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Carbon Neutral
Action Report

This is the BCLC 2013 Carbon Neutral Action Report.*

**This report contains
our emissions profile,
offsets purchased,
the actions we have
taken to reduce GHG
emissions and our
plans to continue
reducing emissions in
2014 and beyond.**

*Gaming facilities, such as casinos, racetracks and lottery kiosks, are owned and operated by private sector service providers. Therefore, only BCLC offices in Kamloops and Vancouver, and the activities of BCLC staff, fall within the scope of this report.

Executive Summary

BCLC is committed to minimizing our environmental impact and we continue to take steps to promote sustainability through our staff, service providers, retailers and stakeholders. While 2013 has presented its challenges, BCLC made progress in a number of areas.

Environmental sustainability is part of our culture. In 2013, we participated in Bike to Work Week and the Commuter Challenge – friendly competitions between workplaces that encourage sustainable transportation. Our Vancouver office held a contest to encourage energy savings by switching off computer monitors at night – a simple action that can have a big impact.

We are also supporting our service providers to make improvements. We partnered with one of our community gaming centres to conduct an energy audit that identified opportunities to reduce electricity and natural gas consumption. More recently, we initiated a process that will help service providers monitor energy use in their facilities – which we hope will have positive impacts in the year ahead.

We remain on target to reach our 2020 goal of reducing reportable greenhouse gas emissions by 33 per cent as set by a 2007 baseline. In 2013, our reportable greenhouse gas emissions (GHG) were reduced by 29 tonnes. The decrease was not related to consumption, but was due to the BC Climate Action Secretariat reducing the GHG conversion factor for electricity that all public sector organizations use in their emissions calculations.

In 2012 we noted that our target would become more challenging to meet as the more easily achievable reduction opportunities had been addressed. The last twelve months have confirmed this perspective: we have not been able to implement projects that would lead to reductions in natural gas or fleet gas, which are our top-two sources of emissions. However, with our employees' support, enthusiasm and innovation, we will continue to seek out ways to reduce our negative impacts on the environment.

Although not part of our reportable emissions reductions, we are pleased with our progress on waste management. To remain compliant with the BC Recycling Regulation we chose to take on membership in Multi-Material BC (MMBC). Any of our lottery products, such as national lottery game tickets, Scratch & Win games, and materials used in direct marketing to players that may end up in the public waste stream, will be collected for recycling at BCLC's cost. MMBC membership was the most cost-effective option for us to achieve compliance with the regulation. We continued to divert end-of-life electronic and electrical equipment away from landfill and, in 2013, more than 44 tonnes of equipment was recycled. Towards the end of 2013 we began a project to introduce composting to our Kamloops facility. A pilot is due to run early in 2014 and we look forward to reporting back on our progress as part of our next Carbon Neutral Action Report.

While the footprint of BCLC's corporate offices may not be large compared to other public sector organizations, through actions by our staff, service providers, suppliers and retailers, we can provide leadership in minimizing the environmental impact where we work, how we travel and in our interactions with British Columbians.



Susan Dolinski

*Vice-President,
Social Responsibility and Communications*



2013 Greenhouse Gas Emissions

In 2013, our reportable greenhouse gas emissions (GHG) were reduced by 29 tonnes. The decrease was not related to consumption, but was due to the BC Climate Action Secretariat reducing the GHG conversion factor for electricity that all public sector organizations use in their emissions calculations.

The consumption of all reportable sources of GHG's – fleet gas, office paper, electricity and natural gas—increased in 2013 compared to 2012. This is primarily due to two factors: the number of Full Time Equivalents (FTEs) increased¹, which affected resource consumption; and, while our fleet size was reduced by two vehicles, we were no longer able to source the hybrid vehicle of choice so some non-hybrid vehicles were leased.

Reportable greenhouse gas emissions, in tonnes of carbon dioxide equivalent, for 2013

Electricity	135 tonnes
Natural gas	812 tonnes
Fleet gas	389 tonnes of which 375 tonnes must be offset
Supplies of office paper	30 tonnes
Diesel for building standby generators	8 tonnes
Fugitive sources	Out of scope as these emissions comprise less than one per cent of our total inventory
Total declared emissions	1,374 tonnes
Total emissions for offset	1,360 tonnes

Offsets Applied to Become Carbon Neutral in 2013

As required by Section 7 of the Carbon Neutral Government Regulation, BCLC has offset a total of 1,360 tonnes of carbon dioxide equivalent emissions from the following sources:

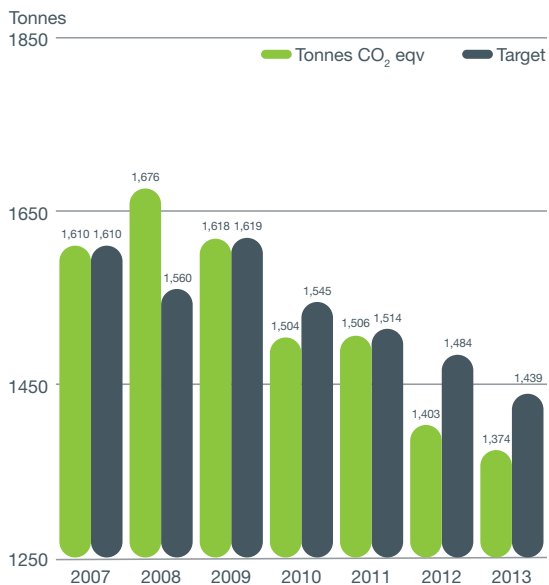
- Building operations, including the consumption of natural gas and electricity.
- Fleet gas consumption.
- Supplies of office paper.

The emissions offset does not include:

- 14 tonnes of bio carbon dioxide from fleet gas. The Province has deemed bio carbon dioxide out of scope for emissions offsets.
- A percentage of gas equal to the percentage of private kilometres driven with our fleet vehicles.
- Fugitive emissions from building and fleet refrigeration units. These sources account for less than one per cent of our total emissions inventory.

Note:

1. We acknowledge that the correlation between increased FTEs and increased emissions is not always direct. (FTEs can increase without an increase in emissions and vice versa.) In March 2014, BCLC initiated significant cost reduction initiatives, including the elimination of a number of FTE positions.



Note:

1. Our year-on-year target was set in 2009. The target is for reducing actual reportable emissions and is not intensity based. We are not considering resetting our annual targets at this time as we believe achieving year on year reductions will become more challenging over time.
2. We were responsible for vacant floor space in Richmond from mid-December 2010 to June 2011 following our move to a new Vancouver facility. This commitment resulted in slightly increased emissions for 2011 over 2010.

