlets and two distribution centres.

Some of the LDB's GHG reduction activities from 2015 are highlighted below.

Improved energy efficiency of buildings

In an effort to continuously improve the energy-efficiency of its buildings, the LDB periodically updates its construction specifications handbook. This handbook provides building contractors with information they need to ensure all projects – new or renovated – in BC Liquor Stores meet the LDB's energy-efficient requirements. The following energy-efficiency projects were completed as a result of specifications updates.

- All walk-in, rear-loading *coldzone* coolers installed in 2015 had equipment installed that allows for remote monitoring and control for ongoing optimization by head office employees, trained in energy-efficiency. This same technology was included in the majority of *coldzone* reach-in, front-loading coolers installed in 2015, as well.
- Air curtains were installed over sliding entry doors at two BC Liquor Store locations. Two additional BC Liquor Store locations had entryway vestibules installed. Both air curtains and vestibules create a barrier between indoor and outdoor air and improve the efficiency of heating/cooling systems.
- Five renovations and construction projects completed in 2015 used very efficient LED fixtures for general overhead lighting.



Increased fuel efficiency of its vehicle fleet

- In order to 'right size' its fleet, the LDB replaced a larger work van with a smaller minivan.

Purchased paper from responsible sources and took steps to reduce paper usage

- 91 per cent of the LDB's office paper used at Head Office and in BC Liquor Stores consisted of 100 per cent post-consumer content. 2 per cent of office copy paper had 30 per cent post-consumer recycled content.
- The Kamloops Distribution Centre (KDC) Green Team experimented with paper made from 95 percent sugar cane fibres - an agricultural waste product that reduces the need for harvesting trees. In 2015, 23 percent of the paper used by the KDC was made from this material.
- The LDB discontinued the publication of its BC Liquor Store Product Guide and Store Location Guide, saving the paper used to print 83,650 guides annually by making this information available online.

The LDB Prints Responsibly

LDB publications are printed on recycled paper with vegetable-based inks. The LDB's *TASTE* magazine, distributed to customers in BC Liquor Stores, is printed on Forest Stewardship Council-certified paper from responsible sources with a mix of 30 per cent recycled content.



Plans to Continue Reducing Greenhouse Gas Emissions in 2016 – 2018

Over the next three years, the LDB will continue to focus on its primary sources of greenhouse gas emissions and look for opportunities to reduce them further before purchasing carbon offsets. Below are some upcoming projects at the LDB.

Continue to improve building energy efficiency

- The LDB will review its specifications book for building contractors and look for additional opportunities to increase energy efficiency.
- New *coldzone* coolers installed in BC Liquor Stores in 2015 will be monitored remotely and data collected that will help identify further opportunities to improve efficiency.

Conserve more paper

- A new print/scanning/copying service agreement will be signed in 2016 with implementation to begin in 2017. As a part of this agreement, print management software will be installed to monitor print usage. A print management strategy will be introduced at head office to reduce printing through employee awareness programs and operational changes.

The LDB Builds Green

In new and remodeled BC Liquor Stores, paint is now non-toxic, flooring is made from material with low chemical emissions, and tiles, glues and finishes have low chemical emissions.

In 2014, a wall base made from bio-based materials and 15% pre-consumer recycled content became the standard in store design. These materials were used for a new store in Parksville and a remodeled store remodeled in Victoria in 2015.



In addition to reducing GHG emissions from the sources that fall within the reporting requirements of the *Greenhouse Gas Reduction Targets Act*, the LDB is improving sustainability in other areas – from education and awareness to material conservation and waste reduction. These measures will help BC meet its provincial greenhouse gas reduction targets and improve environmental sustainability across all aspects of the LDB.

Sustainability Actions Taken in 2015

Promoted environmental sustainability through education, awareness and engagement

- The LDB Green Team hosted 3 ‘Lunch and Learns’ in 2015 and screened 3 documentary films at head office – *The Future of Energy*, *FRESH* and *Just Eat It*.
- The Green Team tested employees’ knowledge of the new recycling program established at head office and Vancouver Distribution Centre, awarding prizes.
- The LDB’s cycling group, the ‘Spirited Cyclists’, set up an information booth in the cafeteria to help cyclists plan their bike routes for commuting to work.
- On Earth Day 2015, the Green Team raised awareness about the number of single-use coffee cups that are thrown out every year. Members of the LDB Executive Team distributed reusable mugs to all employees working at the head office and Vancouver Distribution Centre. A premium is now charged for coffee purchased in disposable cups at the on-site cafeteria.
- The LDB designated April 2015 as ‘Earth Month’ in BC Liquor Stores. In-store posters described the environmental efforts made by the LDB and the achievements of its customers. Organic products were also featured during throughout the month.

