



2013

**CARBON
NEUTRAL
ACTION
REPORT**

75cl 3 63mm



**LIQUOR
DISTRIBUTION
BRANCH**



TABLE OF CONTENTS

Executive Summary	3
2013 Highlights	4
2013 GHG Emissions and Offsets Applied to Become Carbon Neutral in 2013	5
Emissions Reduction Activities	6
Actions Taken to Reduce GHG Emissions in 2013	6
The LDB's Plans to Continue Reducing GHG Emissions in 2014 – 2016	8
Reducing Provincial Emissions And Improving Sustainability	9
Sustainability Actions Taken in 2013	9
The LDB's Sustainability Plans for 2014 – 2016	14

This is the 2013 Carbon Neutral Action Report for the BC Liquor Distribution Branch (LDB). As required by legislation, this report outlines the LDB's 2013 greenhouse gas (GHG) emissions profile and offsets purchased to reach carbon neutrality, lists actions taken by the LDB in 2013 to reduce GHG emissions, and describes the LDB's plans to continue reducing emissions in 2014 and beyond.



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.

Because of our unique position in BC – operating a province-wide retail and wholesale beverage alcohol business in a mixed public-private model – we have the opportunity to influence environmental performance well beyond our own operations.

Working with industry, our 3,600-plus employees, and reaching out to millions of BC customers, we are proud to inspire sustainability practices that protect our province – and our planet.

As outlined in the LDB's 2013/14 – 2015/16 Service Plan, we are committed to maintaining our legacy of leadership in sustainability by continuing to reduce the impact of our operations on the environment.

For the fourth consecutive year, the LDB's operations were carbon neutral in 2013. We did this by reducing operational greenhouse gas (GHG) emissions as much as possible and investing in high-quality, BC-based carbon reduction projects through the BC Ministry of Environment to offset remaining emissions. This is the LDB's sixth annual public report outlining steps taken to reduce GHG emissions from its operations.

As one of BC's largest retailers and a global purchasing power of beverage alcohol products, it is both our duty and our privilege to continue building our legacy of environmental leadership. The pages of this report highlight our ongoing efforts to make our own operations as sustainable as possible and drive positive environmental change within our industry and beyond.

To read more about the LDB's commitment to environmental sustainability, visit: www.bclldb.com/corporate-social-responsibility/sustainable-retailing

R. Blain Lawson
General Manager and Chief Executive Officer



THE LDB IS A POWER SMART PARTNER

Since 2009, LDB energy-efficiency projects have saved enough energy to power 326 BC homes per year.

2013 HIGHLIGHTS

Electricity Conservation

800 

Number of devices that had power management software installed - saving 235,200 kWh per year.



Office lighting was upgraded - saving 47,000 kWh per year

Fuel Efficiency



One inefficient vehicle was retired.

Now, **52%** of LDB's 28-vehicle fleet are hybrid models.

Responsible Purchasing



66% of office paper purchased contained 100% recycled content.

27% contained 30% recycled content.

Employee Engagement

37%

of Head Office employees committed to 1,314 energy-saving tasks.

40

LDB employees across BC participated in Bike to Work Week.



Travel Reduction



Videoconferencing was installed at two distribution centres, 350 kilometers apart - saving a half tonne of GHG emissions per year.

Recycling



2043 tonnes of cardboard, **111** tonnes of plastic, and **27** tonnes of mixed paper were recycled.

LDB GHG Emissions and Offsets for 2013 (tCO₂e*)

GHG Emissions Created in Calendar Year 2013

Total Emissions	3,489
Total Emissions for Offsets	3,471

Adjustments to GHG Emissions Reported in Previous Years

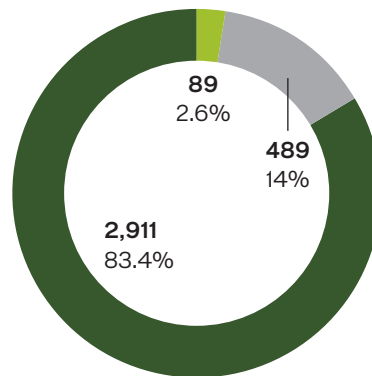
Total Emissions	-2
Total Emissions for Offsets	-2

Credit Owing from Pacific Carbon Trust at End of 2012

Reporting Year: Credit Owing	0
--	---

Total Emissions for Offsets for the 2013 Reporting Year (from Offset Invoice):	3,469
--	-------

LDB GHG Emissions by Source for the 2013 Calendar Year (tCO₂e*)



Total Emissions: 3,489

- 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 2013:

3,471

TOTAL OFFSETS REQUIRED

\$86,775

TOTAL OFFSET INVESTMENT

18**

EMISSIONS WHICH DO NOT REQUIRE OFFSETS

* Tonnes of carbon dioxide equivalent (tCO₂e) is a standard unit of measure in which all types of GHGs 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 GHG Emissions in 2013

During the 2013 calendar year, 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, 196 BC Liquor Store retail and wholesale outlets and two distribution centres.