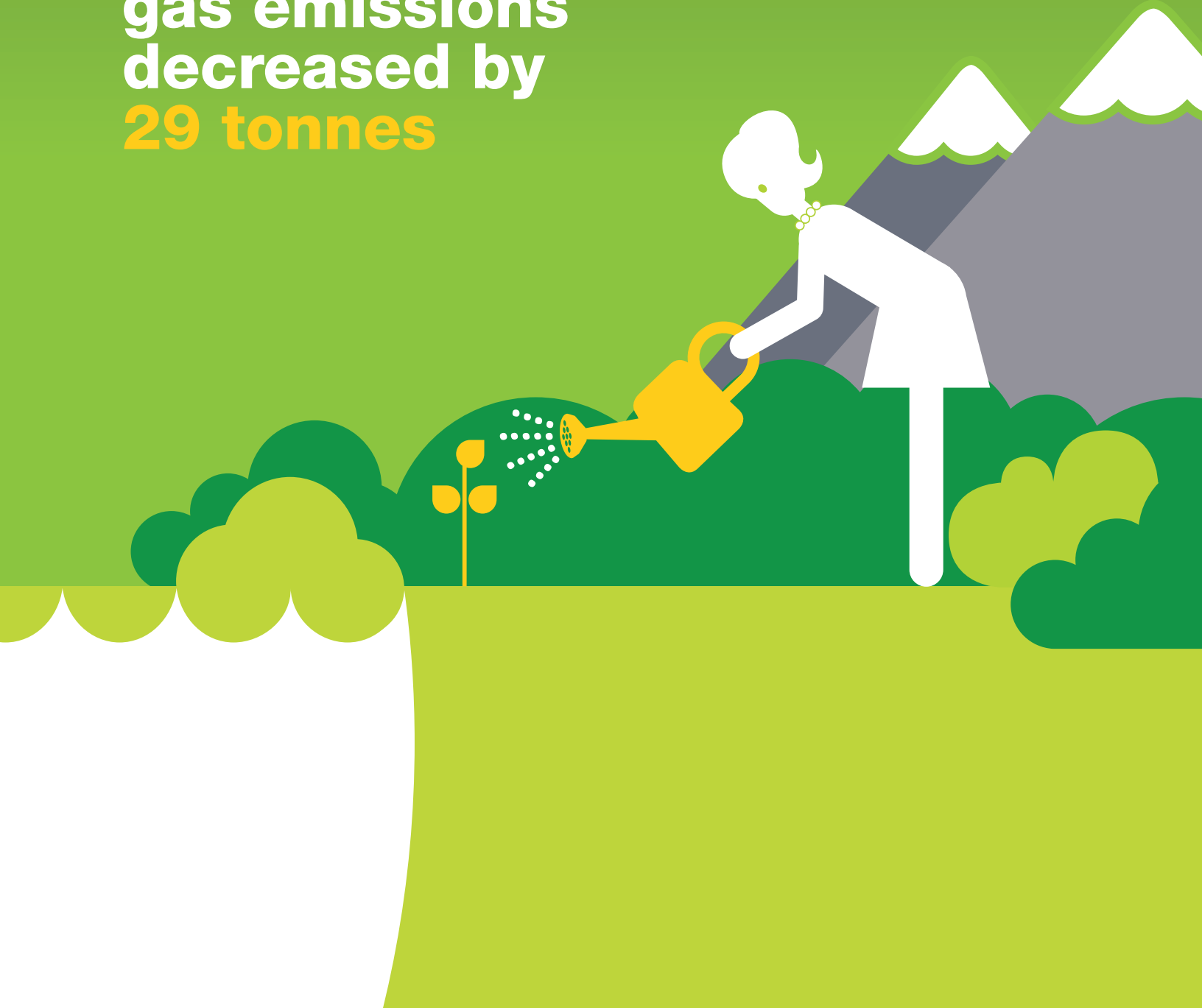
Fugitive Emissions

Although we monitor and record the amount of refrigerant added to building heating, ventilation and air conditioning systems and vehicle air-conditioning, the amount used is less than one per cent of our greenhouse gas inventory and as a result it does not qualify for disclosure and offsetting. In 2013, we replaced 9 Kg of building refrigerant that is out of the scope of the Carbon Neutral Government Regulation. No vehicle air-conditioning systems were topped up with refrigerant.





In 2013 our
reportable
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Emissions Reduction Activities

Actions Taken to Reduce Greenhouse Gas Emissions in 2013

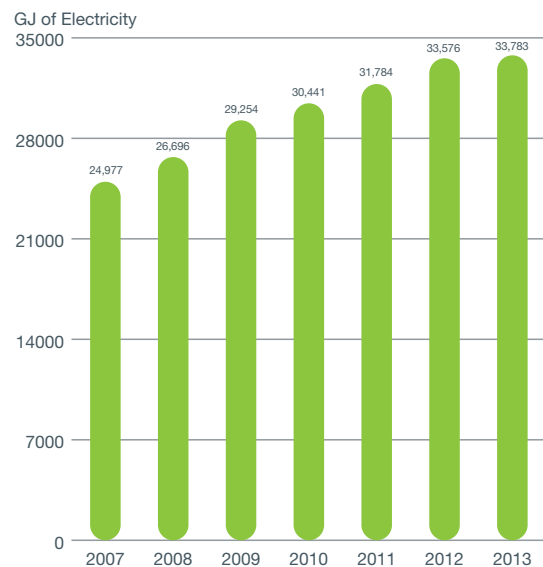
Electricity

Our electricity consumption has increased every year since we started measuring our impact in 2007. At the same time, the number of full-time equivalents (FTEs) had been increasing, which contributes to the increased consumption.

Minor building upgrades were completed at our Kamloops facility in 2013. Whenever we undertake these upgrades we install more energy efficient equipment.

Within our two office facilities we continued to run educational and behavioural change initiatives such as challenging and encouraging staff to switch off computer monitors overnight, and providing simple tips on how to reduce electricity use both at work and at home.

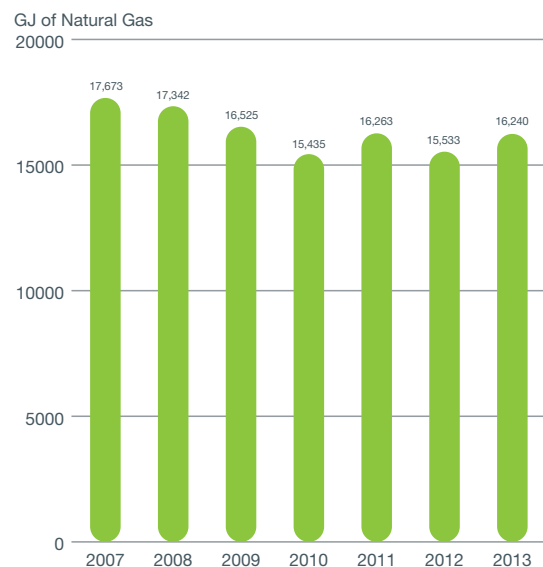
Note: December 2010 to June 2011 BCLC was still responsible for vacated floor space in Richmond



