

BCLC Climate Change Accountability Report 2023





Who we are

The Government of British Columbia created BCLC as a Crown corporation in 1985 to conduct and manage gambling for the benefit of British Columbians. BCLC conducts and manages commercial lottery, casino, sports and bingo gambling through multiple distribution channels. We exist to generate **win-wins for the greater good**—this is our social purpose—a driving force that informs our strategic goals, ways of working, collaborations and contributions to creating a lasting benefit to society.

We create value through our core business in collaboration with Indigenous people and a broad range of stakeholders including service providers (SP), retailers, casinos, players and communities across the province. SPs operate 37 gambling facilities across B.C. through operational service agreements with BCLC. National and provincial lottery and sports-betting products are sold at approximately 3,400 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. We generate revenue; in FY 2022/23, BCLC delivered more than \$1.6 billion to the Province of B.C.

BCLC has committed to reducing absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 50 per cent by 2026 and 100 per cent by 2030, from a 2019

baseline year. Underway in fiscal 2024-25 will be the development of a Climate Strategy that includes plans and targets to focus on reducing Scope 3 emissions while factoring in climate adaptation and resiliency measures. The 2024 Climate Change Accountability Report for January 1, 2023, to December 31, 2023, summarizes BCLC's efforts in 2023 to reduce GHG emissions, and plans to continue reducing emissions in 2024 and beyond.

By June 30, 2024, BCLC's Climate Change Accountability Report will be posted to www.bclc.com.





