

ICBC 2013 Carbon Neutral Action Report

ICBC continues to make steady progress on our commitment to reduce operational greenhouse gas (GHG) emissions. Our goal is to reduce emissions by one-third from the 2007 baseline by 2020. As of 2013 we have achieved a 24% overall reduction—which means that, midway to 2020, we are well ahead of schedule in reaching our goal.

A key element of our strategy is to quantify the environmental impact of our operations, then develop ways to reduce it. This enables us to demonstrate in concrete terms the dual benefits of increasing energy efficiency—a smaller carbon footprint, combined with reduced operating costs. The cost benefit is clear: we estimate that the energy conservation projects we have implemented at our facilities since 2009 will result in cumulative cost savings of \$2.2 million by 2020.

Our largest single source of GHG emissions is natural gas heating of our buildings. During 2013 we increased our investment in equipment and systems designed to reduce gas consumption. At ICBC Head Office in North Vancouver we replaced our old energy-inefficient chiller (used to cool a small data centre year-round) with one that extracts waste heat and recycles it into the space heating system, saving 160 tonnes of GHG emissions while lowering our heating bill during the winter.

In addition we completed 12 other natural gas conversion projects, including boiler replacements at seven locations and the installation of stratification fans (which improve heating efficiency) at our Central Estimating Facility in Coquitlam. Our new Richmond Driver Licensing Office, located in renovated space at a shopping mall, now features state-of-the-art heat recovery ventilators and low-energy LED lighting. Our aim is for the Richmond facility to receive Leadership in Energy and Environmental Design (LEED) Gold certification in 2014.

Progress toward achieving our carbon neutral mandate is important, but it's not the sum total of our efforts to make ICBC a greener company. We want to do what we can to cut waste and reduce the environmental impact of our operations, because our customers, employees and community stakeholders expect it of us as a responsible corporate citizen.

To that end, we installed our first electric vehicle (EV) charging station at our Port Coquitlam office, extending the province's network of EV stations. We continued to seek ways to reduce waste and climate impacts beyond our mandated carbon footprint, for example by providing B.C. drivers with a default web-based option that resulted in cutting the number of printed optional insurance policy booklets in half. And we estimate that our ongoing water conservation measures have saved nearly 50 million litres of water since 2010.

No doubt, we still have a lot of work to do over the next seven years to meet our environmental targets. Fortunately we have a number of plans in the works to do just that. For example, as part of a rollout of new technology for our claims systems, in late 2013 the company began a switch to electronic claims files to improve customer service and streamline internal processes. We expect this will also significantly decrease our paper consumption in the coming years. It is this sort of solution—systems changes that provide customer benefits and lower our operating costs while reducing our environmental impact—that point the way forward, and make us confident we will meet our GHG emissions goal.



Mark Blucher
President & CEO





Carbon Footprint

2013 Greenhouse Gas Emissions

In 2013, ICBC's total greenhouse gas (GHG) emissions from operations were 5,018¹ tonnes.

As part of our investment portfolio, ICBC owns properties that are also included in our carbon footprint. GHG emissions from investment properties in 2013 amounted to 17,779 tonnes².

Offsets Applied to Become Carbon Neutral in 2013

Total emission offsets of \$124,975 for ICBC's operations, and \$444,475 for ICBC's investment properties, have been applied to achieve carbon neutrality in 2013.

2013 Performance against Reduction Targets

In 2013, ICBC reduced greenhouse gas emissions from natural gas, vehicle fleet fuel and electricity consumption, three of our major operational sources, and experienced a slight increase (0.8%) in emissions associated with paper consumption. The net effect was a reduction of 686 tonnes, 12%, from our 2012 total.

As such, we are pleased to report that we were able to make further progress in meeting our commitment to reduce absolute emissions from our operations by 33% from our 2007 baseline by 2020, and match the provincial target set out in the *Greenhouse Gas Reduction Targets Act*. Our operational emissions last year were 24% lower than our 2007 baseline. Since 2013 is the mid-point on our way to achieving our goal, this means we are well ahead of schedule in our reductions.

Emission Source	2013 GHG Emissions Tonnes CO ₂ e	2013 results compared to 2012 ³	2013 Results compared to 2007 baseline
Building: Electricity (Stationary Combustion)	307	47% decrease	54% decrease
Buildings: Natural Gas (Stationary Combustion)	3,143	11% decrease	7% decrease
Fleet (Mobile Combustion)	571	4% decrease	52% decrease
Paper (Supplies)	978	1% increase	27% decrease
Total	4,999	12% decrease	24% decrease

¹ 19 tonnes of carbon dioxide emissions from the combustion of biomass and biomass-based fuels are reported within this number as part of our greenhouse gas emissions profile in 2013. However, as stated in BC Best Practices 2013, Methodology for Measuring Greenhouse Gas Emissions, the emissions resulting from the combustion of biogenic fuel sources must be reported but does not require offsets.

