



**LIQUOR
DISTRIBUTION
BRANCH**

BC LIQUOR DISTRIBUTION BRANCH

PSO CLIMATE CHANGE ACCOUNTABILITY REPORT 2022

Carbon Neutral



Declaration statement: This PSO Climate Change Accountability Report for the period January 1, 2022 to December 31, 2022 summarizes our greenhouse gas (GHG) emissions profile, the total offsets to reach net-zero emissions, the actions we have taken in 2022 to minimize our GHG emissions, and our plans to continue reducing emissions in 2023 and beyond.

2022 Highlights

Cleaner Transportation

The LDB added three zero emission vehicles to its fleet of passenger vehicles and retired aging, gasoline powered vehicles. The LDB reduced diesel mobile emissions by 11 per cent during 2022.

Waste Reduction and Audit

The LDB conducted a physical waste audit across a number of its worksites to identify gaps and improve processes. Learnings from this audit supported the LDB with tools for continued employee education, improved signage and recycling stream expansion.

Paper Bag Reduction

As part of its efforts to reduce waste, the LDB's network of BCLIQUOR (BCL) stores realized a 56 per cent decrease in the number of paper bags requested by customers.



The Liquor Distribution Branch (LDB) is committed to operating an environmentally responsible organization. In addition to embedding sustainability goals across its operations, the LDB is supporting the targets outlined in CleanBC, government’s plan to lower climate-changing emissions by 40 per cent by 2030. CleanBC focuses on protecting nature, building a cleaner economy and preparing communities for future climate.

While it remains the LDB’s priority to reduce overall emissions across our business, we expect to offset additional carbon emissions for 2023 in order to run our growing business. The offsets will be used to invest in clean energy programs and carbon sequestration projects across BC.





Emission Reductions Actions and Future Plans

LDB Head Office

The LDB Head Office located Burnaby, B.C., is a LEED Platinum (Core and Shell) building, which means energy consumption for heating and cooling are estimated to be 32 per cent less than that of a conventional building. The building uses an air-source variable refrigerant flow system that reduces electricity consumption by about 35 per cent over a conventional HVAC system.

New for 2022, smart lighting and a lighting control system was installed throughout Head Office, making the building more energy efficient.

Each new lighting fixture saves five watts of energy, equating to a total savings of 5,000 watts, harvests daylight and detects room occupancy and movement to reduce lighting when not required. The new lighting system also eliminates the need for desk lamps by allowing employees to personalize lighting in their workspace.

Additionally, Head Office serves as a battery recycling facility for employees as used batteries are collected by a recycling provider.

Retail Stores

To continuously improve the energy efficiency of its buildings, the LDB periodically updates its construction specifications handbook.

This handbook provides building contractors with the information they need to ensure all stores, new or renovated, meet the LDB's energy efficiency requirements, including using high-efficiency LED lighting, installing flooring which doesn't require waxing and polishing, and re-using check outs and store fixtures removed from renovated stores in other stores that may require them.

With the Clean Government Reporting Tool, the LDB continues to have access to energy data to perform ongoing monitoring across its more than 240 worksites.

In 2022, various BCL stores received renovations to decrease their energy consumption. Timers were installed on loading dock heaters, new energy efficient fridges were installed and florescence lighting was removed at older stores that have not yet received a full retrofit.



The LDB continues to use information provided by the Clean Government Reporting Tool to track energy consumption across its retail network and set reduction targets.

Both BCL and BC Cannabis Stores (BCCS) continue to use:

- High-efficiency LED lighting and in BCCS, LED backlit informational panels;
- Non-toxic paint;
- Finishes with low chemical emissions, recycled content and biobased materials;
- New flooring requires no waxing which minimizes the energy draw for machinery, and eliminates the water and chemicals usage in the waxing process.



