

# **Extended Producer Responsibility and GHG reductions in the Canadian brewing industry**

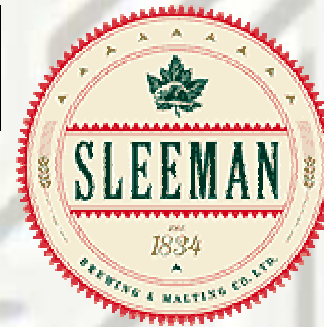
Canadian Pollution Prevention Roundtable

June 11<sup>th</sup> 2003



**Brewers of Canada**

# Who are we?



Also...

- Lakes of Muskoka Cottage Brewery Inc.
- Nelson Brewing Company Limited
- Niagara Falls Brewing Co.





# Key Industry Statistics 2002

- ❑ >CDN \$12.6B in economic activity and more than CDN \$3.9B in government tax revenue
- ❑ 14,700 workers employed by 83 breweries
  - ❑ 74% of total beverage alcohol industry
- ❑ Annual domestic sales equivalent to 5.74 billion single servings (19.6 Mhl);
  - Exports total another 3.8 Mhl – 6<sup>th</sup> highest in world
- ❑ Vertical integration of manufacturing, distribution and packaging recovery
- ❑ Closed-loop, deposit-refund based packaging recovery, reuse and recycling in every province and territory
  - Operated voluntarily since mid 1920s

# Pollution prevention principles of the Canadian brewing industry



## **A commitment to extended producer responsibility:**

- No financial or environmental subsidies; and
- Accounting for all life-cycle packaging and product costs (both financial and environmental)
- Costs internalized are costs to be avoided through efficiency

## **A commitment to environmental protection:**

- Reduction of energy and natural resource consumption, emissions and solid waste through reuse; and
- The substitution of knowledge and efficiency for materials, energy, waste and financial cost

## **A commitment to continuous improvement:**

- Effecting policies and programs with meaningful performance targets to ensure high rates of waste reduction, reuse and recycling; and
- Ongoing measurement and evaluation

# The refillable advantage...



- Reduction: ~279 million containers to deliver 4 billion refillable servings (93% fewer containers)
- Substitutes 3.7 billion containers with ~4,500 more jobs
- Avoids ~\$220 million (net of incremental labour) in annual one-way container purchase costs
- Savings result in both increased profits and lower cost to consumers
- Deposit-refund system used to recover refillable bottles was basis on which all other packaging is recovered

# 40 brewers across Canada take the refillable advantage



Agassiz Brewing Company Ltd.	Auberge Le Baluchon Gastronomie,
Alley Kat Brewing Co.	Les Brasseurs du Nord Inc.
Bear Brewing Co. Ltd.	Les Brasseurs R.J.
Big Rock Brewery Ltd.	Magnotta Brewery
Black Oak Brewing Company Ltd.	Molson Canada
Brasserie Le Chaudron Inc.	Moosehead Breweries Limited
Brasserie McAuslan Inc.	Nelson Brewing Company Limited
Cameron's Brewing Company	Neustadt Springs Brewery Ltd.
Church-Key Brewing Company	Niagara Falls Brewing Co.
Cool Beer Brewing Co.	Northern Breweries Limited
Durham Brewing Company	Pacific Western Brewing Company
Fort Garry Brewing Co. Ltd.	Peak Brewing Company Ltd.
Garrison Brewing Company	Propeller Brewing Company
Granville Island Brewing Company	Pump House Brewery
Great Western Brewing Company L	Quidi Vidi Brewing Company
Grizzly Paw Brewing Company	Sleeman Breweries Limited
Kawartha Lakes Brewing Co.	Trafalgar Brewing Company Ltd.
Labatt Breweries of Canada	Vancouver Island Brewing Co.
Lakeport Beverage Corporation	Wellington County Brewery Inc.
Lakes of Muskoka Cottage Brewery	Yukon Brewing Company

