

# Winning With Purpose: BCLC's Annual Report

2022/23





# Contents

<b>Introduction</b>	<b>3</b>
Message from our Board Chair and Chief Executive Officer	4
About this report	5
Why we exist	6
Who we are and how we create value	7
An evolution to a social purpose company	9
<b>Environment</b>	<b>13</b>
Our goal is to become an industry leader in addressing climate change and furthering the circular economy	
<b>Social</b>	<b>24</b>
Our goal is to create a positive social impact	
<b>Governance</b>	<b>35</b>
Our goal is to govern in the public interest	
<b>Financial review</b>	<b>39</b>
<b>Appendix</b>	<b>42</b>

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We are combining our financial and environment, social and governance (ESG) performance in this report to tell the broader story of our social purpose in action and, more importantly, the various and specific ways we are creating value.

**Greg Moore**  
Board Chair

**Pat Davis**  
President and Chief Executive Officer

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# Introduction





# Message from our Board Chair and Chief Executive Officer

For the past 38 years, BCLC has contributed to the wellbeing of British Columbians: lottery, casinos and sports betting have generated a total of \$28 billion in funds, directly supporting First Nations, healthcare, education and provincial and community programs across B.C.

In 2021, BCLC adopted a “social purpose”, meaning every business decision is made with the intention of positively contributing to society. BCLC’s social purpose, “to generate win-wins for the greater good”, further serves the best interests of our players and communities beyond revenue generation. Refining a world-class player health program, developing a plan to be net-zero by 2030 in which we reduce our operational greenhouse gas emissions, weaving our social purpose into events at every stage of the employee life cycle, and being nationally recognized for an inclusive culture, are just few examples of BCLC’s social purpose in action.

In 2022, BCLC formalized an Environmental, Social, and Governance (ESG) framework and policy to support its social purpose while aligning with our provincial mandate and managing ESG-related risks and opportunities. The ESG framework has three main themes with corresponding goals: circular economy

and climate change leadership, creating a positive social impact and strong ESG governance.

This report mirrors the framework and is part of an integrated thinking, planning and reporting cycle that allows for annual measuring, evaluating and calibrating towards continuous improvement of the ESG strategy.

We are combining our financial and ESG performance in this report to tell the broader story of our social purpose in action and, more importantly, the various and specific ways we are creating value. This year, in addition to achieving a record of over \$1.6 billion in net income, we continued our efforts to further embed social purpose into our business and expand upon our social and environmental commitments.

To reach our ambitious goals, BCLC took the following steps:

- **Integrated purpose** into our Senior Leadership goals and objectives for FY24.
- **Adopted a Stakeholder Governance Framework** that sets out the organization's approach to fostering strong and mutually beneficial relationships with stakeholders.
- **Formed an ESG cross-functional working group** to oversee the implementation of the newly developed ESG Framework and Policy.

- **Enhanced Game Break, a voluntary self-exclusion program for players** by adding an active reinstatement process that provides players the opportunity to assess whether they are prepared to return to gambling and offers information, support and empowerment to make the right choices for themselves.
- **Built upon our diversity, equity, accessibility, inclusion and belonging** through initiatives including hosting the inaugural all-Crowns Accessibility, Diversity, and Inclusion conference and implementing a more inclusive policy approach to statutory holidays.
- **Expanded our Indigenous Reconciliation and relationship-building journey** by hiring a senior manager of Indigenous relations to lead our strategy.
- **Laid the groundwork for decarbonization roadmap** and began exploring science-based targets for Scopes 1, 2 and 3.

British Columbia continues to be heavily affected by the climate crisis that is accelerating and impacting the lives of billions annually. A new generation of sustainable consumers will demand more from businesses going forward and we must ensure we mitigate the climate crisis and exceed public expectations. There is tremendous engagement within the organization to advance our social purpose and ESG agenda to not only keep pace, but to lead the change while providing exceptional entertainment for our players.



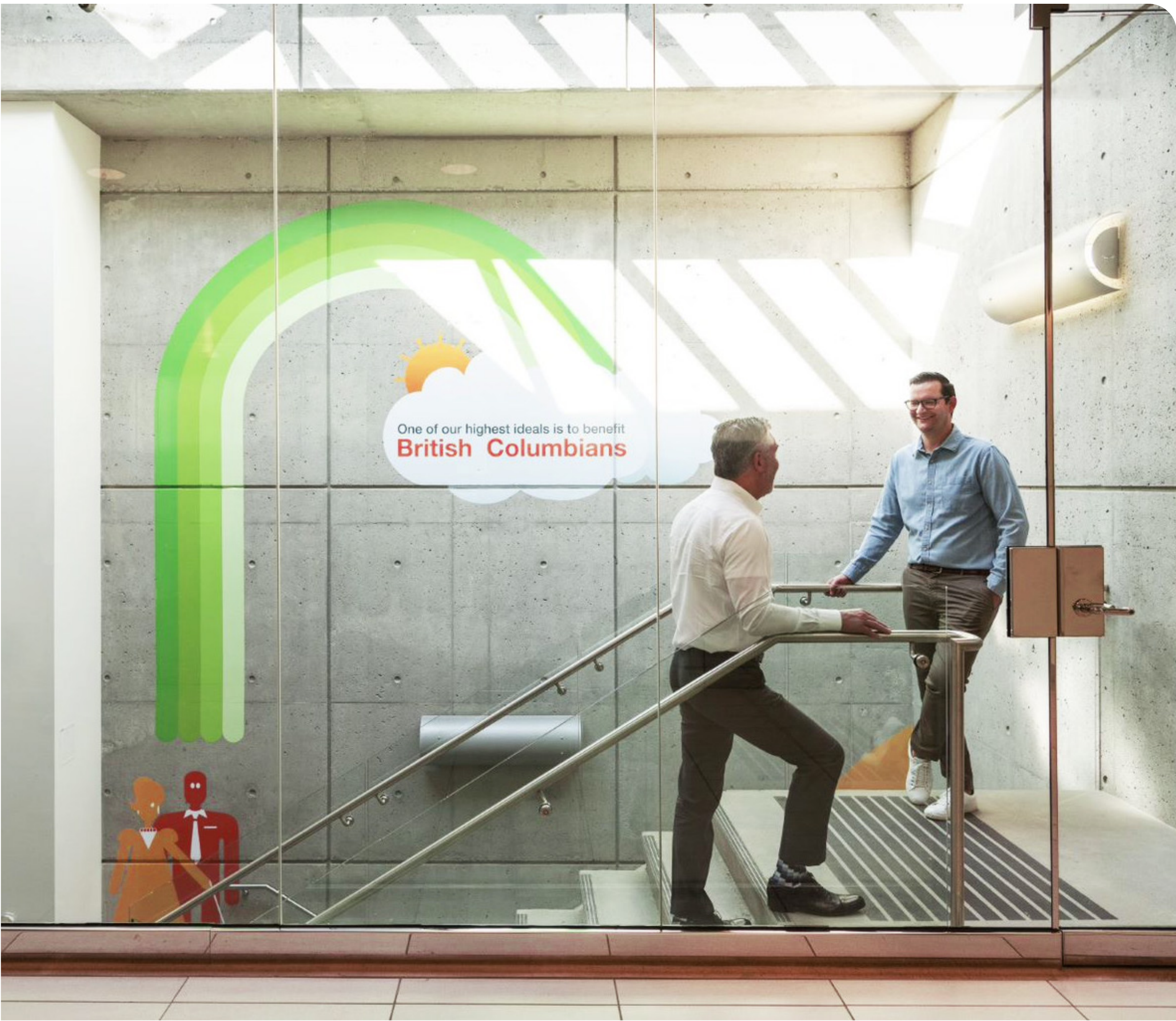
**Greg Moore**  
Board Chair



**Pat Davis**  
President and  
Chief Executive Officer







# About this report

The report includes financial metrics and highlights and is guided by the goals outlined in our Environment, Social and Governance (ESG) Framework.

We draw on the performance highlights and management of our 2022/23 fiscal year covering our own operations. All data within this report spans the reporting period of April 1, 2022 to March 31, 2023, aside from performance data related to energy, greenhouse gas (GHG) emissions and waste.<sup>1</sup>

We have prepared this report with reference to the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) Casinos and Gaming standards, the GHG Protocol, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As the landscape of ESG reporting continues to evolve, we will also mature our reporting, including how the standards published by the International Sustainability Standards Board (ISSB) can help us communicate our material risks, opportunities and the value we create.

<sup>1</sup>This covers the 2022 calendar year to align with the reporting requirements for our Climate Change Accountability Report and Recycle B.C.; separate reporting mechanisms followed as required by the provincial government.



# Why we exist

## PURPOSE

We exist to generate win-wins for the greater good — this is our purpose — a driving force that informs our strategic goals, ways of working, collaborations and contributions to creating a lasting benefit to all our communities.

## VALUES

### Integrity

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

### Respect

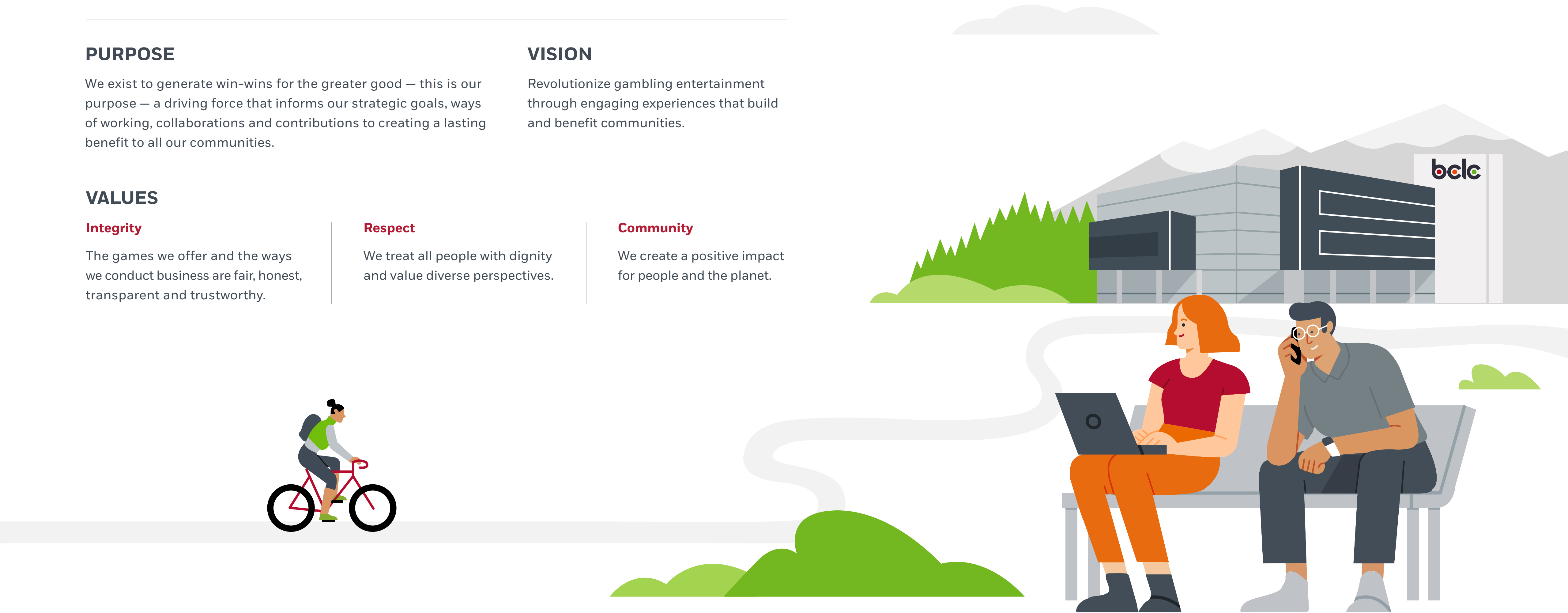
We treat all people with dignity and value diverse perspectives.

### Community

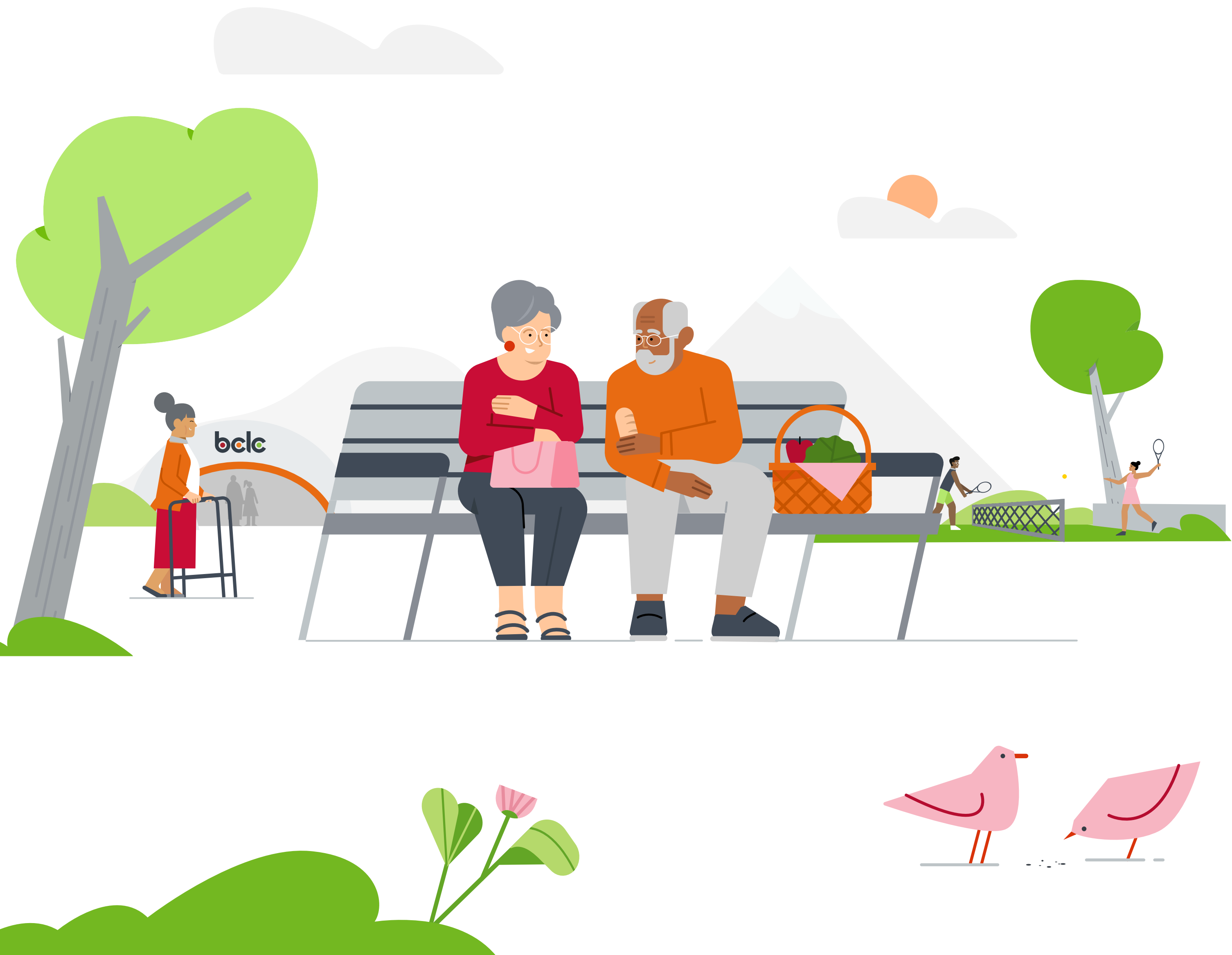
We create a positive impact for people and the planet.