² With respect to both the operational and investment greenhouse gas inventories, it was estimated that stationary fugitive emissions from cooling, and emissions from testing diesel backup generators where applicable, do not comprise more than 1% of ICBC's total emissions and are onerous to collect, thus they are considered out of scope as set forth in the BC Best Practices 2013, Methodology for Measuring Greenhouse Gas Emissions and are not included in ICBC's total greenhouse gas emissions profile or offset purchase.

³ Percentages rounded to units.



Continuing to LEED

In 2013 our Driver Licensing Division consolidated two Richmond locations into one central location to better meet the customer needs in this growing community. Choosing the Lansdowne Mall in central Richmond provided a convenient location for customers within close proximity to public transit.

Renovating a new location provided an opportunity for ICBC to reduce our greenhouse gas footprint. Since this project is a renovation rather than new construction, it was not mandated to be LEED Gold, but we nevertheless chose to target LEED for Commercial Interiors Gold. The end result is a space that maximizes natural light, has exceptional air quality and saves the equivalent energy of three typical B.C. homes every year. We expect this location to achieve LEED Gold certification in 2014.

Aiming for LEED Gold required us to make significant changes to the location’s mechanical and electrical systems. With our focus on reducing GHG emissions, our key priority was to eliminate natural gas consumption. In its place, we met our heating needs via heat pumps that extract heat from outside air, coupled with state-of-the-art recovery ventilators that capture heat from outgoing air and use it to heat incoming fresh air. This system significantly reduces energy consumption and GHG emissions while improving indoor air quality. Other LEED improvements included LED lighting retrofits, the re-use of furniture and equipment, and sustainable materials selection.

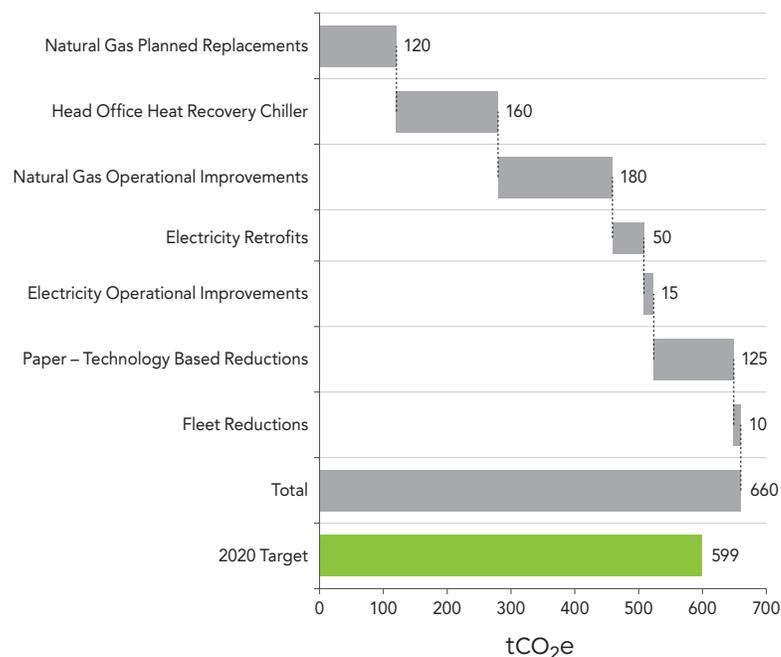
The site features an informational LEED learning kiosk that describes the environmental improvements at the site and provides an educational opportunity for our customers and staff. Most importantly the Richmond DLO has set a new standard that will shape all our facilities in the years to come.



2020 Reduction Plan

In addition to our one- to two- year plans for reducing operational greenhouse gas emissions, discussed in more detail below, ICBC has an overarching plan to reach our 33% reduction target by 2020. In order to meet the 2020 target, our annual emissions must decrease from our 2013 total of 4,999 tonnes to 4,400 by 2020, or a reduction of 599 tonnes. As the chart below illustrates, we expect the majority of these reductions to result from natural gas conservation measures, including retrofits and operational changes. Our 2020 reduction plan is updated annually.

2020 Operations Carbon Footprint Reduction Plan



Buildings – Energy

In 2013 ICBC made significant progress in implementing energy conservation measures that will reduce our buildings’ emissions and contribute to operational cost savings. Natural gas measures were a priority for us in 2013, and we were able to participate in the FortisBC Energy Specialist program to assist with the development and execution of projects that reduce natural gas consumption. We implemented electricity and natural gas energy retrofits at 21 locations, including direct digital controls (DDC) upgrades at three locations. DDC upgrades enable us to remotely manage the electrical and mechanical systems in our facilities through a web-based application. We estimate that the energy conservation projects we completed in 2013 alone will save us approximately \$500,000 by 2020, and the projected cumulative savings by 2020 from all projects implemented since 2009 is now estimated at \$2.2 million.