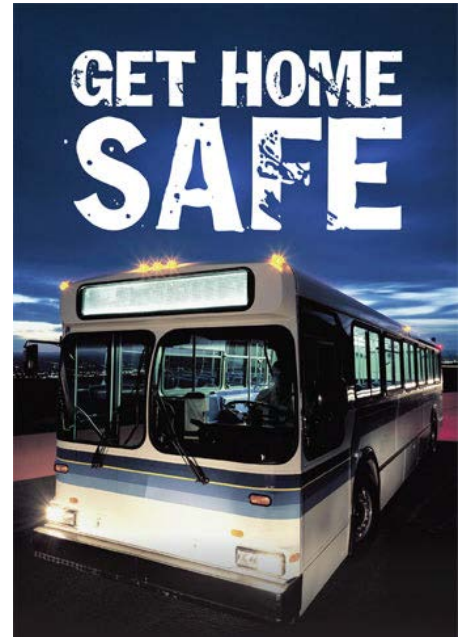


Sustainable transportation encouraged

- Forty-seven LDB employees participated in Bike to Work Week across the province. Teams formed at 10 BC Liquor Stores, and the head office and Vancouver Distribution Centre Team, the ‘Spirited Cyclists’, had 28 riders. More than 2,244 kilometers were reported by staff and draw prizes were awarded.



- The LDB'S signature social responsibility program, *Get Home Safe*, promotes responsible beverage alcohol consumption through print and web-based promotions. Customers are reminded not to drink and drive, and to think about using public transit as an alternative way to get home. To support this program, free transit passes were provided to attendees at the 2015 Vancouver International Wine Festival.



Reduced waste by expanding and improving recycling program

For a number of years, the LDB had an extensive recycling program in place. The majority of recyclable materials generated in BC Liquor Stores is returned to its two distribution centres for consolidation before being sent to recycling facilities, as is material generated at head office and the distribution centres. In 2014, the LDB Executive approved its multi-year *Waste Reduction and Recycling Strategy* and formed a cross-departmental Waste Reduction Team. As part of the strategy, the following outcomes were achieved in 2015:

- The LDB recycled 2375 tonnes of cardboard, 144 tonnes of plastic, and 23 tonnes of mixed paper.
- The Vancouver Distribution Centre increased the amount of material diverted from the landfill from 79 per cent to 85 per cent. Similarly, head office saw an increase from 82 per cent diversion to 85 per cent diversion.
- In BC Liquor Stores, the LDB installed additional balers and switched to backhauling the material from 11 stores in the Victoria area through LDB-contracted carriers. This has increased the amount of cardboard sent directly to recycling plants by the LDB and has improved the tracking of cardboard recycled by BC Liquor Stores.
- The LDB responsibly recycled 72 computer monitors and 4 computers. An additional 37 computers were sold for refurbishment.

Reduced plastic waste associated with plastic bag use

- BC Liquor Store plastic bags were redesigned to use less plastic, saving 21,000 kg of plastic per year.
- The BC Liquor Store reusable shopping bags were also redesigned, and are now made from unbleached cotton and recycled plastic.
- On November 1, 2015, the LDB introduced a 5-cent plastic bag fee at its three Whistler BC Liquor Stores to align with the Alliance of Grocery Stores and Drug Store Retailers' effort to reduce plastic bag use in the Resort Municipality of Whistler. The day this change was announced, reusable bags were given away to customers. Fees collected during the first month of the program were donated to Whistler Search and Rescue.



BC Liquor Store Customers Do Their Part for the Environment

Customers returned over 95 million containers to BC Liquor Stores. Over 90 per cent of liquor bottles and cans sold in BC are returned.



Sustainability Plans for 2016 – 2018

The LDB is committed to improving the environmental sustainability of its operations. Here are a few examples of the steps the LDB will be taking in coming years to meet its environmental goals.

Expand education, awareness and engagement

- New stores opened in 2016 will include a 'green wall' to inform customers of the LDB's commitment to environmental sustainability.
- In April 2016, to recognize Earth Day at head office, short environmental documentaries will be screened and Green Team members will pour green iced tea to employees who bring their reusable mugs to the screening.
- BC Liquor Stores will designate April as 'Earth Month' and will feature statistics about environmental actions taken by the LDB. Organic products will also be featured.

Other actions to reduce waste

The LDB has a number of other initiatives planned for the next three years which will further reduce waste and improve the organization's environmental performance.

- The LDB will revamp the recycling program by installing signage and colour-coded bins in the Vancouver Distribution Centre in early 2016.
- The LDB will enter into a new contract with a waste/recycling service provider at the Head Office and Vancouver Distribution Centre which requires monthly reporting of material weights to calculate annual diversion rates. The weight of garbage, organic material, metal, wood, mixed containers, paper, Styrofoam and used electronics will be tracked.
- In 2016, the LDB will consolidate and negotiate BC Liquor Store waste and recycling contracts to ensure that BC Liquor Stores receive the best price/service and increase the availability of recycling. This will begin with the contracting of one service provider for 29 BC Liquor Stores in Metro Vancouver to provide waste collection and organics recycling. The new agreement will require monthly reporting of material weights to calculate annual diversion rates.
- The remaining BC Liquor Stores in Metro Vancouver that have waste and recycling service provided by their landlord will be provided with education, signage and bins to increase recycling of organic material.



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To find out more about how the LDB is leading the beverage alcohol industry on implementing sustainability initiatives, visit bcldb.com

For questions or comments, please contact the LDB at: 604-252-3000 or green@bcldb.com