## VISION

Revolutionize gambling entertainment through engaging experiences that build and benefit communities.







# Who we are and how we create value

The Government of British Columbia established BCLC as a Crown corporation in 1984 to responsibly conduct and manage gambling for the benefit of British Columbians.

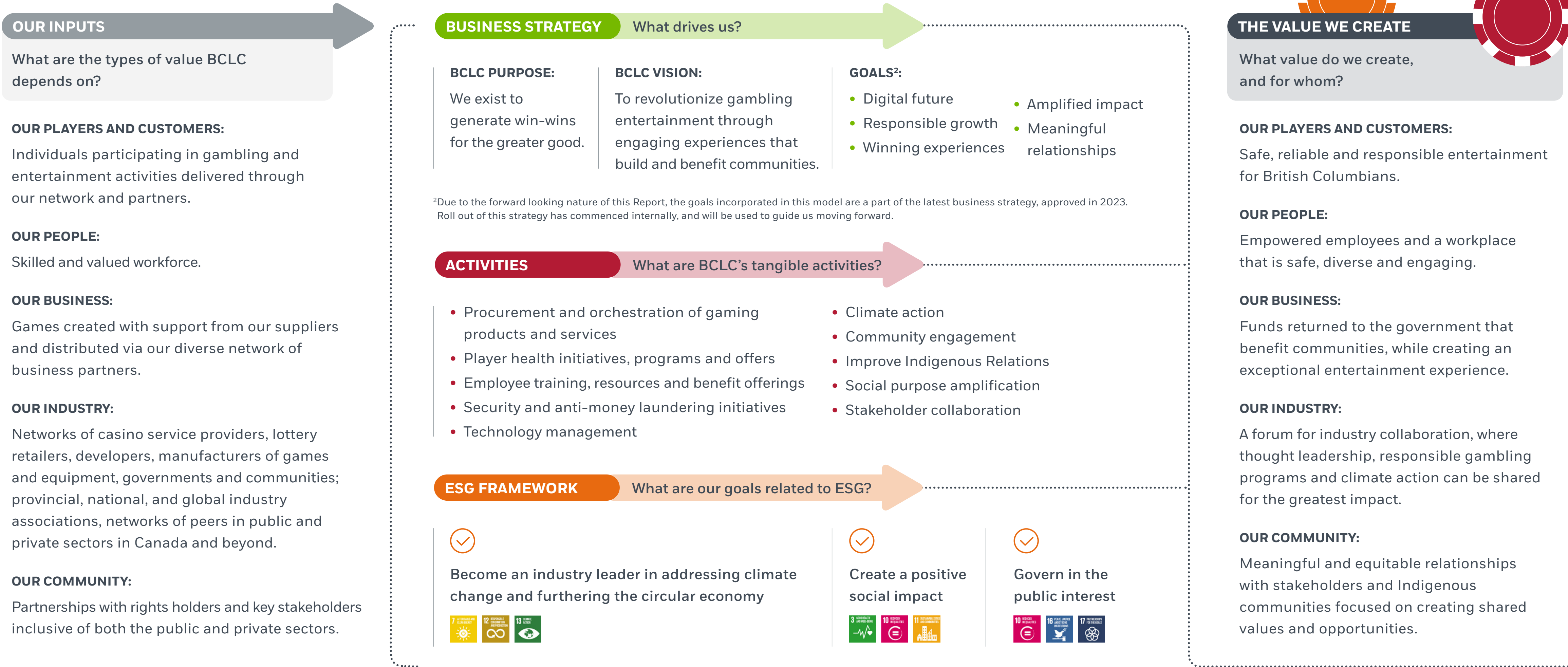
BCLC conducts and manages commercial lottery, casino, sports and bingo gambling through multiple distribution channels including online, at retail and land-based casinos.

BCLC’s activities are governed by the *Gaming Control Act* and expanded upon through the Government’s Mandate Letter to the Board Chair. In addition to the foundational principles (strengthen health care, safer communities, attainable and secure housing and a clean and fair economy that delivers affordability and prosperity), the Mandate Letter tasks BCLC to continue building lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province, and directs BCLC to meet CleanBC targets. These priorities are incorporated into BCLC’s goals, objectives and performance measures to generate win-wins for the greater good.

We create value through our core business in collaboration with a broad range of stakeholders including service providers, retailers, casinos, players and communities as well as First Nations across the province.



## BCLC VALUE CREATION MODEL





Click the tablet to  
learn more about  
our social purpose.

We exist  
to generate  
**WIN-WINS**  
for the **greater  
good.**

## An evolution to a social purpose company

**Social purpose has been embedded into our risk assessment practices to ensure full integration.**

As an organization, we have always stood for the greater good. Our business activities create value and generate funds to support B.C.'s social and economic infrastructure. In 2019, the Board of Directors (Board) approved a Strategic Vision which included the aspiration to become a social purpose organization. In 2020, the Board approved a restructuring that included creating a chief social purpose officer position.

The governance restructure also:

- Amended the roles and responsibilities of the board to include purpose oversight.
- Amended the roles and responsibilities of the Governance and Social Purpose Committee (now the Governance committee) to monitor the company's approach to purpose integration.
- Added social purpose objectives in the CEO's Performance Goals.



## EMBEDDING SOCIAL PURPOSE

In 2021, with full Board participation we set about formalizing our commitment through a clearly articulated social purpose; one we are now weaving into the fabric of everything we do including our stakeholder relationships.

We are in the early stages of embedding our social purpose across the breadth and depth of the company and its full range of operations. This past year we made progress in the following ways:

- **Board approved our annual business plan** that included social purpose deliverables.
- **Governance Committee reviewed and provided feedback on a social purpose and sustainable procurement policy** prior to implementation by management.
- **Adopted a Stakeholder Governance Framework** to ensure we are building strong and mutually beneficial relationships with the stakeholders we rely on for our success and social purpose implementation.
- **Board approved assessment criteria**, which includes social purpose implications, for use in determining whether a new strategy/initiative/project should be approved.
- **Board approved the ESG framework and policy.**
- **Integrated purpose into leadership and development programs and capstone projects.**
- **Included social purpose within job postings and in the interview process.**
- **Integrated purpose into our senior leadership goals and objectives for FY24.**
- **Incorporated social purpose into our recruitment process** and looked for opportunities to attract diverse candidates, including internationally.
- **Embedded purpose into the employee engagement survey** to enable monitoring of employee perception of BCLC's social purpose commitment.
- **Implemented a phased retirement program** to support transition from BCLC into retirement and strengthen our employee value proposition and commitment to employees even into retirement.

We also partnered with Deloitte Inc. to conduct research and co-author an industry white paper on How Risk and Internal Audit operate in social purpose companies. This helped us embed social purpose into our risk assessment practices to identify and address potential misalignments.

## SOCIAL PURPOSE SCORECARD

BCLC recently adopted a scorecard, as developed by the United Way BC Social Purpose Institute, to measure the maturity and progress of its social purpose. This framework will serve as our key performance indicator (KPI) that provides a baseline assessment of BCLC's social purpose progress while also outlining a future state vision.

In the year, the Board adopted the following social purpose integration target:

- To achieve an employee social purpose engagement score of 64 per cent on the question: I understand how I can advance BCLC's social purpose.

Using this tool to track and measure progress towards social purpose goals will provide BCLC leadership with clear insights, gap analysis and accountability which will enable informed decision-making, strategic alignment, and ultimately, the ability to demonstrate the positive impact of our purpose-related initiatives over time. Further, by quantifying and evaluating

key indicators, the scorecard enables BCLC to align its strategies and implementation plans to drive meaningful change.

### HOW OUR SOCIAL PURPOSE RELATES TO ESG

Social purpose and ESG are related, but distinct. Our social purpose is our enduring North Star; it guides us in pursuing the greater good. Our ESG Framework helps us manage material environmental, social and governance risks and opportunities. Many of our decisions and actions in support of our social purpose produce benefits or reduce risks associated with common ESG issues. For example, our social purpose has inspired us to pursue leadership in diversity, inclusion and belonging, a common ESG priority. Our social purpose also helps us set out ESG priorities. A focus on win-wins for the greater good directs us to identify opportunities to collaborate with stakeholders on mutually beneficial strategies that create a positive benefit beyond the partnership.





## ESG FRAMEWORK

The ESG Framework has three high-level goals for 2030, and considers known ESG risks, opportunities, impacts and dependencies across our business, value chain and operating context. This Framework will continue to evolve over time. This year, we have continued to work on identifying key performance indicators and setting targets to further implement aspects of the ESG Framework and measure our progress. In the interim, we will measure success based on the percentage of ESG actions that are on track or achieved by fiscal year 2025/26.

Each of our goals supports specific Sustainable Development Goals (SDG) advanced by the United Nations. Tying our goals to the SDGs is consistent with how our social purpose seeks the greater good.

**Our Enterprise Risk Management Services group is currently conducting an ESG risk and opportunity assessment to identify any further key ESG risks or opportunities and as an input into further advancing our social purpose.**

With its accountability and measurement structure, the ESG Framework is key to ensuring we are advancing on our governance, social and environmental risks and opportunities. We have three 2030 goals and nine objectives. These are:



**Become an industry leader in addressing climate change and furthering the circular economy**

- Become a climate leader.
- Become a zero-waste business.
- Exceed industry benchmarks for sustainable procurement.



**Govern in the public interest**

- Decolonize BCLC's operations and foster equitable relationships with Indigenous Peoples.
- Leverage our influence, reach and scale to inspire the global gambling industry to become a force for good.
- Build transformational relationships with stakeholders and embed ESG across the business.



**Create a positive social impact**

- Maintain an environment where our players gamble for good and influence the global gambling industry to adopt our goal that no player is harmed by gambling.
- Maintain a workplace where our employees have meaningful work and healthy work lives.
- Deepen our connection, commitment and support for B.C.'s communities, positioning BCLC as a stronger force for good.



Click on each of the **SDG icons** listed to learn more.





## ESG POLICY

The ESG Policy sets out how BCLC will integrate ESG principles in the conduct of business in ways that align to and advance BCLC's social purpose and ESG agendas.

It is an umbrella policy directing BCLC's approach to managing ESG risks and opportunities in alignment with the Enterprise Risk Management Policy. It should be read in conjunction with supporting policies including, but not limited to, the Diversity, Inclusion and Belonging Policy and the Social Purpose and Sustainable Procurement Policy.

Objectives of this ESG Policy include engaging and enabling all BCLC employees and contractors to incorporate ESG principles into their work while encouraging BCLC's stakeholders to accelerate their efforts towards positive environmental and social change to garner maximum collective impact.

### POLICY STATEMENT

BCLC's social purpose frames how ESG is approached at BCLC:

BCLC seeks to conduct business in a way that benefits people and the planet. All employees will harness their roles and use their influence and reach to go beyond simply doing better to creating just, equitable and positive outcomes that enable our social and environmental systems to heal and thrive and advance BCLC's social purpose while creating long-term value for stakeholders.



## GOVERNANCE OF SOCIAL PURPOSE AND ESG

A government-appointed Board of Directors (Board) provides strategic oversight and direction for the corporation.

BCLC's Board, Governance Committee, President and CEO, as well as our executive team, provide direction and oversight to ensure social purpose is integrated into all aspects of the business and throughout our relationships. BCLC's Board and leadership team work to support, effectively communicate and align with government priorities and BCLC's social purpose objectives.

The Board's Governance Committee oversees the development and implementation of an effective corporate governance approach. This enables BCLC to fulfill its purpose, attain strategic goals and serve the public interest.



## Environment

Our goal is to become  
an industry leader  
in addressing  
climate change  
and furthering the  
circular economy





# Climate change

**Objective:** Become a climate leader.

We have committed to reducing absolute Scope 1 and 2 GHG emissions<sup>3</sup> 50 per cent by 2026 and 100 per cent by 2030, from a 2019 base year. We are also developing a decarbonization strategy to focus on reducing our Scope 3 emissions<sup>4</sup> (which account for 99 per cent of our GHG emissions inventory).

Our climate priorities are aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations<sup>5</sup>. The TCFD provides a consistent reporting framework and guidance for understanding a company's risks and opportunities related to climate change. In Canada, the federal government requires large, federal Crown corporations to prepare climate-related financial disclosures; however, we choose to voluntarily follow these recommendations to demonstrate our ambition and commitment to climate action. At the same time, we are monitoring the development of international ESG reporting, including the International Sustainability Standards Board's (ISSB) sustainability disclosure standards, which are based on the recommendations of the TCFD.

In 2023/24, we will finalize our climate change strategy, which will demonstrate our approach to establishing climate leadership.

