

Message from the CEO



We conduct and manage gambling in a socially responsible manner for the benefit of British Columbians.

This is the mission that guides BCLC in conducting day-to-day business in a socially-responsible manner. Creating economic and social benefits for British Columbians, while limiting our environmental footprint, is core to who we are. This is what sets us apart from other organizations and supports our social licence to operate.

Integral to this commitment is building on our adherence to [Global Reporting Index \(GRI\) guidelines](#), a set of social-responsibility standards that help ensure BCLC goals and metrics meet international best practices in sustainability reporting.

In 2014/15, we transitioned to publishing our report solely online, which underscores accountability, accessibility and transparency. We also revised our Social Responsibility Charter to gain better strategic alignment with our corporate goals: Player, People, Public and Profit, outlined below.

Player: we strive to ensure that each and every player has fun and enjoys gambling in a responsible way. This means we must continue to build a healthy gambling environment that evolves with changing needs and preferences. BCLC is proud to have increased player awareness of responsible gambling actions and resources over the past 12 months – a direct result of our diligence to ongoing improvement.

People: a fun and challenging work environment where people can grow and excel fosters healthy motivation to drive our business forward. Last year, despite an extraordinary year of change and uncertainty, BCLC employees remained resilient and engaged, while also achieving landmark accomplishments such as the complete installation of our new casino gaming management system, the launch of B.C.'s first live venue sports betting pilot, and the expansion of lottery distribution through a new retail agreement with Costco, to name a few.

Public: community engagement is key to our sustainability. Along with supporting local economies, charities and causes, BCLC listens and responds to citizens, operates openly and transparently, and demonstrates environmental stewardship. While 2014/15 performance shows public perception of BCLC continues to improve, opportunities exist to further strengthen recognition. In the coming years, we will continue to communicate BCLC's positive contributions to economic growth and communities across B.C. – such as through our [Play it Forward](#) campaign – so that our business is better understood and welcomed by British Columbians.

Profit: BCLC achieved record-high net income in 2014/15 which benefits all British Columbians through funding for health care, education and non-profit organizations. This success is largely due to prudent cost management and exceptional performance from high-limit table games.

