

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – February 11, 2009**

Board Chairman Lorraine Lee called the regular meeting of the Washington State Liquor Control Board to order at 10:00 am, on Wednesday, February 18, 2009 in the boardroom, 3000 Pacific Avenue SE, Olympia, Washington. Board Member Roger Hoen was present. Board Member Ruthann Kurose was not present.

Supplier Social Responsibility (SSR) Survey Pilot - Debi Besser

Debi Besser presented the final draft SSR Survey to the Board and draft interim policy #02-2009. The information will be shared with members of the BAC (Business Advisory Council) and DRAW (Distillery Representatives Association of Washington) to get feedback. Feedback is requested by February 19, 2009.

Additional Supplier Social Responsibility deployment items and actions include:

- February 20, 2009 – Debi will share the draft SSR Survey at the RUAD/Industry Coalition meeting
- February 23, 2009 – Review the final version of the SSR Survey with the workgroup
- April 2009 – Six suppliers will participate in the initial roll-out of the SSR Survey
- July 2009 – All suppliers participate in the SSR Survey
- September 2009 – All suppliers will have completed the SSR Survey and results can be used for new listing purposes
- March 2010 – Review the pilot and modify SSR Survey and Interim Board Policy SSR Survey #02-2009 if applicable.

After feedback is received, Debi will bring Interim Board Policy SSR Survey #02-2009 to the Board for approval on March 4, 2009.

See attachments for interim policy, survey and charter.

Approval of Minutes – Board Members

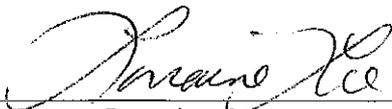
The Board unanimously approved the meeting minutes from the January 14, 2009 Board Meeting.

See electronic version of minutes on agency website.

New Business – Board Members and participants

The group briefly discussed the Liquor Control Board's role in the RUAD / Industry Coalition Committee. The LCB will determine appropriate resources to the committee. In addition, a charter may be developed for this group to outline goals and key objectives.

The Board Meeting was adjourned at 10:35 AM.



Lorraine Lee
Board Chairman



Roger Hoen
Board Member

Ruthann Kurose
Board Member



**AGENDA
BOARD MEETING
WA STATE LIQUOR CONTROL BOARD
Wednesday, February 11, 2009
3000 Pacific Avenue SE
Olympia, WA 98504**

10:00 a.m.

- 1. Supplier Social Responsibility ScorecardDebi Besser,
Purchasing Director**
- 2. Approval of MinutesBoard Members**
- 3. Old Business.....Board Members**
- 4. New Business.....Board Members**

Recess/Adjourn



Supplier Social Responsibility Advisory Workgroup Agenda
Monday, February 23, 2009 (1:00 – 4:00 p.m.)
Liquor Control Board Headquarters, Olympia – Conference Room 201

1:00 – 1:05	Welcome, review meeting agenda	Mona Moberg	Meeting agenda reviewed
1:05 – 1:20	Review meeting notes and action items from January 5 th , and DRAW, BAC and Board Meeting feedback	Mona Moberg Debi Besser	Clarify any changes and report back on action items
1:20 – 2:20	Present results from completed “surveys” and get feedback on: <ul style="list-style-type: none"> ▪ Wording changes to questions ▪ Ease of responding to questions ▪ Other changes to questions (additions, deletions) 	Debi Besser	Discuss the content and results Identify any changes to the survey questions
2:30 – 3:10	Discuss proposed scoring equalization across sections: <ul style="list-style-type: none"> ▪ Percentage vs. point score per category ▪ Scoring of % questions 	Debi Besser	Identify any changes to scoring
3:10 – 3:30	Discuss which questions should be included in “lite” version	Debi Besser	“Lite” questions identified
3:30 – 3:50	Present staff recommendation for pilot, timing, and use in listing/de-listing decisions	Debi Besser	Receive feedback
3:50 – 4:00	Wrap up, meeting feedback	Debi Besser Mona Moberg	Receive feedback and final comments

1/26/08 (djb)

Workgroup Members:

Lorraine Lee, LCB
Ruthann Kurose, LCB
Kimberly Ward, LCB
Jim Hutchins, LCB
Brent Young, Remy Cointreau USA (DRAW President)
Matt McCarthy, Southern Wine/Spirits West (DRAW VP)
Arick Liske, Diageo North America
Jeff Barr, Bacardi
Bill Ingersoll, Young’s Columbia
Meagan Renick, LCB

Pat McLaughlin, LCB
Debi Besser, LCB
Mona Moberg, LCB
Steve Burnell, LCB
Michael Langer, DSHS
Terry Adams, Ste. Michelle
Kathe McDaniel, LCB
Brian Smith, LCB
Tony Masias, LCB

The mission of the Washington State Liquor Control Board is to contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco.



