

Climate Change Accountability Report

2020

bclc



This Climate Change Accountability Report for January 1, 2020 to December 31, 2020 summarizes BCLC's emissions profile, the total offsets to reach net-zero emissions, the actions taken in 2020 to reduce greenhouse gas emissions, and the plans to continue reducing emissions in 2021 and beyond.

By June 30, 2021 BCLC's Climate Change Accountability Report will be posted to the www.bclc.com website.



Overview

BCLC remains and is actively working to ensure business operations align with the Government of B.C.'s CleanBC¹ climate plan and its targets and strategies for reducing greenhouse gas (GHG) emissions and moving towards a low carbon economy.

In 2020, BCLC continued to:

- maximize the efficiency of electricity and heating consumption in offices;
- increase the digitalization of documents and processes;
- upgrade fleet vehicles to hybrid (with full electrification of fleet under consideration);
- influence the business value chain by engaging vendors (food services and print services)
- build awareness amongst staff to support better waste management practices and reduce the consumption of office supplies.

¹ For more information on CleanBC , refer to: <https://cleanbc.gov.bc.ca/>



The COVID-19 pandemic had an impact on BCLC's GHG emissions. Starting in mid-March 2020, the majority of BCLC employees switched to working remotely, with roughly 10 per cent of employees continuing to work in the office. The effects of these circumstances vary between the different emission sources: overall, stationary sources of GHG emissions had minor reductions compared to mobile sources and office supplies. In 2020², GHG emissions from facilities fell by two per cent, whereas mobile combustion emissions fell by 73 per cent and office supplies emissions fell by 57 per cent. Transitioning out of COVID, BCLC will extend the positive climate benefits of working remotely and integrate key learnings into the Environmental, Social, and Governance framework currently under development. For example, BCLC's People and Culture (P&C) Division and the P&C committee of the Board are actively collaborating on new policies that provide flexible work arrangements post-pandemic. In addition to enhancing employees' work/life balance, using less energy, reducing GHG emissions per FTE, and reducing emissions related to commuting, working remotely will also delay the need for increased capacity for office space in the short-term. We are examining other opportunities related to continued digitization and less printing and will operationalize them upon transitioning back to an office environment.

BCLC continues to work on reducing power demand in its offices. In particular, BCLC plans to continue to focus on reducing electricity consumption associated with the Kamloops Data Centre through strategic use of hyper-converged³ and cloud computing environments and the migration of non-production processes to the cloud. This will result in reduced electricity demand for cooling and powering.

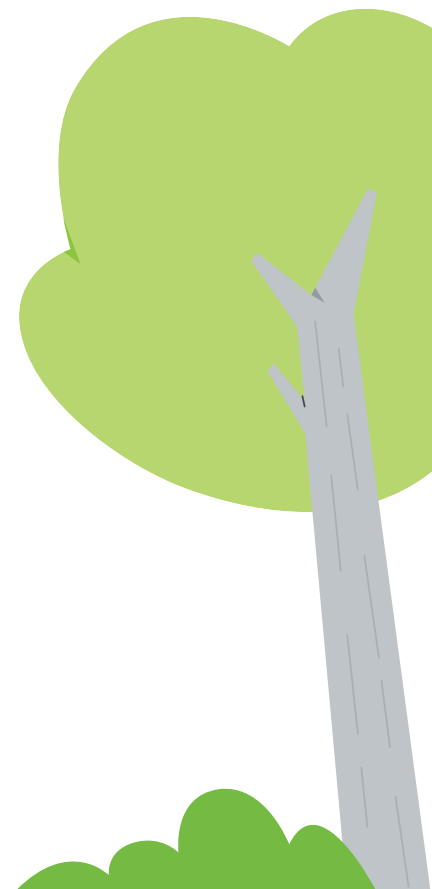
The following table provides a summary of BCLC's activity data associated with its main emission sources in the last ten years. The numbers indicate a downward trend.

Table 1: Activity data for significant emission sources

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Natural Gas (GJ)	15,533	16,240	16,901	15,092	13,260	15,205	14,248	14,414	14,116
Electricity (GJ)	33,576	33,783	32,889	32,522	28,712	26,209	25,827	25,218	23,655
Fleet Gas (L)	149,208	160,979	121,027	14,017	21,030	30,388	29,361	39,132	11,081
Office Paper (PKG)	4,952	5,973	6,133	4,616	3,740	3,328	3,548	3,012	1,234

² Compared to 2019

³ A hyperconverged infrastructure is an infrastructure model that utilizes a software-centric architecture and has a tight integration with the storage, networking, computing and virtualization software and hardware resources.





