

2017 CARBON NEUTRAL ACTION REPORT



LIQUOR
DISTRIBUTION
BRANCH

Signature
BC LIQUOR STORE
coldzone

It's cold
in here!

coldzone
FOR CHILLED PRODUCTS

celebrate
CANADA



OPEN

PLEASE NOTE
Selling at
20% off
2017-2018



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This *Carbon Neutral Action Report* for the period January 1st, 2017 to December 31st, 2017 summarizes the Liquor Distribution Branch's (LDB) emissions profile, the total offsets to reach net-zero emissions, the actions the LDB took in 2017 to reduce its greenhouse gas emissions and the LDB's plans to continue reducing emissions in 2018 and beyond.

By June 30, 2018, 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 empty 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 197 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 its *2018/19– 2020/21 Service Plan*, the LDB is committed to reducing the impact of its operations on the environment by achieving carbon neutrality on an annual basis, decreasing waste, increasing recycling rates, and promoting environmental responsibility through employee training and awareness campaigns.

For the eighth consecutive year, the LDB's operations were carbon neutral in 2017. 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 tenth consecutive year for which the LDB has reported steps it has taken to reduce GHG emissions from its operations.

Due to increasing business and the addition of cannabis distribution to the LDB's mandate, in late 2018/19, the LDB will be moving to a new, larger head office in Burnaby. The leased building achieved a "platinum" rating for its core and shell in 2010 – the highest level in the Leadership in Energy and Environmental Design (LEED) rating system. It is an open design with plenty of windows and natural light. Because environmental sustainability is a core value of the LDB, when searching for a new location for its expanded head office, the LDB actively searched for a location that exemplified a healthy and efficient green building.

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

2017 HIGHLIGHTS

Electricity Conservation



Six BC Liquor Store construction and renovation projects installed high-efficiency LED lighting throughout the store.

Responsible Purchasing



Ninety-six per cent of office paper purchased contained 100 per cent recycled content. Four per cent contained either 30 per cent recycled content or was from responsible sources.

Recycled Materials



New BC Liquor Store plastic bags are made in BC from 20 per cent recycled plastic bottles. Single bottle paper bags are now made from 97 per cent post-consumer recycled content.

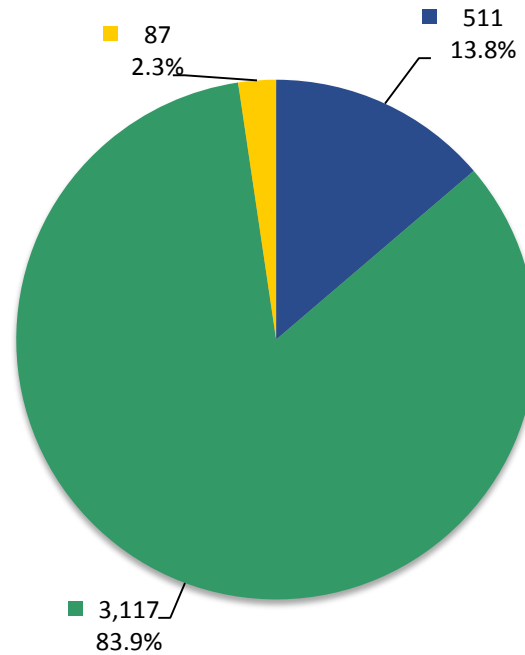
Recycling



Approximately 2,937 tonnes of cardboard, 162 tonnes of plastic, and 15 tonnes of mixed paper were recycled.

Emissions and Offsets Summary:

Liquor Distribution Branch GHG Emissions and Offset for 2017 (TCO2E)	
GHG Emissions created in Calendar Year 2017	
Total Emissions (tCO ₂ e)	3,715
Total Offsets (tCO ₂ e)	3,696
Adjustments to GHG Emissions Reported in Prior Years:	
Total Emissions (tCO ₂ e)	0
Total Offsets (tCO ₂ e)	0
Grand Total Offsets for the 2017 Reporting Year	
Grand Total Offsets (tCO ₂ e)	3,696



Total Emissions: 3,715

- 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 2017

Total offsets required: **3,696**. Total offset investment: **\$92,400**. Emissions which do not require offsets: **19**

*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

Actions Taken to Reduce Greenhouse Gas Emissions in 2017

In 2017, 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. In 2017, the LDB’s facilities across the province included its head office in Vancouver, 197 retail stores, two wholesale outlets and two distribution centres.