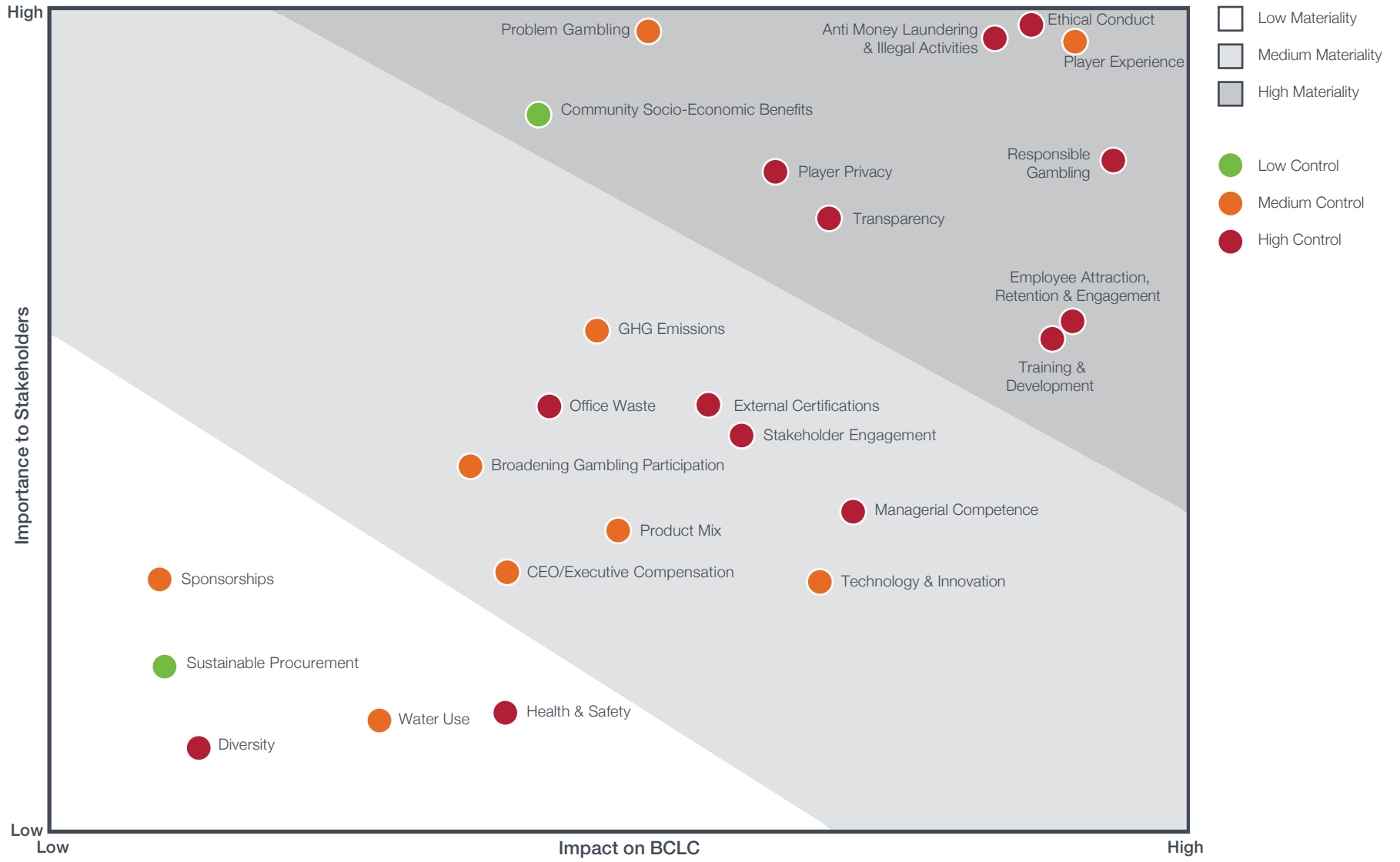
Despite a record financial year, we are facing unprecedented challenges which include a mature market and increasing costs. In order to respond to these challenges, BCLC must continue to manage costs while focusing on revenue generation. BCLC must introduce new, relevant content and play experiences that appeal to a broader player base while leveraging established distribution channels, introducing new ones, and scaling and selling our innovations and expertise.

Looking forward, our focus on content and experience will reinvigorate revenue generation and allow us to meet our social responsibility objectives while creating sustainable net income growth for the benefit of generations to come.

Sincerely,



Jim Lightbody, President & CEO



Appendix 1:

SR Performance Framework

Metric	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Corporate						
Player						
• Player Satisfaction	81%	83%	78%	80%	81%	83%
• Player Participation	54%	57%	51%	54%	55%	57%
• Player Awareness of Responsible Gambling Activities	68%	68%	79%	79%	80%	81%
• Net Win per Capita	\$468	\$454	\$482	\$477	\$482	\$484
People						
• Employee Engagement	N/A	82%	78%	80%	82%	82%
• Employee Turnover Rate	12.4%	14.0%	24.7%	14.0%	12.0%	10.0%
Public						
• Public Recognition of Positive Contributions	61%	60%	68%	64%	65%	66%
• Public Perception of BCLC's Transparency	52%	50%	57%	52%	55%	57%
• Level of Greenhouse Gas Emissions (CO ₂ e metric tonnes by calendar year)	2013: 1,374	2014: 1,382	2014: 1,315	2015: 1,142	2016: 1,119	2017: 1,097
Profit						
• Net Income (millions)	\$1,174.6	\$1,193.0	1,254.5	\$1,216.0	\$1,242.8	1,260.1
• Comprehensive Costs Ratio (% of Net Win)	43.4%	41.9%	41.9%	43.3%	43.3%	43.4%

