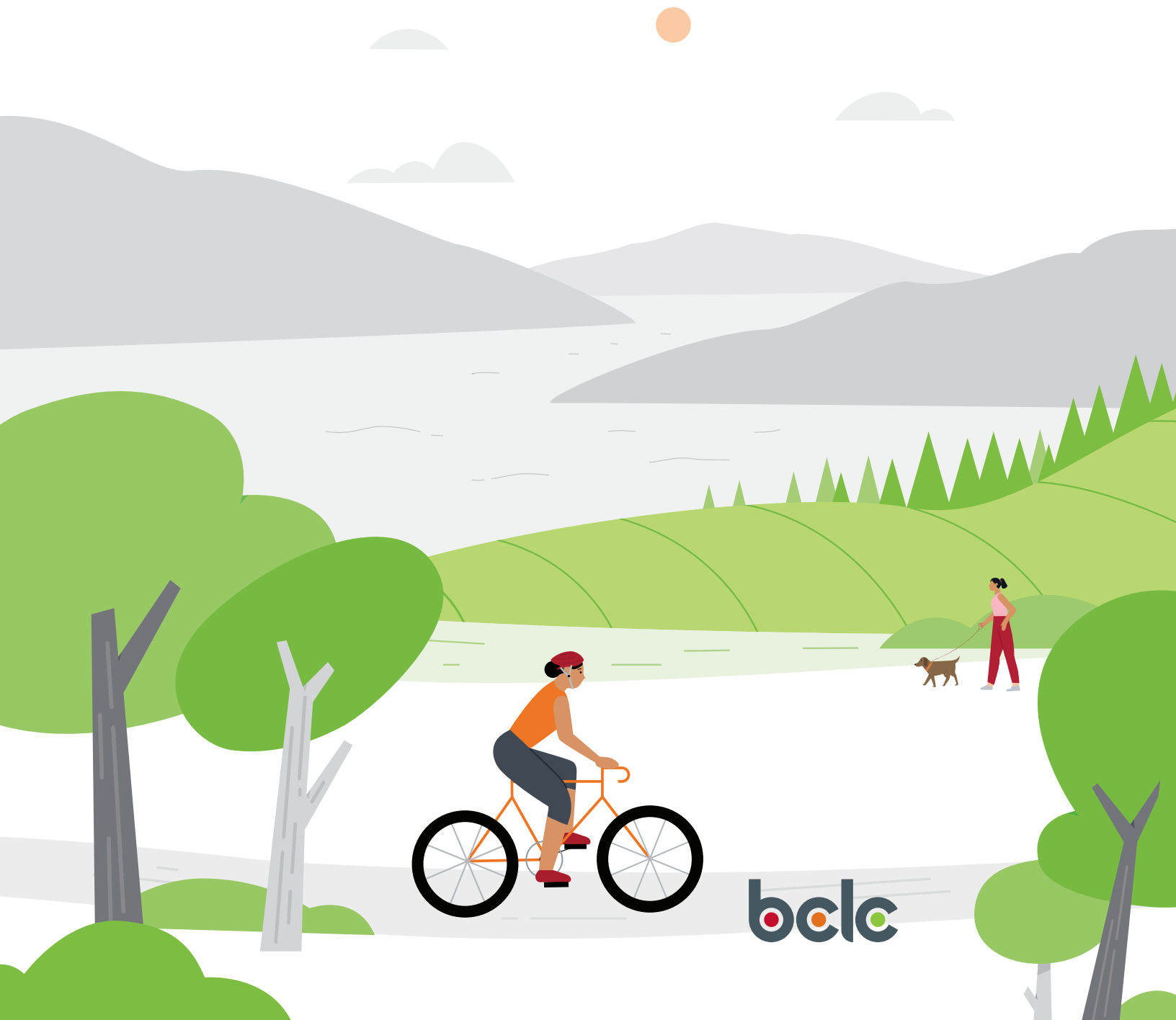


Sustainability Report

2020/21



bclc

“I’ve been considering the phrase “all my relations” for sometime now. It’s hugely important.

It’s our saving grace in the end. It points to the truth that we are all related, that we are all connected, that we all belong to each other.

The most important word is “all”. Not just those that look like me, sing like me, pray like me or behave like me. ALL my relations.

That means every person, just as it means every rock, mineral, blade of grass, and creature. We live because everything else does.

If we choose collectively to live that teaching, the energy of our change of consciousness would heal each of us—and heal the planet.”

The quote is from the late, Richard Wagamese, Kamloops-based (Paul Lake) Indigenous author poet.

