

Environmental, Social and Governance (ESG)

Purpose

This policy complements and supports BCLC's social purpose, "To generate win-wins for the greater good." It sets out how BCLC will integrate environmental, social and governance (ESG) principles in the conduct of its business in ways that align to and advance BCLC's social purpose and defines the required components of an ESG Management System with associated accountabilities.

It is an umbrella policy directing BCLC's approach to manage 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 Social Purpose and Sustainable Procurement Policy.

Objectives of this policy include engaging and enabling all BCLC employees and Contractors to incorporate ESG principles into their work and encourage BCLC's Stakeholders to accelerate their efforts towards positive environmental and social change to garner maximum collective impact.

Through the implementation of this policy, BCLC strives to foster positive Stakeholder relationships, limit risks, build its reputation, create long-term value for the organization and play its part in contributing to a healthy and sustainable future.

Scope

This policy applies to all BCLC employees and Contractors. The application of this policy to BCLC's engagement with Vendors is restricted to engagement with Vendors classified as tier one and two in accordance with the [Vendor Performance Management Policy](#). In BCLC's engagement with non-tier one and two Vendors, stakeholders conducting business with BCLC are encouraged to demonstrate the commitments reflected in this policy.

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.

BCLC will manage its operations in ways that are environmentally, socially and economically sustainable and encourage its Vendors, Service Providers and Retailers (the Value Chain) to do the same, support player health and an engaged workforce, and position itself as a leader and catalyst for positive and transformative change in British Columbia and beyond. BCLC aims to generate positive social and environmental impacts and reduce negative effects in ways that consider fiscal responsibility, address Risks and Opportunities, and meet cost and quality requirements in compliance with applicable legal requirements.

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In support of this commitment and BCLC's social purpose, BCLC has developed an ESG Management System to identify and manage ESG Risks and Opportunities in a manner commensurate with their value, risk and legal and statutory requirements. Required components and minimum requirements for the ESG Management System are outlined in the policy details. Further details of the identified ESG Risks and Opportunities and the ESG Management System are provided in BCLC's [ESG Framework](#).

BCLC's ESG commitment will be integrated into strategic and divisional planning and decision making across BCLC through the ESG principles outlined below and the ESG Management System. All employees and Contractors will be equipped to support BCLC's ESG commitment by incorporating the ESG principles into their work, behaviours, and decision-making processes. This may include, but is not limited to, integration of the ESG principles into business plans, products and services, investments, research and development, spending decisions, performance management, project development, operations, communications and Stakeholder relations.

Principles

The ESG principles are intended to guide BCLC employees and Contractors in their work to foster a corporate-wide ethos grounded in environmental stewardship, social justice and Stakeholder value creation, acting as a social change agent in its relationships and in the broader gambling industry.

Employees are expected to apply the ESG principles to the extent reasonably possible within their role. Not all the principles are implementable at an individual level, and some of the principles are applied at a divisional and/or enterprise level. Further details are outlined below for each of BCLC's ESG Principles to provide additional guidance, in conjunction with the ESG Framework, on how employees can implement the ESG principles in their work.

These principles demonstrate how BCLC will leverage its relationships, resources, assets, competencies, platforms, influence, reach and scale to generate win-wins for the greater good and pursue BCLC operations that do not cause harm to people and the planet. "Win-win" within BCLC's social purpose asks employees, partners, and government stakeholders to continually consider their decisions so BCLC's operations have a positive impact on individuals, institutions, communities and the planet. The ESG principles set out how BCLC will use its relationships as an employer, buyer, investor and community and gambling industry partner towards socially just and positive outcomes for society and the environment.

ENVIRONMENT

How BCLC impacts and improves the natural environment, and how environmental issues may impact the viability of BCLC and its Stakeholders over the long term.

- Integrate the Precepts of the Circular Economy**
- Pursue Decarbonization and Circular Economy approaches to reduce resource consumption and our impact on climate change.

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Prioritize Climate Action and the Environment

- Reduce BCLC’s negative and enhance its positive environmental impacts and manage the material environmental risks that BCLC faces.
 - Seek to go beyond doing no harm to restore and nourish the environmental systems on which BCLC relies.
 - Prepare for climate change impacts and support measures to foster Climate Justice in which our Stakeholders are not left behind in the transition to a low-carbon economy.
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SOCIAL

How BCLC upholds the rights, interests and health and well-being of all people and communities and builds their potential and how social issues may impact the viability of BCLC and its Stakeholders over the long term.