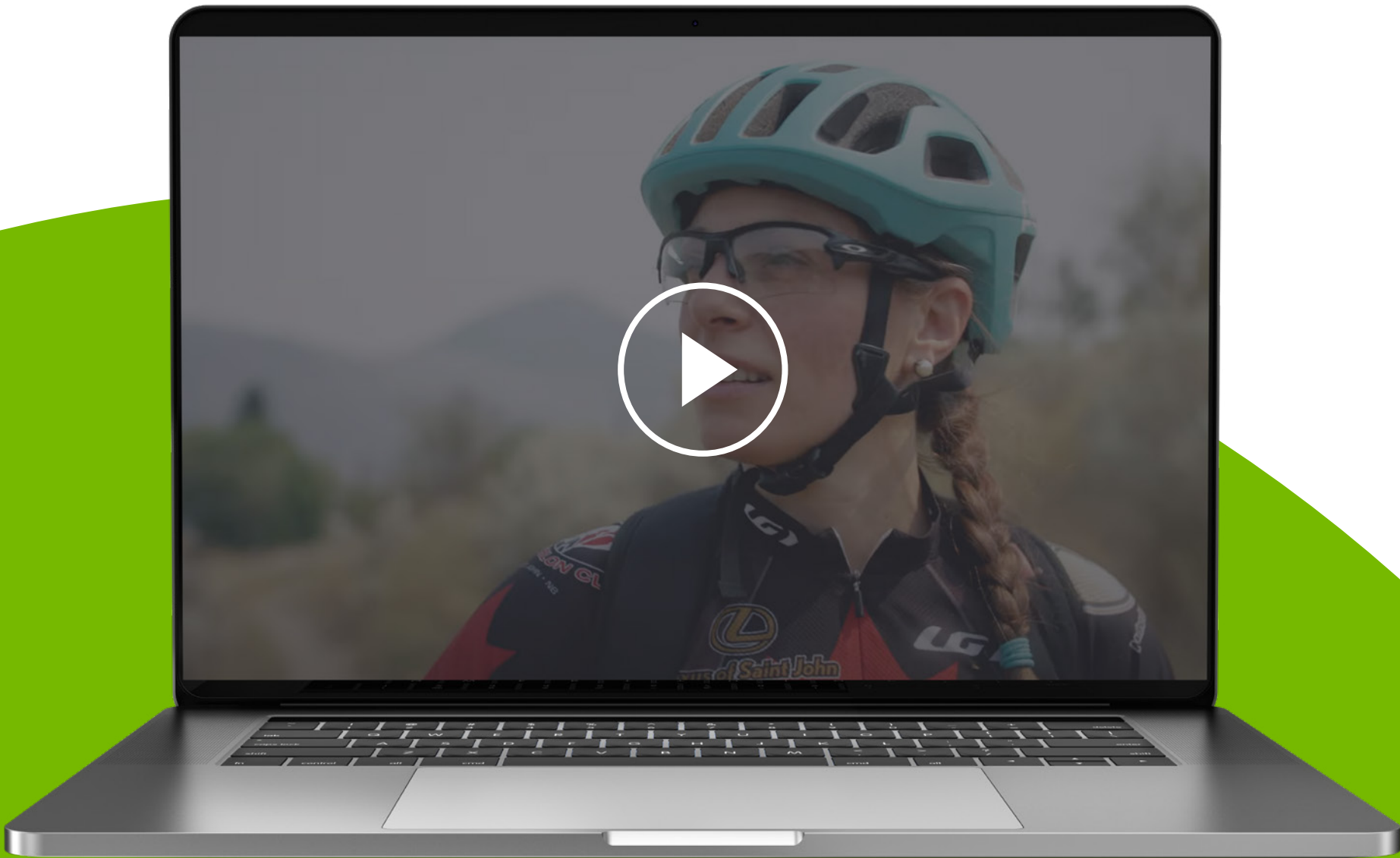
<sup>3</sup>Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.  
<sup>4</sup>Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.  
<sup>5</sup>Up to this point, the Financial Stability Board has been responsible for monitoring progress on TCFD reporting. In 2024, this role will be transferred to the IFRS Foundation. We will continue to monitor such developments.  
<sup>6</sup>Source: Government of British Columbia, "CleanBC Climate Plan." [www2.gov.bc.ca/assets/gov/environment/climate-change/action/cleanbc/cleanbc\\_2018-bc-climate-strategy.pdf](http://www2.gov.bc.ca/assets/gov/environment/climate-change/action/cleanbc/cleanbc_2018-bc-climate-strategy.pdf). 2018

We will create value by being a climate and circular economy leader.

To do this, we ensure our business operations align with — and exceed — British Columbia's CleanBC<sup>6</sup> climate plan, including targets and strategies for reducing greenhouse gas (GHG) emissions, and continuously moving towards a low-carbon and zero-waste economy.



BCLC's Green Committee leads awareness events such as GoByBike week, a commuting challenge that engage staff in alternate transportation options.





## BUILDINGS AND AIR QUALITY

Like many organizations, most of our Scope 1 emissions are tied to the energy we use to heat and cool our buildings.

As we reduce our Scope 1 emissions, we also reduce other forms of pollution. We are exploring new ways to reduce our Scope 1 emissions and this past year we made upgrades to our Kamloops building, replacing older equipment to make the facility more energy efficient and resilient to climate change. This included installing LED lighting across our parking deck and meeting rooms.

**75%**  
**reduction**

in Scope 1 and Scope 2  
GHG emissions will be  
realized through our  
Kamloops building  
renovations.

## TRANSPORTATION

We are transitioning our corporate fleet vehicles to a low-carbon, fully electrified fleet by 2030.

This spans 13 vehicles that our employees use to travel between our Kamloops and Vancouver offices, as well as gambling facilities. BCLC's fleet currently consists of two electric vehicles and three hybrid vehicles. The remainder are internal combustion. We have also reduced vendor transportation emissions by increasing our lottery ticket storage capacity.





## OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

We are working to align our reporting to the Recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD), while following international developments, to communicate our climate-related risks and opportunities under the pillars of governance, strategy, risk management, as well as metrics and targets.



### CLIMATE GOVERNANCE

#### CREATING ACCOUNTABILITY

Our governance structure is designed to strengthen our climate change goals and commitments with the rigor needed to marshal and measure progress effectively.

The Board is responsible for:

- **Overall governance:** Following Government direction and law, and giving consideration to the BCLC’s positive and negative impacts on the environment and stakeholders, including the public, Government, employees, customers, service providers, suppliers and communities. Climate change is included in this overall governance mandate.
- **Corporate strategy and planning:** Approving the annual business plan, operating and capital budgets that support BCLC’s ability to meet its strategic and service plans, with consideration given to social, environmental, stakeholder and governance implications.
- **Risk governance and oversight:** Directing management to establish, implement and maintain an effective enterprise risk management program. The program focuses on identifying, assessing and managing both threats and opportunities in areas such as finance, social factors, the environment and climate. The Board ensures climate is taken into account in the risk management.
- **Our Strategy Committee** maintains oversight responsibility for climate risk.
- **The chief social purpose officer,** through the ESG working group, ensures managers and directors from across the organization are apprised of, and managing, climate-related risks.
- **The director, social purpose and stakeholder engagement, and manager, sustainability innovation** liaise with senior leadership and our Board of Directors to communicate climate-related risks and opportunities on an ongoing basis.
- **Our director, enterprise risk management services & corporate insurance** is responsible for ensuring climate change risks are identified and mitigation strategies are in place.
- **Our chief financial officer** has been involved in the review and validation of our climate targets and decarbonization strategy.
- **The Governance Committee** oversees the development and implementation of the company’s climate change initiatives.

### CLIMATE STRATEGY

We are channeling our analysis into developing the strategy itself. Once complete, this strategy will outline how we treat climate risks and opportunities (e.g., adaptation, mitigation and resilience building) in relation to foreseeable business, customer, employee and stakeholder impacts. This includes everything from managing our stakeholders’ eco-anxiety and fear of environmental disaster, to seizing opportunities that emerge across the value chain as we decarbonize and support the transition to a low-carbon economy (i.e., an economy that is based on low GHG emission energy sources). We align these efforts with the government’s CleanBC Roadmap to 2030 and net-zero by 2050 ambition.

Our climate strategy will integrate our plans to decarbonize Scope 1, Scope 2 and Scope 3 emissions across our value chain. Given that plans are established to decarbonize our Scope 1 and Scope 2 emissions through building renovations at our Kamloops and Vancouver offices and fleet upgrades, we are now focusing on further evaluating methods to decarbonize our Scope 3 emissions. Throughout this fiscal year, we have worked with internal stakeholder groups and BCLC’s executive leadership team to prioritize and develop an implementation plan for a series of value chain decarbonization measures that address our Scope 3 emissions. This includes engaging our service providers and internal teams to manage energy consumption across casinos, which contribute significantly to our baseline Scope 3 emissions.





RISK MANAGEMENT

MANAGING CLIMATE RISK

In 2021/2022, our Enterprise Risk Management Services department conducted a climate change risk assessment and it is now one of our top five enterprise risks. This assessment blended methodologies and approaches from both BCLC and TCFD risk frameworks. The risk assessment process encompassed engaging a cross-section of employees from various departments to better understand the climate-related risks and opportunities affecting our operations and value chain. This approach enabled us to identify, evaluate and prioritize these risks based on their likely impact over the short, medium and long term.

**Most significant physical risks** (i.e., risks created from a changing climate):

- 1. Extreme weather events, such as forest fires, heat waves, flooding, landslides and coastal storm surges
- 2. Sea level rise

**Most significant transition risks** (i.e., risks created through the transition to a low-carbon economy):

- 1. Emerging regulations related to emissions reduction
- 2. Consumers moving away from traditional gambling offerings

For a detailed account of the risks we identified, refer to our 2022 ESG Report. We are now in the phase of implementing targeted strategies to address these climate-related risks, which align with the TCFD’s four-pillar recommendations. This year, we:

- **Formalized our climate change governance structure.** With our ESG Framework and ESG Policy finalized, our Board and executive leadership received education on managing climate risk. We also developed a responsibility assignment matrix to define and agree on roles and responsibilities for managing climate risks across the organization.
- **Began developing a climate strategy.** Including actions to reduce Scope 1 and Scope 2 emissions and completing a Scope 3 assessment in accordance with Science-Based Targets initiative (SBTi<sup>7</sup>) and identifying pathways to decarbonize material Scope 3 emissions by 2030.
- **Enhanced our climate change contingency planning.** By validating our list of critical BCLC suppliers and product distributors and considering potential impacts to them, this allows us to maintain business continuity plans that prepare us for climate change-related events that may impact our business operations.

Continuous monitoring and updates are integral to our effective risk management, which covers a wide range of risk categories. Recognizing the importance of climate risks, they are identified as a key area of focus for BCLC. In line with this, our quarterly risk reports to the Board include specific updates on how we are managing climate-related risks.

<sup>7</sup>SBTi defines and promotes best practices in emissions reductions and net-zero targets in line with climate science. It also provides target setting methods and guidance to companies to set science-based targets in line with the latest climate science.



## METRICS AND TARGETS

### MEASURING PROGRESS

The *Canadian Net-Zero Emissions Accountability Act* (2021) lays the groundwork for reducing GHG emissions by 40 to 45 per cent by 2023. In B.C., the province has committed to cutting GHG emissions by 40 per cent by 2030, and 80 per cent by 2050. At BCLC, we are working to meet or exceed these provincial GHG reduction targets. With the SBTi as our guide, we are set on the path to becoming a net-zero organization<sup>8</sup> by 2050<sup>9</sup>.

Part of this process involves establishing clear targets:

- BCLC commits to reducing absolute Scope 1 and 2 GHG emissions 50 per cent by 2026 and 100 per cent by 2030, from a 2019 base year.
- BCLC is establishing a workplan to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, waste generated in operations, business travel, employee commuting and use of sold products by 46 per cent by 2030 from a 2019 base year<sup>10</sup>. These emissions are considered tier 1, direct- use-phase emissions (see Scope 3 boundary definitions on the right for further explanation).
- BCLC is establishing a workplan to reduce absolute Scope 3 GHG emissions from use of sold products by 46 per cent by 2030 (2019 base year). These emissions are considered tier 2, indirect use-phase emissions, see Scope 3 boundary definitions on the right for further explanation.

<sup>8</sup>According to the Intergovernmental Panel on Climate Change (IPCC), net-zero emissions are achieved when anthropogenic emissions are balanced globally by emission removals over a specified period. For companies, this is inclusive of Scope 1, 2 and 3 emissions.

<sup>9</sup>As a Crown Corporation, BCLC is not able to obtain verification of its GHG emission reduction targets through the SBTi. However, we have been following closely and applying the SBTi guidance throughout our baseline and target setting process.

<sup>10</sup>Our Scope 3 targets are consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures.

### Scope 3 boundary definitions<sup>11</sup>

#### TIER 1 GHG EMISSIONS

Tier 1 covers GHG emissions related to products BCLC owns, sells or leases.

Our tier 1 Scope 3 emissions meet the minimum boundaries described in the GHG Protocol Scope 3 Corporate Value Chain Standard, as well as the near-term target boundary requirement as per the SBTi Criteria (version 5.1).

#### TIER 2 GHG EMISSIONS

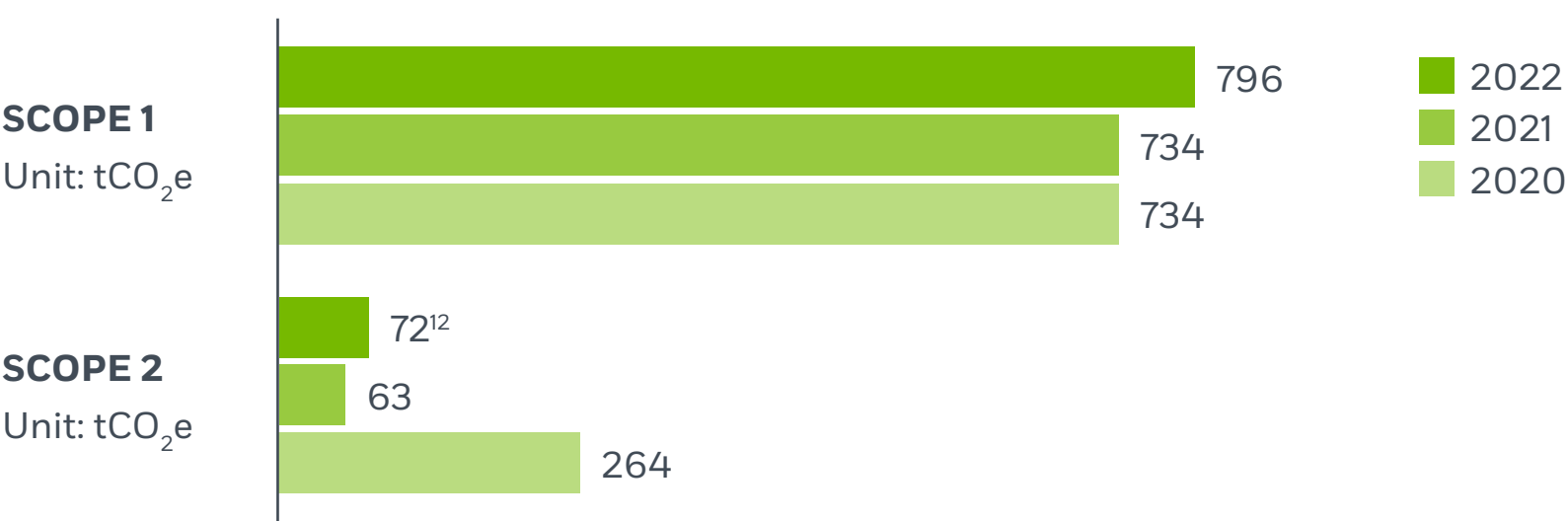
Tier 2 covers GHG emissions related to casino operations that enable customers to use our slot machines.

**Categories:** use of sold products (indirect use-phase). This includes heating/cooling, food and drink sourcing, waste, employee commuting and transport of customers at service-provider casinos.