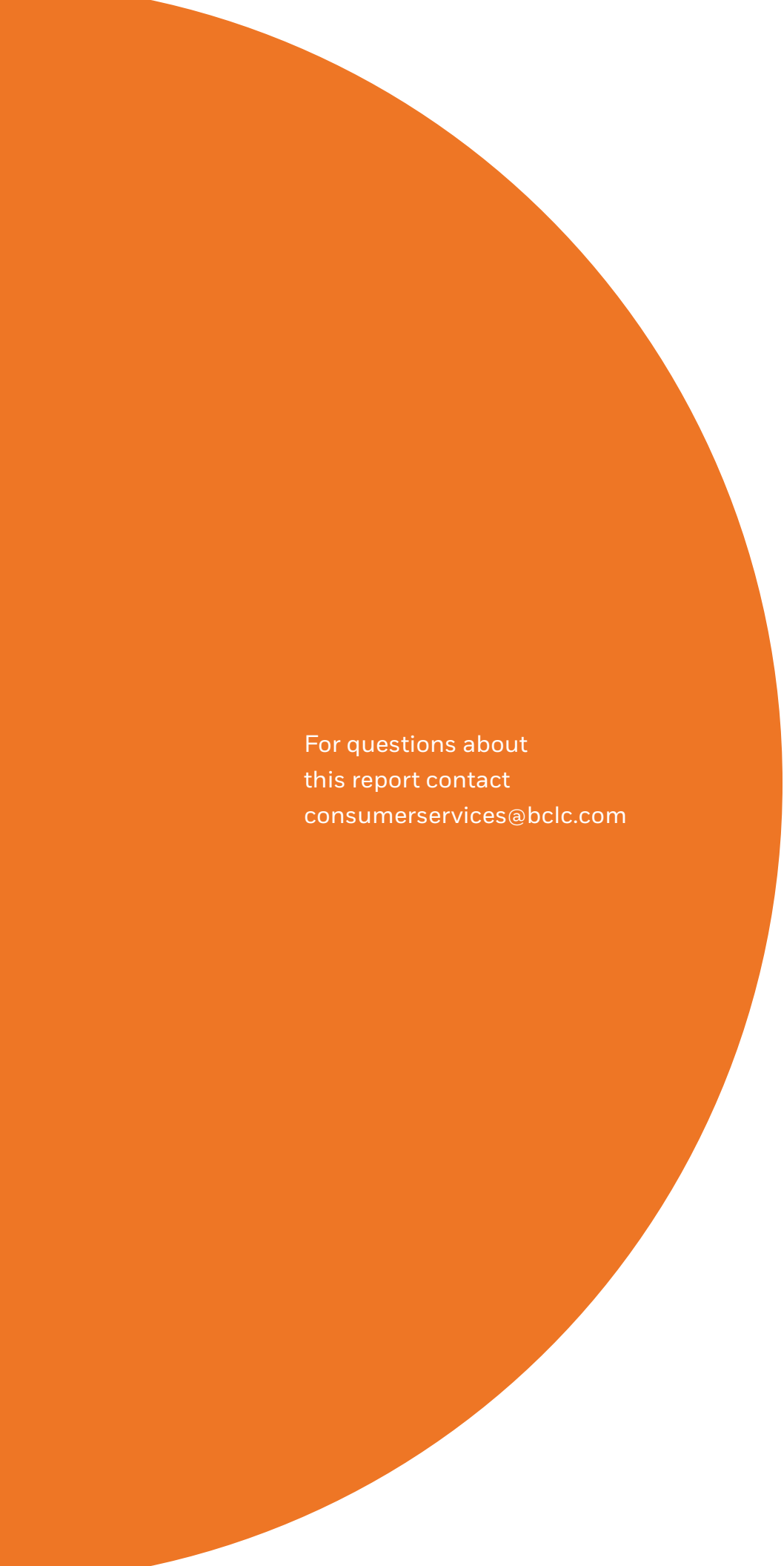
RICHARD WAGAMESE

(October 14, 1955–March 10, 2017, Ojibwe)

Richard was an author and journalist from the Wabaseemoong Independent Nations in Northwestern Ontario. He was best known for his novel *Indian Horse* (2012), which won the Burt Award for First Nations, Métis and Inuit Literature in 2013, and was a competing title in the 2013 edition of Canada Reads.

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Message from the

Board Chair and Chief Social Purpose Officer and VP, Player Experience

The heaviness of the past year is undeniable for most British Columbians: the impacts of the COVID-19 pandemic extends beyond physical and mental health to incorporate wider implications of well-being. Layered on the pandemic is the poignant loss of home, community and sense of safety from one of the worst wildfire season in B.C. history, a direct result of climate change. On top of that, the horrific discovery of thousands of unmarked graves of Indigenous Peoples at residential schools across Canada has significantly deepened our collective sense of loss over the past year.

The various crises we are grappling with are interrelated. Indeed, as environmental issues become more pronounced, so do issues of social justice and equity. The United Nations Sustainable Development Goal (SDG) Number 10 states that, “for real improvements in a society, everyone needs to have the access to opportunities that will let them grow as individuals.” This goal strives for equitable access to growth opportunities in our societies; however, our access to opportunities for health and happiness is not equitable due to discrimination based on gender, disability, status, ethnic or racial group, or background. Indigenous people from across B.C. have underscored that their communities are far more likely to be affected by the impacts of climate change.

And it is at this inflection point, characterized by uncertainty and inequity, that BCLC reaffirms its commitment to meaningful, active reconciliation and foundational change to support the environments we inhabit and the communities we serve.

This year, with the support of the Board of Directors and after significant stakeholder engagement both outside and inside our organization, BCLC adopted our social purpose:

we exist to generate win-wins for the greater good. We are excited by the opportunity to approach our business, our decisions and our interactions through a social purpose lens.

Over the past 36 years, BCLC has generated more than \$25 billion for the province which has funded programs and services that have improved and enriched the lives of British Columbians. A recent study suggested that BCLC contributed approximately \$2.2 billion to our head office community of Kamloops as a result of our economic impact and support of social programs. Building on this track record, our new Social Purpose as well as enhanced Environmental, Social and Governance (ESG) principles will provide an even more targeted, proactive, and dedicated approach to addressing climate change and contemporary needs of all British Columbians.

This report is intended to provide an overview of BCLC’s future direction in relation to Social Purpose, ESG principles and reconciliation. It also provides visibility into actions we have taken in the past year in relation to these priorities. In future years, BCLC will move to an integrated reporting model that will support our commitment to transparency and accountability in these efforts. We look forward to evolving and working with stakeholders across British Columbia to collectively be a positive force in our province and our world.



Greg Moore
Board Chair, BCLC

Peter ter Weeme
Chief Social Purpose Officer,
Vice President Player Experience

Introduction

BCLC is a Crown corporation, created in 1985 to responsibly conduct and manage gambling for the benefit of British Columbians. This includes casinos, lottery, bingo and sports betting through multiple channels of distribution.

Through agreements with private-sector service providers, BCLC offers slot machines, table games and bingo at 16 casinos, two racecourse casinos, 17 community gaming centres and one commercial bingo hall.

Our national and provincial lottery and sports betting products are sold at approximately 3,500 retail locations operated by private-sector retailers. PlayNow.com is BCLC's secure and regulated online and mobile channel, with a growing portfolio of lottery games, sports betting, slots, table games and bingo entertainment.

BCLC's head office is based in Kamloops with a secondary office in Vancouver. We currently employ 1,057 employees in our offices and across the province.

We are guided by the following integrated suite of strategic statements:

PURPOSE

We exist to generate win wins for the greater good.

VISION

We deliver exceptional gambling entertainment.

VALUES

INTEGRITY

The games we offer and the ways we conduct business are fair, honest, transparent and trustworthy.

RESPECT

We value and respect our players, service providers and each other.

COMMUNITY

Everything we do is done with consideration of its impact on and for the people and communities of British Columbia.

In fiscal 2020/2021, measures taken to reduce the spread of the COVID-19 pandemic affected BCLC's ability to generate revenue. In March 2020, the Attorney General and then minister responsible for BCLC issued a directive ordering the temporary closure of all gambling facilities managed by BCLC across B.C. to support public safety.

Despite these temporary closures and the ongoing challenges of the COVID-19 pandemic, BCLC generated \$430 million in net income to the province by capitalizing on our diversified product portfolio and managing costs to offset financial pressures because of decreased revenue from the closure of gambling facilities.

Here is where the Province of B.C. allocated the money in 2020/21:



Governance

BCLC's CEO and executive team are responsible for the day-to-day operation of BCLC. A Board of Directors of up to eleven members appointed by Government oversees the corporation. BCLC's Board of Directors reports to the Minister of Finance and the Crown Agencies Secretariat works with the leadership team to support effective communication and alignment with government priorities.

The Governance and Social Purpose Committee, which is a subcommittee of our Board of Directors, oversees the development and implementation of an effective approach to corporate governance that enables BCLC to fulfill its purpose, strategic goals and public interest Mandate established by the Government of B.C.

Annually, BCLC reports to Government via a Service Plan Report, Annual Service Plan Report and Statements of Financial Information.

The Gaming Policy and Enforcement Branch, which reports to the Ministry of Public Safety and Solicitor General, is responsible for the overall integrity of gambling and horse racing in British Columbia, including regulation of BCLC.



Social Purpose & Environmental, Social and Governance Framework

BCLC's journey to Social Purpose

In 2020, BCLC began the process of uncovering and articulating its Social Purpose and doing so by engaging a range of stakeholders. In defining our Social Purpose, we considered three fundamental questions: why we exist, how we might uniquely make a positive impact and what we might and should do to reflect our Social Purpose along our entire value chain. Our answers to these questions (and others) unearthed the ideas and language that ultimately became BCLC's Social Purpose.

BCLC's shift from an organization with a corporate social responsibility focus to an organization with a Social Purpose mandate

has been a profound one. We accept that we no longer have the privilege of considering what our contribution might be to promoting healthier societies; it is unquestionably our human duty to challenge established measures of success to build sustainable and equitable communities that value the interconnectedness of environment and people.