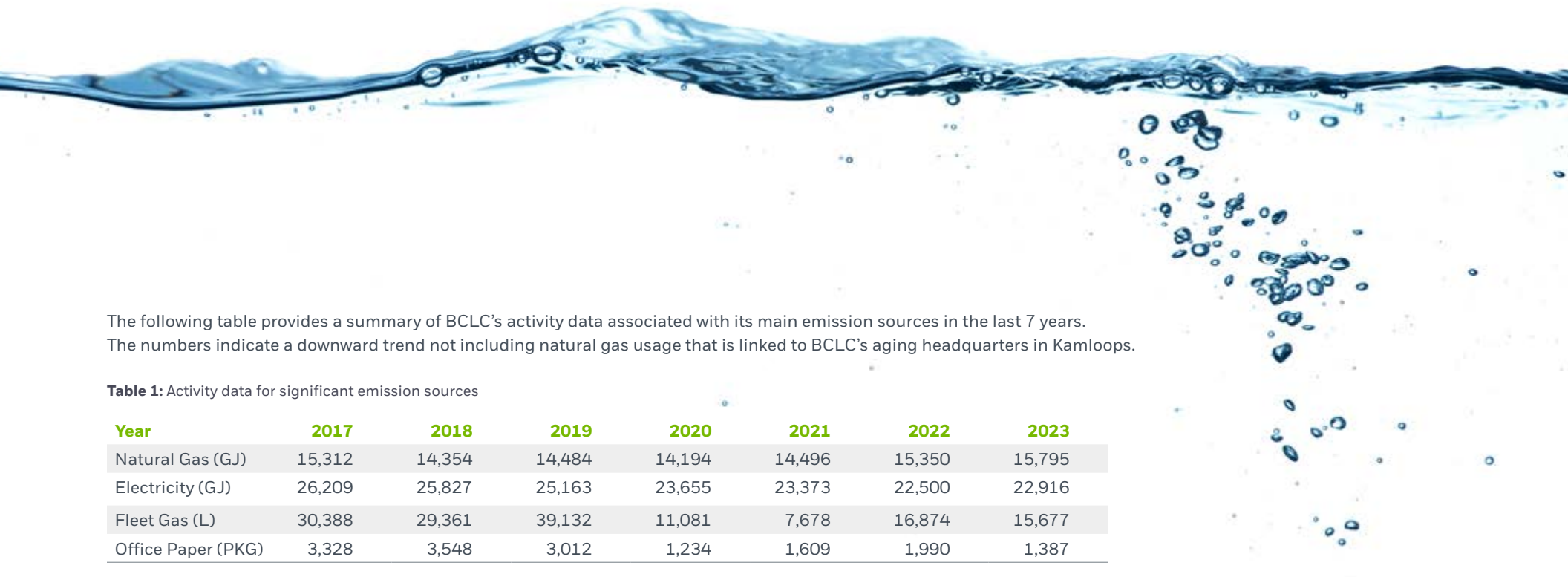
Overview

In 2023, BCLC continued to align business operations with the Government of B.C.'s CleanBC¹ climate plan and its targets and strategies for reducing GHG emissions. Some notable actions in 2023 include:

- Purchasing Renewable Natural Gas (RNG) to heat BCLC's Kamloops Headquarters (as of August 1, 2023).
- Completed a Scope 3 emissions assessment to identify the top five material Scope 3 categories and determine the optimal decarbonization pathways for each.
- Identified a 46% reduction in Scope 3 emissions goal by 2023.
- Completed an Environmental, Social and Governance (ESG) Risk Assessment to determine impacts of the ESG-related risks on BCLC operations.
- Continue to implement an ESG Framework with supporting metrics and KPIs.
- Purchased two new electric vehicles (EVs) to support the goal of transitioning the entire fleet to EVs by 2030. More than half of BCLC's fleet is now EV or hybrid.

Our total Scope 1 emissions were reduced by 30%. Mobile emissions were down by 7% compared to 2022, and significantly less than pre-pandemic numbers. Paper usage went down by 30% compared to 2022, also significantly less than historical, pre-Covid usage. BCLC will continue to enhance the positive post-pandemic climate benefits of working remotely, such as increased digitization, less printing and less travel between offices. In addition to enhancing employees' work/life balance, using less energy, reducing GHG emissions per FTE (Full Time Equivalent employee) and reducing emissions related to commuting, working remotely also delays the need for increased capacity for office space.

¹ For more information on CleanBC, refer to: <https://cleanbc.gov.bc.ca/>

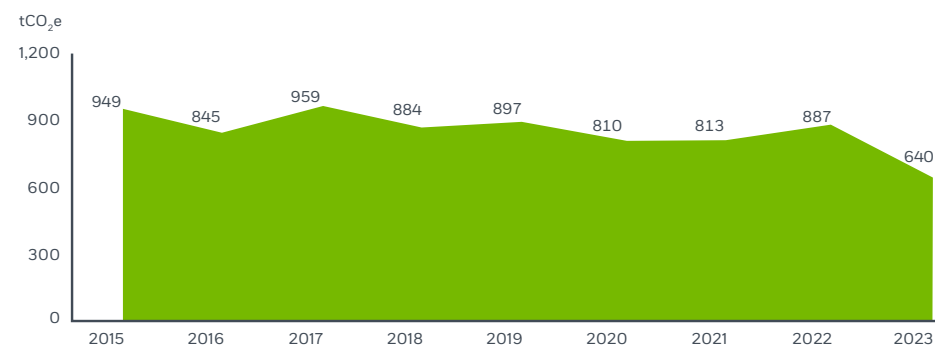


The following table provides a summary of BCLC’s activity data associated with its main emission sources in the last 7 years. The numbers indicate a downward trend not including natural gas usage that is linked to BCLC’s aging headquarters in Kamloops.

Table 1: Activity data for significant emission sources

Year	2017	2018	2019	2020	2021	2022	2023
Natural Gas (GJ)	15,312	14,354	14,484	14,194	14,496	15,350	15,795
Electricity (GJ)	26,209	25,827	25,163	23,655	23,373	22,500	22,916
Fleet Gas (L)	30,388	29,361	39,132	11,081	7,678	16,874	15,677
Office Paper (PKG)	3,328	3,548	3,012	1,234	1,609	1,990	1,387

Figure 1: Greenhouse Gase Emissions Trend (2015-2023)²



² The historical GHG emission values have been updated due to the update of emission factors used in the Sphera system by Climate Action Secretariat. The emission factor for natural gas went from a static value across the history of the Carbon Neutral Government program to one that changes annually, to align with the National Inventory Report and an assessment of the composition of natural gas delivered in British Columbia and across Canada. The composition of natural gas in pipelines has been changing, with the methane proportion decreasing in favour of ethane and propane, which are more carbon intensive fuels. Electricity emission factors were also recalculated from 2010 to 2020 to have a consistent approach through the history of the program (the net import model), which reduced historical electricity emission factors.