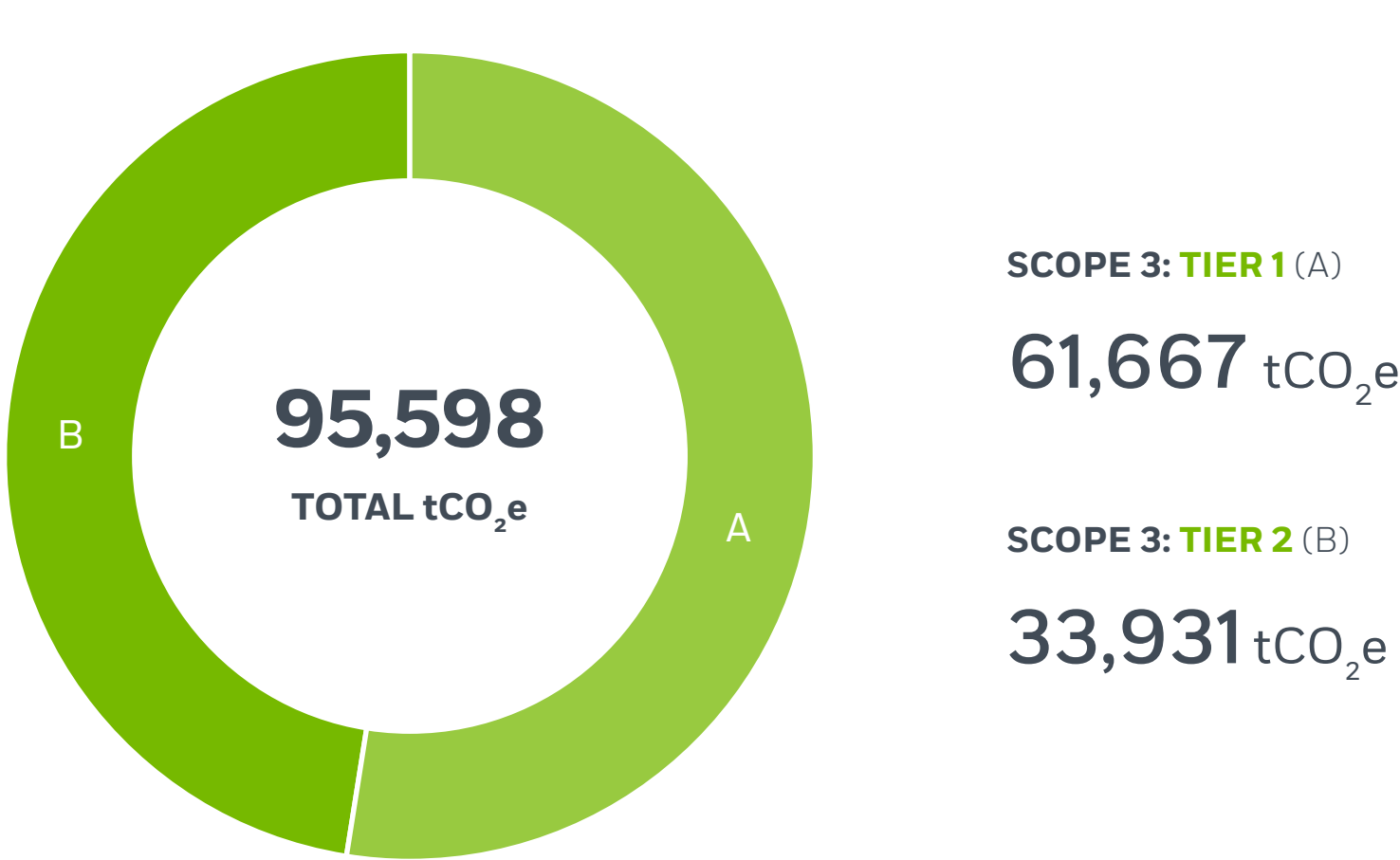
Our tier 2 Scope 3 emissions do not contribute to the SBTi minimum boundary requirement, which is already met through our tier 1 emissions. There is a significant opportunity for BCLC to collaborate with service providers to decarbonize tier 2.

<sup>11</sup>A tiered approach is used to setting the boundary around our Scope 3 emissions in order to separate emissions within and outside the minimum target boundary described in the SBTi Criteria (Version 5.1).

### Performance trend: Scope 1 and Scope 2 GHG emissions (2020–2022)



### Performance trend: Scope 3 GHG emissions (2019)<sup>13</sup>

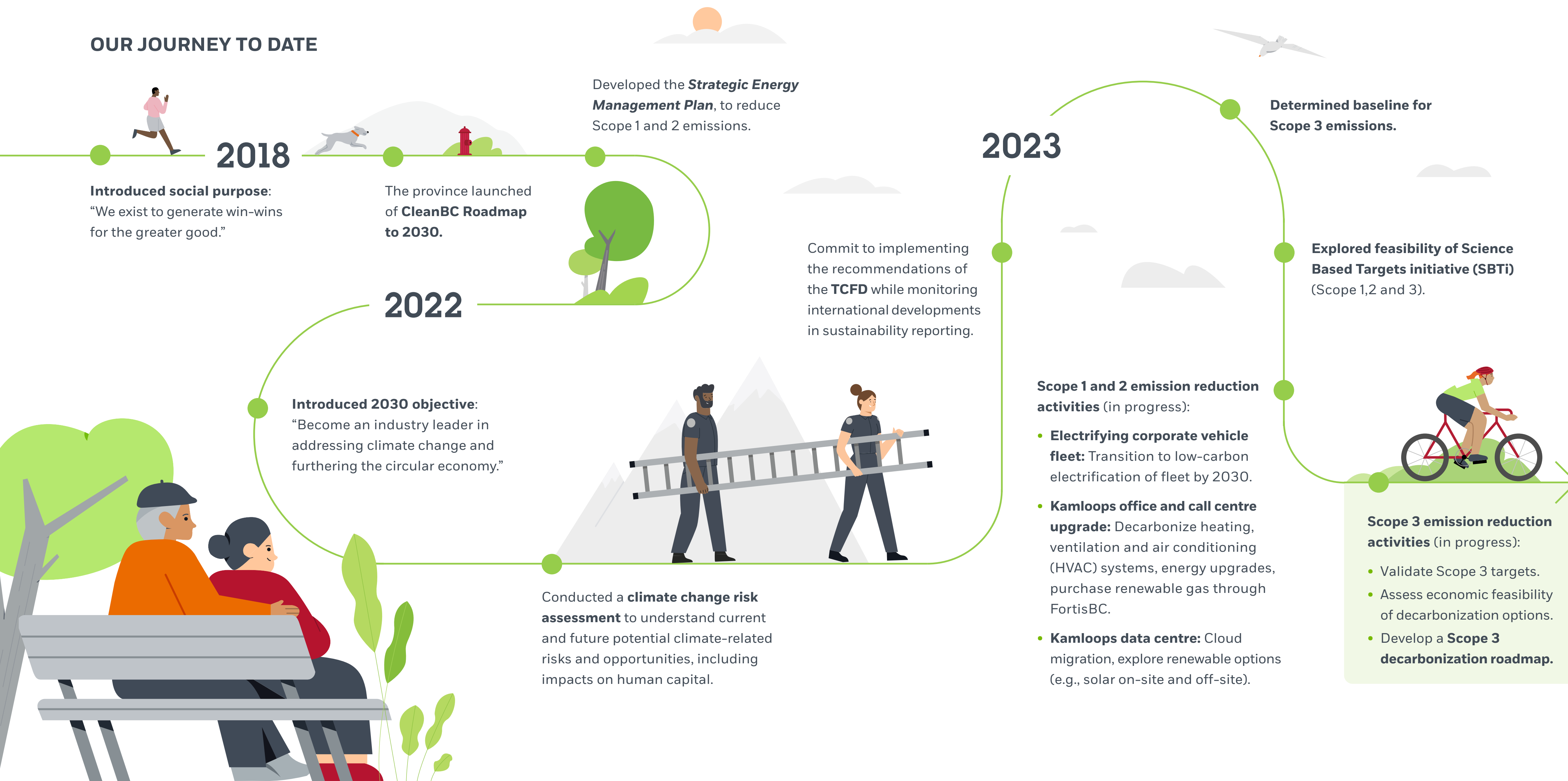


<sup>12</sup>Emissions increased in 2022 due to increased need for heating and cooling due to weather patterns.

<sup>13</sup>In this report we disclose our 2019 Scope 3 data for the purpose of target setting. We will disclose our Scope 3 data in our next report. This approach allows us the time to present more meaningful data given the current complexities in this emerging field of disclosure.



## OUR JOURNEY TO DATE





# Circular economy

**Objective:** Become a zero-waste business.

Embracing circular business models improves resource efficiency, enhances resiliency and prepares us for any future resource constraints and regulations. BCLC's circular approach involves reducing our waste, introducing circular innovation and reducing resource use.



## WASTE MANAGEMENT

Across our operations, we are increasing our waste diversion rates and eliminating single-use items.

This year, we:

- **Partnered with a composting vendor** that accepts a broader range of materials (e.g., paper plates) to divert waste from landfills.
- **Introduced soft plastics recycling** in the Kamloops office.
- **Implemented the incineration for all end-of-life Scratch & Win tickets** as a means of disposal after being informed that shredded Scratch & Win ticket materials should not be disposed of in landfills.
- **We launched a re-usable smoothie cup program** by giving away 50 cups at each office, and discounting smoothie purchases by \$0.05 every time an employee brings their own cup to our café.
- **Brought back reusable utensils and dishes** (after switching to disposable during the pandemic) and we now provide fully recyclable take-away containers as well.
- **Reported — as a registered B.C. Environmental Product Steward — to Recycle BC, detailing paper sold** (i.e., as lottery Scratch & Win tickets) as well as other paper and packaging materials used. The fees paid through this extended producer responsibility program help fund downstream waste management and recycling programs.

WASTE BY DISPOSAL TYPE	Unit	2022 <sup>14</sup>	2021
LANDFILL	Tonnes	27.7	15.61
DIVERTED FROM LANDFILL	Tonnes	88.1	68.22
RECYCLABLE	Tonnes	79.2	59.71
COMPOSTABLE	Tonnes	2.5	3.46
E-WASTE (RECYCLED OR RESOLD)	Tonnes	6.4	5.05
DIVERSION RATE	%	76.1	81.38

## WASTE GENERATION

As our employees continue to work in hybrid realities, we have reduced furniture and other unused office materials (including personal employee items) at our offices. Whenever possible, we send office supplies and furniture to asset disposal for auction or extend their life by donating items to local charities, emergency services and nearby schools.

## PAPER CONSUMPTION

While our office paper consumption increased by 24 per cent compared to 2021, paper use remains at approximately 50 per cent of pre-pandemic numbers. The 2022 increase reflects more staff returning to our offices. Strategies to reduce paper consumption result in less waste, which is an effective component of waste management.

**Looking ahead, we aspire to advance our waste management efforts by developing and implementing our own waste guidelines for BCLC construction and renovation.**

<sup>14</sup>The diversion rate increased in 2022 due to more BCLC employees returning to office and waste disposal for remote employees.



## CIRCULAR INNOVATION

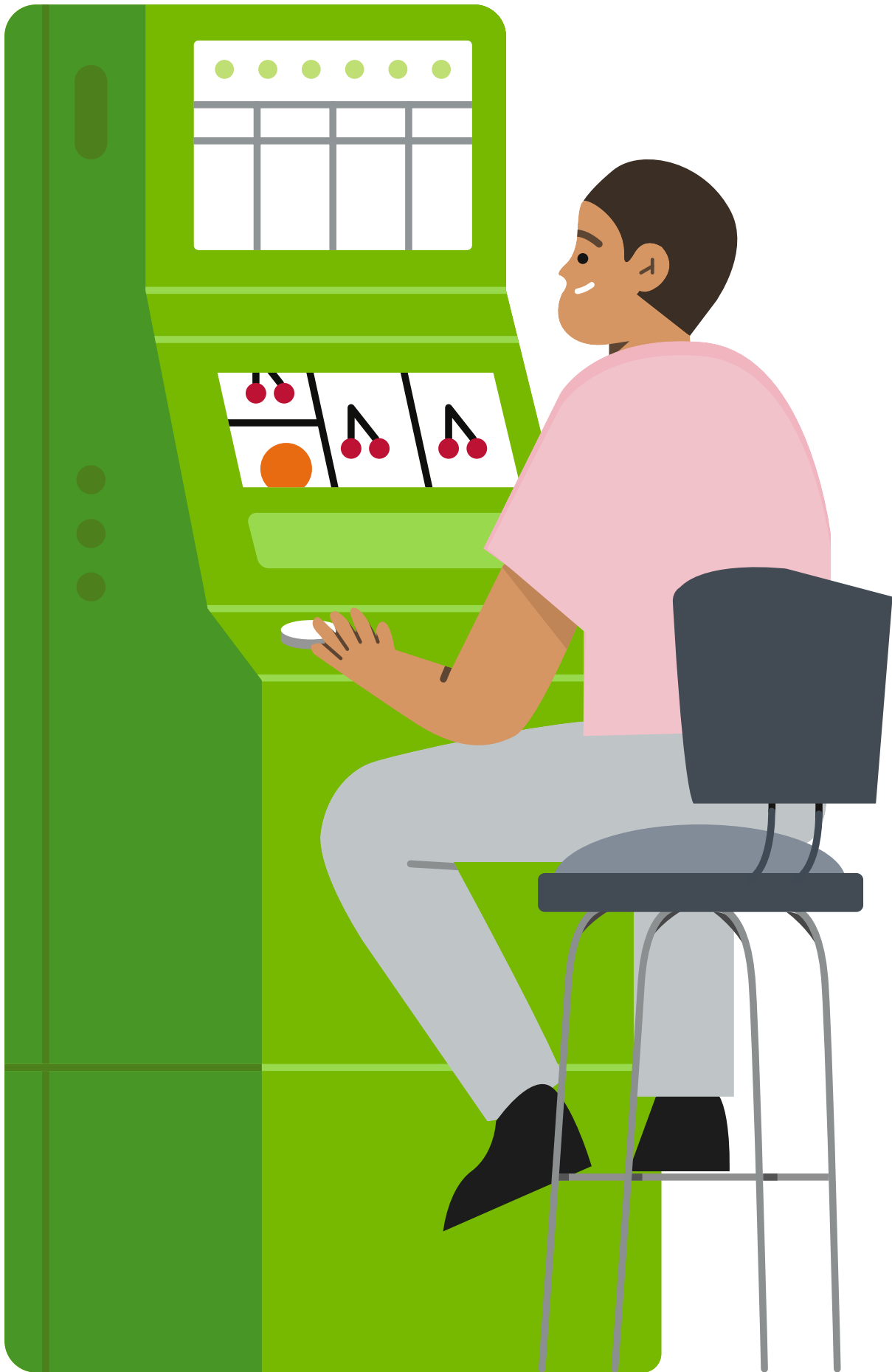
We are always exploring additional ways to extend the life of our electronic gaming devices (EGDs), such as slot machines.

For example, BCLC harvests useful slot machine components whenever possible. When EGDs are at their end of life, BCLC will trade the EGDs back to the originating vendor in exchange for purchase credits, our recycling partner will harvest required components for BCLC use, resell the EGDs to other jurisdictions on BCLC's behalf or breakdown and dispose in the most responsible way possible.

### Electronic gaming device end of life

	2022/23	2021/22	2020/21
SOLD	1,309	997	1,064
TRADED	143	132	0
RECYCLED	0	309	0

We continue to be open to new ideas from service providers, suppliers, employees and others to adopt circular practices and innovate.



## RESOURCE REDUCTION

We are reducing paper use within our offices and business centres by encouraging people to cut back on the number of posters and handouts required for events.

Instead, our teams optimize the number of posters printed per page, reducing blank space that would otherwise go unused. We are also beginning to explore recyclable replacements for foam core mounting boards for on-site signage.