"Win-win" within our Social Purpose, asks our employees and partners to continually consider the impacts of all activities and decisions on individuals, institutions, communities and the planet.

Everything we do must benefit the well-being of all

This includes:

- all our players
- the health of the provincial budget
- the ability of the province to sustain the resources and resilience of B.C. communities
- the impact game designs have on players the statements our game graphics make about others
- the relationships our employees and suppliers have with one another and within their communities
- the example we set and extend to others engaged in state-sponsored gambling around the world

BCLC's Social Purpose 'we exist to generate win-wins for the greater good' was approved by the Board on March 30, 2021. BCLC continues

to work toward defining the relevant metrics and measurements that will best assess our progress in realizing our Social Purpose. BCLC's Social Purpose will deliver on the foundational principles as outlined in the provincial mandate letter: putting people first, meaningful and lasting reconciliation, equity and anti-racism, a better future through taking action on climate change, and a strong sustainable economy that works for everyone.

Setting goals and being honest about progress will generate tangible results, underpinned by an enterprise-wide commitment to our Social Purpose. Measuring and reporting progress on the impact of BCLC's Social Purpose is critical to build trust with employees as well as a range of external stakeholders. The five principles adhered to in measurement and the implementation plan development include: engagement, validation, transparency, collaboration and consultation.¹

Future reporting

As BCLC's Social Purpose agenda unfolds over the next two years, we will also transition to a new reporting framework that aligns with leading international Environmental, Social, and Governance (ESG) principles. By adopting an ESG framework, BCLC will create more equitable, net positive and regenerative outcomes that help deliver on our Social Purpose mandate while driving long-term value for stakeholders. In the meantime, we have prepared this transition-year report to share our plans and approach.

The ESG framework is replacing our past focus on Corporate Social Responsibility (CSR) and will evaluate our environmental, social and corporate governance practices in a Social Purpose context and combine the performances of these practices to express the full value to all stakeholders. ESG highlights the distinction between the previous models which historically focused only on financial benefits—to a model focused on environmental and social risks and opportunities. In addition, ESG includes governance explicitly where CSR includes governance issues indirectly as they relate to the environmental and social impacts and associated risks. Thus, ESG utilizes more expansive terminology than CSR with more clearly defined Key Performance Indicators (KPIs) and related metrics.

The following are examples of consistent themes and sub-themes within our ESG framework:

Environmental: Greenhouse gas emissions and energy management, climate change risks and opportunities, biodiversity preservation, circular economy and waste management.

Social: equity, diversity and inclusion, player health, customer relations and privacy, community impacts and relations, employee health and wellness, crime and security.

Governance: For BCLC, governing of the “E” and the “S” categories—Social Purpose and ESG governance and management, Indigenous reconciliation, industry and stakeholder engagement, sustainable procurement, anti-money laundering, transparency, and accountability.

Coinciding with the global shift towards ESG adoption is an evolving integrated reporting landscape that conveys the true long-term value of an organization. As a result, BCLC is currently reviewing established international reporting systems and trends to determine which one best aligns with our Social Purpose and ESG framework. ESG reporting is evolving quickly and in 2020/21 significant progress was made towards a convergence of global standards that are aligned to the Task Force on Climate-related Financial Disclosures (TCFD). Refer to Climate risk analysis on page 8.

This year marks the 26th Conference of the Parties (COP26), which will be attended by countries that signed the United Nations Framework Convention on Climate Change in 1994. Ahead of the COP26 conference a movement is requiring mandatory TCFD reporting in several countries including the U.K., New Zealand and Hong Kong. The E.U. is also moving fast towards equivalent requirements on what to include in non-financial reporting. In Canada, large federal Crown corporations will be required to report on climate-related financial disclosures in 2022, with small Crown corporations required to report by 2024.



What is a Social Purpose company?

A company whose enduring reason for being is to create a better world and be a positive force in society.

Over the past decade, consumers around the world have developed increased expectations of the role of corporations in society and they are using their purchasing power to demonstrate this. In fact, research indicates that two-thirds of consumers try to support companies that have a Social Purpose and refuse to buy a brand if it does not. In Canada, nearly 70 per cent of Canadian consumers believe companies should show how their products and services make the world better.



The business benefits of Social Purpose:

- Attract and retain customers and build customer brand advocacy
- Recruit, retain and motivate employees and build employee brand advocacy
- Strengthen third-party relationships and enable collaboration
- Strengthen operating context and increase trust
- Improve financial performance, increase access to capital and manage risk
- Increase innovation, enable business transformation and enhance resiliency

Climate risks and opportunities

In 2020, despite lockdowns due to the COVID-19 pandemic, the impact of climate change continued to increase: extreme heat, wildfires, flooding, and intense storms affected millions of people, compounding threats to human health, security, and economic stability. Scientists suggest the rate of climate change is highly unpredictable over the next 10–30 years due to the myriad of variables and the possibility of reaching irreversible tipping points.

This poses many unknown risks and opportunities for organizations, including BCLC. As we implement our Social Purpose and ESG strategies, it will become increasingly important for us to understand relevant climate change and ESG-related risks and opportunities for strategic planning purposes.

BCLC will align with The Task Force on Climate-related Financial Disclosures (TCFD) recommendations. These recommendations ensure clear, comparative, and consistent information about the risks and opportunities presented by climate change. The TCFD divides risks and opportunities into physical risks from climate change and transition risks and opportunities related to a transition to a low carbon economy. The risks include, but are not limited to:

Physical Risks: extreme weather events leading to flooding and wildfires could pose risks to BCLC’s operations and revenue across the value chain; for example, the Williams Lake (2017) wildfires caused casino and retailers to shut down.

Supply Chain Risks: supply chain disruptions due to climate change continue to increase, cause delays and increase costs for BCLC operations and service providers; for example, the increased cost of goods sold.

Transitional Risks: a low carbon future will see sectors such as transportation transition to electrification; for example, should gas stations be replaced with electric vehicle charging stations this may have an impact on lottery retailer operations.

Reputational Risks: consumers are increasingly walking away from brands that do not align with their values related to environmental protection and social justice; for example, 26 per cent of consumers can name a brand they have purchased—or not purchased—because of its social or environmental record (Good Company 2020).

Work that is undertaken through enterprise-wide implementation and integration of BCLC’s Social Purpose along with our ESG priorities will not only help mitigate these risks but could serve to attract future players by strengthening the relevance and value of the BCLC brand to values-driven players.

BCLC will conduct a TCFD guided climate change risk analysis concurrently with the development of the ESG strategy. The risk analysis is expected to take six months and will help ensure climate crisis risks and opportunities are understood and integrated into departmental planning.

BCLC is developing the themes, sub-themes and Key Performance Indicators (KPIs) that will be incorporated into the ESG framework. After initial internal stakeholder consultations, the framework will be reviewed by leading academics and experts as well as key external stakeholders. A second internal review will develop time-lines and identify resources needed to achieve ESG goals across organizational units.