Below is a summary of the actions taken in 2020 and go-forward plans by emission sources.

Stationary sources—buildings

Purchased electricity

BCLC's Scope 2 GHG emissions from purchased electricity went down from 76 tonnes of carbon dioxide (CO₂e) in 2019 to 71 tonnes CO₂e in 2020, a six per cent reduction. The limited reduction in purchased electricity emissions is explained below.

KAMLOOPS OFFICE AND DATA CENTRE

From March 2020 onward, most BCLC employees were working remotely. Only 10 per cent of employees resumed working from the Kamloops office in the second half of the year. Since the office building does not have zoning for lighting, the full building continued to be lit, even with low occupancy.

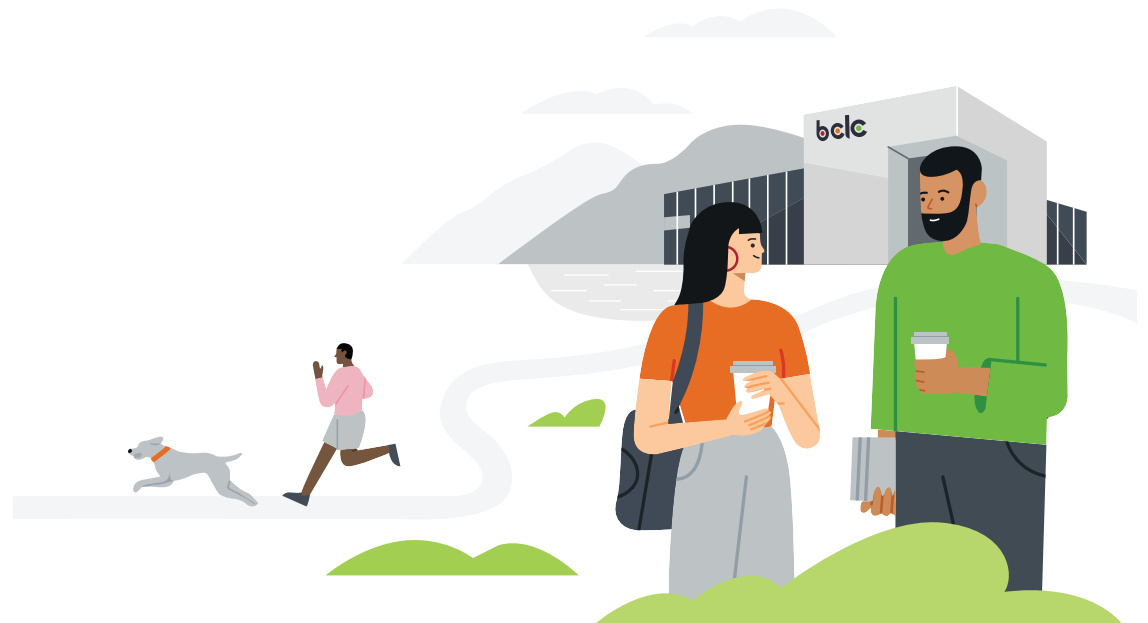
Despite reduced occupancy due to COVID-19, the Kamloops office had a modest decline of three per cent in its purchased electricity in 2020 due to the constant electrical consumption of the Data Centre.

BCLC is investing in reducing its electricity consumption associated with the data centre. There have been incremental reductions in energy use as business data is moved to the cloud and energy efficiency measures are implemented. In the past, data centre energy usage accounted for 75 per cent of BCLC's electrical consumption; it is now estimated to be in the 50-65 per cent range. BCLC also acknowledges that shifting data requirements to the cloud does not eliminate the GHG emissions; however, the advanced technology offered by cloud providers and reduced overall footprint and cooling requirements can result in significantly lower GHG emissions.

- **Replacement of equipment:** Over a four to five year cycle, BCLC is replacing legacy equipment (e.g. servers, switch), through a technology ever-greening program. It means replacing older equipment with more efficient and denser in data storage alternatives. This process has had the highest contribution to the total decrease in Data Centre power consumption.
- **Cloud migration:** BCLC is strategically utilizing cloud-based applications that do not require in-house server equipment. In 2021, BCLC will continue to deploy hyper-converged and cloud computing environments and migrate thousands of non-production processes to the cloud, resulting in a dramatic decrease in data centre power consumption.