Natural Gas

In 2013, the consumption of natural gas increased compared to 2012. Unfortunately we were unable to replace the inefficient boilers in our Kamloops facility with modern, efficient alternatives that would help us to reduce our natural gas consumption. The Kamloops facility continues to consume over 90 percent of BCLC's total natural gas use while accounting for 57 percent of our total floor space.

Note: December 2010 to June 2011 BCLC was still responsible for vacated floor space in Richmond.

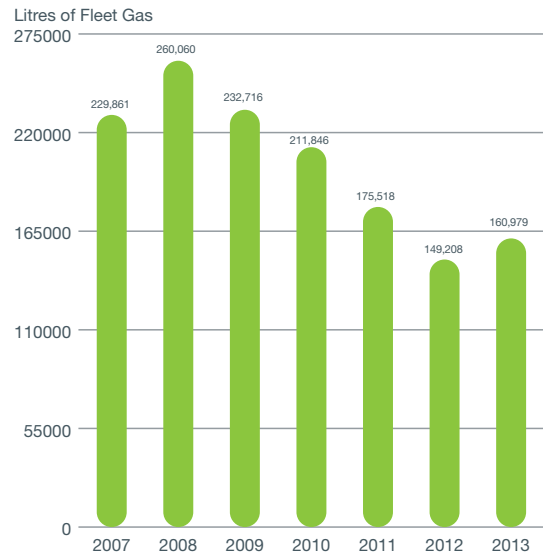


Fleet Gas

In 2013, we were unable to continue replacing all end-of-lease fleet vehicles with hybrid alternatives as suitable hybrid alternatives were no longer available. Replacements for end-of-lease vehicles have been non-hybrid.

We do not declare or offset private use of our fleet vehicles. BCLC's fleet slightly reduced in size compared to 2012 and had 94 active vehicles at the end of 2013. As with previous years, small variations of one to three vehicles occur over the year.

Note: BCLC stopped accounting for private Km driven in fleet vehicles from 2009 onwards.

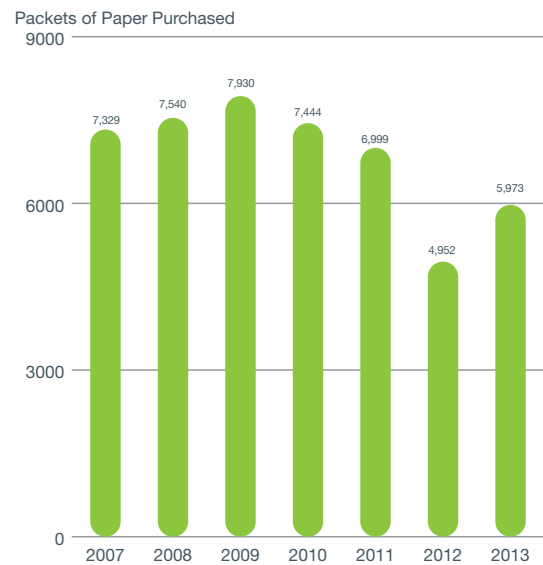


Office Paper

In 2013, our office paper purchases increased for the first time since 2009. Despite this, our purchase levels still remain lower than years previous to 2012.

We will monitor our consumption in 2014 to ascertain if the increase was a one-off or whether we need to review how we use paper.

Note: BCLC only accounted for letter-sized paper in 2007 and 2008. From 2009 onwards we have reported the purchase of 8.5" x 11" (letter), 8.5" x 14" and 11" x 17" office paper.