Some of the LDB's GHG reduction activities from 2013 are highlighted below.

The LDB Improved Its Building Energy Efficiency

The LDB regularly updates its specifications book for building contractors to further increase the energy efficiency of new BC Liquor Stores locations and renovated stores. The following changes were made in 2013:

- Light emitting diode (LED) lighting is now used in perimeter signage instead of less efficient neon lighting. This is expected to save 12,500 kWh per store per year.
- Air curtains are now a requirement over sliding front doors to create a barrier between indoor and outdoor air, thereby maintaining indoor temperature and improving heating/cooling efficiency. Air curtains were installed at six locations in 2013.
- Décor lighting and checkouts now use LED bulbs instead of fluorescent lamp (CFL) bulbs.



Other energy efficiency projects completed in 2013 were as follows.

- The LDB retrofitted lighting in its offices at 3200 Broadway in early 2013, for an estimated savings of 47,000 kWh per year.
- The LDB completely replaced lighting at two greater Vancouver stores in 2013, with an estimated savings of 46,880 kWh per year.
- The LDB installed power management software on 66 per cent of workstations and point of sale devices in BC Liquor Stores (800 total), saving 235,200 kWh per year.

The LDB Increased the Fuel Efficiency of its Vehicle Fleet

In 2013, the LDB retired an older, less fuel-efficient vehicle in its fleet and did not replace it. Currently, 52 per cent of the LDB's vehicle fleet is made up of fuel-efficient hybrid models.



THE LDB TRAVELS GREEN

52 per cent of the LDB's vehicle fleet are fuel-efficient hybrid models.

The LDB Purchased Paper with High Recycled Content

The LDB purchased 66 per cent of its office paper with 100 per cent post-consumer content for use at Head Office and in BC Liquor Stores. Twenty-seven per cent of office copy paper had 30 per cent post-consumer recycled content. This is the highest percentage of recycled content available for coloured paper.

The LDB's Plans to Continue Reducing GHG Emissions in 2014 - 2016

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

The LDB Will Continue to Improve Building Energy Efficiency

In 2014, the LDB will switch to virtual desktops at its Vancouver Head Office. This will give the LDB the ability to increase the number of PCs and thin PCs that can be physically shut down overnight and on weekends to 80 per cent – even if they need to be accessed remotely. Increasing the number of PCs that can be shut down will save an additional 12,500 kWh per year.

In 2014, the LDB will pilot very efficient LED fixtures for general overhead lighting at one store location. If successful, it will become the standard for overhead lighting to be included in the LDB's renovation/construction specifications book for new store designs and remodels.

The LDB Will Conserve More Paper

The LDB will implement a print management strategy at Head Office. As part of the new print/scanning/copying service agreement to be established in 2015, print management software will be installed to monitor print usage. The LDB will aim to reduce printing through operational changes and employee awareness and will track results.



THE LDB PRINTS RESPONSIBLY

LDB publications are printed on recycled paper with vegetable-based inks.

The LDB's *TASTE* magazine, which is distributed to customers in BC Liquor Stores, is printed on Forest Stewardship Council-certified paper from responsible sources with a mix of 30 percent recycled content.

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 GHG reduction targets and improve environmental sustainability across all aspects of the LDB. Below is a list of a few of the broader sustainability initiatives the LDB enacted in 2013 and plans for the next three years.

Sustainability Actions Taken in 2013

The LDB Reduced Business Travel

The LDB installed videoconferencing in two locations at Head Office and one location at the Kamloops Distribution Centre in 2013 to reduce the need for business travel across the province and eliminate the associated GHG emissions. During its first year of use, an estimated \$5,200 in travel costs were saved and more than half of a tonne of CO₂e emissions were avoided.

The LDB Supported its Employees Who Bike to Work

To add to the existing, secure bike facility at LDB's Vancouver Head Office, the LDB acted on a request from the *LDB Green Team's* distribution centre representatives and installed two additional secure bike storage areas next to the Vancouver Distribution Centre in late 2013. Employees from both locations also have access to showers and changing facilities. Currently, 32 employees (7 per cent) of the LDB Head Office are part of the Bike to Work team called the "Spirited Cyclists."