KAMLOOPS OFFICE AND CALL CENTRE UPGRADE

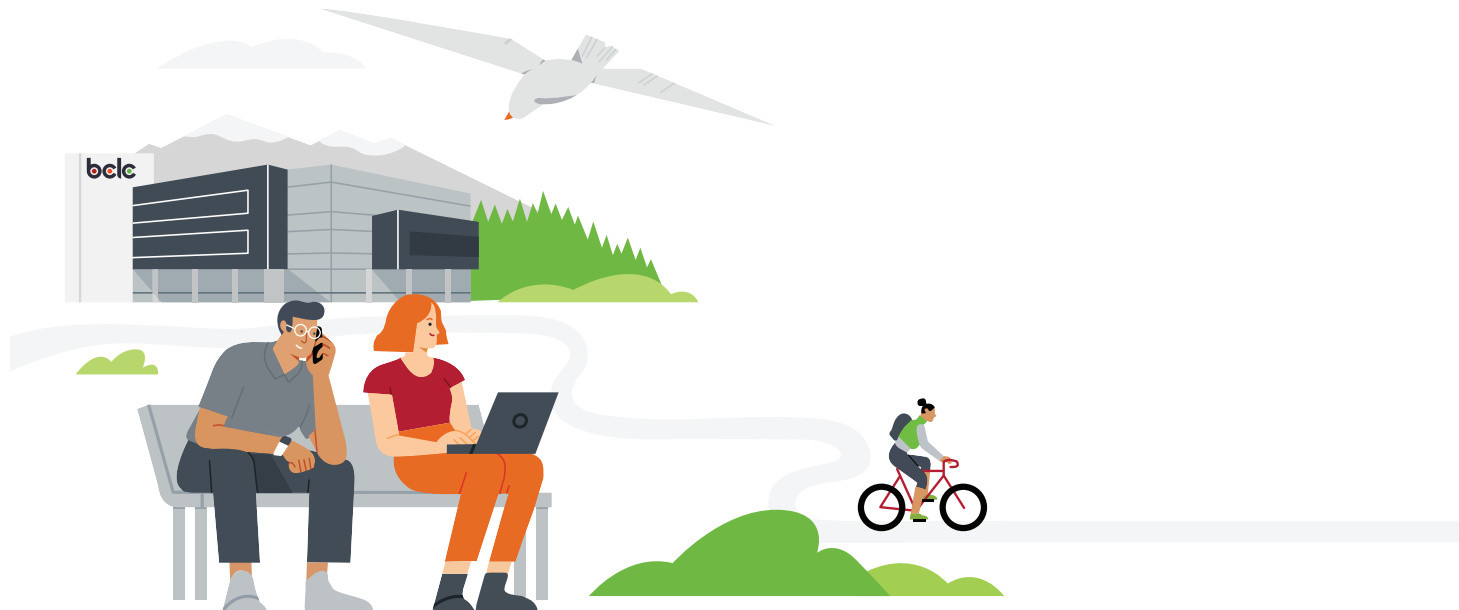
In 2020, BCLC replaced two traditional, aging AC systems with a multi-zoned heat pump system in the Call Centre. The new system provides operations with better control over the department, which has been difficult to heat and cool since it is surrounded by glass and includes several small offices. Temperature control is achieved through 2' x 2' cassette fan coils in the ceiling space. This allows for more zones to be controlled in the smaller office workspaces. The upgrade includes an Energy Recovery Ventilation (ERV) system to take advantage of outside air temperatures for improved air quality and reduced energy consumption during favourable seasons.



VANCOUVER OFFICE

In the Vancouver office, electricity consumption fell by 20 per cent. Most of this decrease is attributed to the majority of employees working remotely during the COVID-19 pandemic. The Vancouver office uses occupancy sensors which activates a lighting zone when triggered. If the occupancy sensor is not triggered, the lighting remains off. Therefore, the reduction in staff present in the office during most of 2020 contributed to fewer lighting requirements, and hence, less energy consumed.