Metric	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Social Responsibility						
Player						
• World Lottery Association Certification Level Achieved	re-certified	maintain	maintained	maintain	re-certify	maintain
• Casinos and Community Gaming Centres Certified by RG Check	72%	97%	97%	100%	100%	100%
• PlayNow.com Certified by RG Check	--	--	--	certify	maintain	maintain
• Player Awareness of VSE Program	43%	--	50%	51%	52%	53%
• Player Interactions at GameSense Info Centres (GSIC)	54,656	60,122	56,989	66,134	72,747	80,021
• BCLC's Privacy Practices for PlayNow.com Registrants are TRUSTe Compliant	achieved	achieve	achieved	achieve	achieve	achieve
• New Service Provider Employees who Passed Appropriate Response Training (ART)	96%	100%	99%	100%	100%	100%
• Pass Rate in Lottery Retail Mystery Shop Program	86%	N/A	53%	N/A	N/A	N/A
People						
• Employees who Agree that BCLC is a Good Corporate Citizen	N/A	90%	87%	90%	90%	90%
• Employees who Understand What CSR Means to BCLC	N/A	91%	91%	91%	91%	91%
• Average Spend on Training per Employee	\$703	--	\$670	\$900	\$1,000	1,200
• Absenteeism Rate	1.77	--	1.89	7.00	7.00	7.00
• Employees who Completed "Where's your GameSense?" Course	100%	100%	100%	100%	100%	100%
• New Service Provider Employees who Passed Appropriate Response Training (ART)	--	--	--	90%	100%	100%
Public						
• Number of Stakeholder Engagement Sessions	68	75	96	85	95	105
• Waste Diverted from Landfill – Vancouver Office	89%	91%	93%	91%	92%	93%
• Waste Diverted from Landfill – Kamloops Office	N/A%	50%	38%	50%	55%	60%
• Office Water Use (m3/m2)– Vancouver Office	0.37	0.37	0.26	0.37	0.35	0.33
• Office Water Use (m3/m2) – Kamloops Office	0.25	0.25	0.26	0.25	0.25	0.25
• Gambling Facilities that use CSR reporting tool software	14%	17%	28%	20%	23%	28%

Appendix 2:

Employee Work Status Overview

The table below summarizes the headcount at BCLC as of March 31, 2015.

Work Status	Field	Kamloops	Vancouver	Total	Gender	
					Female	Male
Regular Full-Time	163	329	285	777	294	483
Regular Part-Time		34	10	44	36	8
Regular Temp Full-Time		5	11	16	13	3
On Call		15	4	19	12	7
Temp On Call		3	1	4	-	4
Total	163	386	311	860	355	505
Gender Female	10	177	168	355		
Male	153	209	143	505		

Definitions:

Regular Full-Time – permanent employee that works 37.5hr work week – equal to 1.0 FTE

Regular Part-Time – permanent employee that has a scheduled number of hours per week, less than 37.5

Regular Temp Full-Time - employee that works 37.5hr work week, but has a predetermined end date

On Call – employee that is utilized on an as needed basis; no predefined work schedule

Temp On Call - employee that is utilized on an as needed basis; no predefined work schedule but has a predefined end date

Appendix 3:

Stakeholder Issues Raised

The following key topics and concerns have been raised through various stakeholder engagement sessions during the 2014/15 period:

Stakeholder	Engagement	Issues/topic	Outcomes
Local government Host community Public health stakeholders	During development permit process for Edgewater	RG programs; reducing gambling-related harm	Paragon's RG Strategy approved by City of Vancouver; development permit issued
Public health stakeholders	During New Horizons conference	Effectiveness of RG programs; outcomes	BCLC established new team focused on evaluation and measurement of RG programs
Local governments Host communities First Nations Provincial Government and Regulator Service Providers	During South Surrey proposal; during Crown Review	Facility development process; fairness, transparency	BCLC adopting Letter of Interest model and introducing evaluation criteria for selecting a Host Local Government BCLC adopting RFP process for selection of Service Providers LOI and RFP processes being enshrined in corporate policy

Appendix 4:

Global Reporting Initiative Index

BCLC aligns our social responsibility reporting with the Global Reporting Initiative (GRI) principles. The table below indicates where to find our general and specific standard disclosures from GRI's G4 Guidelines. This report has not been assured by GRI.