Commitment to Indigenous Reconciliation

BCLC exists to generate win-wins for the greater good. Everything we do must benefit the well-being of all involved, including Indigenous communities across the province. From casinos and community gaming centres to lottery retail locations, BCLC offers gambling products in and near Indigenous communities across B.C. that have impacts on the lives, health and interests of Indigenous peoples. Indeed, committing to our Social Purpose means committing to true and lasting reconciliation with them.

BCLC's Indigenous Reconciliation and Relations program is guided by:

- 2015 Truth and Reconciliation recommendations
- 2017 United Nations Declaration on the Rights of Indigenous Peoples
- 2018 First Nations Gaming Commission
- 2019 *B.C. Declaration on the Rights of Indigenous Peoples Act*

The provincial government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey—one that all Crown agencies, including BCLC, are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to reconciliation.

In order to achieve lasting change, BCLC is committing to supporting Indigenous People in all areas of its operations including, but not limited to:

- Proactive Indigenous education and training for employees
- Active recruitment of and support for Indigenous employees
- Economic development opportunities for Indigenous-owned enterprises
- Free, prior and informed consent for economic development projects

In order to guide our path to reconciliation and ensure alignment across the organization, BCLC will start by defining an Indigenous Reconciliation and Relations Statement of Principles. Employees will be expected to understand and act according to these principles, where relevant to their role/function.

BCLC's Indigenous Reconciliation and Relations Focus:

- Strengthen and create relationships among Indigenous leaders, and increase dialogue and understanding of their perspectives in order to understand all relevant considerations, impacts and opportunities
- Build internal understanding of Indigenous communities and enhance employee Indigenous cultural awareness
- Align Indigenous engagement efforts to BCLC's enterprise-wide and divisional strategic goals and objectives
- Actively support the Province's priorities and legislation for Indigenous Peoples and communities
- Meet and exceed our obligations in relation to the United Nations Declaration for the Rights of Indigenous Peoples (UNDRIP)

For fiscal year, 2021/22 BCLC has prioritized the development and approval of its Indigenous Reconciliations Program and Principles.

Player Health Ambition

The viability of our business is directly linked to the wellbeing of our players. We acknowledge that some players are using our products in ways that are not entertaining and that problem gambling and gambling-related harms undermine our vision of providing exceptional gambling entertainment.

Hence, we have shifted our approach from a focus on raising awareness around player behaviour to encouraging positive play behaviours and reducing harms. This approach embraces the philosophy that the health of the player is everybody's business and that the organization shares a collective responsibility to make gambling safer. By taking this approach, BCLC uses our skills and resources to promote healthy play and reduce high risks and harmful play.

It is our mission that no one is harmed from gambling offered by BCLC. To fully support this goal, we are committed to fostering a comprehensive, evidence-based player health program to increase safer play and reduce harms. Our ambition is for our province to be an exemplary gambling jurisdiction where players gamble within their time and money limits; and players who exhibit high-risk behaviours reduce their time and money spent or stop gambling altogether.

Our Player Health approach is framed around four key commitment areas:

1. Informed decisions:

We will equip players with the information they need to make informed decisions about their gambling.

2. Positive play:

We will provide enhanced tools and 'nudges' to help players adopt safe behaviours.

3. Referral and support:

We will ensure that all employees receive the training needed to be able to respond knowledgeably and sensitively to players who show signs of a problem.

4. Safer products and environments:

We will find ways to improve products, environments, and marketing to make it easier for players to stay within their limits.

We are committed to establishing a higher standard to measure the impacts of our programs and initiatives. Player Health uses an evaluation framework that consists of multiple metrics to measure and monitor success and identify opportunities for development.



Confronting Stigma: Merging Real Life with Research

Supporting players and their health is a key commitment at BCLC. Our goal is to ensure that players are able to access timely and relevant help when it is needed. While there are programs and support services in place for players, we know that there is always more work to be done.

Research continues to highlight that individuals who do experience gambling-related problems also encounter stigma related to seeking help. In turn, this creates feelings of shame, which is a significant barrier to taking action.

BCLC and its research partner, Ipsos, have embarked on a multi-phased initiative to gain better insights into reducing the barriers associated with receiving help and how to best support our players.

The focus of the initiative has helped to understand stigma in the gambling environment, the external and self-imposed changes in attitudes and perceptions about problem gambling that players experience along their gambling journey, and the obstacles that exist with seeking help.

Through a series of in-depth interviews and focus groups the research and insights have helped BCLC understand the players' lived experiences with stigma in the context of seeking help for gambling behaviours. These results will be used to direct future strategies to reduce barriers that impede players from using available support and resources to address gambling-related concerns.

Supporting Players

GameSense Advisors, typically located at every gambling facility in B.C, have specialized training in mental health, cultural sensitivity and responding to players in a variety of high-stress situations.

The temporary closures of gambling facilities due to COVID-19 led to decreased player access and support on a daily basis. Recognizing the severity of this gap during this critical time, BCLC's Player Health team worked with the Customer Support Centre (CSC), Business Technology and Customer Relationship Management teams to enhance its support by offering access to GSAs over the phone and live chat through PlayNow.com.

Today, players can access GSA support services by contacting the CSC and through the live chat function on PlayNow.com. The extension of the GSA support services has received excellent feedback and will remain in operation.

Industry Engagement

In March 2021, BCLC hosted its Ninth Annual New Horizons in Responsible Gambling Conference. The conference was hosted digitally with more than 250 attendees from around the world signing on to attend the online events and seminars.

The global COVID-19 pandemic has changed the landscape of entertainment offerings so the main theme of the conference was to examine ways by which the industry can move from the new normal to the new future.

The conference provided space and time for industry-leading experts, specialists and researchers to connect and garner deeper conversation on how to keep gambling safer and reduce harms.

In hosting New Horizons, BCLC continues to demonstrate its leadership in player health, through encouraging new learnings and opportunities in the gambling industry. BCLC, as a leader, is proud of its commitment to hosting New Horizons despite pandemic challenges.

Anti-Money Laundering (AML)

As an organization responsible for conducting and managing commercial gambling in B.C., BCLC remains committed to safeguarding and protecting the industry from potential criminal activity and money laundering. Money laundering is the process in which money derived from criminal activity, also known as 'dirty' money, is concealed and transformed to give it the appearance of being 'clean' money. Money laundering is a crime that affects multiple sectors of the economy.

As a member of the gambling industry, BCLC makes up just one part of the anti-money laundering (AML) regime. That is why we collaborate closely with a network of organizations, each of which has a specific role to play.

Our efforts are focused on having robust anti-money laundering policies and processes

that allow us to take necessary measures and appropriate action when potential criminal and/or money laundering activity is detected in and around casinos and PlayNow.com.

BCLC's Role In AML

One of BCLC's main roles and responsibilities within the AML regime is to be the reporting entity for the casino sector. In order to meet the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), BCLC is responsible for executing a compliance program for all casinos in the province. This program has six required elements and outlines our approach to managing AML. Each element is considered to be a pillar of an effective anti-money laundering/anti-terrorist financing (AML/ATF) program.

The Six Pillars Are

1 A dedicated compliance officer who is responsible for the implementation of the compliance program and works to ensure that all B.C. casinos are in full compliance with the PCMLTFA and Regulations.

2 Comprehensive compliance policies and procedures that include enhanced measures to mitigate high risks. These documents are regularly updated to maintain accuracy and align with any changes to federal AML laws.

