



# 2021 PSO Climate Change Accountability Report

Insurance Corporation of British Columbia



# Message from the President and CEO

ICBC is a crown corporation responsible for automobile insurance, providing driver and vehicle licensing and vehicle registration services. Our focus is on making sure people of different ages, locations, backgrounds and needs are able to get where they need to safely, and adapting to a changing environment.

Last year's record-setting summer of heat and fires, followed by the extreme and tragic flooding in November, really drove home that we are already seeing the impacts of climate change in B.C. As a crown corporation responsible for vehicle insurance and providing licensing and registration services, we are considering our role in all of this. We're thinking ahead by looking at the way vehicles are repaired to where and how we work. We are adapting to the shift in how British Columbians get around, and we will help the province progress to where we need to be.

Our work in this area has begun with setting our 2030 targets to align with Clean BC, with a significant portion of the work being done in reducing our building footprint by allowing flexible work days and hours to eligible staff. Since our investments are a considerable portion of our carbon footprint in 2021 we incorporated climate change into our investment beliefs and are exploring how climate change affects our risks. I'm pleased with the progress we have made so far and am excited to share this look back at our 2021 efforts.



**Nicolas Jimenez**  
President and CEO



## Declaration Statement

This PSO Climate Change Accountability Report for the period January 1, 2021 to December 31, 2021 summarizes our greenhouse gas (GHG) emissions profile, the total offsets to reach net-zero emissions, the actions we have taken in 2021 to reduce our GHG emissions, and our plans to continue reducing emissions in 2022 and beyond.

# Overview of 2021 Greenhouse Gas Emissions

In January 2022, ICBC established new long term environmental sustainability targets. We are aspiring to meet the CleanBC target for building emissions (50 per cent reduction) and go beyond requirements for fleet and paper emissions to sustain what was achieved during the pandemic. The table below compares our 2021 operational emissions to our 2010 base year and 2030 targets.



## ICBC Carbon Footprint (tCO<sub>2</sub>e)

	<b>2010 emissions</b> Tonnes of carbon dioxide equivalents (tCO <sub>2</sub> e)	<b>2021 emissions</b> Tonnes of carbon dioxide equivalents (tCO <sub>2</sub> e)	<b>Reduction to date</b> (2021 compared to 2010)	<b>2030 emissions Target</b>	<b>Target reduction</b> (2030 compared to 2010)
<b>Buildings</b>	3,315	2,051	38%	1,658	50%
<b>Fleet</b>	1,009	257	75%	230	77%
<b>Paper</b>	1,182	787	29%	626	47%
<b>Total tCO<sub>2</sub>e</b>	<b>5,506</b>	<b>3,095</b>	<b>43%</b>	<b>2,514</b>	<b>54%</b>

### Operational Emissions



# Carbon Neutral Actions & plan

## Buildings (natural gas & electricity)

Our goal is to reduce our emissions associated with natural gas and electricity by 50 per cent by 2030, compared to our 2010 baseline.

During 2021, specific actions to improve energy efficiency include:

- Scheduling Optimization and reduction in lighting hours at our Head Office building;
- Variable air volume (VAV) turndown;
- Demand Control Ventilation;
- Replacement of the 25 year old head office boiler with high efficiency condensing boilers and
- Continued shrinking of the operational footprint. Since the beginning of 2020 we reduced our leased office spaces by 39,777 square feet, and temporarily vacated 57,000 square feet at five claim centres for COVID-19 testing and vaccinations.

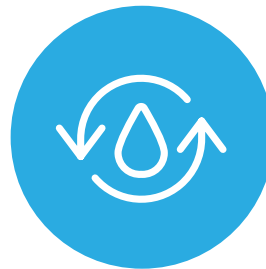
Despite these actions, building emissions were slightly higher in 2021 compared to 2020 due to factors like the expanded use of claim centre garages for road testing and to support COVID-19 testing and vaccinations.