Washington State
Liquor Control Board

Liquor Control Board Interim Policy #02 - 2009

Subject: Liquor Suppliers Social Responsibility Survey - Pilot

Effective Date: March 11, 2009

Ending Date: March 31, 2010

Approved:

Lorraine Lee, Board Chairman

Roger Hoen, Board Member

Ruthann Kurose, Board Member

Background

In 2008, a workgroup comprised of Liquor Control Board (LCB) staff, agency liquor suppliers, and a prevention community representative was created to develop a tool to measure social responsibility efforts and contributions made by liquor suppliers. The workgroup developed a tool called the "Supplier Social Responsibility Survey". This tool allows the agency to consider supplier social responsibility efforts as one component of the new listing decision process, much as supplier performance (as measured by the LCB Supplier Scorecard) is considered when deciding whether to carry the supplier's product in state liquor stores.

Purpose Statement

The purpose of Liquor Control Board Interim Policy #02 – 2009 is to document that the agency will pilot the Supplier Social Responsibility Survey to be used as one consideration in listing and de-listing decisions. This Policy describes the Survey elements, duration of the pilot, and general process guidelines.

Policy Statement

One of the LCB's top priorities is to promote public safety. To support this mission the agency intends to use the Supplier Social Responsibility Survey to measure individual supplier efforts in four key areas:

- Providing and/or supporting education and tools to prevent underage access and use.
- Minimizing youth exposure to and impact of alcohol advertising.
- Providing and/or supporting education and tools to prevent over-consumption and encourage responsible use.
- Being a good steward of your local community and the environment (in support of the Governor's *Go Green Initiative*.)

Part of the LCB's vision is to be a *recognized national leader in alcohol and tobacco regulation, business operation and public safety, and a collaborative partner that establishes effective and lasting solutions*. By developing this survey in collaboration with our suppliers and the prevention community, the Board is defining and encouraging the desired social responsibility activities of suppliers.

Policy Duration and Implementation

The Supplier Social Responsibility Survey will be used for a six month trial basis to determine its effectiveness.

In April, approximately six suppliers will complete the survey, and LCB staff will compile and analyze the results. In July, the remaining suppliers from the scorecard program, who supply 80% of the product we sell, will complete the survey.

A "lite" survey will be developed for suppliers not on the scorecard program. Beginning with the July new listing meeting, non-scorecard suppliers presenting new products for listing consideration will begin completing the "lite" survey. The "lite" survey will contain a sub-set of the survey questions, designed to provide basic information without creating a burden for smaller suppliers.

In September, with survey results available from all suppliers presenting new products, staff will begin considering the survey data in the listing decisions. At the conclusion of the six month pilot, in March 2010, the survey program will be reviewed with the Board to determine if any changes need to be made.

To communicate best practices to all suppliers, staff will highlight some of the efforts of individual suppliers on the LCB website. The supplier with the strongest social responsibility program will also be recognized in 2010 with a Supplier Social Responsibility Award.

Attachments:

Workgroup Charter
Draft Survey

2/9/09 (djb)