Despite rainy weather, 40 LDB employees across the province – including BC Liquor Stores employees – participated in Bike to Work Week from May 27 to June 2, 2013. LDB participants recorded riding more than 754 kilometers that week.



The LDB Promoted Environmental Sustainability Through Education, Awareness, and Engagement

In 2013, the LDB rebranded its *Climate Action Team* as the *LDB Green Team* and designed a fresh logo. The LDB also encouraged BC Liquor Store employees to join the team as "Green Advocates." Since then, the *LDB Green Team* has become an important way for the LDB to keep employees engaged and share information on environmental issues through peer-to-peer discussions.



REDUCING PROVINCIAL EMISSIONS AND IMPROVING SUSTAINABILITY

By the end of 2013, the *LDB Green Team* consisted of 58 Green Advocates in 56 Stores and 16 members from LDB's Head Office, two distribution centres, and the Vancouver Wholesale Customer Centre. Below are some initiatives run by the team in 2013:

- The *LDB Green Team* hosted two "Lunch and Learns" in 2013 and screened two documentary films - *The Clean Bin Project* and *Plasticized* - at Head Office.
- The LDB implemented a "Green CHEERS!" section in its monthly e-newsletter to recognize environmental efforts by LDB employees during the month of April. All nominees were entered into a green prize draw.
- From November 18 to 22, 2013 the LDB's Green Team encouraged colleagues to participate in the LDB's second *Hibernation Challenge* – an annual event to promote energy-saving practices at work during the coldest and darkest days of the year. While head office employees pledged online to close blinds, turn off lights, and unplug equipment, all LDB employees across the province were invited to wear warmer clothing at work instead of turning up the heat and participate in a tacky sweater competition.
 - ♦ 159 LDB Head Office & Distribution Centre staff (37 per cent) took the online *Hibernation Challenge* pledge and committed to 1314 energy-saving tasks.
 - ♦ 54 staff participated in the tacky sweater competition – including 39 employees from 17 BC Liquor Stores.

The LDB also reaches out to its environmentally-minded customers through promotional material in BC Liquor Stores, articles in the LDB's *TASTE* magazine, and through liquor festival events. For example:

- The LDB designated April 2013 as "Earth Month" in BC Liquor Stores. In-store posters described the environmental efforts made by the LDB and the achievements of its customers. Marketing also asked agents and suppliers to share their commitment to the environment with customers. A number of suppliers donated a portion of their revenue to environmental causes and 13 wine brands placed neck tags on their products indicating lighter, eco-friendly bottles made with more recycled glass
- The LDB's signature social responsibility program, *Get Home Safe*, promoted through print and web media asks customers not to drink and drive and think about public transit as an alternative way to get home. To support this program, free transit passes are given out every year at the Vancouver International Wine Festival and other liquor festival events.





**BC LIQUOR STORE CUSTOMERS
DO THEIR PART FOR THE ENVIRONMENT**

In 2013, customers returned over 109 million containers to BC Liquor Stores. Over 90 per cent of liquor bottles and cans sold in BC are returned.

The LDB Reduced Waste by Expanding and Improving its Recycling Program

For a number of years, the LDB has had an extensive recycling program in place. To take responsibility for its own recyclable material and ensure efficient use of the LDB's trucking network, the LDB backhauls recyclable materials generated in the majority of its BC Liquor Stores to its two distribution centres for consolidation before being sent to recycling facilities. Material generated at Head Office and at the distribution centres is also sent to recycling facilities. Through this program, the LDB recycled 2043 tonnes of cardboard, 111 tonnes of plastic, and 27 tonnes of mixed paper in 2013. The LDB also recycles styrofoam, metal, wood, used electronics and building material.

Additionally, BC Liquor Store locations that do not receive backhaul services have recyclable material picked up by regional recycling companies who, at this time, do not report the weight of material collected.