3 A risk assessment of business activities and relationships and the documentation of risks related to money laundering and terrorist financing activity as well as the documentation and implementation of mitigation measures to deal with those risks.

4 The development and maintenance of a written ongoing compliance training program for employees, agents and others authorized to act on behalf of the casino.

5 Instituting and documenting a plan for the ongoing compliance training program and delivering the training (training plan).

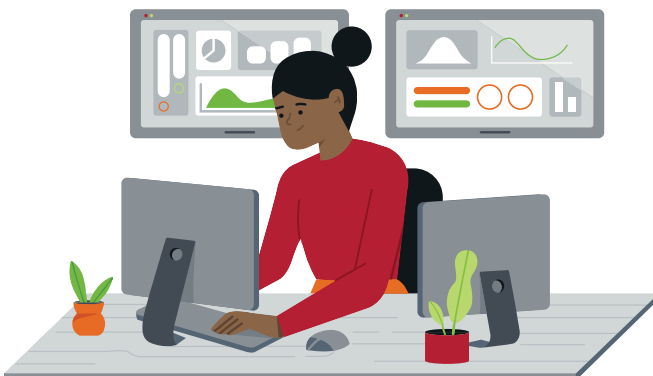
6 An extensive effectiveness review every two years (minimum) of compliance programs, including policies and procedures, risk assessment and training, for the purpose of testing overall effectiveness.

BCLC requires that all employees, receive mandatory AML compliance training as part of their on-boarding process. The training is comprised of online and supplemental face-to-face training. Training is refreshed on a regular basis and updated to reflect any new AML requirements that may have been introduced.

Regular internal reviews of our AML program are conducted by internal and external auditors and any gaps are immediately addressed to ensure ongoing compliance with regulatory obligations. BCLC is subject to federal (Financial Transactions and Reports Analysis Centre of Canada—FINTRAC), provincial regulatory (Gaming Policy and Enforcement Branch—GPEB) compliance examinations and third-party examinations, and the results of these audits are posted and shared proactively on bclc.com. The compliance examinations are welcomed and support BCLC’s commitment to continuously improve our AML program.

Deloitte Assessment

In 2020, BCLC engaged Deloitte LLP to conduct an independent Anti-Money Laundering (AML) assessment. FINTRAC conducts its examinations biennially, and BCLC engages an independent, nationally recognized accounting firm to conduct assessments in the alternating years. Deloitte provided BCLC with 11 observations regarding BCLC’s documentation and record-keeping obligations. BCLC has completed all actions in response to those observations.



AML Roles and Responsibilities

BCLC

BCLC is responsible for identifying and reporting suspicious transactions to the FINTRAC. We take steps to detect potential concerns, alert the authorities, and cooperate with law enforcement as it investigates and seeks charges against suspected money launderers.

SERVICE PROVIDERS

Service providers are contracted by BCLC to operate gambling facilities including casinos, bingo halls and community gaming centres under the oversight of BCLC, and are responsible for complying with all relevant laws, and BCLC directives, standards, policies and procedures.

GAMING POLICY AND ENFORCEMENT BRANCH (GPEB)

GPEB is the provincial authority mandated to regulate the overall integrity of gaming in B.C., including gaming service providers, employees and equipment, and to investigate related allegations of wrongdoing.

FINTRAC

Canada’s financial intelligence unit, mandated to facilitate the detection, prevention and deterrence of money laundering and financing of terrorist activities. FINTRAC is also responsible for monitoring reporting entities which include banks, credit unions and casinos, for compliance with federal AML laws and regulations.

LAW ENFORCEMENT

Provincial and federal law-enforcement agencies investigate suspected money laundering offences and provide evidence needed for the prosecution of criminal charges. In some instances, they are assisted by municipal police which play a supportive role in investigations.

2020/21 Highlights

Environment

BCLC is committed to aligning business operations with the Government of B.C.'s CleanBC² climate plan for reducing greenhouse gas (GHG) emissions and transitioning to a low carbon economy. Starting in mid-March 2020, the majority of BCLC employees switched to working remotely, with roughly 10 per cent of employees continuing to work in the office. The effects of these circumstances vary between the different emission sources: overall, stationary sources of GHG emissions had minor reductions compared to mobile sources and office supplies.

In 2020³, GHG emissions from facilities fell by two per cent, whereas mobile combustion emissions fell by 73 per cent and emissions from office supplies fell by 57 per cent. Transitioning

out of COVID-19, BCLC will aim to learn from the behaviour changes resulting from working remotely and integrate these learnings into the ESG framework that is currently under development.

For example, BCLC has developed policies to provide flexible work arrangements post-pandemic. In addition to enhancing employees' work-life balance there will be reduced GHG emissions related to buildings, corporate travel and commuting. More employees working remotely will also delay the need for increased capacity for office space in the short-term. Other opportunities related to digitization and less printing will be reviewed and implemented upon transitioning back to an office environment.

² For more information on CleanBC, refer to: <https://cleanbc.gov.bc.ca/>

³ Compared to 2019





Below is a summary of the actions taken in 2020 and go-forward plans by emission sources.

Stationary Source: Buildings–Purchased Electricity

BCLC's Scope 2 GHG emissions from purchased electricity went down from 76 tonnes CO₂e in 2019 to 71 tonnes CO₂e in 2020, a six per cent reduction. The limited reduction in purchased electricity emissions is explained below.

Kamloops Data Centre

Replacement of server legacy equipment:

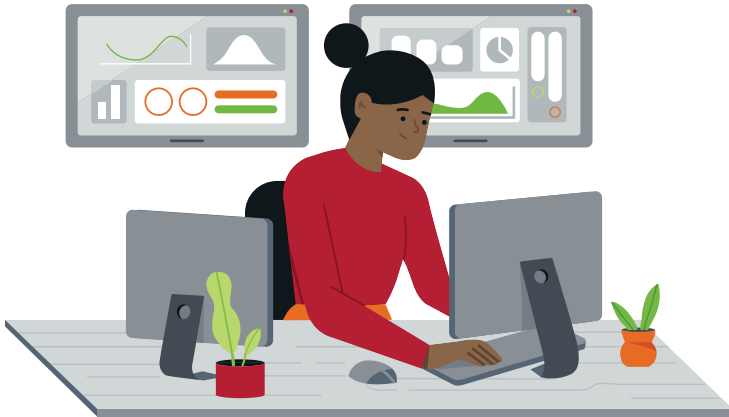
BCLC is replacing legacy equipment (e.g. servers, switch), through a Business Technology ever-greening program, typically in a four to five year cycle, with alternatives that are more efficient and denser in data storage. This leads to less physical devices to achieve the same or improved performance. This process has had the highest contribution to the total decrease in data centre power consumption.

Cloud migration: BCLC is strategically utilizing cloud-based applications that do not require in-house server equipment. In 2021, BCLC will continue to deploy hyper-converged, cloud computing environments and migrate thousands of non-production processes to the cloud, resulting in a dramatic decrease in data centre power consumption.

Kamloops office and Call Centre upgrade

In 2020, BCLC replaced two traditional, aging AC systems with a multi-zoned heat pump system in the call centre. The new system will provide operations with better control over the area, which has been difficult to heat and cool since it is surrounded by glass and includes several small offices. The upgrade will increase the use of heat-based electricity in the call centre area and reduce dependency on natural gas.