We are exploring recyclable replacements for plastic courier mailers and bags used to distribute lottery products and corporate shipments. Early investigation shows that biodegradable materials may be harmful to birds and other wildlife that frequent landfill sites.

This past fiscal year, our Kamloops office began shipping end-of-life printer parts (such as toners and waste cartridges) directly back to a sole manufacturer for repurposing and recycling. This is improving our environmental footprint compared to our previous process of shipping parts from multiple brands to a recycling company in the United States.

4%

Target for food waste reduction in our Kamloops office.

Since launching this goal this past fiscal year, we are tracking in line with this target.





# Sustainable procurement

**Objective:** Exceed industry benchmarks for sustainable procurement.

We are using our purchasing power to influence broader, systemic change across our supply chain. BCLC’s sustainable procurement approach works to build capacity of procurement teams, develop a supplier engagement program and identify and address ESG supply chain risks.

BCLC has launched a Social Purpose and Sustainable Procurement Policy. It is intended to guide all employees and contractors on understanding and applying social purpose and sustainability when making purchases on behalf of BCLC. The Policy also provides guiding principles, such as considering sustainability-related impacts, prioritizing collaboration with existing suppliers to promote social purpose, sustainability and innovation across our supply chains, and aiming for continuous progress, as BCLC and our suppliers grow and learn in this space.

At BCLC, our Sustainable Procurement Policy has four pillars:

- 1

ENVIRONMENTAL
- 2

SOCIAL
- 3

ETHICAL
- 4

INDIGENOUS

Within each of these pillars, we are actively working to:

- **Review processes.**
- **Collaborate with underrecognized and equity-deserving groups** to identify barriers-to-entry.
- **Identify training opportunities** for our sourcing team.
- **Develop our supplier diversity program** and consider sustainability-related questions in the vendor selection process.
- **Advance social purpose with suppliers** to ensure alignment between BCLC’s objectives and the work being done in procurement with vendors.

We are delivering on this promise in different ways. For example, this year, we enhanced internal awareness by reviewing sustainability opportunities with our BCLC stakeholders. This included participating in workshops and training with both the British Columbia Social Procurement Initiative (BCSPI) and the Canadian Collaboration for Sustainable Procurement (CCSP). We have standardized a list of request for proposal (RFP) questions that align with BCLC’s ESG goals and implemented a minimum weight to these questions. Questions are reviewed by subject matter experts and additional questions are added based on the sourcing opportunity.



## SUPPLIER CODE OF CONDUCT

The BCLC Supplier Code of Conduct sets out the minimum standards for our suppliers and their subcontractors/suppliers to promote safe and healthy workplaces, basic fair labour practices and environmental responsibility.

This touches on the way we treat people (i.e., no forced labour, minimum employment age, non-discriminatory practices) and health/safety policies right through to what it means to be environmentally responsible.

Explore BCLC’s  
Supplier Code of Conduct



## SUPPLIER DIVERSITY PROGRAM

Working with diverse suppliers enriches our results and fosters a more inclusive marketplace overall.

At BCLC, we are diversifying our supplier network by gathering baseline information on existing suppliers and looking for new ways to collaborate with a more diverse supplier group. This insight allows us to compare baseline data, understand how many certified-diverse suppliers we work with currently and set targets to further develop our procurement practices. To continue building out this supplier diversity program, we have joined:

- Canadian Council for Aboriginal Business (CCAB).
- Canadian Aboriginal and Minority Supplier Council (CAMSC).
- Women Business Enterprises (WBE).
- Canada’s 2SLGBTQI+ Chamber of Commerce (CGLCC).

Since signing on with these organizations, our procurement teams have attended onboarding sessions and participated in supplier diversity programming.

Other ways we made progress include:

## EDUCATION

- Hosted “The Business Case for Net-Zero Procurement” round-table discussion as part of the CBSR Sustainable Procurement Fellowship session at the Globe Exchange Conference.
- Created an interactive, company-wide workshop to educate BCLC employees on incorporating social and sustainable considerations in daily buying decisions.

## STANDARDIZATION

- Added a standard list of social, environmental and Indigenous Reconciliation-focused questions to BCLC’s request for proposal (RFP) template.

## RELATIONSHIPS

- Attended an engagement session with the Tk’emlúps te Secwépemc First Nation and took further steps toward improving our relationship with Tk’emlúps Business Economic Development (TteSBED)'.

## PARTNERSHIPS

- Connected with four top-tier suppliers from BCLC’s Vendor Performance Management Program to communicate our ESG Framework and goals and develop collaborative plans around our sustainable supply chain objectives.

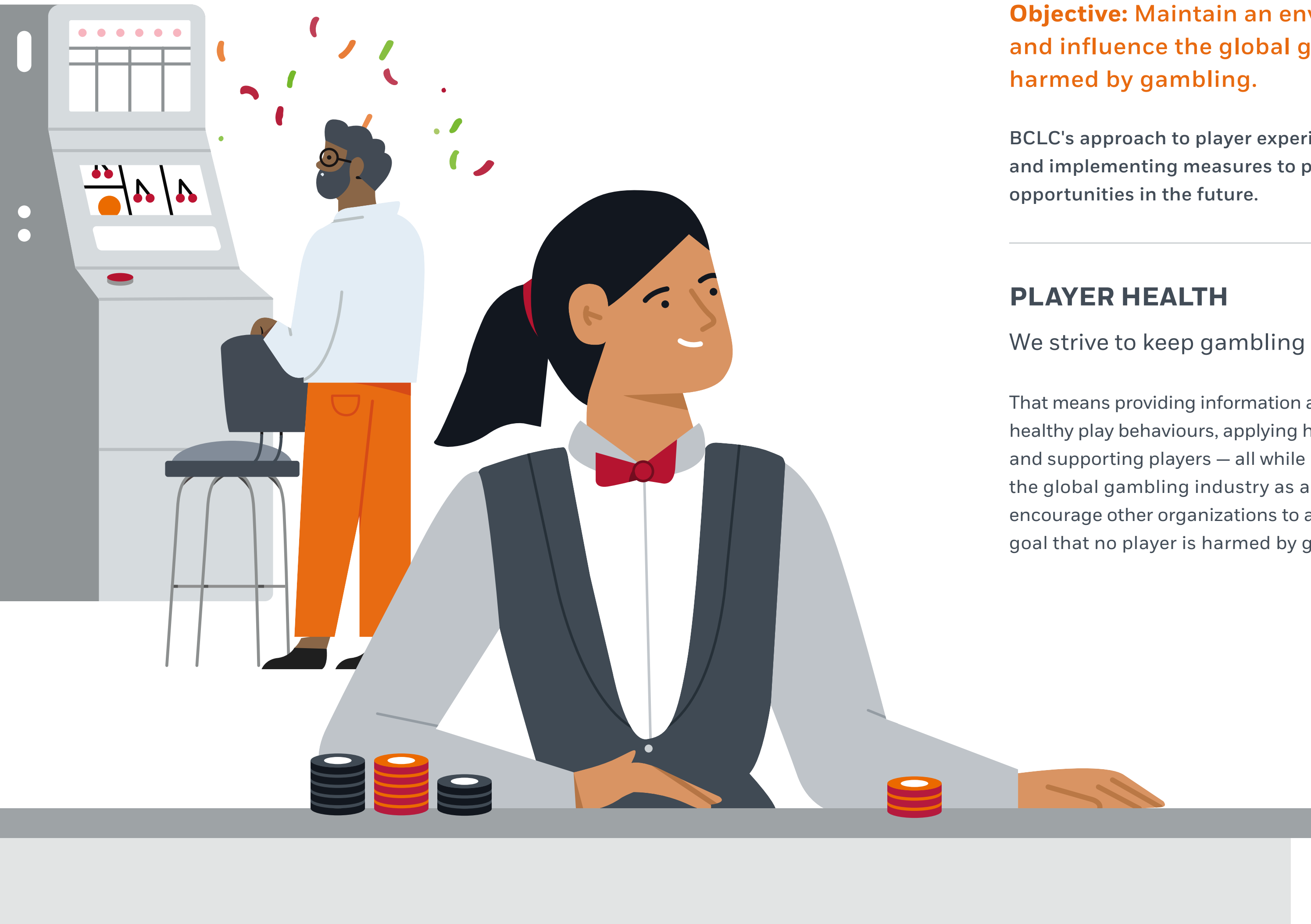


# Social

## Our goal is to create a positive social impact







# Player experience

**Objective:** Maintain an environment where our players gamble for the greater good and influence the global gambling industry to adopt our goal that no player is harmed by gambling.

BCLC's approach to player experience focuses on implementing a world leading player health strategy and implementing measures to protect players. We will also look to engage our players on social purpose opportunities in the future.

## PLAYER HEALTH

We strive to keep gambling fun and have the healthiest players in the world.

That means providing information and tools that support healthy play behaviours, applying high standards of care and supporting players — all while positively influencing the global gambling industry as a whole. We actively encourage other organizations to adopt our overarching goal that no player is harmed by gambling.

We have built our Player Health Framework around four key commitments:

1.  
Informed  
decisions
2.  
Positive  
play
3.  
Referral  
and support
4.  
Safer  
products and  
environments

Year over year, we invest in resources, programs and initiatives that align with our Player Health commitments, influence healthy play and support those experiencing problems associated with gambling.



### INFORMED DECISIONS

This year, we enhanced player protection on [PlayNow.com](#) by offering more tools to support informed decisions when gambling online. We also increased access to timely and effective information whenever players need assistance.

Since February 2023, all new PlayNow.com games that screen as high risk must communicate this information to players through clear, visible messaging. We successfully rolled this out across mobile and desktop casino games, as well as Keno.

### POSITIVE PLAY & SAFER PRODUCTS AND ENVIRONMENTS

Our new high-risk indicators (HRI) project uses player data to detect high-risk play behaviours. This intervention program spots high-risk behaviours and uses personalized emails to nudge players towards healthy play at key moments.

The new Player Health Strategy will continue to be centered around our four player health commitments (informed decisions, positive play, referral and support, safer products and environments) that help encourage healthy play while taking health-informed approaches to minimize harms that may be experienced from BCLC products.

At BCLC, we continue to innovate in new spaces recognizing that the gambling environment is quickly evolving and offering new opportunities for players to engage in with different products in different ways. The new strategy is moving us towards a more person-centered approach where understanding our players and their behaviours help us to implement strategies to support them in safer play. Recognizing that PGSI scores are higher for some products and some player groups, Keno and sports betting are an area of focus in the new strategy to better understand what drives potential problem gambling behaviours and developing and implementing strategies to mitigate these risks.

### REFERRAL AND SUPPORT

We have always focused on helping players take a break from gambling through our Voluntary Self-Exclusion (VSE) program, which launched over twenty years ago.

This year we re-conceptualized the program to Game Break. From the language used to various options for the length of breaks, Game Break reduces stigma and empowers players to make the right choices for themselves. We launched Game Break this year alongside a new active reinstatement process to offer players the choice, support and empowerment to decide their own path. The Game Plan online course (offered in English, simplified Chinese and Punjabi) encourages players to make a game plan for positive play once their Game Break ends.

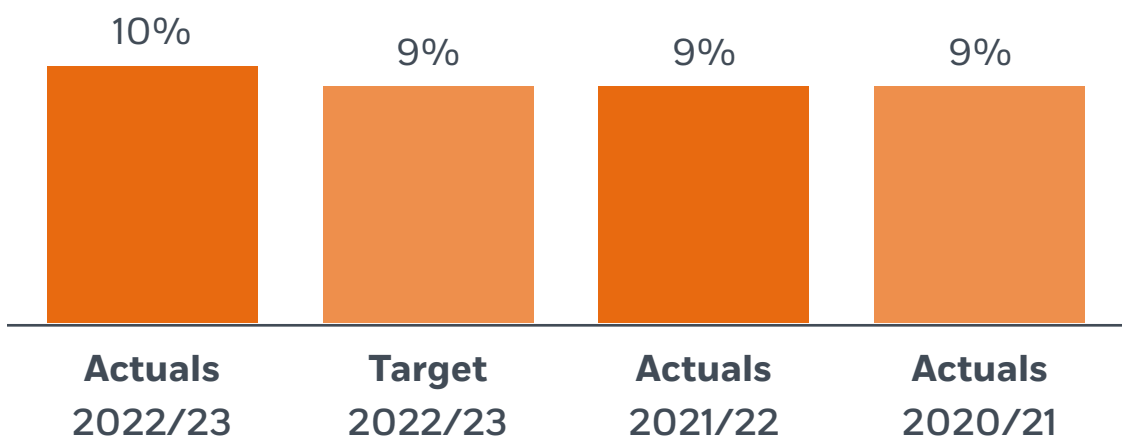
### PLAYER HEALTH PERFORMANCE DATA

We measure our comprehensive, evidence-based player health programs using the Problem Gambling Severity Index (PGSI).

### WHAT IS THE PGSI?

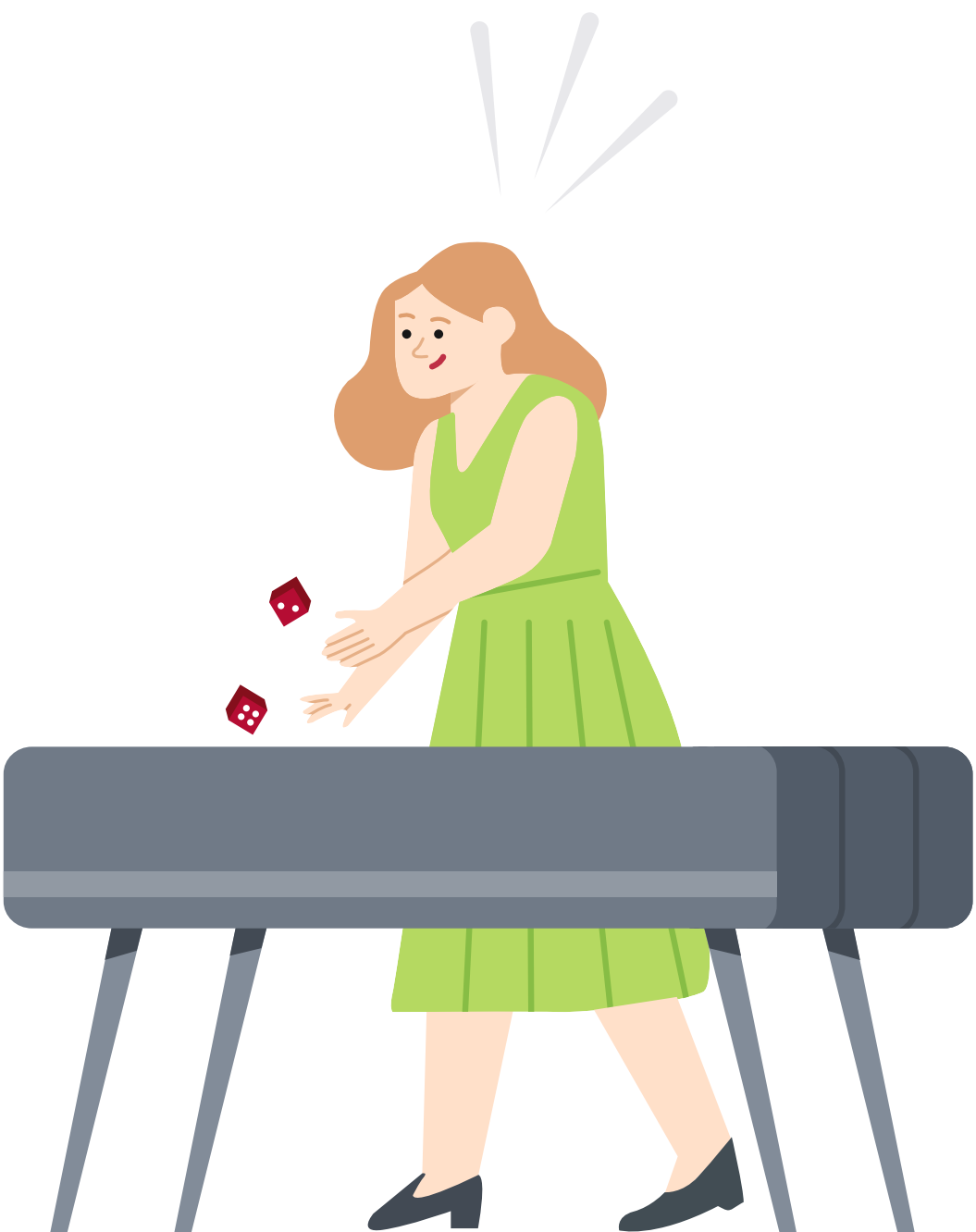
The PGSI is a self-reported, standardized measure of assessing high-risk gambling behaviours. This global tool is based on common signs and consequences of problematic gambling. It allows us to track progress and maintain focus and accountability while facilitating learning and monitoring the proportion of high-risk players in our player base.