Some of the LDB’s GHG reduction activities from 2017 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. Additionally, architectural drawings will specify energy-efficient requirements, where needed.

Below are examples of energy-efficiency measures taken in BC Liquor Stores in 2017.

- Six BC Liquor Store renovations and construction projects completed in 2017/18 used efficient LED fixtures for lighting throughout the stores. Nineteen stores across BC are now completely outfitted with LED lighting, while other stores have a combination of LED lighting and high-efficiency CFL lighting.
- All walk-in, rear-loading *coldzone* coolers installed in 2017 contain equipment that allows for remote monitoring and control for ongoing optimization by Head Office employees trained in energy-efficiency.
- To improve energy-efficiency, the LDB now requires even thicker insulation in the construction of its *coldzone* coolers – saving approximately 25% more energy than coolers built with standard cooler insulation

Additionally, as the LDB prepared to move its main distribution centre from Vancouver to a facility in Delta in 2018, the existing warehouse lighting was replaced with high-efficiency LED lighting throughout.



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

Ninety-six per cent of the LDB's office paper used at Head Office and in BC Liquor Stores consisted of 100 per cent post-consumer recycled content. The remaining four per cent of office copy paper used had either 30 per cent post-consumer recycled content or was made from responsible sources.

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 10 per cent recycled content.



Plans to Continue Reducing Greenhouse Gas Emissions in 2018 – 2020

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

- In late 2018/19, the LDB Head Office will be relocating to a new office space certified as “LEED Platinum” in 2010 under the LEED BD+C: Core and Shell (Version 2.0) rating system. The green building uses an air-source variable refrigerant flow system that reduces electricity consumption by about 35% over a conventional HVAC system.
- The LDB will continue to use efficient LED lighting in BC Liquor Stores construction and renovation projects.
- *Coldzone* cooler installations will continue to use the more efficient insulation and will be monitored remotely to ensure optimal energy use.

Conserve more paper

- A new print/scanning/copying service agreement began in late 2017. As a part of this agreement, print management software will be installed in 2018 to monitor print usage. A print management strategy will be introduced at Head Office to reduce printing through employee awareness programs and operational changes.

REDUCING PROVINCIAL EMISSIONS AND IMPROVING SUSTAINABILITY

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 2017

Promoted environmental sustainability through education, awareness and engagement

In 2017, in honour of Earth Day, the LDB celebrated its achievement of 80% waste diversion in 2016/17 with a cake displaying the percentage of material sent to recycling versus landfill and handed out reusable cutlery sets to Head Office, Vancouver Distribution Centre and Kamloops Distribution Centre employees.

Further, BC Liquor Stores designated April as Earth Month and posted signage through the stores featuring statistics about environmental actions taken by the LDB. Organic products were also featured.

Also, throughout the year, the LDB's employee-led Green Team hosted events at the LDB Head Office which promoted environmental responsibility, such as:

- A 'Lunch and Learn' event during which subject matter experts from *Emotive: The Electric Vehicle Experience* were invited to educate employees about electric car ownership. The event coincided with the installation of charge points at the LDB Head Office.
- Lunchtime screening of the award-winning documentary, *Haida Gwaii: On the Edge of the World*, to provide insight into the cultural history of the island and inspire employees with examples of sustainable businesses and lifestyles.



Sustainable transportation encouraged

To promote sustainable commuting to the LDB head office, the organization installed two electric car charging stations at Head Office. Further, designated parking stalls for employees that car pool to work were moved closer to the main entrance of the building as a way to encourage more employees to participate.

As is done every year, Bike to Work Week was promoted at BC Liquor Stores across BC, the LDB Head Office, and the Vancouver Distribution Centre from May 29-June 4, 2017. Food was provided to cyclists who biked to work at the LDB Head Office and the Vancouver Distribution Centre.

Thirty-three employees and 16 BC Liquor Stores participated. Participants reported cycling a total of 1,726 kilometres. Two employees at the BC Liquor Store in Tofino (pictured) kayaked and longboarded to work.



Get Home Safe

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 2017 Vancouver International Wine Festival.