Below is a summary of the actions taken in 2023 by emission sources.

Overview

BCLC is like many other organizations in B.C. in that 80-90% of Scope 1 emissions are attributed to the combustion of natural gas for space heating. BCLC's approved renovation design will include a geo-exchange Ground Source Heating Pump (GSHP) low-carbon solution that will achieve an 80% reduction in GHG emissions while factoring in climate adaptation and resiliency measures.

BCLC formally enrolled in BC Hydro's Energy Management (EM) Program in August of 2021. The EM Program allows organizations to adopt a continuous improvement approach to energy management and optimize energy conservation measures. The program gives BCLC access to the full suite of BC Hydro and Clean BC incentive programs to assist with studies and implementation of Energy Conservation Measures (ECMs).

STATIONARY FUEL COMBUSTION- NATURAL GAS FOR HEATING

BCLC's 2023 natural gas use increased 2% due to the cooler winter compared to 2022, as the variables for consumption and associated emissions are mostly related to weather. The purchase of RNG (August 1, 2023) resulted in a 36% GHG reduction compared to 2022, despite the two percent increase in usage. Fugitive emissions, however, increased by 6% resulting in a net GHG reduction of 30% in stationary, Scope 1 emissions.

STATIONARY FUEL COMBUSTION- DIESEL FOR GENERATOR

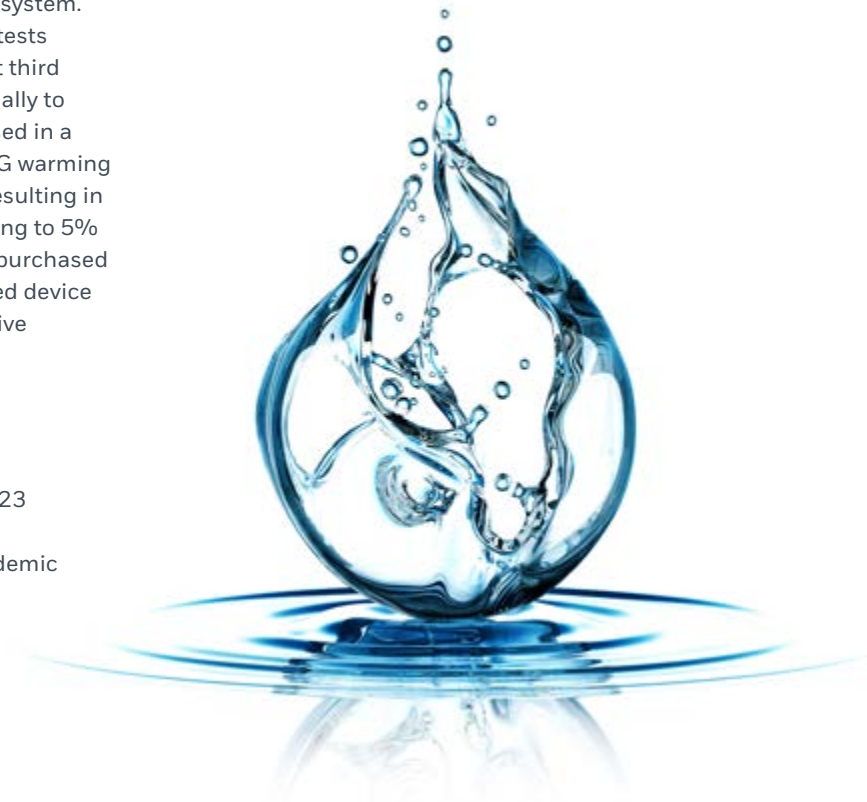
Diesel usage is limited to a monthly one-hour test on a diesel generator on site, or if service work is being carried out. The surplus fuel is carried over to the following year.