LIQUOR CONTROL BOARD (LCB) WORKGROUP CHARTER

Title Supplier Social Responsibility Advisory Workgroup
Sponsor(s) Lorraine Lee, LCB Board Chairman Pat McLaughlin, LCB Business Enterprise Director
Purpose <ul style="list-style-type: none">• Increase awareness and measurement of direct WSLCB liquor suppliers' social responsibility efforts• Enhance collaboration and partnership between LCB and stakeholders
Objectives <ol style="list-style-type: none">1. Determine what social responsibility activities suppliers currently have underway.2. Agree upon the definition of Social Responsibility and how it contributes to the LCB mission3. Develop measures for supplier social responsibility contributions on the LCB supplier scorecard and for non-scorecard suppliers.
Constraints <ul style="list-style-type: none">• Any recommendations that require additional funding or FTE's must be reviewed/approved by the Sponsors.• Any recommendations or planned activities must align with the agency mission and regulatory authority.
Agency Goals Supported <ul style="list-style-type: none">• Provide the highest level of public safety by continually assessing, analyzing, improving, and enforcing laws, regulations, and policies to ensure they are easy to understand, effective and reflect today's dynamic environment.• Create a culture that fosters excellent customer service, communication, accountability, data driven decisions, and business initiated process improvement including the use of integrated technology.
Timeframe Meetings begin September 2008. Recommendations due to Sponsors by March 30, 2009.
Team Lead Debi Besser, Director of Purchasing, LCB
Team Facilitator Mona Moberg, Project Manager, LCB

Additional Team Members

Ruthann Kurose, Board Member, LCB
Kimberly Ward, Buying Manager, LCB
Steve Burnell, Marketing Manager, LCB
Brent Young, Remy Cointreau USA (DRAW President)
Matt McCarthy, Southern Wine/Spirits West (DRAW Vice President)
Arick Liske, Diageo North America (DRAW member)
Jeff Barr, Bacardi (DRAW member)
Terry Adams, Ste. Michelle Wine Estates
Bill Ingersoll, Young's Columbia
Michael Langer, Prevention and Treatment Supervisor, Division of Alcohol And Substance Abuse, DSHS
Kathe McDaniel, Retail District Manager, LCB
Tony Masias, Alcohol Awareness Manager, LCB
Jim Hutchins, Process Improvement Manager, LCB
Brian Smith, Communications Director, LCB
Megan Renick, Administrative Assistant, LCB

Resources

- Liquor Control Board Mission Statement
- DISCUS Code of Responsible Practices for Beverage Alcohol Advertising and Marketing
- Meeting room facilities

Meeting Duration and Frequency

- Meetings will be scheduled for approximately three hours monthly at the Olympia LCB office.

Performance Measures

- Criteria developed for measuring supplier social responsibility efforts, and definition of how they will influence business decisions.
- Communication of measures and program to partner community
- Increased level of supplier participation in social responsibility programs, two years from implementation.

(rev. 11/10/08)

Underage Access Draft

#	<u>Question</u>	<u>Possible</u>	<u>Answer</u>	<u>Scoring</u>	<u>Please Describe in 100 words or less: (particularly activities in WA)</u>
1-1	Do your mass media messages speak to the prevention of underage access and use? (This may include tv, radio, and print ads.)	Y/N		Yes=10 No=-5	
1-2	Is your company associated with Century Council, or another similar organization that provides trainings to prevent underage access and use?	Y/N		Yes=10 No=0	
1-3	Does your POS contain messages regarding underage access or use? This could include off-premise materials such as bottle neckers, back cards or on-premise premise such as table tents etc.	Y/N		Yes=5 No=0	
1-4	Does your company provide on-line or printed educational materials on the subject on the prevention of underage access and use? This could include training for parents, stores, on-premise, etc.	Y/N		Yes=5 No=0	
1-5	Does your company's website contain links to other sources for information on preventing underage access and use?	Y/N		Yes=5 No=0	
1-6	Does your website have a method to require users to enter their birthdate in order to access your site?	Y/N		Yes=5 No=-5	
1-7	Do you have internal trainings regarding underage use and access?	Y/N		Yes=5 No=0	
1-8	Do you include prevention/responsibility messages in your on-premise product trainings?	Y/N		Yes=5 No=0	
Total Possible				50	

Advertising Draft

#	<u>Question</u>	<u>Possible</u>	<u>Answer</u>	<u>Scoring</u>	<u>Please Describe in 100 words or less: (particularly activities in WA)</u>
2-1	Does your company comply with the DISCUS Advertising Code or other industry advertising codes, such as from the Wine Institute?	Y/N		Y=10 N=0	
2-2	Does your company have a formal training program on compliance with the DISCUS Code (or other industry code)?	Y/N		Y=5 N=0	
2-3	Has your company ever been alerted to a potential problem advertisement by DISCUS? If so, what was action was taken?	Yes, no action taken Yes, ad changed/removed No		No action=-10 Action=5 No=10	
2-4	What % of over-21 viewing population do you require for media where you advertise?	>70% 70-79% 80%+		>70%=0 70-79%=5 80%+=10	
Total Possible				35	