We continued to demonstrate our commitment to the Leadership in Energy and Environmental Design (LEED) Gold provincial green building mandate through the renovations completed at our new Driver Licensing Office in Richmond (see sidebar).



In 2013 we also made a number of operational changes that helped to reduce our buildings' emissions, including lease consolidations and reorganization of our offices to reduce unused space. In some cases these consolidation efforts resulted in staff relocation to other premises and shortened their commuting time. As well, in 2013 we began benchmarking our buildings' energy consumption using the Energy Star Portfolio Manager system. Created by the US Environmental Protection Agency and introduced to Canada last year, Portfolio Manager is an online tool that measures and benchmarks building energy performance against a portfolio of existing buildings. This information will help guide our energy management priorities in 2014 and beyond.

ICBC has a number of investment properties that also present an opportunity to reduce building GHG emissions. These properties, located throughout Canada, are not part of our operational footprint reduction goals; however, we endeavour to promote environmental sustainability at these locations too. In B.C. we work with our investment property managers to analyze and implement energy conservation projects where possible. Five of our investment properties (two of which are in B.C.) have received the Building Owners and Managers Association's Building Environmental Standards (BOMA BEST) certification for environmental performance. Finally, in partnership with the tenant at one of our investment properties, we are targeting LEED Existing Building: Operations and Maintenance (EB:O&M) Silver certification that focuses on building operational efficiencies and maintenance practices to minimize environmental impacts. This certification is a commitment by the building operator to continuously monitor and improve the environmental performance of the building.

Most importantly, we are committed to purchasing zero emissions electricity for our investment properties and data centre in Alberta because of the very high greenhouse gas intensity of electricity in that province. This has enabled us to prevent the release of approximately 12,000 tonnes of GHG emissions in 2013, and a cumulative total of nearly 39,000 tonnes of GHG emissions since 2010.

Electricity conservation

Performance against 2013 target

We continued to make significant progress last year in reducing the amount of greenhouse gas emissions generated by the use of electricity in our buildings. These emissions decreased by 47% in 2013 relative to 2012, resulting in a decrease of 273 tonnes of electricity-related GHG emissions and allowing us to surpass our year-over-year reduction target of 15 tonnes. Emissions from electricity have now decreased by 54% since 2007 in absolute terms, and our greenhouse gas intensity from electricity consumption (tonnes of CO₂e emissions per square metre) has decreased 58% since 2007.

Part of the year-over-year decrease is due to a reduction in the emission factor for purchased electricity in 2013. GHG emissions from hydroelectricity vary from year to year as a result of customer demand, variation in water supply conditions, and reservoir levels. In years of low water levels, the use of thermal (natural gas) generation for electricity will increase emissions. A rolling three-year average is used to calculate annual emission factors. Removing the change in emission factors, we still realized a significant decrease in our electricity footprint of 40 tonnes (20% from baseline) as a direct result of our conservation efforts.

Projects and actions in 2013

Electricity reductions in 2013 included building energy retrofits as well as efficiency improvements in our operations and information technology systems. We completed lighting retrofits at 15 locations last year, with a focus on LED lighting upgrades to our exterior lighting. DDC upgrades and variable speed drives that efficiently control the motor speeds of mechanical equipment were implemented at four locations, further reducing our electricity

consumption related to building mechanical systems. More than 85% of our owned buildings are now enabled with DDC controls, allowing us to manage their electrical and mechanical systems remotely.

Our Information Services division has continued to make significant efficiency improvements that contribute to electricity reductions. Last year an additional 12% of servers were virtualized, eliminating the need for 272 physical servers. Further, 578 underused tablets, laptops, and desktop computers were removed or redeployed as part of our corporate evergreen program.

Plans for 2014 – 2015

Our target for electricity reduction remains at 15 tonnes for 2014. Electricity measures planned for 2014 include mechanical retrofits and DDC controls upgrades at two locations, and additional LED exterior lighting retrofits. We plan to launch an internal energy audit to identify opportunities for energy conservation at eight to 10 priority locations. These audits will identify deficiencies and opportunities to implement energy conservation measures, such as start/stop optimization to program building equipment to operate efficiently based on occupancy requirements, operational adjustments, occupancy controls that switch off lights and other systems when rooms are vacant, boiler controls, HVAC improvements, and heat recovery where feasible to reduce our electricity and natural gas consumption.