Temperature control is achieved through 2'x2' cassette fan coils in the ceiling space. This allows more zones to be controlled in the smaller office workspaces. The upgrade includes an Energy Recovery Ventilation (ERV) system to take advantage of outside air temperatures for improved air quality and reduced energy consumption during favourable seasons.



Vancouver office

In the Vancouver office, electricity consumption fell by 20 per cent. Most of this decrease is attributed to the majority of employees working remotely in response to the COVID-19 pandemic. The Vancouver office utilizes occupancy sensors, which activates a lighting zone when triggered. If the occupancy sensor is not triggered, the lighting remains off. Therefore, the reduction in staff present in the office during most of 2020 contributed to fewer lighting requirements, and hence, less energy consumed.

The reduction is also linked to incremental improvements in energy efficiency measures. In addition to the reduced occupancy of the office, an LED lighting upgrade was mostly completed in 2020 leading to energy efficiency gains.

The following table provides a summary of BCLC's activity data associated with its main emission sources in the last ten years. The numbers indicate a consistent downward trend.

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Natural Gas (GJ)	16,263	15,533	16,240	16,901	15,092	13,260	15,205	14,248	14,414	14,116
Electricity (GJ)	31,784	33,576	33,783	32,889	32,522	28,712	26,209	25,827	25,218	23,655
Fleet Gas (L)	175,518	149,208	160,979	121,027	14,017	21,030	30,388	29,361	39,132	11,081
Office Paper (PKG)	6,999	4,952	5,973	6,133	4,616	3,740	3,328	3,548	3,012	1,234

Supporting Environmental Initiatives

GREEN COMMITTEE

The Green Committee is a grassroots initiative at BCLC run by employees.

In 2020, the activities were constrained by COVID-19 restrictions and remote working, but there were notable achievements:

The Green Committee/Corporate Facilities collaborated with two local high school students to pilot a six-month soft plastics recycling program. Currently, the City of Kamloops curbside recycling program does not accept soft plastics. BCLC provided collection bins for employees to bring their soft plastics from home. The pilot program was temporarily paused due to COVID-19.

The committee worked with Corporate Facilities to build a new, larger bike cage to support/encourage more employees to ride their bikes to work.

In October 2020, the Green Committee supported an awareness campaign to participate in Canada's Annual Waste Reduction Week. The committee wrote several articles encouraging employees to adopt zero-waste practices at work and home.

BCLC collaborated with the City of Kamloops to provide "Lunch and Learn" opportunities related to See the Heat: Thermal Imaging of Home Heat Loss and the City's Climate Action Plan. Because of the See the Heat workshops, BCLC purchased two thermal imaging units and rolled out an employee-borrowing program, which began in May 2021.

GREEN4GOOD PROJECT

BCLC works with Green4Good to help address IT asset disposition needs. Through this program, the business is able to promote a second life for technology, maintain data security and help generate cash and new technology for charity.

In 2020, BCLC carried out a disposition of 736 assets with a value of \$15,410. The processing of these assets helped BCLC gain 130 carbon credits through the Green4Good program. This included data centre related and other types of legacy equipment such as desktops, monitors, printers and phones.



Social

Revenue generated by gambling helps fund important services across B.C. and the communities in our province benefit in countless ways. BCLC's Social Purpose strives to do even more, working to create thriving communities and a better world at large.

Here are some ways that government allocated gambling dollars through the Community Gaming Grant program:

WILLIAMS LAKE

The Invasive Species Council of B.C. (ISCBC) received a Community Gaming Grant for \$328,530 to support a number of initiatives including educational programs, on-the-ground activities and training resources across the province.

PRINCE GEORGE

The Prince George Brain Injured Group Society is the largest and most extensive organization of its kind in B.C., serving almost 500 individuals annually. Last year, it received a Community Gaming Grant for \$82,000.

KTUNAXA/CRANBROOK

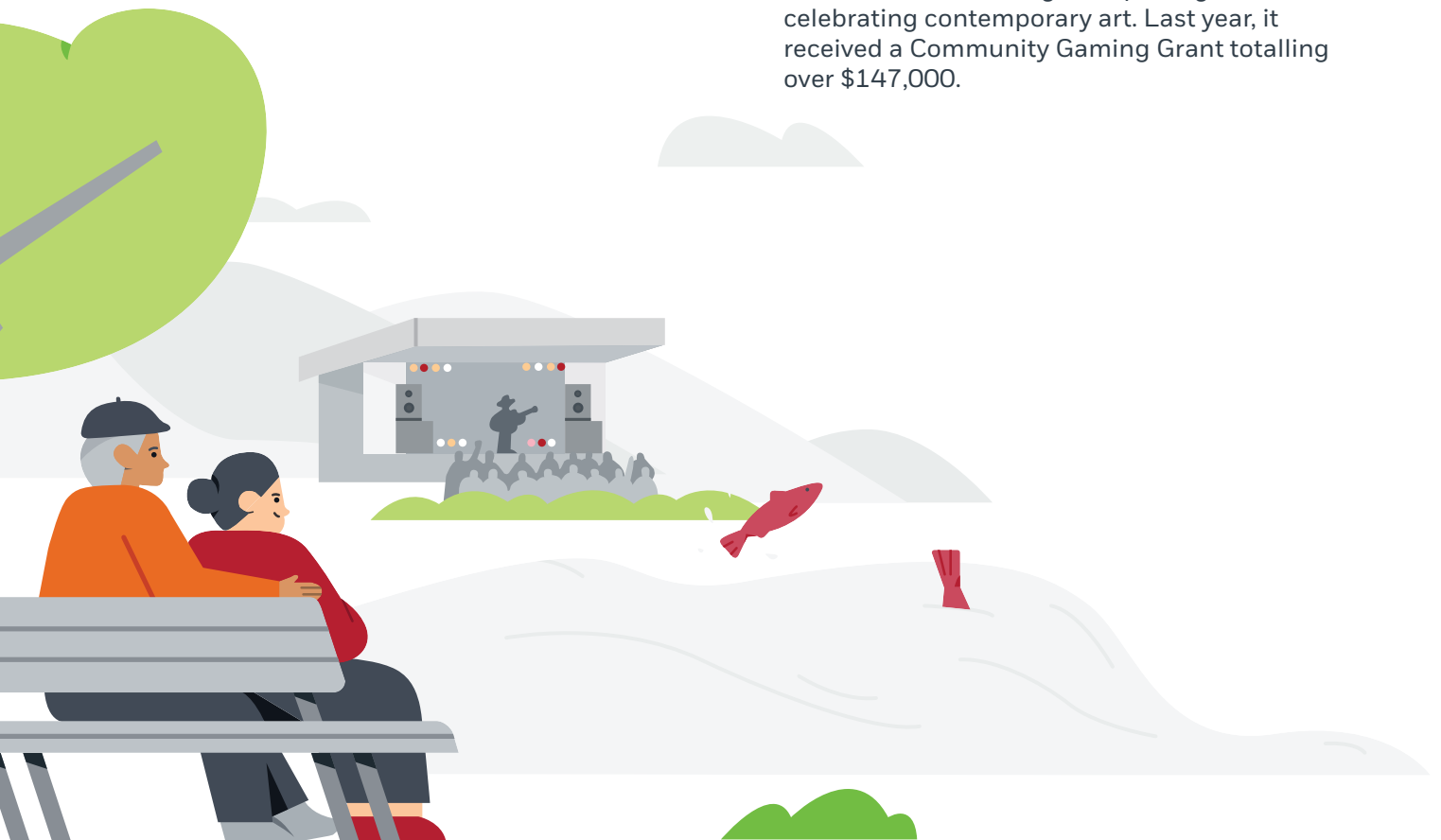
Community Connections Society (CCS) of Southeast B.C. used a portion of its \$43,000 Community Gaming Grant to support its Food Recovery Program.