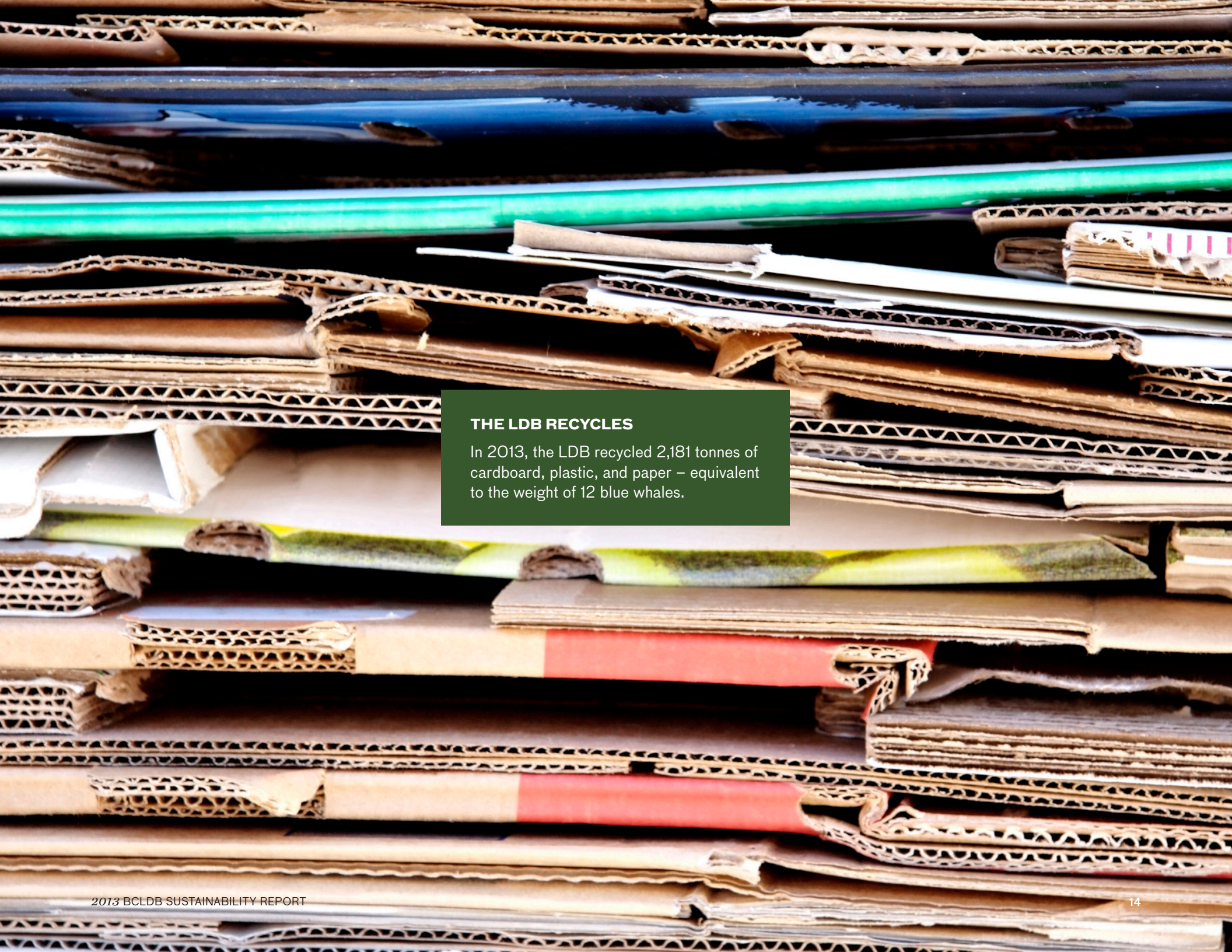
In 2013, the LDB finalized its multi-year waste reduction and recycling strategy - built upon universal principles of waste reduction and environmental responsibility. The LDB launched its strategy during *Canada's National Waste Reduction Week* in October. Through monitoring and incremental change, the LDB will reduce waste and expand recycling across the entire organization.

A number of other waste reduction initiatives took place in 2013. For example:

- The LDB's responsible technology destruction policies ensure that obsolete electronic assets are disposed of/recycled responsibly when they reach their end-of-life. In 2013, the LDB recycled 109 PCs, 300 switches and 140 access points.
- In late 2013, the LDB rolled out battery recycling across the Head Office and the Vancouver Distribution Centre and will soon be expanded to stores.

- The LDB created an online, electronic reporting application which eliminated the need for paper sales reports to be submitted to the LDB. The application, called Direct Sales Web Reporting, will save an estimated 90,000 sheets of paper per year.
- The LDB established a contract with a new paper bag supplier requiring that the bags be manufactured from at least 50 per cent post-consumer recycled content and vegetable-based inks.





THE LDB RECYCLES

In 2013, the LDB recycled 2,181 tonnes of cardboard, plastic, and paper – equivalent to the weight of 12 blue whales.