Our Information Services division plans to continue to improve the efficiency of our systems. We are reducing the number of physical servers in our data centre, and our target is for the server fleet to be 85% virtualized within two years. An additional 658 underused tablets, laptops, and desktop computers are targeted for removal or redeployment.



Natural gas conservation

Performance against 2013 target

Natural gas consumption in our buildings remains our largest source of greenhouse gas emissions, and is the most challenging to reduce as it is highly dependent on winter temperatures. But even though in 2013 we experienced similar winter temperatures to 2012 at the majority of our locations, we saw a significant decrease of 399 tonnes in natural gas emissions. This far exceeds our annual reduction target of 110 tonnes, and represents reductions of 11% compared to 2012 and 7% compared to our 2007 baseline. When we calculate our buildings' greenhouse gas intensity from natural gas consumption (tonnes of CO₂e emissions per square metre), we have achieved a reduction of 14% since 2007. As a result of our focus on natural gas conservation in 2013 and onward, we are beginning to make considerable progress in reducing our building energy greenhouse gas emissions.

Projects and actions in 2013

Leveraging our partnership with the FortisBC Energy Specialist program, we implemented 12 natural gas conservation projects in 2013, more than in any previous year. These included boiler replacements at seven locations and the DDC upgrades at the three locations mentioned previously. We also installed stratification fans in the estimating garage of our Central Estimating Facility. By moving hot air down to the floor level, these fans significantly reduce the heating time required by the gas-fired infrared heaters in the space. Our renovation at the new Driver Licensing Office in Richmond removed natural gas completely from the location, eliminating 12 tonnes of GHG emissions annually.

Our most significant natural gas reduction project was the implementation of a dedicated heat recovery chiller at our head office location. Most of our IT data centre needs are managed at an offsite shared location. However, there is a small data centre in our head office building that requires cooling all year. An energy conservation opportunity was identified with the existing chiller system used to cool this equipment. We found that the existing chiller was oversized, nearing end of life, and operating very inefficiently. Rather than replacing it with a conventional chiller, we invested in a chiller capable of waste heat recovery to significantly reduce GHG emissions. By extracting waste heat from the cooling demands of the data centre and recycling that heat into our space heating system in the winter months, this chiller will eliminate over 3,200 GJs of natural gas consumption every year, which is equivalent to 160 tonnes of GHG emissions. Further, the incremental cost of implementing this technology resulted in an attractive return on investment and significant annual cost savings over the life of the project.



Sunny Brar, our FortisBC-funded Energy Specialist, helped build the case and access funding for our new dedicated heat recovery chiller at Head Office.

Plans for 2014 – 2015

Based on our performance to date and projected savings from our planned actions, we have chosen to increase our 2014 year-over-year natural gas reduction target to 160 tonnes. Natural gas conservation measures planned for the next two years include boiler replacements at eight locations, as well as the DDC upgrades and internal energy audits mentioned previously. We are completing a refit of our head office building's solar thermal system to better use the hot water that it generates. Stratification fans are being considered for other locations to reduce the demands on gas-fired heaters in vehicle drive bays and warehouse spaces. Leveraging our Energy Specialist program, we will be analyzing and developing business cases for a multitude of natural gas conservations measures that we have identified through energy studies and our internal energy audits. These measures include heat pump upgrades, envelope improvements, mechanical systems controls strategies, additional heat recovery opportunities, and operational adjustments, among others.

Supplies — Office paper

Performance against 2013 target

In 2013, we experienced a slight increase in greenhouse gas emissions from paper consumption (8 tonnes; +0.8%). As such, we did not meet our year-over-year reduction target of 35 tonnes (-3.6%) for this emission source. One reason for this is that over half our paper-related emissions come from forms and documents we provide to our customers and for which there is currently no alternative to paper. Emissions associated with these forms rise with our growing customer base. As well, some of the reductions in 2012 were the result of a company-wide challenge to help encourage employees to focus on office paper reductions.

Nevertheless, emissions in this category were 27% below baseline in 2013, so our reductions are ahead of schedule in meeting the 2020 reduction target. Moreover, as described below, we expect technology changes that will be implemented in the next five years will help us decrease our consumption of office paper substantially.

Projects and actions in 2013

Towards the end of 2013 we started to implement an extensive technology change for our claims system that will enable us to switch from paper-based files to electronic files. This will ultimately result in considerable reductions in paper use. Even better, it will bring broader reductions in the energy consumption and greenhouse gas emissions associated with storing and transporting the approximately 620,000 paper claims files that are created annually, not to mention considerable improvements in process efficiency and service to our customers.