Empower our People

- Create an equitable, inclusive, welcoming, and healthy workplace.
 - Enhance and support our people’s understanding of environmental and social issues to build their potential and capacity towards contributing to positive change.
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Put Players First

- Prioritize the well-being of BCLC players in our actions and decisions in support of our goal of no revenue from high-risk play.
 - Delight and exceed player expectations for purpose-driven entertainment and support them in leveraging their experience for the greater good.
 - Seek to go beyond doing no harm to support the health of our players.
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Foster Community Development

- Be a social agent of change in our communities in ways that build inclusion and connection and enhance local potential and resilience.
 - Manage the material social risks that BCLC faces.
 - Support opportunities for vulnerable communities.
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GOVERNANCE

How BCLC governs the environmental and social aspects of its operations, influences its Value Chain, enhances stakeholder trust and is respected for how it operates.

Honour Indigenous Perspectives and Values

- Reflect on, learn about, respect, and centre Indigenous knowledge and wisdom in BCLC’s operations.
 - Create opportunities for Indigenous peoples and businesses to participate in BCLC’s operations and encourage replication by Value Chain partners.
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Build Strong Stakeholder Relationships	<ul style="list-style-type: none"> • Foster healthy, effective, collaborative and mutually beneficial and reciprocal Stakeholder relationships, in a humble way that supports open and respectful communications. • Engage Stakeholders in ESG and social purpose endeavours to advance the greater good. • Pursue strategies that create value for Stakeholders and consider their interests in decision-making. • Respect Stakeholders' rights to privacy and security.
Inspire Industry Leadership	<ul style="list-style-type: none"> • Use influence, reach and scale with the gambling industry and professional groups to further ESG and social purpose practices. • Initiate gambling industry collaborations to address shared ESG challenges, Risks and Opportunities.
Continuously Improve and Innovate	<ul style="list-style-type: none"> • Work towards continually improving BCLC's ESG actions by looking for ways to meet or exceed best practices, even as they evolve. • Engage in social innovation to address barriers and create new ESG and social purpose value propositions for BCLC and its Stakeholders, using agile innovation and prototyping.
Demonstrate Transparency and Accountability	<ul style="list-style-type: none"> • Be transparent and accountable in decision-making. Disclose BCLC's social purpose and ESG progress, including its successes and failures to the public and Stakeholders.

Context

BCLC's ESG Working Group is responsible for overseeing the implementation of this policy in a manner consistent with the foundational principles outlined within the Government's [Mandate Letter for BCLC](#), and:

- the *Clean Energy Act* and *Greenhouse Gas Reduction Targets Act*, British Columbia;
- the *Human Rights Code* and *Workers Compensation Act*, British Columbia;
- [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#) and the [Truth and Reconciliation Commission of Canada: Calls to Action](#);
- ISO 37000:2021 Governance of Organizations;
- [United Nations Sustainable Development Goals](#); and

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- International targets set out in:
 - the [Science Based Targets initiative](#) (SBTi) which defines and promotes best practices in emissions reductions and net-zero targets in line with climate science, and
 - the [Task Force on Climate-related Financial Disclosures](#) (TCFD) which the international Financial Stability Board established to develop recommendations for more effective climate-related disclosures that could promote more informed strategic decisions and, in turn, enable Stakeholders to better understand an organization’s exposures to climate-related risks.

Policy Details

MATERIAL RISK ASSESSMENTS

BCLC has conducted a climate risk assessment to systematically identify short and long-term material ESG Risks and Opportunities. Materiality assessments must be refreshed regularly as emerging ESG Risks and Opportunities are identified.

Enterprise Risk Management Services must be consulted or informed of any material risk assessments initiated outside of this function, in accordance with the Enterprise Risk Management Policy. Results of material risk assessments must be shared with Enterprise Risk Management Services.

Material ESG Risks and Opportunities must be escalated, addressed in the corporate strategy, and monitored according to established BCLC enterprise risk management processes.

ALIGNMENT TO BEST PRACTICES

BCLC is committed to aligning with best-in-class ESG practices and will monitor external regulatory developments and the evolution of best practices, to strive for continual improvement of all components of this policy.

BCLC is committed to setting its standards by consulting with leading subject matter experts and studying best practices for the topic or area in question.