Over-Consumption Draft

#	Question	Possible	Answer	Scoring	Please Describe in 100 words or less: (particularly activities in WA)
3-1	Does your company have a policy or program to promote employee's responsible drinking behavior? Examples include a consumption code of conduct, or provisions for people who overconsume.	Y/N		Yes=1 No=0	
3-2	Does your company have a social responsibility component in your internal training? If yes, please describe the key topics covered.	Y/N		Yes=10 No=-10	
3-3	Does your company provide written material to explain how to serve your products responsibly, such as tips for looking for over-service and how to cut someone off who is intoxicated?	Y/N		Yes=5 No=0	
3-4	Does your company have a policy that defines the company's financial commitment to promote responsible alcohol consumption?	Y/N		Yes=5 No=0	
3-5	Does your company have a policy requiring sales employees to attend server training?	Y/N		Yes=2 No=-2	
3-5	What percent of your company's sales employees have attended server training within the last 5 years?	%		%	
3-7	Please describe any innovative methods and tools your organization uses to emphasize training tips (example: texting how to cut off)	Y/N		Bonus up to 5 points	
3-8	How many community organizations, trade associations, or groups do you partner with to provide education to the public to encourage responsible use? (looking for law enforcement, MADD, etc.)	0, 1-2, 2+		0=0 1-2=5 2+=10	
Total Possible					38



Good Steward Draft

#	<u>Question</u>	<u>Possible</u>	<u>Answer</u>	<u>Scoring</u>	<u>Please Describe in 100 words or less: (particularly activities in WA)</u>
4-1	Does your company have a policy on giving back to the community?	Y/N		Yes=5 No=0	
4-2	What is the % of total donations (\$ or value of goods) your company donates to charitable organizations, based on gross profit?	X%		5 / TBD Market	
4-3	Does your company allocate work hours to provide service to charitable organizations?	Y/N		Yes=10 No=0	
4-4	Are there any other activities your company is doing to give back to the community?			Bonus, up to 5	
4-5	Does your company have a policy to make your fleet more environmentally friendly?	Y/N		Yes=5 No=0	
4-6	What percent of your fleet are hybrid, biodiesel, or equivalent?	%		5 / TBD Market	
4-7	Does your company have a roadmap to describe how your company will work towards having sustainable packaging?	Y/N		Yes=5 No=0	
4-8	What percent of your product packaging (incl. shipping materials) is recycled and/or biodegradable?	%		5 / TBD	
4-9	Do you have a policy to reduce your energy consumption and waste generation?	Y/N		Yes=5 No=0	
4-10	How much have you reduced your energy consumption over last year?	%		5 / TBD	

Good Steward Draft

#	<u>Question</u>	<u>Possible</u>	<u>Answer</u>	<u>Scoring</u>	<u>Please Describe in 100 words or less: (particularly activities in WA)</u>
4-11	Please describe any other efforts underway to reduce your company's impact on the environment?			Bonus, up to 5	
4-12	Do you have a Women/Minority/Disadvantaged sourcing policy? What is it?	Y/N		Yes=10 No=0	
4-13	Do you have an ethical sourcing policy, to ensure that your suppliers don't use child labor, provide fair wages, and are environmental friendly?	Y/N		Yes=10 No=0	
4-14	Please describe any other efforts underway to ensure that products purchased for use by your company and in your products are ethically produced.			Bonus, up to 5	
4-15	Do you have a training program for employees on reducing environmental impacts, such as through energy conservation, recycling, or carpooling?	Y/N		Yes=5 No=0	
4-16	Do you have an incentive/recognition program for employees that generate ideas for reducing environmental impact? (Example as shown in question 4-15)	Y/N		Yes=10 No=0	
4-17	Do you have organized internal groups focused on reducing your company's environmental impact?	Y/N		Yes=5 No=0	

Total Possible 90 Plus 15 bonus