We continued to support our employees in reducing or eliminating paper on other fronts as well. For example, all of our workstations have collaborative software for electronic editing, and by the end of 2013, the number of online collaboration sites in use had increased from 55 to 135. These sites help reduce office paper consumption by enabling staff to share documents, presentations, calendars, announcements, blogs and discussion boards online, and hold paperless meetings and presentations. They also assist in reducing business travel.

When we do use paper, we continue to use 100% post-consumer waste recycled Forest Stewardship Council (FSC) certified paper for our printers and copiers and 30% recycled FSC certified paper for our highest volume printed forms, with the result that almost all of the paper we use comes from responsibly managed forests.

In compliance with the extended producer responsibility provisions under B.C.'s Recycling Regulation, in 2013 we measured the amount of printed material we give to individual customers. While some of this material is office paper and thus in scope and reported as part of our carbon footprint, this was the first time we had measured numerous other items such as brochures and envelopes. This effort has enabled us to focus on reducing our impact from a broader range of publications and materials. Part of our analysis in considering reductions in this area includes greenhouse gas emissions from transporting documents, which in many cases is more significant than the impact of producing them.





Plans for 2014 – 2015

Since our greenhouse gas emissions associated with paper did not decrease last year, we have set a reduction target of just 1.5 tonnes for this source category in 2014. We expect that our planned actions will deliver more than this amount and as such we will make up lost ground from 2013.

As noted above, the most significant source of reductions in paper consumption in the near term is expected to be the change from paper-based to electronic claims files. In addition, we intend to reduce the size of our printer fleet by 20% in 2014 and we will implement a community-based social marketing campaign across the company to help address the barriers employees experience in reducing their reliance on paper. This program will be designed to capture detailed data and deliver measurable reductions.

Finally, through our efforts to comply with the Recycling Regulation and reduce materials distributed to the public, we will work to reduce the number of documents, forms and brochures that are distributed via broker offices.

Fleet fuel

Performance against 2013 target

For the 2012 year, we reported that our greenhouse gas emissions from vehicle fleet fuel were 404 tonnes. In 2013, through an internal review of our carbon inventory, we uncovered a gap in the 2012 fleet data. This gap was traced to a change in data collection procedures that took place when a new external supplier was introduced mid-year. As a result, we have restated our 2012 fleet emissions to 593 tonnes and adjusted our offsets payment for 2012.

ICBC's adjusted year-over-year reduction in fleet emissions from 2011 to 2012 was still a dramatic 41%, and we achieved a further 4% reduction in 2013. We are pleased to report that actions to reduce fleet emissions since 2007 have resulted in an absolute reduction of 52% from our baseline.

Projects and actions in 2013

Last year we continued our existing programs to reduce fleet emissions. These include: a business travel reduction policy, monitoring the kilometres travelled and maintenance status for fleet vehicles, and providing drivers of fleet vehicles with messaging about reducing idling and using fuel-efficient driving techniques.

In previous years, reductions in fleet size and a shift to more efficient vehicles have delivered significant savings. The changes that have taken place will continue to deliver a reduced footprint from our fleet, and further reductions will be achieved as part of regular fleet renewal, but this was not a significant factor in 2013. The measures discussed below to reduce business travel played a role in controlling ICBC's consumption of fleet fuel in 2013, but again, were less significant than in previous years.

Plans for 2014 – 2015

We do not expect significant changes to the composition of ICBC's vehicle fleet in the next two to three years and we have already surpassed our 2020 reduction target in this category. Therefore, we are targeting a reduction of just 1.5 tonnes for this source category in 2014.

Nevertheless, in 2014 we will embark on a comprehensive community-based social marketing campaign to reinforce the anti-idling requirement for fleet drivers. Through this campaign, we will encourage ICBC's fleet drivers to better understand the impacts of vehicle idling, and to change their behaviour to reduce idling. We expect that this project will create measurable benefits and help to nudge fleet drivers to reduce idling in general, not just when driving ICBC vehicles on business.

Awareness and Behaviour Change

Our efforts to reduce greenhouse gas emissions and our environmental impact in general cannot succeed without the support and commitment of our employees. Our Sustainability Policy affirms our commitment to fostering sustainability values and practices among our employees, and employee engagement and education are an integral part of our environmental program.

In 2013, we engaged staff in numerous ways, via channels such as our internal website that includes tips on energy conservation, waste reduction, recycling and sustainable transportation, as well as regular features about employee actions and our environmental performance. ICBC's 79-person volunteer Green Team led 17 local campaigns ranging from "lunch and learn" workshops to "Green Tag" games to encourage staff to turn off electrical equipment. Many offices participated in Ugly Sweater Day in support of action to address climate change. We also leveraged energy retrofits such as LED lighting and boiler replacements as opportunities to involve staff at the affected locations by explaining the work that was taking place, and crucially, how it would benefit the environment.