The reduction is also linked to incremental improvements in energy efficiency measures. In addition to the reduced occupancy of the office, an LED lighting upgrade was mostly completed in 2020 leading to energy efficiency gains.



STATIONARY FUEL COMBUSTION— NATURAL GAS FOR HEATING

Natural gas emissions from heating declined slightly from 719 to 704 tonnes CO₂e.

Natural gas consumption for heating fell by two per cent due to a mild winter, where the Vancouver office saw a one per cent increase and the Kamloops office saw a two per cent decrease. For heating, the variables for consumption and associated emissions are weather, building insulation and heat pump technology.

The heating plant in Kamloops office is 60 years old, and relies on inefficient technology. It accounts for nearly 75 per cent of BCLC's GHG emissions. BCLC is considering a major renovation for the Kamloops headquarters that will include a Low Carbon Electrification (LCE) solution to replace the original natural gas heating plant.

STATIONARY FUEL COMBUSTION— DIESEL FOR GENERATOR

Diesel usage is limited to a monthly one-hour test on a diesel generator on site, or if service work is being carried out. The surplus fuel is carried over to the following year. In Kamloops, the diesel purchase in 2020 went up by six per cent.

In the Vancouver office, the diesel purchase went up from 11 GJ in 2019 to 15 GJ in 2020. This 33 per cent increase is mainly due to the timing of diesel purchase. Although 15 GJ of diesel was purchased in 2020, not all of it was used in that same calendar year. In such cases, the actual diesel consumption flows into the next year.

STATIONARY AIR CONDITIONING AND REFRIGERATION

Consumption of refrigerant gas occurs largely due to leaks in the stationary air conditioning system. BCLC currently conducts visual checks on a weekly basis and tests equipment once a month. An independent third party also tests the equipment twice annually to ensure all leaks are identified and addressed in a timely manner.

In 2020, there were no fugitive emissions associated to any refrigerant specified as greenhouse gas. In 2021, BCLC purchased a portable leak detection device and a fixed device. Going forward, this will help detect and quickly correct smaller fugitive emissions immediately, reducing emissions from the leak.





OFFICE PAPER

The consumption of office paper declined by 59 per cent in 2020. The main factor was the switch to remote working, including moving staff from desktop personal computers to laptops. As most staff worked from home during the COVID-19 pandemic, only the 10 per cent of staff that worked from the office in the second half of the year used office supplies. Full staff usage was limited to the early months of 2020 before the pandemic restrictions were issued in March.

As mentioned, BCLC will review its processes to encourage adoption of digitization beyond the remote working context such as the use of digital signatures.



MOBILE SOURCES— TRANSPORTATION

2020 saw a 73 per cent reduction in emissions from fleet (mobile combustion) due to the limited movement of employees during the COVID-19 pandemic. The emission reduction was also influenced by the upgrade of two fleet vehicles to more advanced hybrid technology with improved fuel efficiency.

BCLC has seven vehicles in its fleet, with three in Vancouver and four in Kamloops. They are mainly used by facilities for running maintenance or local errands. There is some use by employees for travel between Kamloops and Vancouver, although during COVID-19, this was restricted to single driver use only. In cases where two or more employees needed to travel for non-discretionary purposes, each employee was required to drive a separate vehicle, which doubled the emissions associated with the trip. COVID-19 restrictions meant that any travel had to be approved at the executive level and justified as non-discretionary. Even after COVID-19 restrictions relax, BCLC plans to discourage discretionary business travel and encourage carpooling.

SUPPORTING INITIATIVES

GREEN COMMITTEE

The Green Committee is a grassroots initiative at BCLC run by employees. In 2020, activities were constrained by COVID-19 restrictions and remote working, but there were notable achievements include:

- The Green Committee/Corporate Facilities collaborated with two local high school students to pilot a six-month soft plastics recycling program. Currently, the City of Kamloops curbside recycling program does not accept soft plastics. BCLC provided collection bins for employees to bring their soft plastics from home. Due to COVID-19 restrictions, the pilot program had to be halted after three months, but during that time, 38.4 kg of plastics were collected and diverted from landfill.
- The committee worked with Corporate Facilities to build a new, larger bike cage to support/encourage more employees to ride bikes to work.
- In October 2020, the Green Committee supported an awareness campaign to participate in Canada's Annual Waste Reduction Week. The committee wrote several articles encouraging employees to adopt zero-waste practices at work and home.
- BCLC partnered with the City of Kamloops to provide "Lunch and Learn" opportunities related to See the Heat: Thermal Imaging of Home Heat Loss and the City's Climate Action Plan. As a result of the See the Heat workshops, BCLC purchased two thermal imaging units and rolled out an employee borrowing program, which began in May 2021.