Other Activities

In addition to reducing our reportable emissions, our employees have continued to find ways to address our wider environmental impacts. Here are examples of their passion and innovation:

- **Video Conference Technology:** In 2013, we conservatively estimated we were able to avoid approximately 250 tonnes of greenhouse gas emissions by utilizing video-conference technology to hold meetings between our Kamloops head office and Vancouver facility. Video-conferencing use has increased and in 2013 we recorded the most reportable hours of conferencing, the highest number of attendees and the most conferences booked since we began collecting data in 2009. The financial savings of reducing travel between Kamloops and Vancouver were also considerable.
- **Operational Waste Management:** The Government of B.C.'s Recycling Regulation was expanded to paper products and packaging materials in 2014 and we signed up to a province-wide compliance program. The program will offer us the most effective compliance process and we have indicated our intention to become program members.
- **Waste Management Infrastructure:** We continued our progress in diverting waste from landfill in Vancouver – in 2013 just under 90 per cent of wastes were recycled or composted. Progress has been made at our Kamloops facility and in 2014 we will run a pilot program to assess the viability of introducing a composting program throughout the facility. We will report on our progress in the 2014 CNAR.
- **Alternate Transportation:** Once again BCLC employees participated in Spring Bike to Work Week. Our Kamloops riders biked over 700 Km, avoiding 145Kg of carbon dioxide emissions. The Commuter Challenge was favoured by our Vancouver employees and over the week nearly 2300 Km were logged, avoiding 316Kg of emissions.
- **Service Partner Engagement:** Working with two of our casino service providers, we will pilot a project in 2014 that provides service providers limited access to our social responsibility reporting tool. This gives service providers improved functionality in energy reporting and allows BCLC to monitor energy consumption at casino premises. The pilot project is due to launch in April 2014 and we look forward to reporting on our progress.

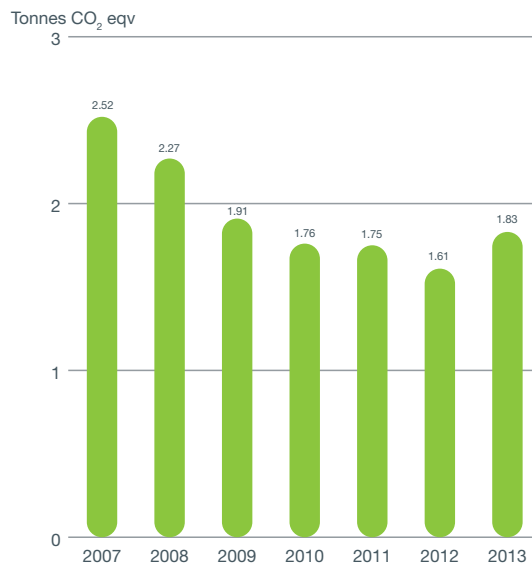


Operational Changes in 2013

Our reportable greenhouse gas emissions decreased by 29 tonnes to 1,374 tonnes when compared to our 2012 performance. This meets expectations as reported in the 2012 Carbon Neutral Action Report.

For 2013 our GHG emissions per FTE are 1.83 tonnes CO₂ equivalent. Whilst this appears higher than in 2012, we have only included FTE's based at our Kamloops and Vancouver facilities as we believe this more accurately reflects our impact. If we used total FTE's (including staff based at locations other than our Kamloops and Vancouver offices) to calculate the measure, the total would have been 1.5 tonnes CO₂ equivalent. From 2013 onwards we will only report emissions per FTE based at our two main facilities.

We reset our annual target in 2009 to aim for smaller, incremental decreases in the early years of our emissions reductions activities. We believe meeting our long-term target of a 33 per cent reduction in emissions from a 2007 baseline year will continue to be challenging as we have reached a point where meaningful reductions will only be achieved through projects requiring greater capital expenditure. Our challenge is to continue to meet our increasing net income and social responsibility goals while reducing actual emissions, and so far we are succeeding.



Plans to Continue Reducing Greenhouse Gas Emissions 2014/15

Although climate change has not been identified as a specific risk to BCLC in our current 2013/14 – 2015/16 Service Plan, the level of reportable greenhouse gas emissions remains a distinct performance measure. BCLC's Board of Directors and Executive Team continue to support our efforts to pursue environmental sustainability and carbon neutrality by engaging staff through conscientious business practices. Over the next two years we will continue to improve our environmental performance by addressing our operational footprint and encouraging our employees to make sustainable choices both in the office and outside of work.

We will be reviewing our fleet management in 2014 with a view to reducing reportable emissions from this source and will continue to seek ways to reduce emissions from the natural gas used at our Kamloops head office.

We plan to reduce our reportable operational emissions by 33 per cent from a 2007 baseline by 2020. This remains a challenging target. However, we will continue to pursue emissions reductions to meet the Government of B.C.'s expectations.

In 2013, BCLC
offset **1,360**
tonnes of
carbon dioxide
equivalent
emissions



bclc
playing it right