The centrepiece of our employee education efforts last year was the company-wide rollout of an infographic illustrating our climate action program. This one page document was featured on the employee intranet site and hard copies were posted throughout our offices. The infographic proved to be an engaging way for employees to better understand our key actions on behalf of the environment—as well as ways they can help.

In 2014, we will launch two behaviour change campaigns following the community-based social marketing model. As discussed above, these will focus on fleet idling reductions and paper conservation. Our intention is to take all the steps necessary to understand benefits, barriers and attitudes, and engage people via pilots, focus groups and ongoing feedback in order to deliver measurable shifts in behaviour in favour of sustainability.

As well, in 2013 we began developing energy performance scorecards for our buildings. We plan to add benchmarking information from Energy Star Portfolio Manager to these scorecards in 2014, and start to distribute the scorecards to building operations staff, as well as making them available to all building occupants. We expect that this effort will help engage staff in contributing to our energy conservation efforts. We plan to leverage this work as part of a more comprehensive behaviour change campaign in 2015.



Taking action on climate change

ICBC has a provincial responsibility and a commitment to our customers to use energy more efficiently and minimize our impact on the environment. Taking action on climate change is a corporate priority.

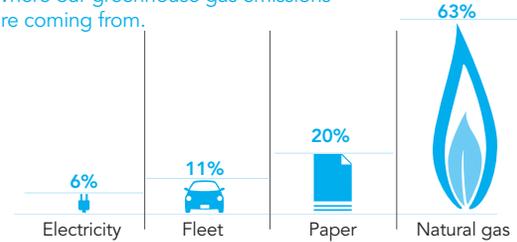
our commitment:

Cut our greenhouse gas emissions by 33% by 2020.



our footprint today

Where our greenhouse gas emissions are coming from.



some of what we're doing

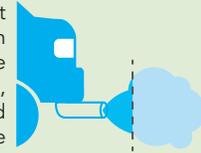
Building retrofits have saved enough energy to power 925 homes for a year.



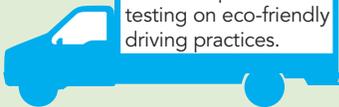
We've reduced paper consumption and changed to 100% recycled paper, saving money and reducing carbon emissions from paper use by 27% since 2007.



We've cut our fleet emissions by more than half, by switching to more fuel-efficient vehicles, reducing idling, and maintaining proper tire pressure.



We have solar panels on Head Office and PoCo DLO. By buying wind power for all our Alberta investment properties, we've prevented 38,000 tonnes of carbon emissions.



Over 38,000 commercial drivers in B.C. have passed testing on eco-friendly driving practices.

We've reduced business travel substantially by investing in video conferencing and online training.



what you can do



Don't drive alone — take transit, bike, walk or take a friend.



Dress for the temperature at work.



Don't print, or at least print as little as possible.



Turn off your monitor and other devices when not in use.



Join the Green Team, participate in campaigns, share your ideas.

To learn more, read our *Carbon Neutral Action Report*, available on the hub.





Actions to Reduce Provincial Emissions and Improve Sustainability

In addition to our actions to reduce greenhouse gas emissions from the mandated sources discussed above, ICBC is proud to report on the many efforts we undertake annually that fall outside the scope of the Carbon Neutral Government Regulation, but contribute to the province's greenhouse gas reduction goals and improve sustainability.

Environmental Management Framework and Governance Structure

In 2013, the department responsible for environmental compliance merged with the Environmental Sustainability department, so that the pollution prevention, climate action and broader sustainability functions were brought together. This enables us to take a more integrated approach to the environment and will ultimately assist in aligning environmental considerations and values across our business.

ICBC has a robust environmental management framework based on the principles of the International Organization for Standardization (ISO) 14001 Environmental Management Standard. As part of our program, we have performed preliminary environmental site assessments at all of our locations, and soil, vapour and groundwater testing where warranted. Certain roles within the company include environmental responsibilities and we perform regular site audits.

In 2013, we introduced an online collaboration site that enables staff to locate their environmental documents and maintain records electronically, and allows for at-a-glance desktop verification for standard procedures. We expect that this approach will improve oversight of pollution prevention and environmental stewardship. In the coming year, we will work to integrate our greenhouse gas, energy management and broader sustainability programs into the environmental management framework.

Waste Reduction

At ICBC, our approach to waste reduction begins with an end-to-end analysis of the products and materials that enter or are produced on our premises and ultimately result in solid waste. These products and materials come from various sources: they include items purchased or produced by ICBC, but also items brought to our locations by staff, as well as customer vehicle contents collected in our claim centres and salvage facilities. In 2013 we developed a detailed inventory of these items.