AIR CONDITIONING AND REFRIGERATION

Consumption of refrigerant gas occurs largely due to leaks in the stationary air-conditioning system. BCLC conducts visual checks weekly and tests equipment once a month. An independent third party also tests the equipment twice annually to ensure all leaks are identified and addressed in a timely manner. Refrigerant has a high GHG warming potential (1000 times greater than CO₂) resulting in the small amount reported in 2023 equating to 5% increase in overall GHG emissions. BCLC purchased a portable leak-detection device and a fixed device to detect and quickly correct smaller fugitive emissions immediately.

OFFICE PAPER

BCLC's consumption of office paper in 2023 decreased by 30% compared to 2022 but remained at only 53% relative to pre-pandemic numbers (2019).



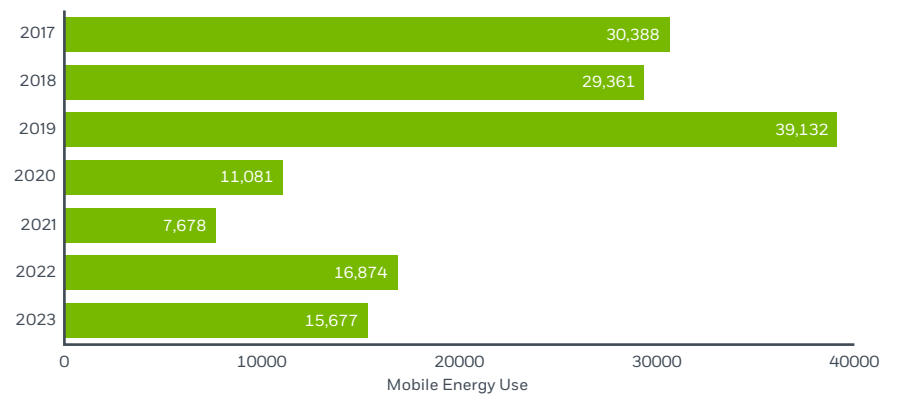


MOBILE SOURCES-TRANSPORTATION

BCLC has 14 vehicles in its fleet, mostly used by employees for travel between Kamloops and Vancouver or for travel between managers and technicians to gambling facilities. The 2023 mobile emissions from fleet (mobile combustion) decreased roughly 7% compared to 2022. The reduction in GHG emissions is significant when considering the fleet vehicles travelled 18% more in 2023. The fleet emissions are down 60% from 2019 pre-pandemic numbers due to increased virtual meeting options, discouraged discretionary business travel, encouraged carpooling and the addition of EV/hybrid options. In 2022, BCLC began planning to replace the existing fleet with hybrids and EVs over 5-6 years. In 2022, BCLC installed EV chargers in both the Kamloops and Vancouver offices to support its EV fleet.

The graph below illustrates the impacts of transitioning to EVs and hybrids and the residual post-pandemic related behaviour changes on corporate travel.

Figure 2: Mobile Energy Use Trend 2017-2023 (in litres)



Supporting departments and initiatives

GREEN COMMITTEE

BCLC's Green Committee is a grassroots initiative at BCLC run by employees. The committee organizes lunch and learn sessions for employees on a wide range of sustainability topics. The committee also plans employee engagement activities related to various recognized sustainability initiatives, such as Earth Day, Plastics Free July and Go by Bike Week.



SOCIAL PURPOSE AND SUSTAINABILITY TEAM 2021

The sustainability team is within the Social Purpose, Partnerships and Engagement Department. The team works with many departments on sustainability initiatives as well as tracking and reporting on ESG metrics and progress towards goals. The team is responsible for developing and implementing BCLC's ESG Framework in coordination with the ESG Working Group (ESGWG). The ESGWG is comprised of directors (or delegates across the organization) and chaired by the Chief Social Purpose Officer and VP of Marketing.