Going forward, we plan to continue reducing emissions from buildings by:

- Continuing with energy efficiency measures at Head Office, like sequence optimization for boilers and chillers;
- Completing continuous optimization energy studies at Central Estimating Facility and Victoria Claim Centre with support from BC Hydro;
- Revisiting lighting retrofits;
- Air handler replacements at various locations;
- Being efficient in the use of our real estate footprint;
- Implementing tactics for garage tubes so we use less energy to heat these spaces.



## Fleet

During 2021, fleet emissions increased from 2020 as the pandemic evolved and driver testing resumed for the full year. Overall, compared to our 2010 baseline, fleet emissions have decreased by 75 per cent, exceeding the CleanBC target of a 40 per cent reduction by 2030.

We started purchasing electric vehicles for the fleet in 2020 and plan to replace other vehicles with right-sized, low to zero emission vehicles. We redeploy and share vehicles where possible, and expansion of the fleet is a last resort. In fact, we reduced our fleet by seven vehicles in 2021.



## Paper

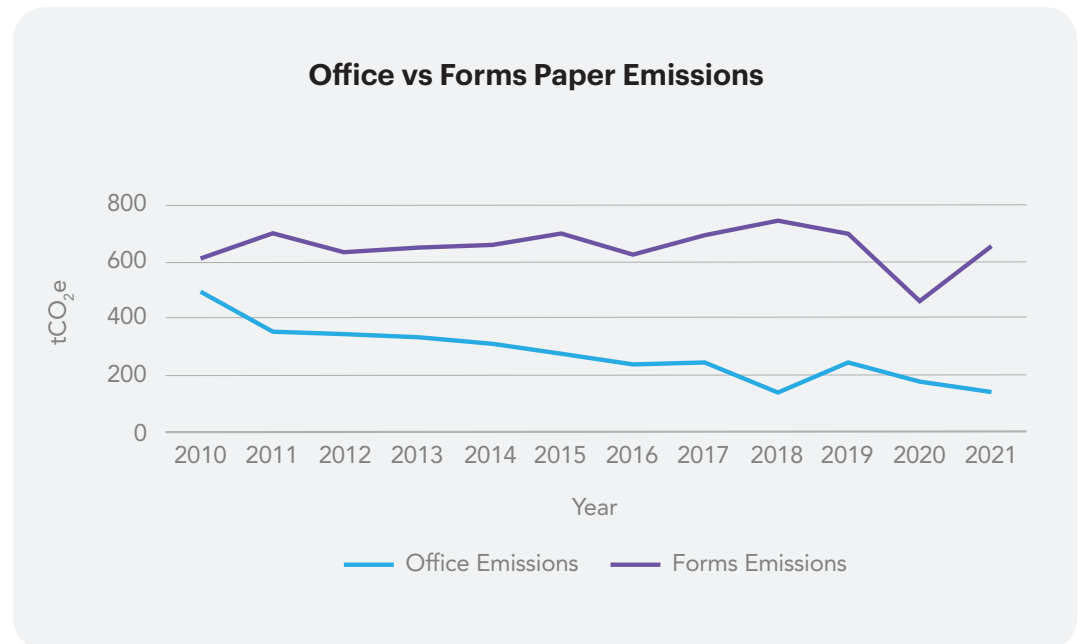
In 2021, our overall paper use increased from 2020. As seen in the graph below, this was primarily due to printed forms for customers; office printing decreased and we were able to remove approximately 140 printers from use.

We also prioritize paper with a higher recycled content. In 2021, 82 per cent of the paper purchased was 100% recycled content and three per cent was 30% recycled content with the remaining 15 per cent having no recycled content.



To continue reducing emissions from paper use, ICBC plans to:

- Continue digitizing business processes and leveraging technology solutions, for example,
  - transitioning to digital signatures for sending, signing and managing contracts
  - use of e-fax system and electronic folders for handling registered owner and vehicle information requests
  - providing employees with the flexibility and tools to work from home;
- Introduce online insurance renewals in 2022;
- Add print release (pull printing) to high volume printers and making double-sided printing the default; and
- Promote awareness and behaviour change through campaigns and communications.