GREEN4GOOD PROJECT

BCLC works with Green4Good to help address IT asset disposition needs. Through this program, the company promotes a second life for technology, maintains data security, and helps generate cash and new technology for charity. In 2020, BCLC carried out a disposition of 736 assets such as desktops, monitors, printers and phones with a value of \$15,410. We gained 130 carbon credits through the Green4Good program.



Social purpose and sustainability team 2021

BCLC's recently approved social purpose statement, "We exist to generate win-wins for the greater good" forms the foundation for the next chapter in the organization's journey to make a positive and lasting impact. Over the coming months, guided by an Environmental, Social, and Governance (ESG) framework, BCLC will develop a comprehensive strategy that further supports our people, place, and planet, thereby increasing the long-term value and sustainability for all BCLC stakeholders. To enable this transformation across ESG factors, BCLC has established a dedicated Sustainability team led by the Chief Social Purpose Officer and Vice president, Stakeholder Engagement and Director of Social Purpose, and supported by the newly created position of Manager, Sustainability Innovation. Over the next 8–9 months, BCLC will identify KPIs to measure and report on our progress towards the following high-level goals:

- BCLC will meet or exceed provincial GHG reduction targets, align with the International Science Based Targets initiative (SBTi), and develop a long-term plan to be net zero by 2030.
- BCLC will publicly declare our social justice and equity practices and align our strategies for improvements with internationally recognized programs, such as the International Living Future Institute's Just Program. BCLC will also align with the United Nations Sustainable Development Goals and United Nations Declaration on the Rights of Indigenous Peoples.
- BCLC will develop a plan to transition away from a linear based supply chain toward a circular based economy model. This will move the organization's focus beyond just reducing waste and increasing recycling rates to a closed loop/full life cycle system of products and services that also integrates ESG principles.
- BCLC will establish itself as a key provincial stakeholder in the climate change imperative.

Emissions and offset summary table

BCLC 2020 GHG EMISSION OFFSETS

GHG EMISSIONS CREATED IN CALENDAR YEAR 2020

Total emissions (tCO ₂ e)	817
Total BioCO ₂	1.04
Total offsets (tCO ₂ e)	816

ADJUSTMENTS TO OFFSET REQUIRED GHG EMISSIONS REPORTED IN PRIOR YEARS

Total offsets adjustment (tCO ₂ e)	16
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GRAND TOTAL OFFSETS FOR THE 2020 REPORTING YEAR

Grand total offsets (tCO ₂ e) to be retired for 2020 reporting year	832
Offset investment (\$25 per tCO ₂ e)	\$20,800
[Grand total offsets to be retired x \$25/tCO ₂ e]	

- [Note, BioCO₂ is included in Total Emissions but not Total Offsets. For K-12 and Post-Secondary organizations, and BC Transit, Total Offsets will not equal Total Emissions minus Total BioCO₂ because offset exempt emissions for buses are included within Total Emissions.
- Emissions and offset investment amounts will be validated by Climate Action Secretariate (CAS) prior to distributing invoices.
- You must round "Grand Total Offsets to be Retired" to a whole number (no decimal places) before multiplying by \$25 (e.g., 43.2 = 43, 43.5 = 44).]

RETIREMENT OF OFFSETS

In accordance with the requirements of the *Climate Change Accountability Act* and Carbon Neutral Government Regulation, BCLC (the Organization) is responsible for arranging for the retirement of the offsets obligation reported above for the 2020 calendar year, together with any adjustments reported for past calendar years (if applicable). The Organization hereby agrees that, in exchange for the Ministry of Environment and Climate Change Strategy (the Ministry) ensuring that these offsets are retired on the Organization's behalf, the Organization will pay within 30 days, the associated invoice to be issued by the Ministry in an amount equal to \$25 per tonne of offsets retired on its behalf plus GST.

Executive sign-off

A handwritten signature in black ink, consisting of a horizontal line with a complex, looped flourish above it.

PETER TER WEEME

Chief Social Purpose Officer and Vice President, Player Experience

May 31, 2021



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