SQUAMISH

Last year, the Sea to Sky Community Services Society supported a variety of projects during the COVID-19 pandemic, including the Pemberton Food Bank thanks to a \$350,000 Community Gaming Grant.

COURTENAY

The Comox Art Gallery is an organization dedicated to exhibiting, interpreting and celebrating contemporary art. Last year, it received a Community Gaming Grant totalling over \$147,000.



DIVERSITY, INCLUSION AND BELONGING (DIB)

We are committed to creating a culture of diversity, inclusion and belonging (DIB), reflecting the diverse communities and players we serve.

As an employer, it is our goal to create an environment free of discrimination and open to diverse perspectives, where all employees feel they are seen, heard and belong. As a business, we believe we must create experiences that are sensitive and responsive to the communities and players we serve and as a Crown corporation, we must reflect the commitments our Province has made and contribute to building a society where all have equal opportunities and are treated fairly.

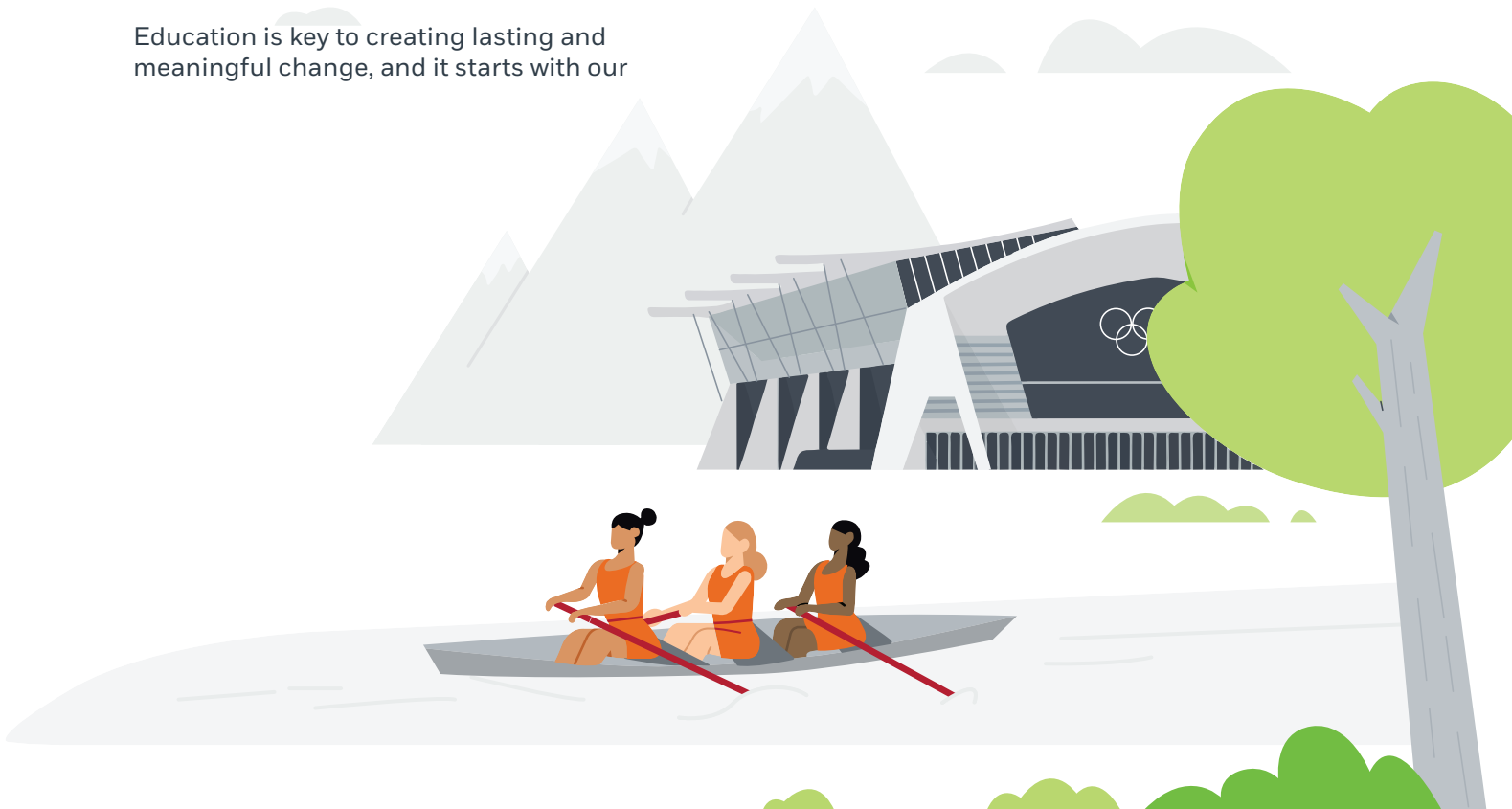
One of the greatest investments we can make is in our people. We are continuing to build inclusive policies, processes and structures to encourage behaviours that foster a culture of inclusion and support the growth and development of all employees. In 2021, we launched a new DIB Policy, which supports our values of integrity, respect, and community and reaffirms our commitments to equity, inclusion and anti-racism.

Education is key to creating lasting and meaningful change, and it starts with our

people. We offer unconscious bias training to all leadership and employees across the organization. The training is mandatory for leaders and is focused on building awareness of the forces that unconsciously shape our opinions and beliefs, particularly as it relates to diversity.

We also collaborate with our employee resources groups to share resources, and create safe spaces to hold learning and discussion sessions on various topics including racism and discrimination. In 2020/21, BCLC held several impactful sessions to build understanding and awareness of the Black Lives Matter movement, Indigenous history and issues, Pride Month, International Women's Day and mental health.

Our employee resource groups provide space for connection and development and ensure continuous dialogue around DIB throughout the organization.



PRIDE

PRIDE brings together employees who are members and allies of the LGBTQS2+ community. It promotes a diverse and inclusive culture and empower employees to bring their authentic selves to work.

AIM

AIM stands for acts of kindness, inspiration and mentorship. It is focused on supporting the advancement of women at BCLC by inspiring growth and facilitating access to leadership opportunities.

MENTAL HEALTH AMBASSADORS

The Mental Health Ambassadors bring together employees with a focus on raising awareness of mental health, and fostering a safe and supportive work culture for everyone.



COVID-19 RESPONSE

As we continue to navigate through the pandemic and learn to adapt to hybrid working environments and new social norms, BCLC remains steadfast on initiatives that support staff and their physical, mental, social and financial wellness.

Here are just a few programs that BCLC implemented and/or currently provides.