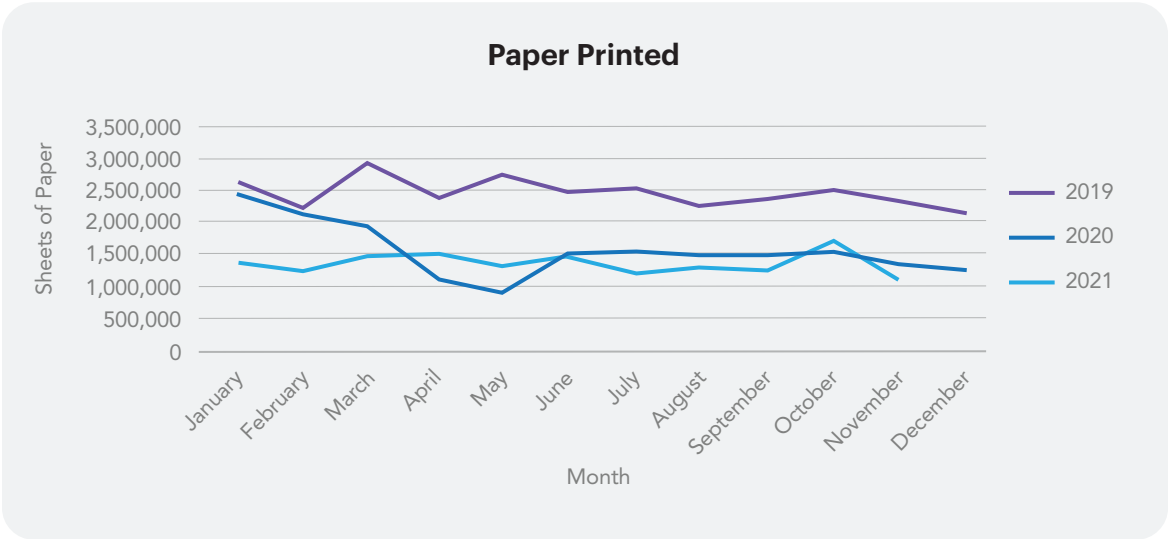
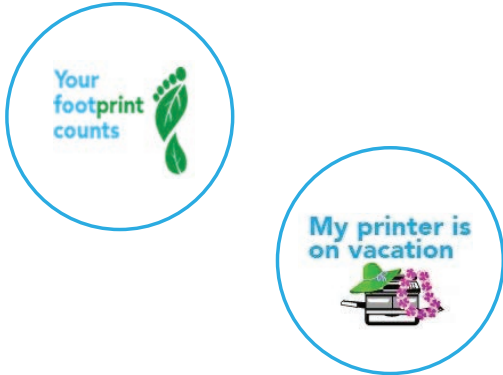


# Other Actions Taken in 2021

## Awareness and Behaviour Change

During November 2021, we held a corporate-wide campaign to raise awareness on the full impact of office printing, and challenged employees to give their printers a vacation (abstain from printing), or to print as little as possible, and to use digital stickers (shown on the right) to spread the word.

The campaign was successful, with broad participation and a reduction in print volumes (November 2021 compared to October 2021). Information by printer was also made available so all employees could see how their location, area, or printer usage changed.



Besides an annual corporate-wide campaign, communications occur throughout the year to promote awareness and new habits that contribute to energy management and environmental sustainability more broadly. An example of this is an annual communication in December to encourage shutting off lights, monitors, personal heaters, sit-and-stand desks, and adding machine calculators, when not in use.

## License Plate Recycling

During 2021, we accepted used license plates for recycling, keeping them out of the landfill and preventing the contamination of water tables. We recycled 106,593 kg of plates in 2021, preventing the release of 152 tCO<sub>2</sub>e.

## Recycled parts, bumper exchange, auto parts locator

We maintain a recycled auto parts locator application, allowing a network of authorized recyclers to bid for vehicle parts and providing visibility to which parts are in demand. In 2021, we facilitated a recycled part usage ratio of about 9.5 per cent.

## Windshield repair

Our windshield chip repair program began in 2017 for customers who purchase optional comprehensive coverage. Repairs can help extend the life of a windshield. In 2021, we repaired 56,247 windshields, 26 per cent of total glass claims, and prevented the equivalent of 318 tCO<sub>2</sub>e from being released.