ESG MANAGEMENT SYSTEM

BCLC has developed an ESG Management System to address material ESG Risks and Opportunities identified through ESG risk assessments, Stakeholder engagement and emerging best practices. The foregoing principles set out the framework for BCLC’s ESG Management System. The following are the components and minimum requirements for the ESG Management System. A roadmap for BCLC’s further development of the ESG Management System is outlined in [Appendix A](#) to this policy.

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Goals, Key Performance Indicators and Metrics

BCLC ESG goals, key performance indicators and metrics will be used for measurement, tracking and reporting. Public consultation and benchmarking with leading organizations will be used in the setting of and state of compliance and progress towards ESG goals, key performance indicators and metrics. Once established, goals, key performance indicators and metrics must be reviewed regularly with a focus on continuous improvement.

Monitoring and Reporting

BCLC is developing processes and capabilities for centralized monitoring, data collection and reporting on ESG performance in relation to defined goals, key performance indicators and metrics that will be completed annually.

Audits of the ESG Management System, in accordance with defined international standards and requirements, will be conducted periodically. ESG audits will measure compliance with applicable requirements, Government expectations and BCLC policies and standards. Audit results will be issued to specified BCLC employees responsible for taking corrective and preventative actions to address identified deficiencies.

This ESG Policy will always be made publicly available. BCLC will annually report externally on ESG performance, audits conducted, training and communication activities, and, where applicable, responses to identified compliance issues, using a recognized framework for ESG reporting.

Audit reports, plans for correcting deficiencies, and reports on satisfying monitoring requirements will be brought, through BCLC's Executive, to the Board of Directors as required.

VENDORS, SERVICE PROVIDERS AND RETAILERS

BCLC will integrate ESG considerations into procurement activities through the Social Purpose and Sustainable Procurement Policy and the Supplier Code of Conduct.

Requirements designed to improve ESG practices and support the implementation of BCLC's ESG Policy and ESG Management System must be incorporated, where feasible, into BCLC standards and policies for Service Providers, Retailers and Vendors, in alignment with the Social Purpose and Sustainable Procurement Policy.

REVIEWS

A review of this policy and the ESG Management System must be completed annually. The ESG Policy and Management System will be reviewed to address possible changes, verify continuing suitability, adequacy and effectiveness of the ESG Policy and Management System and sustain continuous improvement in ESG performance.

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Roles and Responsibilities

The Board of Directors is responsible to

- Provide strategic oversight of ESG Risks and Opportunities, this Policy and the ESG Management System.

The Executive is responsible to:

- Oversee enterprise-wide implementation of this policy;
- Lead an ESG culture through sound ESG decision making;
- Oversee resource management and budget and needs-based planning to enable this policy;
- Ensure review and maintenance of the ESG Management System;
- Monitor ESG performance goals and report progress to the Board; and
- Recommend changes to the ESG Policy to the Board.

The ESG Working Group is responsible to:

- Confirm risk assessments are refreshed to identify emerging material ESG Risks and Opportunities;
- Oversee the ESG Management System and support ESG policy implementation across BCLC operations and its tier one and two Vendors;
- Review and recommend updates to ESG goals, key performance indicators and metrics, which are defined within the supporting ESG Framework;
- Oversee yearly planning, monitoring and reporting related to the ESG goals, key performance indicators and metrics; and
- Build capacity within Organizational Units, including resource availability, and collaborate across the organization and externally towards achieving the ESG-related goals outlined in the ESG Framework.

Manager, Sustainability Innovation is responsible to:

- Support and improve the ESG Management System and coordinate related activities with BCLC directors;
- Monitor, record and report on ESG Management System progress and compliance;
- Engage with Organizational Units to facilitate implementation of this policy and the ESG Management System across BCLC;
- Monitor external regulatory developments and emerging ESG best practices;
- Provide expertise and evidence-based advice on ESG best practices to the organization; and

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- Communicate and engage with employees and Contractors to promote this policy and foster ESG decisions and behaviours across the organization.

Directors and managers are responsible to:

- Communicate legislative, policy, procedural and training requirements to their employees and Contractors;
- Lead the integration of the ESG principles into their Organizational Units' operations, behaviours, and decision making; and
- Take corrective and preventative action to the extent possible when non-compliance with ESG requirements or BCLC ESG policies or standards is identified within their area of responsibility. Where non-compliance cannot be corrected or prevented, escalate the non-compliance to the Executive and, as applicable, Enterprise Risk Management Services.