We have a number of programs in place to ensure the responsible management and disposal of solid waste. These include blue box, fluorescent tube, dry cell battery and licence plate recycling, and many others, examples of which are described below. In 2014 we will evaluate these programs and integrate them into a unified waste reduction strategy and plan.

With respect to electronics, our program starts with the procurement process, where vendor requirements help to ensure that the equipment we purchase meets minimum environmental requirements. We also have an ongoing program to control the electronics that are already in our inventory and ensure we are not purchasing equipment we do not need. Through this program, in 2013 we removed or redeployed 578 under-utilized computers from inventory. When we do purchase equipment, we ensure that all packaging, including Styrofoam, is recycled. Finally, equipment evaluated to have reached its end of life is recycled responsibly in accordance with Ministry of Environment standards.

As regards organic waste, we estimate from a previous waste audit that over 50% of the waste collected in bins at our facilities is organic material. In 2014 we will begin to introduce separate collection of all organic waste across the company, starting with facilities in the Lower Mainland. This program will be coupled with messaging to staff to help build awareness of the important greenhouse gas mitigation benefits of composting.

As discussed under Supplies, above, in 2013 we quantified our output of printed materials to the public space as part of compliance with B.C.'s Recycling Regulation. Many of these materials are not in scope for our reportable carbon footprint. One step we are taking to reduce materials distributed to the public relates to the ICBC Autoplan Optional Policy Booklet. In late 2012 we introduced a new process to minimize distribution of hard-copy booklets by providing a default web-based option for customers. It is working: we saw a 54% reduction in the number of booklets distributed in 2013 compared to 2012.

In keeping with our LEED mandate, in 2013 we continued to ensure that any construction project made the best possible use of on-site available materials, and that construction and demolition debris were 85% diverted from landfills for all renovations and tenant improvement projects. We continued to preserve the furniture that we already have, and reuse where possible. Our procurement process for furniture has a built-in analysis of the production process, durability, health aspects such as low volatile organic compounds and end-of-life considerations.

Other products used at our sites, such as janitorial supplies, provide a good illustration of the intersection between sustainability, pollution prevention and health and safety. In 2013 we continued to ensure that janitorial supplies used at our locations were sourced and maintained in accordance with the standards set forth in LEED for existing buildings, operations and maintenance. As such, they are as sustainable and safe as possible.

Water Conservation

We have reduced water consumption by over 50% at ICBC's head office since we began implementing conservation initiatives in 2010. Work undertaken in 2013, including improving our system for collecting storm water for use in irrigation and manually monitoring irrigation demand, enabled us to achieve a 26% year-over-year reduction, with the result that our conservation initiatives have cumulatively saved 49.5 million litres of water since 2010.

On an ongoing basis across ICBC, washroom renovations include the installation of low-flow water fixtures, including toilets and faucets with autosensors, where not already in place.



Ahead of the Cur(bside) on Organics

ICBC will begin implementing separate collection of organic material for composting in 2014. We plan for this program to be offered company-wide by the end of 2015. But thanks to passionate employees, there are some locations that are way ahead on this. At the Nanaimo claim centre, Claims Support Assistant Jacques Gagnon took it upon himself to begin collecting organic waste nearly four years ago. He put a collection bin in the centre's kitchen and started encouraging his colleagues to use it. Minimizing his environmental impact even further, about twice a week, Jacques straps the bin onto his bicycle for the 10 km ride back home.

On one occasion, Jacques stopped at the grocery store on the way home, parking his bicycle—along with full compost bin—in front of the store. When he came out, the bin was gone. "I was a little surprised that someone wanted to steal organic waste," says Jacques, "but then again I do find it very valuable in keeping my garden healthy. I guess others are starting to understand the value too!" The team at Nanaimo claim centre couldn't go back to throwing organic material in the trash: Claims Estimator Brent Reid promptly stepped in to the rescue with a new bin, and the composting cycle continues.



Business travel & commuting

A corporate guideline introduced in 2012 directs employees to minimize business travel wherever possible. Use of online options such as video- and teleconferencing for meetings and training is encouraged and has been increasing. Approximately 25% of staff have web cameras, but more importantly all staff are “audio” capable. The unified communications platform, Lync, provides built-in conference lines that allow staff to attend online meetings, sharing screens and viewing presentations. As well, high definition video-conferencing equipment has been added at four more locations in 2013, bringing the total to 29.

We also continued to encourage our staff to take sustainable forms of transportation, whether commuting to and from work or travelling for business. Tools to help employees choose a sustainable commute include an employer transit pass program for our Victoria locations, preferred carpool parking at our head office, a ride-sharing portal and bicycle lock-up with lockers at various locations. These efforts to change employee transit behaviour also contribute to our strategies to reduce fleet fuel consumption.