Waste diversion from LDB Buildings

Waste Audit

Due to COVID-19 restrictions, the LDB paused on scheduling a waste audit in 2020 and 2021. With these restrictions eased in 2022, the LDB held a waste audit in late 2022. As part of the audit, a waste hauler collected 24-hours of waste from one BCL, one BCCS, two of the three LDB warehouses and from all five floors of Head Office. The results showed an 81 per cent diversion rate for liquor wholesale and retail, 92 per cent diversion rate for cannabis wholesale and retail and 86 per cent for Head Office. The LDB will continue to work on improving these scores through increased reporting, increased waste channels for all worksites, continued audits and employee education campaigns.

Waste Reduction

The 2021/2022 fiscal waste diversion rate for LDB Cannabis Operations was 94 per cent. The cannabis line of business has continued to implement process improvements at the cannabis distribution centre, including increased recycling of pallet wrap plastic, cardboard and wood. They also implemented a centralized plastic recycling program where waste haulers collect soft plastic shrink wrap and end of life wood pallets for responsible recycling.

The 2021/2022 fiscal waste diversion rates for Head Office and the LDB's dry goods distribution centre was 87 per cent, an increase of one per cent over the prior year. BCL and the liquor distribution centres

combined waste diversion rate for 2021/2022 fiscal year was 90 per cent, slightly below the previous year at 93 per cent.

The slight decreases in some business lines represent a more balanced progression to increasing diversion rates as the LDB continues to expand recycling streams and strengthen the quality of reporting from contracted waste and recycling service providers with the goal of increasing the diversion of materials from landfill.

As part of the LDB's waste reduction strategy, the following outcomes were achieved in 2022:

- The LDB recycled 2,300 tonnes of cardboard, preventing almost 30,000 trees being cut for new products and reducing material in the landfill by 6,500 cubic yards;
- 170 tonnes of plastic was recycled and 344 tonnes of wood was recycled;
- The LDB responsibly recycled 15 computer monitors, 174 desktop computers and 15 laptops. The monitors and computers are donated to the Electronic Recycling Association, a non-profit organisation which donates to charities, local organisations and newcomers to Canada that require computers to apply for employment and keep in touch with relatives from their native country.



Warehouses

In addition to utilizing energy efficient machinery to pick beverage alcohol and cannabis products from the racking, the layout of LDB's distribution centres was taken into account to reduce the amount of

return trips required. This layout and mapping of the warehouse to improve the picking of product orders ensures an efficient process and reduces the amount of energy used.

All lighting in the LDB's Delta Distribution Centre was converted to LED and lighting sensors were added to the warehouse aisles so that the lights dim to conserve power when staff are not working in the aisles. As a staff member enters the aisle, the lights increase to full power and then dim once the staff exits.

Future Plans to Reduce Emissions

The LDB will conduct quarterly reviews of its building emissions in 2023 to analyze trends and determine appropriate reduction strategies. To further support emission reduction strategies, the LDB will continue to work with property management companies of shopping centres where BCL and BCCS lease space to improve the collection of reliable emissions data. As building leases are renewed, the LDB will explore opportunities with landlords to jointly upgrade heating and cooling systems as required to ensure a continued reduction in emissions.

In addition, an LED lighting retrofit is planned for the LDB's Kamloops and Richmond distribution centres in 2023.