General Standard Disclosures

GSD	Description	Reference or Link
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	CEO letter
G4-3	Report the name of the organization.	BCLC
G4-4	Report the primary brands, products, and services.	What we do; Brands
G4-5	Report the location of the organization's headquarters.	Contact us
G4-6	Report the number of countries where the organization operates.	BCLC only operates in British Columbia, Canada
G4-7	Report the nature of ownership and legal form.	Governance & Oversight
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Annual Report
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none">• Total number of employees• Total number of operations• Net revenues (for public sector organizations)	Number of Employees: 860 Number of Operations Net Revenue
G4-10	Report the total number of employees by employment contract and gender.	Appendix 2: Employee Work Status Overview Male: 505 Female: 355

General Standard Disclosures

GSD	Description	Reference or Link
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	0%
G4-12	Describe the organization's supply chain.	Casino ; Lottery ; Online Gambling
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	There have been no significant changes to the organization over the reporting period
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	N/A
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Social Responsibility Charter
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	Interprovincial Lottery Corporation , World Lottery Association , Canadian Gaming Association , Responsible Gambling Council of Canada , North American Association of State and Provincial Lotteries , Kamloops Chamber of Commerce
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents and report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Annual Report
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Material Issues
G4-19	List all the material Aspects identified in the process for defining report content.	Materiality Plot
G4-20	For each material Aspect, report whether the Aspect is material within the organization.	All material aspects listed on the Materiality Plot are considered material inside of BCLC

General Standard Disclosures

GSD	Description	Reference or Link
G4-21	For each material Aspect, report whether the Aspect is material outside the organization.	<p>The following material aspects are considered material outside of BCLC:</p> <ul style="list-style-type: none"> • Service Providers: Anti Money Laundering and Illegal Activities, Problem Gambling, Responsible Gambling, Player Experience, Player Privacy, Ethical Conduct • Retailers: Problem Gambling, Responsible Gambling, Player Experience, Ethical Conduct
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Material Issues
G4-24	Provide a list of stakeholder groups engaged by the organization.	Approach
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Approach
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<p>Our approach to stakeholder engagement is guided by the following principles:</p> <ul style="list-style-type: none"> • Significance (issues are significant to the stakeholder and to BCLC) • Completeness (BCLC understands the views, concerns, needs and expectations) • Responsiveness (BCLC responds coherently and appropriately) • Measurable (BCLC tracks the quality, responsiveness and outcomes of engagement). <p>Approach Stakeholder Engagement</p> <p>No specific group was engaged as part of this report preparation.</p>
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Appendix 3 – Stakeholder Issues Raised

General Standard Disclosures

GSD	Description	Reference or Link
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Approach
G4-29	Date of most recent previous report (if any).	2013/2014 SR Report published August, 2014
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	Contact Us
G4-32	Report the 'in accordance' option the organization has chosen.	Approach
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	N/A
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Ethics and Integrity Values Standards of Ethical Business Conduct for BCLC Employees SR Charter

Specific Standard Disclosures

SSD	Description	Reference or Link
G4-EC1	Direct economic value generated and distributed.	Annual Report
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Economic Impact of Kamloops Office
G4-EN3	Energy consumption within the organization	BCLC's Carbon Neutral Action Report
G4-EN6	Reduction of energy consumption	BCLC's Carbon Neutral Action Report GHG Emissions Page
G4-EN8	Total water withdrawal by source	Office Water Use
G4-EN15	Direct (scope 1) greenhouse gas emissions	BCLC's Carbon Neutral Action Report
G4-EN16	Indirect (scope 2) greenhouse gas emissions	BCLC's Carbon Neutral Action Report
G4-EN19	Reduction of greenhouse gases	BCLC's Carbon Neutral Action Report
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Employee Turnover
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Employee Training (spend on training)
G4-SO4	Communication and training on anti-corruption policies and procedures	AML Training