Reduced waste by expanding and improving recycling program

For a number of years, the LDB has 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 a multi-year *Waste Reduction and Recycling Strategy*. In 2017, the actions listed below were taken to support the strategy:

- At the Head Office and Vancouver Distribution Centre, the weight of garbage, cardboard, soft plastic, organic material, metal, wood, mixed containers, paper, Styrofoam and used electronics is tracked on a monthly basis. In 2017, the LDB achieved a diversion rate of 79 per cent at Head Office and Vancouver Distribution Centre.
- Across BC, the LDB recycled 2,937 tonnes of cardboard, 162 tonnes of plastic, and 15 tonnes of mixed paper.
- The LDB responsibly recycled 171 computers/laptops, 146 monitors, 20 servers, and other electronics weighing 5.2 tonnes.

The LDB Builds Green

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

In 2014, the LDB introduced flooring in BC Liquor Stores which does not require waxing and polishing which further eliminates chemical use in the stores. Twenty-eight stores now have this flooring, ten of which had the flooring installed in 2017.



Reduced waste associated with plastic bag use and supports recycling across BC

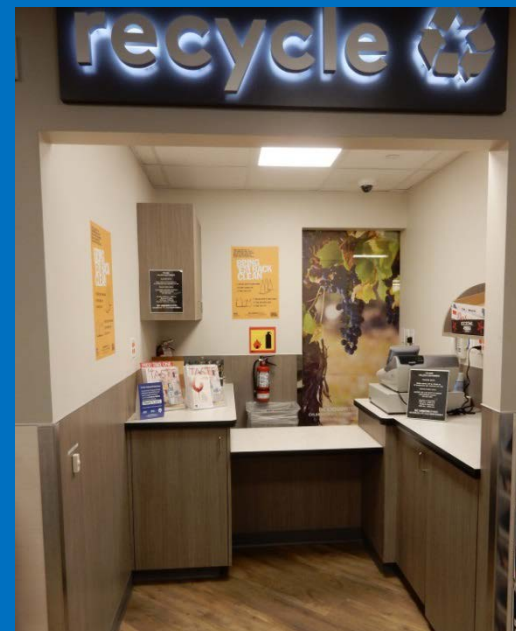
- In 2017, BC Liquor Stores introduced plastic bags made in BC containing 20% recycled plastic bottles and paper bags containing 97% post-consumer recycled content.
- The LDB determines the weight of all plastic bags, paper bags, flyers, brochures, and magazines distributed each year and then contributes financially to Recycle BC to cover the cost of recycling them. Supporting this program allows customers to return plastic bags free-of-charge to designated return locations across the province.
- At the opening of the Park Royal BC Liquor Store in West Vancouver and at the 2017 Vancouver International Wine Festival, reusable bags were given away to the first 500 customers. Reusable bags are sold in every BC Liquor Store.



BC Liquor Store Customers Do Their Part for the Environment

Customers can return empty alcohol beverage containers for refund to any BC Liquor Store across the province.

In 2017, 93 million containers were returned to BC Liquor Stores for recycling



Sustainability Plans for 2018 – 2020

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

Reduced waste associated with plastic bag use

The Liquor Distribution Branch (LDB) would like to see a reduction in plastic bag use and encourages customers to bring usable bags for their purchases. Here are some planned initiatives to support this goal in 2018:

- For Earth Day 2018, “Remember Your Reusable Bag” signage and “Do you need a bag?” counter decals will be posted throughout BC Liquor Stores. The Head Office will send updated communications to store employees, reminding them to ask customers if they need a bag before offering one.
- To comply with the July 1, 2018 plastic bag ban in Victoria, the five BC Liquor Stores located in the city’s boundary will be giving away reusable bags to customers during select days in June. Following July 1, the five stores will no longer provide plastic bags to customers. Instead, they will provide paper bags to customers at a cost of 15 cents each.

Expand education, awareness and engagement

- The LDB Green Team will continue to host Earth Day events, invite speakers to present, screen documentary films, and will focus on expanding its membership.

Other actions to reduce waste

- In 2018, the LDB will sign new waste and recycling contracts covering more than 50 BC Liquor Stores across the province. In addition to ensuring stores receive the best price, consistency of service will allow the LDB to increase the availability of recycling to stores across BC.
- Salt Spring Island has plans to become the first zero-waste BC Liquor Store by spring 2018.

Organic Products

- The LDB currently sells around 50 organic beverage alcohol products in its BC Liquor Stores and will continue to provide a wide range of organic products to customers.

BC Liquor Store Green Wall

Four BC Liquor Store construction and renovation projects completed in 2017 included the addition of a 'green wall' to inspire and inform customers of the LDB's commitment to environmental sustainability.

Currently nine BC Liquor stores and the LDB's head office prominently feature one of these walls and the LDB plans to continue installing them as part of regular renovations.





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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