Mobile Emissions

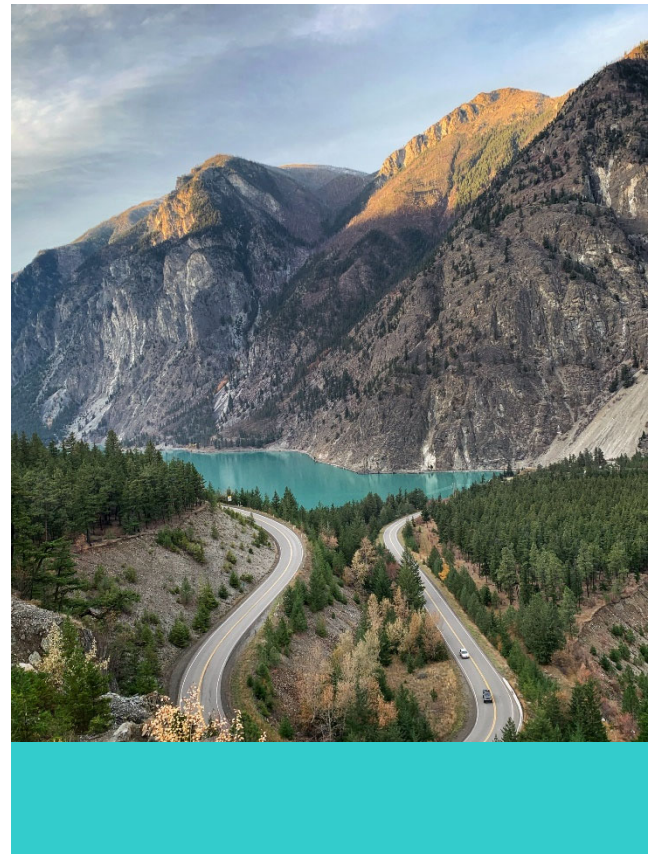
Mobile Emissions Strategy

In alignment with CleanBC, the LDB has committed to reduce greenhouse gas emissions from light duty fleet vehicles by 40 per cent below 2010 levels by 2030.

To achieve this goal, the LDB has determined that zero emission vehicles (ZEVs) will be the default purchase option for light duty fleet. Internal stakeholders responsible for purchasing vehicles will begin the procurement process in advance to help ensure ZEV availability due to limited supply.

In addition, the LDB will continue to measure and report greenhouse gas emissions and monitor its progress towards the 2030 emission reduction goal.

The LDB now has a total of four ZEVs in its fleet and is in the process of retiring a number of its gasoline-powered vehicles.



Mobile Charging Services

Three charging stations capable of charging six vehicles are available for LDB staff to charge their electric vehicles at Head Office. The charging stations have saved 25,536 kg of greenhouse gas emissions from the environment, which equates to the planting of 655 trees and letting them grow for ten years. As the LDB expands its fleet of ZEVs, the number of charging stations at Head Office will be increased.

Carpool Program

The LDB encourages employees to carpool with one or more of their colleagues living in the same area by providing 20 carpool-dedicated parking spots at Head Office. There are 40 employees enrolled in the carpool program, reducing the number of vehicles on the road by at least 20.

Get Home Safe

The LDB'S signature social responsibility program, Get Home Safe, promotes responsible beverage alcohol consumption through print and web-based promotions via its network of BCL stores. 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 2022 Vancouver International Wine Festival.

Paper Consumption

Paper Bags

BCL and BCCS provide paper bags for 25 cents to customers who do not bring in their own reusable bag. In line with municipal bylaws, all stores charge 25 cents for each paper bag to encourage customers to bring their own reusable bags. The paper bags supplied to BCL and BCCS are manufactured locally by Bulldog Bags and contain 40 per cent post-consumer recycled content and plant-based ink making them 100 percent recyclable through curbside collection programs and compostable.

In 2022, BCL stores saw a 56 per cent decrease in paper bag requests by customers at the checkout, which equates to over a million less paper bags purchased by customers in 12 months.

BCL Brochures and Magazine Recycling

The LDB calculates the total weight of checkout paper bags, paper sleeves, flyers, brochures and magazines distributed to customers each year and then pays a fee to Recycle BC for costs incurred for collecting these materials in residential curbside collection and return-to-depot programs.

In 2022, BCL reduced the amount of printed product brochures available in their stores by opting to display these materials online. Socially responsible information available in printed form and online remained the same.



Paper Consumption Future Plans

At Head Office, 42 per cent of office paper purchased contained recycled content or was from responsible sources. The LDB is considering alternate forms of paper such as sugarcane-based paper and moving to solely to only purchasing paper with recycled content.

Climate Risk Management

2022 saw extreme weather events such as damaging storms and wildfires. Throughout these events, the LDB made efforts to maintain service levels by working with customers impacted by regional evacuations and rerouting shipments.

The LDB activated its emergency operations plan to ensure employees, stakeholders and customers remained safe and operations continued in a safe manner.