### BY THE NUMBERS: 2022/2023 Players who scored as high risk on the PGSI Index



**This year, our PGSI score was one per cent higher than target.**

BCLC has noticed a gradual increase in the [PlayNow.com](#) scores throughout the year, which could be attributed to the increase in participation of core players with two of our highest PGSI products online – Keno and sports betting. We are focused on improving PGSI scores over the long term and are prioritizing this goal as we finalize our next Player Health Strategy to be adopted in 2023.





## PLAYER PRIVACY AND SECURITY

At BCLC, player privacy and security are two distinct – but equally important – priorities.

We invest continually in these areas to protect personal information through fair, accountable and accessible strategies. This includes the way we manage player data. All privacy and security complaints or requests submitted to BCLC are taken seriously and investigated. Looking forward, we will continue to invest in technology and resources to maintain high-level standards for player privacy and security.

### PRIVACY

Managing and providing recommendations on BCLC's collection, access, use, disclosure and disposal of personal information. This year, we:

- Carried out mandatory online privacy awareness training for all BCLC employees to support privacy best practices across the organization.
- Updated our Privacy Management and Accountability Policy to maintain compliance with *British Columbia's Freedom of Information and Protection of Privacy Act* (FIPPA).
  - **What is the goal?** BCLC's policy establishes requirements for managing personal information and protecting privacy in compliance with FIPPA, addressing the entire personal information lifecycle (collecting, viewing, using, disclosing or disposing of data).
  - **What is our approach?** After reviewing existing BCLC practices and analyzing their alignment with FIPPA, we strengthened our policy by being more prescriptive about information privacy roles and responsibilities.

Explore BCLC's Privacy Management and Accountability Policy:

EXPLORE THE POLICY

### SECURITY

Protecting all data, safeguarding player information from cyber attacks and keeping infrastructure secure. This year, we:

- Continued evolving our approach to protecting systems, networks, programs, devices and data to comprehensively safeguard player data and revenue from cyber attacks.







# Employee wellbeing

**Objective:** Maintain a workplace where our employees have meaningful work and healthy work lives.

BCLC's approach to employee wellbeing focuses on diversity, inclusion and belonging (DI&B), prioritizing employee health, safety and wellbeing initiatives and embedding social purpose into the employee life cycle to create meaningful work.

**This year, we were named one of BC’s Top Employers for the sixteenth year in a row.** We are proud to be recognized as an employer that leads in offering exceptional places to work. What stood out? Our remote workplace policy which empowers employees to complete their work at the location that works best for each employee, mental healthcare coverage benefit<sup>15</sup>, defined benefit pension plan and strong health benefit coverage and a diverse and inclusive workplace that enables each of our employees to thrive. These programs distinguished BCLC among the competition, telling us: we are on the right track. We will keep building on that momentum across every aspect of the working environment we create together, as we seek to generate win-wins for our people and strengthen the communities where we work and live.

## DIVERSITY, INCLUSION AND BELONGING

We have embraced diversity, inclusion and belonging to reflect the diversity of the communities we serve and maximize the potential of our workforce.

Prioritizing DI&B is a vital business practice; one that has elevated our collective thinking and is essential to attracting and retaining the best people. Our BCLC DI&B policy guides our day-to-day practices. It is built on four strategic pillars:

1.  
Inclusive culture and leadership
2.  
Employee experience
3.  
Barrier-free systems and processes
4.  
Community influence and engagement



<sup>15</sup>Up to \$3000 per year of coverage through the BCLC Flexible Benefits plan for appointments with a variety of psychological/mental health practitioners.



### INCLUSIVE CULTURE AND LEADERSHIP

Regular training helps our leaders understand diverse perspectives, learning methods and means of co-creating work and innovating by involving inspiring employees.

This year, we introduced mandatory Board and executive leadership training on

## Indigenous Reconciliation,

in partnership with the  
First Nations University of Canada.

This training builds understanding of how to foster positive relationships with Indigenous rights holders and provides information on working effectively and respectfully with them.



### EMPLOYEE EXPERIENCE

We are always exploring ways to evolve the employee experience in line with our people's needs and goals. To continue improving employee experience, we:

- **Addressed systemic barriers** by enabling our employees to use their chosen name across multiple key systems within our organization. All our employees can now select the name (different from their legal first name) they wish to be known by. This is gender affirming for 2SLGBTQIA+ employees.
- **Approved the implementation of an inclusive holiday policy** to enable employees to substitute statutory holidays for days off on days of personal significance, as per the *B.C. Employment Standards Act* (section 48).
- **Launched an inclusive hiring initiative** focused on diverse recruitment and retention, as well as proactive outreach to diverse candidate pools. This year we also created a specialist position to support recruitment efforts among diverse communities.
- **Created the BCLC Indigenous and Allies Employee Resource Group** as part of our commitment to improve Indigenous Relations.
- **Created the BCLC Accessibility Employee Resource Group** to strengthen inclusion through the application of accessibility best practices.
- **Delivered a “Finding Your Personal Purpose” workshop** to help employees better understand how their work connects to BCLC's social purpose if generating win-wins for the social goods, and the ways our ESG goals and objectives support that purpose.
- **Conducted a workplace audit** as a first step toward implementing the National Standard for Psychological Health and Safety in the Workplace. Next, we will implement the resulting recommendations, which include integrating psychological health and safety (PH&S) into BCLC policies and training programs.
- **Provided planning and financial resources** for employee-led committees, programs and activities which support DI&B, including the:
  - DI&B Committee
  - PRIDE
  - Mental Health Ambassadors
  - Wellness Committee
  - AIM Committee (Acts of Kindness, Inspiration and Mentorship, which supports those in the workplace who identify as a woman)





BARRIER-FREE SYSTEMS AND PROCESSES

Inclusion of employees with different abilities is top of mind at BCLC. To evolve our barrier-free systems and processes, we:

- **Hosted workshops on developing organizational accessibility plan**, with guidance from the Accessibility Employee Resource Group and Disability Alliance BC. The plan will guide our investments to eliminate barriers and improve inclusion across BCLC.
- **Joined the Community of Accessible Employers network and undertook the Pledge to Measure for disability inclusion in our workplace.** This initiative will inform our accessibility programs, policies and practices for years to come.
- **Completed the Rick Hansen Accessibility Audit** of our offices in Kamloops and Vancouver. Using anonymous surveys, we gathered insight into the ways our employees experience inclusion and respect. Now, we are exploring potential processes that would provide external verification of Reconciliation progress across accessibility efforts.

COMMUNITY INFLUENCE AND ENGAGEMENT

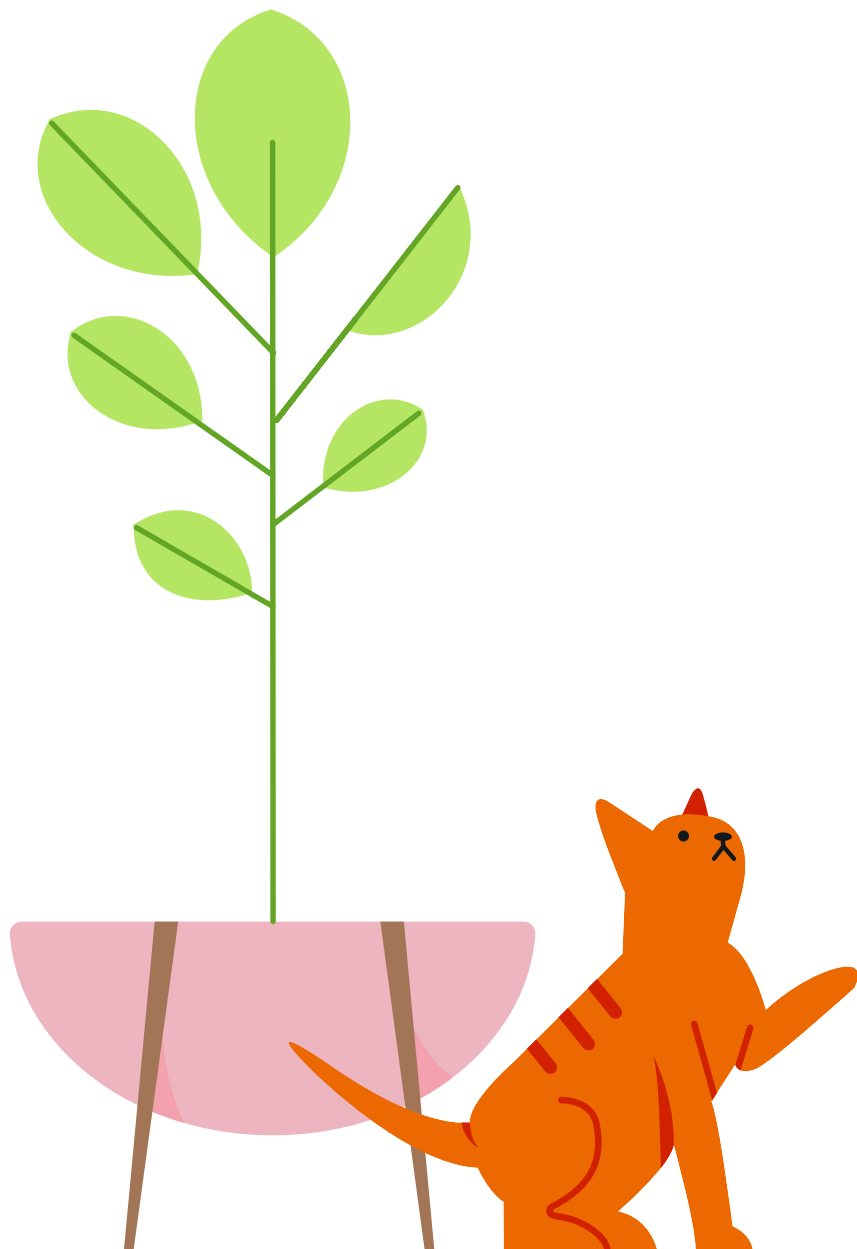
We create opportunities, channels and networks that empower our employees to support our social purpose and make a difference in the community. To grow our community influence and engagement, we:

- **Created an all-Crown corporation Accessibility, Diversity and Inclusion Dialogue Network.** We chair this network of 45 members from 25 Crown corporations and organize regular meetings every six weeks.
- **Led the first-ever all-Crown corporation accessibility, diversity and inclusion conference in 2022.** We conceptualized, organized and hosted this in-person and virtual event, which was attended by 140 participants from 25 Crown corporations across B.C., and coincided with provincial multiculturalism week.
- **Focused on targeted outreach and engagement** by attending job fairs and events focused on women, immigrants, Indigenous Peoples and students. We also designed and launched a new internship program for co-op and newly graduated students to develop skills and make the leap from university to full-time employment.
- **Signed an agreement to hire Indigenous interns** into our business technology division.
- **Recognized the second annual National Day for Truth and Reconciliation** by organizing a learning opportunity to amplify employee understanding of Indigenous culture, heritage and history.
- **Incorporated DI&B into the reporting templates** of annual business plan reports from all gaming facilities.
- **Hosted learning events to mark Black History Month** with external guest speakers.



## EMPLOYEE HEALTH, SAFETY AND WELLBEING

As a first step toward implementing components of the National Standard of Canada for Psychological Health and Safety in the Workplace, our advisory team has conducted a workplace review. We have also implemented a health and wellness strategy that supports social, career, physical, mental and financial wellness.



## LEARNING AND DEVELOPMENT

To support employee learning, we launched our BCLC Leadership Academy for senior leaders and directors. This will help our leaders develop new skills and strategies for leading through transformational change. Programming also encompasses an engaged and integrated approach to leadership development.

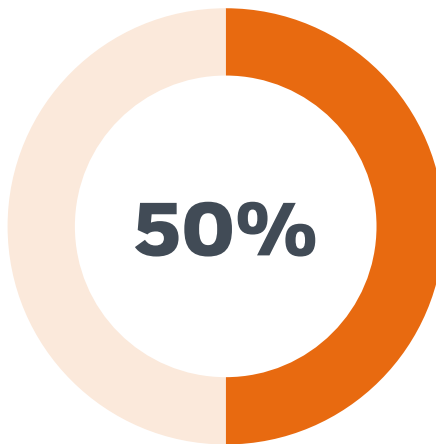


of our employees have **completed requisite training** in line with the Public Interest Disclosure Act (PIDA) implemented on December 1, 2022.

This learning ensures current and former BCLC employees have a safe, legally protected manner of reporting serious or systemic incidences of wrongdoing. We are also integrating this program into BCLC onboarding to make sure new employees complete the training, too.

## MEANINGFUL EXPERIENCE

We are weaving our social purpose into events at every stage of the employee lifecycle, to create win-wins throughout the BCLC journey. From including social purpose and DI&B commitments within job postings to adding questions about values to our interview process: we are creating additional ways for people to understand and embrace our social purpose — from day one.



of BCLC leaders with people oversight responsibilities **took part in a three-part hybrid leadership learning series** over the last year, gaining new strategies for building a connective and productive workforce.

These opportunities will continue to support people leaders and employees work collaboratively and enhance meaningful moments in a hybrid work environment.

## WORKING REMOTELY

At BCLC, our remote working program continues to offer eligible employees a chance to work in a hybrid environment from anywhere in B.C. We continue to evolve the program in line with emerging best practices to support the employee experience.