The LDB's Sustainability Plans for 2014 – 2016

The LDB is committed to building on its legacy of environmental sustainability. Below are a few examples of the steps the LDB will be taking in coming years to meet its environmental goals.

The LDB Will Aim to Further Reduce Business Travel

The LDB is investigating the installation of video-supported in-store training. This will reduce travel costs and associated GHG emissions due to a reduction in employees traveling for training purposes.

The LDB Will Expand Its Education, Awareness, and Engagement

In January 2014, the LDB will expand the *LDB Green Team* by hiring a co-op student to coordinate the Team's activities and solicit more members. The team will continue its "Lunch and Learn" series and screen more documentary films with an environmental theme. Guest speakers may also be invited. Below are a few initiatives planned by the *LDB Green Team* for 2014.

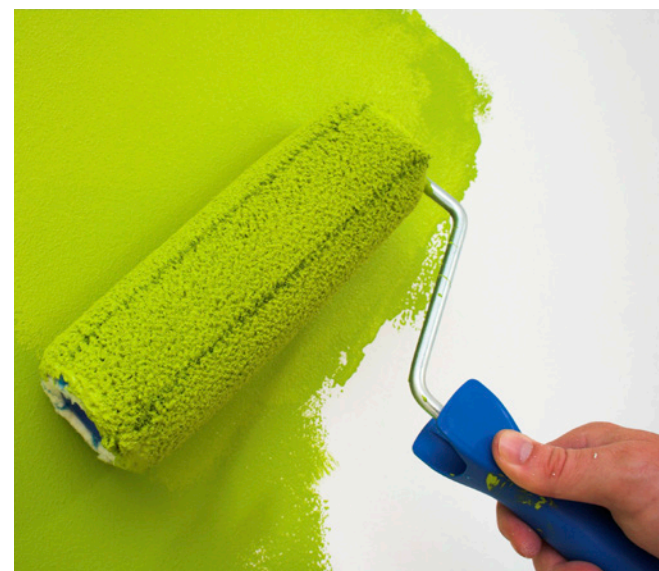
- In recognition of Earth Day 2014, from April 14 to 17, the *LDB Green Team* will promote BC's province-wide electronic waste recycling program. At Head Office, LDB employees will be invited to bring their electronic waste to work where it will be collected and sent directly to a reputable electronic waste recycler.
- As a lead-up to Bike to Work Week in May 2014 and to promote other green commuting choices, the *LDB Green Team* will be hosting a "Green Commuter Week" at the LDB Head Office and Vancouver Distribution Centre. Events will include a lunchtime "carpool mingler" and transit/cycling route information-sharing.
- During the next few winters, the *LDB Green Team* will continue to host the annual *Hibernation Challenge* to raise awareness about energy-saving practices while at work.

To engage customers, April 2014 will again be designated "Earth Month" in BC Liquor Stores. In-store posters appearing will show customers how the LDB is reducing its environmental footprint. On Earth Day (April 22), the LDB will give away reusable shopping bags to customers.

Other Action 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. Below are a few examples.

- In 2014, the LDB will form a cross-departmental LDB Waste Reduction Team to support the LDB's Waste Reduction and Recycling Strategy.
- Enhanced, multi-stream recycling and composting will begin at Head Office and the Vancouver Distribution Centre by mid-2014. Weights will be tracked and reported annually in the LDB's Annual Report.
- Head Office will consolidate and negotiate store waste and recycling contracts to ensure that BC Liquor Stores receive the best price/service and increase the availability of recycling. The LDB will track and report recycling rates through regular audits.
- The LDB plans to expand its battery recycling program to BC Liquor Stores.
- The LDB will experiment with lighter weight plastic bags which can still hold multiple bottles and cans. Less plastic will cut down on the amount of raw material and energy needed for production and reduce pressure on landfills and recycling infrastructure.
- The LDB will work with beverage container stewardship organizations to ensure that new developments in beverage alcohol packaging are accounted for and that programs are established to ensure collection and recycling of new container types - such as non-refillable cardboard and plastic kegs.



THE LDB BUILDS GREEN

In new and remodeled BC Liquor Stores, paints are non-toxic, tiles, glues and finishes have low chemical emissions, and floor tiles are made from plant-based material containing 10 per cent recycled content.

CONTACT INFORMATION

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

If you have any questions or comments, please contact us at: 604 252 3000 or email green@bcldb.com



**LIQUOR
DISTRIBUTION
BRANCH**