The ESG Framework was approved by the Board in January 2023. It has three goals, nine objectives and 49 action items. An ESG scorecard is used to track progress of the 49 action items and provides quarterly updates to the executive team and Board. Implementing the ESG Framework is a major focus of the sustainability department. In 2022, BCLC started identifying KPIs to measure and report on our progress towards the following high-level goals:

- BCLC will meet or exceed provincial GHG reduction targets, align with the International Science Based Targets initiative (SBTi), and develop a long-term plan to be **net zero** by 2030.
- BCLC will publicly declare **social justice and equity practices** and align our strategies for alignment with internationally recognized programs.
- BCLC will develop a plan to transition away from a linear-based supply chain to a circular-based economy model. This will move us beyond just reducing waste and increasing recycling rates to a closed loop/full life cycle system of products and services that also integrates ESG principles.

Plans and actions for 2024–2025

BCLC will continue to establish itself as a key provincial stakeholder in the **climate-change imperative**. In 2024-2025 BCLC plans to:

- Complete the third and final phase of developing a Climate Strategy to reduce Scope 3 emissions while mitigating climate-related risks across operations, including gambling facilities.
- Continue to plan for the major renovation of BCLC headquarters with high performance sustainability components and a low carbon heating/cooling solution.
- Conduct Integrated Energy Audits (IEA) at six gaming facilities across B.C.
- Continue to implement BCLC's ESG Framework which has targets and goals aligned with provincial climate goals.
- Continue to engage with tier 1 suppliers to BCLC support and align with the BCLC's climate goals.



Emissions and offset summary table

GHG EMISSIONS CREATED IN CALENDAR YEAR 2023

Total offsets (tCO ₂ e)	640
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ADJUSTMENTS TO OFFSET REQUIRED GHG EMISSIONS REPORTED IN PRIOR YEARS

Total offsets adjustment (tCO ₂ e)	0
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GRAND TOTAL OFFSETS FOR THE 2023 REPORTING YEAR

Grand total offsets (tCO ₂ e) for 2023 reporting year	640
Offset investment (\$25 per tCO ₂ e)	\$16,000.00
Grand total offsets to be retired x \$25/tCO ₂ e (Including GST)	\$16,800.00

- i. [Note, BioCO₂ is included in Total Emissions but not Total Offsets. For K-12 and post-secondary organizations, and BC Transit, Total Offsets will not equal Total Emissions minus Total BioCO₂ because offset exempt emissions for buses are included within Total Emissions.
- ii. Emissions and offset investment amounts will be validated by the Crown Agencies prior to distributing invoices.
- iii. You must round "Grand Total Offsets to be Retired" to a whole number (no decimal places) before multiplying by \$25 (e.g., 43.2 = 43, 43.5 = 44).]





RETIREMENT OF OFFSETS

In accordance with the requirements of the *Climate Change Accountability Act* and Carbon Neutral Government Regulation, BCLC (**the Organization**) is responsible for arranging for the retirement of the offsets obligation reported above for the 2023 calendar year, together with any adjustments reported for past calendar years (if applicable). The Organization hereby agrees that, in exchange for the Ministry of Environment and Climate Change Strategy (**the Ministry**) ensuring that these offsets are retired on the Organization's behalf, the Organization will pay within 30 days, the associated invoice to be issued by the Ministry in an amount equal to \$25 per tonne of offsets retired on its behalf plus GST.

Executive sign-off

A handwritten signature in black ink, appearing to read "Natasha Questel", written in a cursive style.

NATASHA QUESTEL

Chief Social Purpose Officer and Vice President, Marketing

May 31, 2024



HEAD OFFICE

74 West Seymour Street
Kamloops, B.C. V2C 1E2

T: 250 828 5500

F: 250 828 5631

E: csr@bcl.com

REGIONAL OFFICE

2940 Virtual Way
Vancouver, B.C. V5M 0A6

T: 604 215 0649