# Community impact

**Objective:** Deepen our connection, commitment and support for B.C.’s communities, positioning BCLC as a stronger force for good.

From our beginnings we have generated revenues that build and benefit communities<sup>16</sup>.



## PRIZES

Every year, people from all over B.C. win hundreds of millions of dollars in lottery prizes – from tickets to jackpots worth millions of dollars. During this past year, the people from B.C. won **\$912 million** in lottery prizes.



We have a long-term strategic intent to “**revolutionize gambling entertainment through engaging experiences that build and benefit communities,**” putting us on a path to generate even greater impact in the years ahead.

## PAYMENTS, SALARIES AND OTHER OPERATING EXPENSES

Through normal course of operations, our business expenses have both direct and indirect economic benefits. For example, this year **\$771.3 million<sup>17</sup>** was paid in commission fees to lottery retailers and service providers and we paid **\$151.4 million<sup>18</sup>** to BCLC employee salaries and benefits. These all have ripple effects in the local economies where we operate and where our employees live and work in the province.

## \$1.62 BILLION INCOME GENERATED FOR THE PROVINCE OF B.C. (which it allocates as follows)

### \$1.11 billion

#### Health care, education and consolidated revenue

Government allocates BCLC’s net income to health care, education and other important programs and services.

### \$147.2 million

#### Provincial Health Special Account

To support health initiatives, including new hospitals, facility upgrades and community health programs.

### \$139.8 million

#### Community Gaming Grants

Net income generated by BCLC goes back to the province of B.C. to support not-for-profit organizations through its Community Gaming Grants program.

### \$113.6 million

#### B.C. First Nations Gaming Revenue Sharing Limited Partnership

The Province of B.C. shares seven per cent of BCLC’s net income (net of payments to the federal government) with First Nations through the BC First Nations Gaming Revenue Sharing Limited Partnership.

### \$100.8 million

#### Host local government payments

Net income generated goes back to B.C. communities that host gaming facilities to help fund important services, benefitting communities in numerous ways.

### \$4.5 million

#### Provincial responsible gambling programs

Public awareness and education, treatment and prevention, research, training, evaluation and policy development.

### \$3 million

#### Joint Illegal Gaming Investigation Team (JIGIT)

To fund the policy and the Gaming Policy and Enforcement Branch investigative team to maintain the integrity of the public gambling in B.C.

<sup>16</sup>For the detailed breakdown of gaming revenues, net income, and expenses, please refer to the Financial Section.

<sup>17</sup>This amount is comprised of payments to lottery retailers and casino service providers. While they may have operations outside of BC these payments are made for operations within the province.

<sup>18</sup>This amount includes payments to BCLC employees and contractors both within and outside of BC. This also includes the costs of benefits including those paid outside of BC, such as employer CPP and EI premiums.



## COMMUNITY IMPACT STORIES

### DAWSON CREEK

In 2022, the City of Dawson Creek allocated its share of provincial gambling revenue for hosting Chances Dawson Creek to a range of community initiatives. Several community organizations received grant funding, including Step Up & Ride, Dawson Creek Art Gallery and Mile 0 Park Society.

Additionally, \$144,190 went to support the annual Dawson Creek Agricultural Fair, Rodeo & Exhibition in 2022. Over 30,000 visitors attended the event which featured professional rodeo events, chuckwagon races, food trucks, amusements and rides, concerts and a midway. This was the event’s hundredth anniversary, drawing visitors from all over Peace Country, Northern Alberta and beyond.

### ABBOTSFORD

The City of Abbotsford used a portion of its share of provincial gambling revenue generated at Chances Abbotsford to support various community initiatives, including grants for special community events. Nearly \$100,000 in funding was distributed among seven organizations to host local community events, such as the Abbotsford International Airshow, Sikh Nagar Kirtan Procession, Symphony in the Park, Winter Jubilee and the Abbotsford Agrifair.

Additionally, Abbotsford’s Neighbourhood Spirit Grants program, which funds small-scale projects that foster connection between local residents, received \$15,000 to help build and strengthen communities. In 2022, these grants funded block parties, community gardens and other fun events like fitness sessions in the park.

### VERNON

In 2022, the City of Vernon allocated over \$1.4 million of provincial gambling revenue for hosting Lake City Casino Vernon to a range of community initiatives. Grant funding was provided to O’Keefe Ranch and Heritage Society, a local tourist attraction.

Additionally, gambling revenues were invested in the construction of the BX Creek Sediment Pond project for flood mitigation, new flood plain mapping and various other infrastructure projects.

The City also supported the BC Winter Games with these funds. The event, which was postponed to early 2023, hosted more than 1,800 athletes who participated in 17 sport competitions.

### CAMPBELL RIVER

In 2022, the City of Campbell River allocated its share of provincial gambling revenue from hosting Chances Campbell River to a variety of community programs. \$80,000 helped fund CR Live Streets, which hosted six major family events and concerts, along with

other downtown activations. One example is ‘A Night Out Downtown,’ a celebration of the city’s downtown business district, where visitors enjoyed music, live comedy, food and special discounts. Attendees were encouraged to pick up a passport which they could then have stamped by various merchants to earn entries for prizes.

Additional funds supported initiatives such as warming shelters, Q̓w̓alayu House and the Wounded Warrior Run. Wild Wise Campbell River also received funding in an effort to reduce human-wildlife conflicts in the area.

### NORTH VANCOUVER

The Lynn Valley Lions Club has played a pivotal role in supporting its community over the years, in part thanks to BCLC players and the Province of B.C.’s community Gaming Grants program.

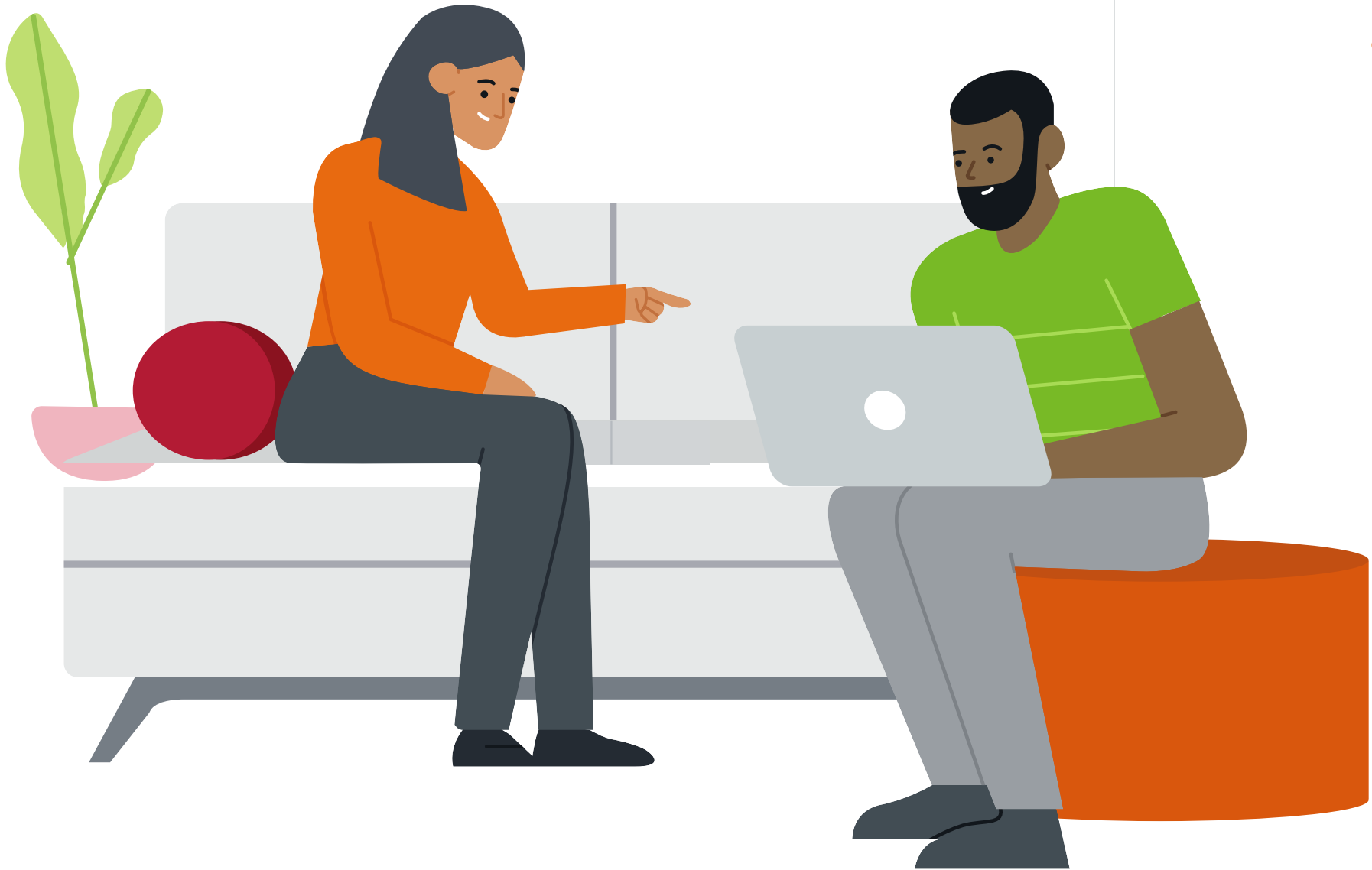
Since 2007, the Club has redistributed \$435,000 in Community Gaming Grants into the local community to benefit many not-for-profit organizations, including local food banks, arts programs and disability assistance programs.

Each year, municipal and First Nation governments in B.C. that host a **gambling facility** receive a 10 per cent share of net gambling income generated at those facilities.



This year, BCLC began building a Community Ticketing Program with corporate partners throughout B.C.

The program goal is to create access to sports and arts and culture events for those who might not otherwise have the opportunity to attend by providing charities and not-for-profits the opportunity to apply for tickets. The pilot program is underway in Kamloops and Vancouver, providing people with the chance to attend events and explore interests — and potentially inspiring the next generation of music lovers or sports fans. Current program partners include the Kamloops Symphony, Western Canada Theatre, Kamloops Film Festival, Vancouver Jazz Festival and the Vancouver Whitecaps FC.



## CRIME AND ANTI-MONEY LAUNDERING

As an organization responsible for conducting and managing commercial gambling in B.C., we are committed to safeguarding the industry against criminal activity and money laundering.

As a reporting entity for the casino sector, we ensure that BCLC complies with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) through robust, province-wide programs. Expansive anti-money laundering (AML) policies and processes help us take action when we detect criminal activity in and around casinos, or on [PlayNow.com](#). To reinforce these efforts, we:

- **Continued training all employees through mandatory AML compliance learning** as part of their onboarding. We refresh these programs regularly to reflect any new AML requirements.
- **Engaged an external consultant to carry out a third-party AML assessment in 2022.** The audit covered our physical and online gambling operations and identified seven documentation and recordkeeping obligations that required attention. We have since taken action on each of those areas.
- **Worked with government to begin addressing the Cullen Commission findings.** In May 2019, the B.C. government announced the Commission of Inquiry into Money Laundering in British Columbia. Hearings spanned two years, with Commissioner Austin Cullen’s final report released in May 2022. BCLC is supporting the government’s work to respond to the four recommendations for the gambling sector.
- **Collaborate with law enforcement and the provincial regulator to ensure criminal threats are identified,** reported, and appropriately addressed while ensuring any risks to BCLC are mitigated.
- **Procured a new AML transaction monitoring system through Everi Compliance.** We know that bad actors are continuously adapting strategies and approaches. We are piloting this system at a large, lower mainland casino prior to the province-wide rollout. The system will help to further close gaps and meet federally legislated AML compliance requirements (such as reporting timelines, ongoing monitoring requirements and anticipated future regulatory and business needs).



## Governance

Our goal is to  
govern in the  
public interest





# Improve Indigenous Relations

**Objective:** Decolonize BCLC's operations and fostering equitable relationships.

Our approach focuses on relationships, employee knowledge and revenue sharing.

## RELATIONSHIPS AND EMPLOYEE KNOWLEDGE

We are establishing a clear and sustainable path to lasting and meaningful Reconciliation with Indigenous Peoples.

Since becoming law in November 2019, we have worked to understand the *Declaration of the Rights of Indigenous Peoples Act* – which establishes the United Nations Declaration on the Rights of Indigenous Peoples as B.C.'s framework for Reconciliation. Building on that foundation, we continuously evaluate and align BCLC policies, programs and communications to support this priority. We are diligently and thoughtfully building relationships that foster cooperation and collaboration between BCLC, Indigenous communities and non-Indigenous stakeholders.

BCLC also participates in the BC First Nations Gaming Revenue Sharing Limited Partnership, sharing seven per cent of BCLC's net income (net of payments to the federal government) with First Nations in order to access a stable, long-term source of funding to invest

in their communities' priorities. Since the initiation of this partnership, approximately \$328 million has been transferred.

We partnered with the First Nations University of Canada to create this educational programming for all our BCLC people across the organization." The training is called '4 Seasons of Reconciliation' and covers:

- The history and culture of Indigenous Peoples with an emphasis on the impact of colonialism.
- The realities of the residential school system in Canada.
- United Nations Declaration on the Rights of Indigenous Peoples: A Global Solution & Framework.
- Reconciliation and Restitution.

We have also hired a dedicated resource in a new role within BCLC. The Senior Manager, Indigenous Relations is responsible for:

- Establishing a clear and sustainable path to lasting Reconciliation with Indigenous Peoples and understand what the provincial governments unanimous passage of the Declaration of the Rights of *Indigenous Peoples Act* means for BCLC.
- Implementing and aligning Indigenous policies, programs and communications across BCLC.
- Building relationships, consulting and collaborating with Indigenous communities, and non-Indigenous stakeholders.

1,200 employees

participated in mandatory training this year, focused on

Indigenous history and culture





# Industry influence

**Objective:** Leverage our influence, reach and scale to inspire the global gambling industry to become a force for good.

## INDUSTRY STANDARDS

BCLC actively participated in creating the Canadian Purpose Economy Project.

What's the vision? Ensure that 30 per cent of Canadian businesses have a social purpose, are implementing it and collaborate with others to achieve it. To contribute to that vision, BCLC commissioned a paper on how risk and internal audit change in a social purpose company.

BCLC also advised a number of service providers in other gambling jurisdictions on ESG, with a goal to move towards a common ESG standard for the industry.

We are dedicated to working across our industry to support player health innovation, insight and industry thought leadership. Contributing our strategies — and learning from others — helps us make progress against our goal of having the healthiest players in the world. It also reinforces progress against our social purpose of generating win wins for the greater good.

We also ran smaller, focused sessions throughout the year, providing subject matter experts with opportunities to present a variety of curated content.

Through these collaborative player health initiatives, we sparked progress by:

- Sharing ideas and best practices
- Driving critical conversations
- Advancing knowledge





## DISCOVERING AND SHARING BEST PRACTICES

To seek and share best player health practices, and amplify our impact, BCLC has built a program to promote open-source sharing of research and learning. This includes thought leadership papers which encourage knowledge sharing within the industry.