Internal Audit Services is responsible to:

- Conduct ESG Management System audits for compliance with ESG requirements and BCLC ESG policies and standards and report on identified deficiencies.

People and Culture is responsible to:

- Provide ESG training and education on the policy and on BCLC's ESG Risks and Opportunities to build employee potential and capacity towards contributing to positive change;
- Track and measure employee awareness and implementation of the policy; and
- Integrate ESG principles in processes and procedures where applicable.

Employees are responsible to:

- Complete ESG-related training or education as required by BCLC; and
- Incorporate the ESG principles into their work, behaviours and decision making.

Compliance

Employees and Contractors are expected to strive to apply this policy to the maximum extent reasonably possible. Employees and Contractors may jeopardize organizational objectives and hamper BCLC's social purpose and ESG-related goals when they fail to meet these expectations.

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Definitions

Defined (capitalized) terms or acronyms used but not defined within this policy have the meaning attributed to them within the [Policy Glossary](#).

Circular Economy	Means an economy that is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.
Climate Justice	Means recognizing the disproportionate impacts of climate change on low-income communities and communities of color around the world, the people and places least responsible for the problem. Climate Justice seeks solutions that address the root causes of climate change and in doing so, simultaneously address a broad range of social, racial, and environmental injustices. It includes everyone in the transition to a low-carbon economy.
Contractor	Has the meaning attributed to it within the Standards of Ethical Business Conduct being, as at the date of this policy, an individual engaged to provide on-premise services to BCLC and is either supplied by a third party agency or retained directly by BCLC under an executed commercial contract for services.
Decarbonization	Means the process of stopping or reducing carbon gases, especially carbon dioxide, being released into the atmosphere as the result of a process, for example the burning of fossil fuels (e.g., BCLC is decarbonizing its headquarters through removing its natural gas boilers and replacing with Ground Source Heat Pump (GSHP technology)).
ESG Working Group	Means the cross-functional team, made up of BCLC directors and chaired by the Chief Social Purpose Officer, established to oversee implementation of BCLC's ESG Policy, Framework and Management System.
ESG Management System	Means a management system, appropriate to the size and nature of the business that is designed to (1) ensure a systematic approach to compliance with ESG requirements, (2) monitor progress against an ESG action plan, (3) provide a mechanism to assess environmental, social and governance risks and address those risks, (4) monitor and report on progress and (5), to the extent possible, involve stakeholders.
Risks and Opportunities	Has the meaning attributed to it within the Enterprise Risk Management Policy, being, as at the date of this policy, a possible event that, if it occurred, would affect BCLC's ability to execute its purpose, strategies and/or achieve its business objectives. Risks can be "threats" or, if properly anticipated and managed, risks may become "opportunities". Risk encompasses the potential for positive as well as adverse results, where certain risks should be taken in pursuit of business opportunities and new ventures.
Stakeholder	Means a person or entity that is affected by, or that affects, BCLC.

Policy

APPROVED

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Policy Ownership

Contact Position Chief Social Purpose Officer and Vice President, Marketing
Policy Owner President and Chief Executive Officer
Approving Body Board of Directors

Revision History

Version	Effective	Approved by	Amendment
1.1	Jan 31, 2024	Board of Directors	Details on how BCLC employees may implement the ESG Principles in their work were moved from the appendix to the Principles section.
1.0	Apr 1, 2023	Board of Directors	New policy that supersedes the Environment Policy.

Appendix A

ESG Roadmap

EDUCATION AND AWARENESS

BCLC is developing an awareness program as a component of the ESG Management System, including training and education to empower individuals and provide awareness of ESG Risks and Opportunities, Stakeholder priorities and emerging best practices. Training and education will be provided to employees, Contractors and key Stakeholders (e.g., Service Providers, Retailers, etc.), as necessary to effectively support the implementation of BCLC's ESG Policy and Management System.

STAKEHOLDER AND PUBLIC ENGAGEMENT

BCLC will work in partnership with Stakeholders through active dialogue and engagement on ESG issues and Stakeholder priorities, to:

- advance BCLC's social purpose;
- inspire Value Chain partners to further ESG practices;
- increase understanding of ESG Risks and Opportunities amongst Stakeholders; and
- collaborate on leading and visionary ESG practices with Stakeholders.

BCLC is committed to engaging in public dialogue on ESG Risks and Opportunities, societal priorities and emerging trends, and supporting local community initiatives as part of a collaborative approach toward ESG best practices.