## Waste management

ICBC continues to manage our office wastes by providing paper and cardboard recycling at all sites, recycling and organics wherever possible. We also manage hazardous wastes from spills and have a battery recycling program that in 2021 kept 138 kg of batteries out of landfill. In addition, we started sending our personal protective equipment (PPE) waste to a waste-to-energy facility. This kept 2,394 kg of PPE out of landfill or approximately 2.6 tCO<sub>2</sub>e.





### **Online insurance renewals**

Policies effective May 1, 2022 or later can be renewed online, providing customers with additional choice and convenience in how they do business with ICBC. With this change, our overall printing and mailing are expected to decrease because these are printed on an as needed or print on demand basis. It will also result in a reduction of trips specifically for insurance renewals.

### **Decals**

May 1, 2022 also marks the day that B.C. drivers are no longer required to display a decal on their license plate, in order to show they have a valid licence and insurance certificate. This change means that going forward, an estimated 16.7 tCO<sub>2</sub>e per year (based on 2021 numbers) will be avoided from stopping the production, distribution, delivery and landfill emissions associated with decals.

### **Low-kilometre and distance-based discounts**

ICBC offers a 10 per cent discount for vehicles driven less than 5,000 km in a year. This discount is an added benefit for those who do not regularly use their vehicle. This could include those who only drive on evenings and weekends, use public transportation to commute to school or work during the week, or simply have a second vehicle that's not used very often. ICBC is looking at opportunities to expand in this area.

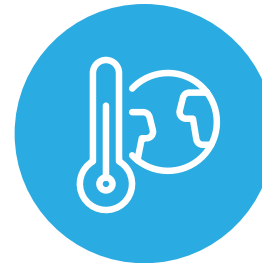
## Climate risk management

During 2021, B.C. experienced catastrophic weather events such as the heat dome, wildfires, severe flooding and landslides. These events had profound impact on our customers, communities, and on the transportation sector and road safety.

From just the flooding event, there were about 2,000 total loss claims (vehicles are no longer driveable) as well as service and supply chain interruptions. Our staff across multiple departments pulled together to help impacted customers.

Going forward, climate change is included in our top 10 emerging risks report tracked by our executive and board. ICBC is taking action by having:

- A robust business continuity management program that ensures the organization can respond to a broad range of events, and continue critical and essential services;
- An Environmental Management System that aligns with the International Organization for Standardization (ISO) 14001:2015 to manage our environmental risks and opportunities;
- A Strategic Energy Management Plan and partnership with BC Hydro which focuses on reducing building emissions;
- Appropriate levels of insurance coverage for our operational locations to mitigate financial loss in case of a catastrophic weather event.



## 2021 GHG Emissions and Offsets summary table:

ICBC 2021 GHG Emissions and Offsets Summary	
<b>GHG Emissions created in Calendar Year 2021</b>	
Total Emissions (tCO <sub>2</sub> e)	15,340
Total BioCO <sub>2</sub>	8.37
Total Offsets (tCO <sub>2</sub> e)	15,332
<b>Adjustments to Offset Required GHG Emissions Reported in Prior Years</b>	
Total Offsets Adjustment (tCO <sub>2</sub> e)	6
<b>Grand Total Offsets for the 2021 Reporting Year</b>	
Grand Total Offsets (tCO <sub>2</sub> e) to be Retired for 2021 Reporting Year	15,338
Offset Investment (\$25 per tCO <sub>2</sub> e)	\$383,450



## Retirement of Offsets

In accordance with the requirements of the *Climate Change Accountability Act* and Carbon Neutral Government Regulation, ICBC (**the Organization**) is responsible for arranging for the retirement of the offsets obligation reported above for the 2021 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

**Jason McDaniel**

VP Driver Licensing and Corporate Affairs

May 27, 2022

# 2021 PSO Climate Change Accountability Report

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Special thanks to Angel Figueroa, Rachel Szoladi, Andrew Sum, Kelsey Mack, Mike Rispin, and Yukiko Aizu for providing the photographs included in this report.

