

Organizational Overview

Governance

In British Columbia, the Liquor Distribution Branch (LDB) is one of two branches of government responsible for the beverage alcohol industry. The *Liquor Distribution Act* gives the LDB the sole right to purchase beverage alcohol both within BC and from outside the province, in accordance with the federal *Importation of Intoxicating Liquors Act*.

Reporting to the Minister of Housing and Social Development, the LDB:

- handles importation and distribution of beverage alcohol in BC;
- operates government liquor stores (GLSs) and distribution centres; and
- has a General Manager who is responsible for administering the *Liquor Distribution Act*, which includes the oversight of GLSs, subject to direction from the minister.

The *Liquor Distribution Act* clarifies:

- LDB administration;
- GLS operation; and
- the role and powers of the LDB General Manager.

The LDB follows the Crown Agencies Resource Office guidelines for service plans and annual reports, and is reported out in public accounts in a manner similar to a commercial Crown corporation, on a modified equity basis.

Another branch of the Ministry of Housing and Social Development — Liquor Control and Licensing Branch (LCLB) — licenses private liquor stores, restaurants, pubs and manufacturers, and enforces regulations under the *Liquor Control and Licensing Act*. For more information, please visit hsd.gov.bc.ca/lclb/.

The LDB and LCLB have a shared responsibility to encourage the responsible consumption of beverage alcohol and work closely together to coordinate policies and programs to this end.

Visit bcldb.com and click on the *About Us* link for more about the LDB.

Business of the Liquor Distribution Branch

The LDB operates a province-wide, retail/wholesale beverage alcohol business, within a mixed public-private model.

As of March 31, 2010, the LDB:

- has a workforce of approximately 3,500 full- and part-time employees;
- operates 197 GLSs throughout the province;
- operates two distribution centres, in Vancouver and Kamloops; and
- has a Head Office facility in Vancouver.

As part of BC's mixed model retail system, the LDB is committed to providing customers with an enhanced shopping environment, increased product selection and a high level of service.

MEET THE LDB EXECUTIVE MANAGEMENT COMMITTEE

Jay Chambers

General Manager

Roger Bissoondatt

Chief Financial Officer

Kelly Wilson

Executive Director,
Wholesale and Retail Services

Gordon Zelenika

Executive Director,
Human Resources

Don Farley

Executive Director,
Information Services

Gordon Hall

Director,
Corporate Policy

Donna Morse

Director,
Corporate Security

Catherine Sloan

Legal Counsel

The LDB purchases beverage alcohol from more than 400 suppliers and manufacturers within the province, across the country and around the world. Licensed manufacturers in BC include 207 wineries, 31 breweries, 23 brew pubs, and 15 distilleries.

BC's beverage alcohol retail model includes:

- GLSs (government-owned and -operated stores selling beverage alcohol to retail and wholesale customers);
- licensee retail stores (LRSs – private stores licensed to sell all beverage alcohol products);
- rural agency stores (RASs – general merchandise stores in rural communities authorized to sell all beverage alcohol products);
- on-site manufacturer stores (stores at wineries, breweries and distilleries that sell the products that they manufacture);
- off-site manufacturer stores (stores operated by the BC wine industry that sell BC winery products);
- private wine stores; and
- duty-free stores.

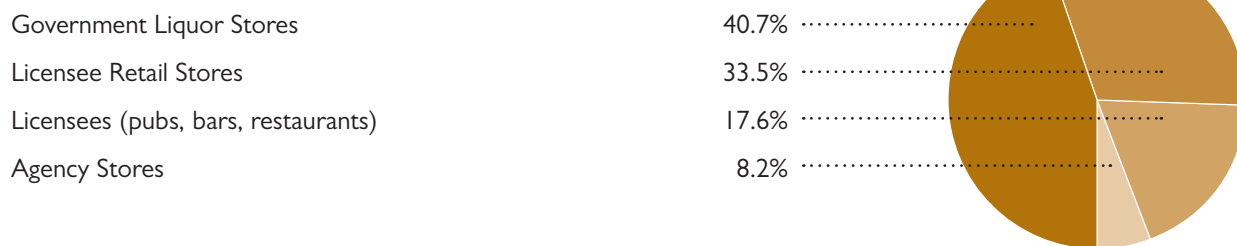
With more than 1,300 beverage alcohol retail outlets operating in BC, as of March 31, 2010, consumers have a variety of choices depending on their service needs:

- 197 GLSs;
- 670 LRSs;
- 224 RASs;
- 232 on-site manufacturer stores;
- 34 off-site manufacturer stores;
- 12 private wine stores; and
- 11 duty free stores

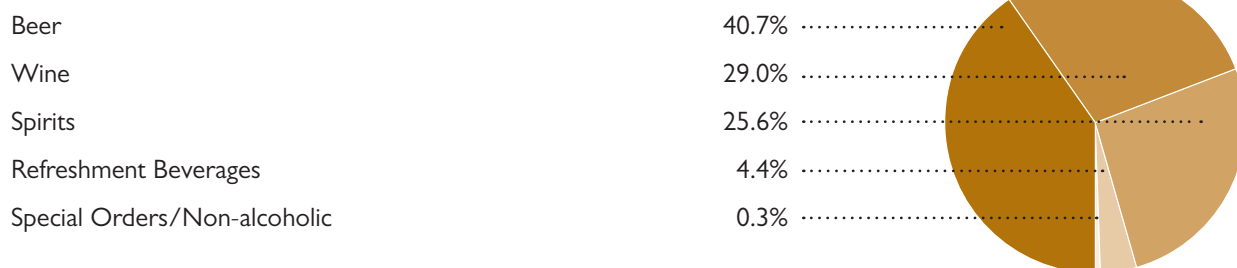
In addition to retail stores, there were 8,031 bars, restaurants and other licensed on-premise establishments as of March 31, 2010.

The wholesale beverage alcohol distribution model in BC includes the two government distribution centres, GLSs and a number of manufacturers and private distributors that are authorized to distribute beverage alcohol as agents of the LDB.

Percentage of Gross \$ Sales by Sales Channel 2009/10



Percentage of Gross \$ Sales by Product Category 2009/10



Our Customers and Stakeholders

The LDB is one of the largest retailers in BC, with 38.4 million retail customer visits to BC Liquor Stores during fiscal 2009/10. We also processed 407,000 wholesale customer transactions. The LDB sources a wide selection of domestic and international beverage alcohol products for our retail and wholesale customers.

To serve the interests of our customers and stakeholders, we:

- deliver quality products and services;
- provide products and services to a variety of beverage alcohol outlets throughout British Columbia;
- manage the importation, warehousing and distribution of beverage alcohol;
- promote the safe and responsible use of beverage alcohol; and
- implement policies to ensure LDB workplaces are safe and free of harassment or discrimination.

To fulfill our responsibilities to the government and people of British Columbia, we:

- generate revenue to the government of British Columbia;
- manage the LDB's business risks;
- ensure accountability of key business partners; and
- develop and implement programs and services aimed at deterring the sale of beverage alcohol to minors, those who appear intoxicated, or those who are believed to be buying for either of these parties.

LDB CORE BUSINESS AREAS

Retail Services

Encompasses both the retail and the wholesale departments and includes Distribution, Store Operations, Purchasing, Marketing, Wholesale and Real Estate.

Corporate Security

Responsible for security policies and programs and is responsible for the LDB's Emergency Management and Business Continuity programs.

Legal Services

Provides legal advice to the LDB and directs the Information and Privacy program.

Corporate Policy

Researches and advises on corporate policy issues and is responsible for communications.

Finance

Manages revenue, expenditures, budgeting, reporting, auditing and administers policies related to the importation and distribution of beverage alcohol.

Information Services

Implements and maintains the LDB's information systems.

Human Resources

Provides services related to recruitment and selection, employee training and development, labour relations, classification and compensation, leave and benefit administration and organizational development.

The Four Pillars Framework

The LDB organizes its strategic priorities and key objectives around the concept of four pillars. All four pillars support financial performance and at the foundation are the LDB's dedicated employees.

High-Level Goals

The five high-level goals are:

1	2	3	4	5
Financial Performance Meet financial objectives approved by government.	Workplace Quality and Employee Excellence Create a work environment that encourages greater employee engagement.	Customer Experience Maintain the high level of wholesale and retail customer satisfaction.	Business Effectiveness Maintain operating efficiencies in a climate of constant change.	Corporate Responsibility Encourage the responsible use of beverage alcohol.