Planning for Climate Change

Climate change considerations factor into our business planning at several levels. With respect to our buildings, extreme weather changes are considered in the design process for all LEED projects, and for non-LEED projects where appropriate, we follow LEED Gold guidelines. For our operations more generally, we are prepared for an event with life safety or severe property damage concerns, widespread impact across multiple divisions or the potential to stop or severely impact our operations.

With respect to our insurance business, we have assessed at a high level the potential impact that extreme weather events like hail and flooding may have on claims costs; this is done as part of our annual assessment of potential catastrophic risks (which also includes earthquake, tsunami and other risks), and reinsurance is obtained to mitigate these risks as a whole.





Electric vehicle drivers get a charge from the Port Coquitlam Driver Licensing Office

The first customer at ICBC's new electric vehicle charging station in Port Coquitlam was Insurance and Driver Licensing administrative assistant Tamara Durkin, who recharged her Chevy Volt hybrid soon after the installation came on line in early June. "I believe electric vehicles are the future," says Tamara. The station is able to recharge a car like Tamara's in about four hours from empty and it has a web interface that lets you know how much gasoline you've saved.

Expanding Our Reach: Actions to Help Reduce British Columbia's Environmental Footprint

Moving beyond our efforts to reduce our own operational footprint, ICBC continues to take opportunities to influence greenhouse gas emissions and waste reduction on a broader scale. Our most significant action relates to the licensing of commercial drivers in B.C. Thanks to our Driver Licensing team, in 2010 B.C. implemented the federal government's FleetSmart program, which is proven to reduce greenhouse gas emissions from commercial vehicles. Since we implemented this program in July 2010, 38,314⁵ commercial drivers in B.C. have passed testing on fuel-saving practices and technologies as part of the licensing process. We estimate that this initiative has prevented the release of at least 300,000 tonnes of greenhouse gas emissions to date.

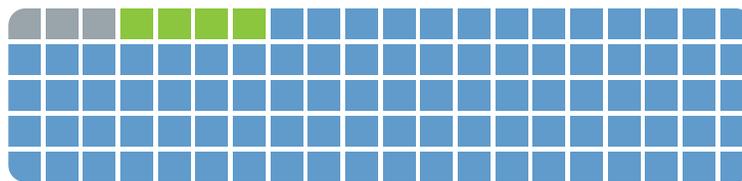
As part of our Community Involvement Program, last year we sponsored and supported our employees' participation in the provincial Bike to Work Week and Commuter Challenge campaigns.

ICBC has played a long-standing role in supporting the use of recycled parts when vehicles are repaired in B.C. We maintain a search engine for body shops to access recycled parts from 98 recyclers province-wide and encourage body shops to use recycled parts where possible. We are also working with the industry to explore processes that would increase the use of recycled parts.

Finally, in 2013 ICBC installed its first electric vehicle charging station for employees and the public at the LEED Gold Port Coquitlam Driver Licensing Office. The Port Coquitlam location gives the electric vehicle charging network a much-needed waypoint in the community.

Combined Operations and Investments Greenhouse Gas Emissions by Source for the 2013 Calendar Year (tCO₂e)⁶

Total Emissions: 22,797



93.1%	Stationary Fuel Combustion (Buildings) and Electricity
21,229	
4.3%	Supplies (Paper)
978	
2.6%	Mobile Fuel Combustion (Fleet)
590	

Offsets Applied to Become Carbon Neutral in 2013

Total offsets required: 22,778 (tonnes).

Total offset investment: \$569,450.

Emissions which do not require offsets: 19 tonnes.⁷

⁵ Note that in the 2012 report we erroneously reported that 65,000 B.C. commercial drivers had passed this testing.

⁶ 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.

⁷ 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.

Declaration statement

This is the 2013 Carbon Neutral Action Report for ICBC. This report contains our 2013 emissions profile, offsets purchased, the actions we have taken in 2013 to reduce our GHG emissions and our plans to continue reducing emissions in 2014 and beyond.

By June 30 ICBC's final CNAR will be posted to our website at icbc.com.

Emissions and Offsets Summary

ICBC GHG Emissions and Offsets for 2013 (TCO₂e)

GHG Emissions created in calendar year 2013:	
Total Emissions	22,797
Total Emissions for Offsets	22,778
Adjustments to GHG Emissions Reported in Previous Years:	
Total Emissions	(106)
Total Emissions for Offsets	(112)
Credit owing from PCT at end of 2012 reporting year (if applicable — from May 15 Invoice):	
Credit Owing	(202)
Total Emissions for Offsets for the 2013 Reporting Year (from Offset Invoice):	22,464



Kathy Parslow

May 30, 2014

Vice President, Corporate Services



Nature photographs by Jennifer Lamb <http://nvartscouncil.ca/user/394>



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