# National packaging recovery performance

- 📦 Domestic packaging mix: refillable bottles 69.3%, Aluminum cans 19.6%, Draught kegs 11.0%
- 📦 National container recovery rate of 95%
  - 97.1% or 1.04 of 1.1 million tonnes of refillable bottles sold
  - 85.1% or 13,827 of 16,248 tonnes of aluminum cans sold
- 📦 Return of containers accompanied by return of secondary packaging. In Ontario:
  - A commitment to recovering 100% of packaging sold
  - 99.3% or 27,000 tonnes of boxboard and corrugated cardboard
  - plastic recovery 92.9%,
  - steel crowns: 3.1%
- 📦 Canadian brewers' packaging recovery performance exceeds that of any other packaged goods industry in Canada

# Packaging recovery and avoided GHG emissions

Avoided GHG to replace material that would have gone to landfill:

📦 Canada: ~ 45,726 MTCE associated with aluminum beer can recovery and recycling

📦 Canada: ~ 159,698 MTCE associated with use of refillable beer bottles versus recyclable glass bottles

📦 Ontario: ~ 13,206 MTCE associated boxboard and corrugated recovery and recycling

# Reduction in brewery energy consumption

- ✦ Energy consumption 18% lower in 2000 than in 1990
  - ✦ Energy consumption dropped from 0.31 GJ/hl in 1990 to 0.26 GJ/hl in 2000 (CIEEDAC 2002)
- ✦ 57,000 MTCE reduction in GHG emissions from 1990 baseline assuming natural gas as energy source (CIEEDAC 2002)
- ✦ Industry commitment to annual reduction of 1.5% in energy use through 2006
  - ✦ Existing and planned natural gas cogeneration of electricity and steam to displace use of coal based electricity
  - ✦ Ongoing efforts to reduce process heat losses



- Convened in 1927 as a brewer cooperative for selling beer and recovering refillable beer bottles and kegs
- Primary interface between 55 domestic and foreign brewers (selling 260 brands) and over 7 million beer consumers
- Operate province wide with delivery to 17,000 licensees, 431 Beer Stores, 600 LCBO stores and 200 LCBO agency stores
- 97.6 % of all packaging sold recovered from all points selling beer:
  - Return-to-retail deposit-refund system
  - Return of bottles/kegs from licensees
  - 255 Beer Store funded bottle dealers recovering packaging on behalf of 200 LCBO Combination Stores

# Building on success: The TBS truck Fleet



April 2002 The Beer Store (TBS) wins the "Fleet Excellence" award for heavy duty vehicles sponsored by the Enbridge Repair Our Air - Fleet Challenge:

- 📌 TBS London, Ontario Distribution Center pilot program
- 📌 51% reduction in idling time - elimination of 3,000 idling hours
- 📌 Fuel efficiency improvement of 14%
- 📌 Total fuel savings 32,265 litres over one year
- 📌 Total saving in CO2 emissions 114.27 tonnes
- 📌 Program expansion planned for entire TBS fleet



# Closing thoughts

- P2 initiatives by Canadian brewers are commercially driven – the need to reduce cost drives the need to reduce material and energy intensities
- Economic and environmental efficiency are logically consistent concepts
  - As a corollary, subsidy free efficiency is good for our business, is good for the environment, the economy, our consumers, the communities in which we and our consumers live and society in general

# In better words...

"I believe the free market is the most efficient, democratic way to distribute the goods of the land and benefits of our nation. In a true free-market system you can't make yourself rich without making your neighbors rich, and without enriching your community. But polluters make themselves rich by making everybody else poor. You show me pollution and I'll show you a subsidy. I'll show you somebody who's cheating in the free market; somebody who's devised a way, usually using political clout, to force the public to pay the costs of production."

Robert F. Kennedy Jr. in a speech  
to the Commonwealth Club February 28<sup>th</sup> 2002