Other Sustainability Initiatives

Urban Agriculture

The LDBeez beehives are a partnership between the LDB and urban beekeeping organization Alvéole. Each year, the LDB receives approximately 100 jars (140ml) of honey from the beehives. In 2022, the LDB donated the honey to the Greater Vancouver Food Bank, which supports families with food and nutrition across BC.

Honey can be expensive to purchase, and food banks rarely receive donations of honey products. With the cost of food on the rise, the jars of honey will make a difference for many people.

Success Stories

Employee Led Sustainability Events

Environmental and sustainability initiatives and events are facilitated across the LDB at various times throughout the year. The events are employee-run and led with a focus on education and engagement, exploring various environmental issues, engaging in problem-solving and how to take action and reducing our individual and collective impact on the environment.

Earth Day

In 2022, the LDB celebrated the 52nd anniversary of Earth Day. Due to the ongoing COVID-19 restrictions in BC at the time, employees were invited to take part in a virtual educational quiz about the 'Life of Plastics' with the goal of activating their environmental consciousness within their home. Over 100 employees entered the contest to win wildflower seeds, gardening gloves made from recycled

materials, and a bee hotel. In addition, the organizers shared tips on how to get the most out of vegetable waste and how to save money by reusing household items.

Bike to Work Week

Bike to Work Week is a popular annual event across BCL, BCCS, Head Office and the LDB's distribution centres. The spring of 2022 marked the first in-person employee Bike to Work Week "Celebration Station" held at Head Office since 2019, where employees came together to celebrate biking as a sustainable mode of transportation.

The event allowed for like-minded employees to connect and included a discussion about the best routes to the office and some of the hidden greenway routes available around the city, along with safety tips to fix flat tires and chains while on the road.

Retail employees at BCL and BCCS throughout BC were encouraged to log their bike kilometres and submit their personal Bike to Work Week story for publication in the employee-wide newsletter. In 2022, the Spirited Cyclists team logged over 7,800km and saved approximately 1.6 metric tonnes of greenhouse gas emissions.

Waste Reduction Week

The focus of the event for Waste Reduction Week was to educate employees on how to sort various items into the correct waste stream.

Employees from the LDB's Head Office and Delta Distribution Centre were invited to play the 'Elimination Game' and were given a number of materials to place into either organics, containers, paper, or in a bin for Recycle BC depots and Return-It depots. A bin for garbage was also displayed but true to the name of the game, none of the materials presented to staff were meant for the garbage. The intent was to educate employees who mistakenly placed the materials into the garbage that another option exists to recycle that material.

Donations

Thanks to the generosity of their customers, BCL and BCCS collected \$942,168 in support of local food banks during the holiday season.

The fundraising campaign, which ran in stores from Nov. 12 to Dec. 31, 2022, was in support of Food Banks BC, which supports more than 106 food banks throughout the province. All funds collected by BCL and BCCS on behalf of Food Banks BC are given to the food bank in the community where the funds are raised.

2022 GHG Emissions and Offsets Summary Table

Liquor Distribution Branch 2022 GHG Emissions and Offsets Summary	
GHG emissions for the period January 1 - December 31, 2022	
Total BioCO ₂	17
Total Emissions (tCO ₂ e)	3781
Total Offsets (tCO ₂ e)	3734
Adjustments to Offset Required GHG Emissions Reported in Prior Years	
Total Offsets Adjustment (tCO ₂ e)	-
Grand Total Offsets for the 2022 Reporting Year	
Grand Total Offsets to be Retired for 2022 Reporting Year (tCO ₂ e)	3734
Offset Investment (\$)	93,350.00

Retirement of Offsets:

In accordance with the requirements of the *Climate Change Accountability Act* and Carbon Neutral Government Regulation, *Liquor Distribution Branch (the Organization)* is responsible for arranging for the retirement of the offsets obligation reported above for the 2022 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.



2023-06-13

Signature

Date

Blain Lawson

General Manager and Chief Executive Officer

Name (please print)

Title