- Flexible Work and Child Care Leave Program
- Quarantine/Isolation pay
- Vacation pay-outs
- Vaccination time off
- Working remotely equipment support
- myWellness resource page that hosts various information, resources, seminars and other valuable details related to all elements of wellness

For those who continue to work on site, BCLC implemented rigorous health and safety precautions and protections:

- Appropriate spacing between work areas
- One direction movement in stairways
- Limited capacity in elevators
- Signage throughout the building directing employees on safe behaviours
- Washroom adaptations
- Free BCLC masks and training on how to wear a mask properly
- Cafeteria and fitness measures that allow for physical distancing
- COVID assessments prior to entering the building

The pandemic has created new expectations and opportunities for different work arrangements going forward. BCLC has adopted a more formal remote work policy, which we will implement in 2021/22.

COMMUNITIES

Everything we do considers impacts on and for the people and communities of British Columbia. To understand these considerations we actively seek feedback from stakeholders, address their concerns and learn from them in order to ensure we are being accountable in the ways we do business.

Our approach to engagement is guided by the following principles:

Significance: We deal with issues that are significant to our stakeholders and to us

Completeness: We understand the views, concerns, needs and expectations of our stakeholders

Responsiveness: We respond in a clear, timely and appropriate manner

Measurable: We track the quality, responsiveness and outcomes of our engagement

Each year as part of the planning process, we conduct a stakeholder mapping exercise which outlines the regions and stakeholders where our business will have the greatest impact in the next 12–18 months. Within each of those regions, in the communities where we operate a facility, we regularly identify the stakeholders that will be impacted, or have the greatest impact, which then informs the stakeholders we will engage.



COMMUNITY OUTREACH

In March 2020, BCLC together with our casino service providers temporarily closed all casinos, community gaming centres and bingo halls across B.C. Due to restrictions on gathering, BCLC's engagement activities were much lower in 2020 but we continued to support communities through online fundraising campaigns and sponsorships.

Our commitment to supporting communities across B.C. remains strong. In 2020, we had to pivot away from our usual Community Outreach activities and create a new way to engage through the following fundraising campaigns. During summer 2020, we successfully launched three virtual campaigns within key host local government communities: Vancouver, Kamloops and the Tri-Cities.

Through each virtual event, we partnered and worked closely with local small businesses within each community. At no cost to the small business, we helped curate items to be available for purchase on each of the customized fundraising websites.

The goal was to drive traffic to the virtual fundraising site to double the impact—by purchasing a gift card/silent auction item to a local business, not only were supporters supporting their small business community, funds generated in turn were also directed to a local charitable organization.

In winter 2021, we launched a province-wide campaign called *Spread the Local Love*, similar to the summer programs, this one supported communities all across the province: Lower Mainland, Vancouver Island, Northern and Interior regions and the Cariboo-Chilcotin Coast. BCLC raised over \$30,000 for charitable organizations across the Province while spotlighting local businesses in respective communities. *Spread the Local Love* was nominated and won the award for excellence in the Best Corporate Social Responsibility Campaign Category through the Canadian Public Relations Society.

Stakeholder Engagement

Due to COVID-19, the following AGMs were postponed until 2021/2022: North Central Local Government Association, South Interior Local Government Association, Association of Vancouver Island and Coastal Communities and Association of Kootenay and Boundary Local Governments. BCLC sponsored and attended two municipal conferences (online):

- Union of B.C. Municipalities–September 2020
- Lower Mainland Local Government Association & CivX–November 2020

Key topics and concerns that have been raised through stakeholder engagement:

KEY TOPICS	STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT
Reducing gambling related harm	<ul style="list-style-type: none"> • Provincial government • Local governments • Host local governments • First Nations • Regulator (GPEB) • Public Health Authorities • Service providers • Academia • Community organizations • Players 	<ul style="list-style-type: none"> • New Horizons Conference • Health Impact Assessments • Expression of Interest process for potential new gambling facilities (Victoria and Saanich) • Ad-hoc meetings with local representatives • Research projects with academia
Community Benefits/ Financial Contributions to British Columbia	<ul style="list-style-type: none"> • Provincial government • Local government • First Nations • Service providers • Community organizations • General public • Business organizations 	<ul style="list-style-type: none"> • Municipal conferences • Annual general meetings • Ongoing meetings with representatives • Community Outreach Program • Spread the Local Love and Givergy Online Campaigns • 36 annual sponsorships (lower due to COVID-19)
Transparency and Ethical Conduct	<ul style="list-style-type: none"> • Provincial government • Local governments • First Nations • Service providers • Community organizations • Business organizations 	<ul style="list-style-type: none"> • Stakeholder engagement in the Facility Development Process for new facilities in Saanich • Disclosure through various external reports • Council delegations in host local government communities

Stakeholder Groups Engaged by the Organization in FY 2020/21

Provincial government: BCLC is overseen by a Board of Directors appointed by the Government of B.C. The Board reports to the Finance Minister, the Honourable Selina Robinson. Provincial government stakeholders also include elected members of the Legislative Assembly of British Columbia.

Local governments: The government of a city, town, district or village in British Columbia.

Host local governments: Municipalities and First Nations that host BCLC gambling facilities.

First Nations: Aboriginal peoples in Canada who are neither Inuit nor Metis. In the context used here, it refers only to band governments.

Regulator, the Gaming Policy and Enforcement Branch (GPEB): GPEB is responsible for the overall integrity of gambling and horse racing in British Columbia, including regulation of BCLC.

Health authorities: Five regional health authorities that govern, plan and deliver health care services within their geographic areas in B.C.

Community organizations: An organization that improves the social well-being of individuals, groups and neighbourhoods within a community or region. Examples include social services agencies, charity groups and resident associations.

Business organizations: A group of people that collaborate to achieve certain commercial goals. Examples include Chambers of Commerce, Business Improvement Associations and tourism entities.

Service providers: Private-sector companies that are key players in our made-in B.C. operating model. They own or lease gambling facilities and maintain facility operations on a day-to-day basis.

Academia: Students and teachers focused on research and higher education at a school or university.



Sponsorships in FY 2020/21

BCLC is committed to communities across the province and sponsors a variety of organizations that improve the lives of British Columbians at a local level.

BC Children's Hospital Foundation	Kamloops YMCA/YWCA
Burnaby Hospital Foundation	Keep Kamloops
BC Lions	KidSport Vancouver
Canadian Curling Association	Langley Memorial Hospital Foundation
Cariboo Memorial Hospital Foundation	Lower Mainland Local Government Association
Castlegar and District Community Services Society	Minerva BC Foundation
City of Kamloops	Prince George Folkfest Society
Coquitlam Firefighters Charitable Society	Royal Inland Hospital Foundation
Deighton Cup Productions Inc.	SHARE Family & Community Services
Delta Hospital Foundation	Spirit of the North Healthcare Foundation
District of Saanich	Sport BC
Fort St. John Hospital Foundation	Thompson Rivers University
Kamloops Art Gallery	Thompson Rivers University Foundation
Kamloops Chamber of Commerce	Tri-Cities Chamber of Commerce
Kamloops Downtown Business Association	Union of BC Municipalities (UBCM)
Kamloops Film Festival	Vancouver Canucks
Kamloops Food Bank	Vancouver Food Bank
Kamloops Symphony	Victoria Hospitals Foundation
	Victoria Open Golf Society

\$877,250 for FY

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