## THE WORLD LOTTERY SUMMIT 2022 (WLS)

In October 2022, BCLC hosted this five day event in Vancouver in collaboration with the North American Association of State and Provincial Lotteries (NASPL) and the World Lottery Association (WLA). The conference facilitated engagement among over 1,200 delegates and 300 global suppliers, fostering discussions and networking focused on cutting-edge lottery innovations and sharing best practices. As the host jurisdiction, BCLC further solidified its stature as an industry leader and force for good.

This global event took place at the Vancouver Convention Centre, recognized as the world's first double LEED Platinum certified convention centre. Under BCLC's leadership, the 2022 summit achieved the distinction of being the most environmentally sustainable WLS conference in the history of the organization.

The amalgamation of international expertise, progressive initiatives and sustainable practices showcased during the WLS 2022 conference highlights the commitment of BCLC and its partners to inspire change and drive meaningful advancement within the global lottery landscape. With approximately 151 lottery jurisdictions in attendance, the event provided a unique opportunity to drive innovation, bring sustainability to the forefront of the discussion and highlight the positive impact of the lottery industry as a whole.

# Indigenous Peoples and stakeholder accountability

**Objective: Build transformational relationships with Indigenous Peoples and stakeholders and embed ESG across the business.**

BCLC's approach prioritizes stakeholder governance, integrates ESG risks into the business and establishes transparency and accountability.

## INDIGENOUS AND STAKEHOLDER GOVERNANCE

The BCLC Stakeholder Governance Framework sets the governance framework for our approach to stakeholder engagement and collaboration, enabling the Board with necessary oversight to fulfill its duties and responsibilities.

Indigenous Peoples are rights holders — not stakeholders. As rights holders, we consider them separately within our broader governance context rather than within our Stakeholder Governance Framework. Our relationships with Indigenous Peoples remain paramount and we want to ensure our efforts to support Indigenous Reconciliation, decolonize BCLC's operations and foster equitable relationships are making an impact.

## TRANSPARENCY AND ACCOUNTABILITY

The landscape of ESG reporting is highly dynamic.

BCLC is closely monitoring the global convergence of major reporting frameworks and standards as we refine our own reporting moving forward.





# Financial review



## FINANCIAL SUMMARY

BCLC generated a record net income of \$1,636 million for fiscal year 2022/23, surpassing the pre-pandemic record net income of \$1,415 million set in fiscal year 2018/19. \$1,624 million was delivered to the Province of B.C. and \$12 million to the federal government, from total revenue of \$2,957 million.

Of the current year's net income, \$1,624 million was distributed to the Province of B.C. to benefit British Columbians and create value through investments in programs and services such as education, health care, communities and culture. Income was also distributed through a revenue sharing agreement with First Nations and financial sharing agreements with Indigenous or municipal governments that host casinos or community gaming centres.

(\$M) <sup>19</sup>	2022/23 BUDGET	2022/23 ACTUAL	2022/23 VARIANCE <sup>20</sup>	2021/22 ACTUAL
TOTAL REVENUE	2,761	2,957	196	2,362
EXPENSES				
DIRECT COSTS	825	882	(57)	658
GAMING SUPPORT COSTS	65	64	1	54
OPERATING COSTS	244	229	15	200
AMORTIZATION AND OTHER	94	75	19	79
TOTAL EXPENSES	1,228	1,250	(22)	991
NET INCOME BEFORE TAXES	1,533	1,707	174	1,371
INDIRECT TAX	81	71	10	57
NET INCOME	1,452	1,636	184	1,314

<sup>19</sup>Financial information was prepared based on current International Financial Reporting Standards.

<sup>20</sup>Favourable (unfavourable) variance vs 2022/23 Budget.



## VARIANCE AND TREND ANALYSIS SUMMARY

In 2022/23, we generated **\$2,957 million in revenue**, representing a 25 per cent increase from last year and a seven per cent favourable variance to budget. The increase over prior year is due to a full year of activities at our casinos and community gaming facilities versus only nine months the previous year due to restrictions related to COVID-19. The variance from budget was driven by the casino and community gaming operations which saw a stronger return to pre-pandemic levels of play than forecasted.

**Our direct costs**, which vary with revenue, include commissions paid to private-sector gambling facility service providers, lottery retailers and revenue share payments to PlayNow.com gaming content providers. In 2022/23, actual costs increased by 34 per cent from the previous year, seven per cent higher than our budget – in line with increased revenues.

**Our gaming support costs** are largely for gaming systems maintenance and upkeep and, therefore, do not vary significantly with gaming activity. In 2022/23, they increased 19 per cent from the prior year, a two per cent favourable variance to budget, due to increased cloud service costs, and one-time project costs for hosting infrastructure updates and Lotto 6/49 game enhancements.

**Our operating costs** are made up of items such as salaries and benefits, marketing and advertising, professional fees, cost of premises and equipment. This year, our operating costs increased 15 per cent over last year, a six per cent favourable variance to budget. The increase was due to higher salaries to compensate for

inflation and benefits costs partially offset by reduced pension expense, increased consulting costs in support of the development of the company's new strategic plan and other initiatives. We also invested in sports marketing and sponsorship; and increased corporate software purchases. The variance from budget is attributed to salaries and benefits due to a lower pension expense than anticipated. Additionally, supply chain impacts resulted in project delays and, therefore, shifted spending for contract labour and equipment costs into future periods.

**Our amortization and other costs** relate primarily to depreciation of property and equipment, amortization of software costs, interest income, financing costs and other miscellaneous items. This year, costs are five per cent lower than last year, representing a 20 per cent favourable variance to budget. The decrease from prior year and variance to budget is primarily due to BCLC's share of the Interprovincial Lottery Corporation's (ILC) operating surplus, and a reduction in post-retirement benefits costs arising from the most recent valuation.

**Indirect tax** represents Goods and Services Tax (GST) as prescribed under the Games of Chance (GST/HST) *Regulations of the Excise Tax Act (Canada)*, and Provincial Sales Tax paid on purchases as prescribed under the *Provincial Sales Tax Act*. 2022/23 actuals are 25 per cent higher than the prior year, a 12 per cent favourable variance from budget. The increase from prior year is in line with the overall increase in expenses. The variance to budget is in line with the favourable variance in gaming support costs, operating costs, amortization and other costs, partially offset by the unfavourable variance in direct costs (a large portion of which are taxed at a lower rate).





# Appendix



## PERFORMANCE DATA

Nd represents data not previously disclosed.

### CLIMATE CHANGE

	UNIT	2022	2021	2020
EMISSIONS				
SCOPE 1	tCO <sub>2</sub> e	796	734	734
DIRECT FUEL COMBUSTION	tCO <sub>2</sub> e	766	719	710
MOBILE ENERGY USE	tCO <sub>2</sub> e	30	15	24
FUGITIVE EMISSIONS	tCO <sub>2</sub> e	0	0	0
SCOPE 2	tCO <sub>2</sub> e	72	63	264
SCOPE 3 – OFFICE PAPER <sup>21</sup>	tCO <sub>2</sub> e	13	10	8
TOTAL EMISSIONS <sup>22</sup>	tCO <sub>2</sub> e	881	807 <sup>23</sup>	1,006
ACTIVITY DATA FOR SIGNIFICANT EMISSION SOURCES				
NATURAL GAS	GJ	15,296	14,256 <sup>23</sup>	14,116
ELECTRICITY	GJ	22,500	23,373	23,655
FLEET GAS	L	16,874	7,678 <sup>23</sup>	11,081
OFFICE PAPER	PKG	1,990	1,609	1,234
BUILDING ENERGY PERFORMANCE INDEX (BEPI)				
KAMLOOPS	ekWh/ft2	63	63	Nd
VANCOUVER	ekWh/ft2	12	12	Nd
BUILDING CERTIFICATIONS				
LEED	No.	1	1	Nd
BOMA	No.	0	0	Nd
PASSIVE HOUSE	No.	0	0	Nd
VEHICLE REPLACEMENT PLAN				
TOTAL NUMBER OF VEHICLES IN BCLC FLEET	No.	13	13	Nd
ELECTRIC VEHICLES	No.	2	-	Nd
LOW-EMISSION VEHICLES (HYBRID)	No.	3	2	Nd

Data covering climate change covers the calendar year, consistent with reporting requirements from the government.

<sup>21</sup>Emissions from office paper have been separated from Scope 1 and Scope 2 emissions as this is included in BCLC’s Scope 3 Category 1: Purchased goods and services emissions.

<sup>22</sup>Scope 1 includes direct fuel consumption, mobile energy use and fugitive emissions. Scope 2 includes purchased energy only. Emissions from office paper have been separated from Scope 1 and 2 emissions as this is included in BCLC’s Scope 3 Category 1: purchased goods and services emissions. For details see [BCLC’s 2022 Climate Change Accountability Report](#).

<sup>23</sup>2021 total emissions, fleet gas and natural gas has been restated due to change in measurement methodologies.



CIRCULAR ECONOMY

	UNIT	2022	2021	2020
WASTE GENERATED				
TOTAL WASTE GENERATED	Tonnes	115.8	83.83	Nd
WASTE BY DISPOSAL TYPE				
LANDFILL	Tonnes	27.7	15.61	Nd
DIVERTED FROM LANDFILL	Tonnes	88.1	68.22	Nd
RECYCLABLE	Tonnes	79.2	59.71	Nd
COMPOSTABLE	Tonne	2.5	3.46	Nd
E-WASTE (RECYCLED OR RE-SOLD)	Tonnes	6.4	5.05	Nd
DIVERSION RATE	%	76.1	81.38	Nd

END-OF-LIFE ELECTRONIC GAMING DEVICES	UNIT	2022/23	2021/22	2020/21
SOLD	No.	1309	997	1064
TRADED	No.	143	132	0
RECYCLED	No.	0	309	0

SUSTAINABLE PROCUREMENT

	UNIT	2022/23	2021/22	2020/21
PERCENTAGE OF SOURCING TEAM STAFF WHO RECEIVE TRAINING ON SUSTAINABLE PROCUREMENT POLICY AND ESG CRITERIA	%	100	100	Nd
PERCENTAGE OF SOURCING EVENTS (RFX) THAT HAVE INCLUDED SUSTAINABLE CRITERIA	%	75	87	Nd
PERCENTAGE OF SOURCING EVENTS (RFX) THAT HAVE SCORED ABOVE AVERAGE ON SUSTAINABLE CRITERIA (WHERE SUSTAINABILITY CRITERIA WAS INCLUDED)	%	100	92	Nd
AVERAGE WEIGHT APPLIED TO SUSTAINABLE CRITERIA	%	7	6.8	Nd

Data covering circular economy covers the calendar year (January - December), consistent with reporting requirements from the government, with the exception of the end of life electronic gaming devices data, which follows the fiscal year.

Circular economy data covers both our Kamloops headquarters and Vancouver offices and their associated wastes.

BCLC engages with authorized business partners to dispose recyclable, compostable and electronic waste. For the Vancouver office, the property management company manages all waste disposal, which is collected and transported to a universal collection point within the building complex. Figures in the table above are based on amounts procured by material type and their ability to be recycled, composted, etc. Landfill is defined as materials that cannot be reused, recycled or recovered; recyclable is defined as plastic, cardboard, glass, metallic packaging, paper, etc.; compostable is defined as organic materials such as food scraps and yard waste; and e-waste covers electronic devices such as desktops, monitors, notebooks, printers, servers, phones, etc.

Data covering sustainable procurement covers the fiscal year.



PLAYER HEALTH

	UNIT	2022/23	2021/22	2020/21
PERCENTAGE OF BCLC PLAYERS WHO SCORED AS HIGH RISK ON THE PROBLEM GAMING SEVERITY INDEX (PGSI) <sup>24</sup>	%	10	9	9

Data covering player health covers the fiscal year.

<sup>24</sup>Continuous tracking survey conducted online by a third-party research professional. Study uses market research industry standard techniques to randomize the sample while retaining gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada’s Census. To qualify for these measures, a respondent will need to have played at least one BCLC game in the past year.

EMPLOYEE WELLBEING

	UNIT	2022/23	2021/22	2020/21
DIVERSITY, INCLUSION AND BELONGING (DI&B)				
EMPLOYEE SENSE OF BELONGING, AS INDICATED BY SURVEY DATA <sup>25</sup>	%	88	78	81
EMPLOYEE HEALTH, SAFETY AND WELLBEING				
NUMBER AND ENROLLMENT IN VOLUNTARY HEALTH PROGRAMS (SAFETY, MENTAL HEALTH, WELLBEING) <sup>26</sup>	No.	142	178	Nd
EMPLOYEE HEALTH AND WELLBEING, AS INDICATED BY SURVEY DATA	%	-	78	Nd
ANNUAL SPEND ON EMPLOYEE HEALTH PROGRAMS	\$	5,916,445	5,268,377	Nd
MEANINGFUL WORK				
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	%	100	100	Nd
EMPLOYEE CAREER ADVANCEMENT INTO LEADERSHIP POSITIONS <sup>27</sup>	%	5.5	11	Nd

Data covering employee wellbeing covers the fiscal year.

<sup>25</sup>Completed annual engagement survey. Reporting on question: “I feel like I belong at BCLC.”

<sup>26</sup>Employees are actively encouraged to make use of BCLC’s employee and family assistance program, which provides psychological counselling, legal support, marriage support among a wide range of services.

<sup>27</sup>BCLC strongly encourages development of our employees through development conversations and goals, a variety of training and development opportunities, and a preference toward internal candidates. Metric is calculated based on the total number of promotions during the financial year, divided by the number of employees, multiplied by 100.



COMMUNITY

	UNIT	2022/23	2021/22	2020/21
NET INCOME	\$ million	1,635.5	1,313.7	430.2
DISTRIBUTED				
GOVERNMENT OF CANADA	\$ million	12.0	11.2	10.6
GOVERNMENT OF B.C.	\$ million	1,623.5	1,302.5	419.3
GOVERNMENT OF B.C. ALLOCATIONS				
PROVINCE OF B.C. GENERAL REVENUE DISTRIBUTION	\$ million	1,089.6	826.9	78.9
PROVINCIAL HEALTH SPECIAL ACCOUNT	\$ million	147.2	147.2	147.2
COMMUNITY GAMING GRANTS	\$ million	139.8	139.8	139.8
FIRST NATIONS REVENUE SHARING	\$ million	113.6	91.2	29.4
HOST LOCAL GOVERNMENT PAYMENTS	\$ million	100.8	66.9	0.0
GAMING POLICY AND ENFORCEMENT BRANCH	\$ million	15.1	15.9	16.1
HORSE RACING SUPPORT	\$ million	9.9	7.1	0.0
RESPONSIBLE GAMBLING STRATEGIES	\$ million	4.5	4.5	4.9
JOINT ILLEGAL GAMING INVESTIGATION TEAM	\$ million	3.0	3.0	3.0

Data covering community impact covers the fiscal year.

BCLC’s annual net income is fully distributed each year to the Government of B.C., net of payments made to the Government of Canada on behalf of the Government of B.C.



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