

Ussery, Camas AG:EX

From: Suzanne Rowley <SRowley@bcllc.com>
Sent: Friday, October 6, 2017 12:47 PM
To: Minister, AG AG:EX
Cc: Jim D. Lightbody; Fyfe, Richard J JAG:EX; Bud Smith (bsmith@urbansystems.ca)
Subject: BCLC - Response to Minister Eby's Letter dated 5 October 2017
Attachments: 2017.10.06 - Response Letter to Minister Eby re allegations at River Rock.pdf

Hello,

On behalf of Jim Lightbody, President & CEO of BCLC, please find attached letter for the Minister's attention.

Thank you,
Suzanne.

Suzanne Rowley
Assistant Corporate Secretary/EA
President's Office, BCLC

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bcllc.com

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November 20, 2017

Ministry of Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: David Eby
Attorney General

Dear Minister Eby:

Re: Supplemental Mandate Letter dated October 2, 2017

I write in follow up to the supplemental Mandate Letter dated October 2, 2017 and seeking clarification regarding one aspect of the letter.

In paragraph 2(a), BCLC is directed to proactively share "Information about any new games that BCLC intends to introduce..." (emphasis added). As the direction is not limited to new lottery schemes but rather new games, it captures a broad category of products and could have unintended operational consequences for both BCLC and GPEB.

Taken literally, the direction would require BCLC to submit information to GPEB in advance of undertaking any new game – such as a scratch & win lottery ticket, or a new slot machine. Accordingly, we ask that you provide further clarification as to what constitutes a 'new game' so that we are able to confidently comply with every aspect of the supplemental Mandate Letter.

We suggest that one appropriate clarification would be: "Information about any new games, excluding variations of existing games or similar games already being offered by BCLC...". This would ensure that new initiatives that have the potential to expand gaming into new areas of product would receive appropriate GPEB consultation but would not inhibit BCLC's ability to make operational decisions about games already in the marketplace. It is also consistent with the intent of s. 7(2) of the *Gaming Control Act* which requires BCLC to seek ministerial approval for new types of lottery schemes – meaning that future initiatives would have oversight but that current products need not be revisited.

We would be happy to discuss this issue at your convenience and would welcome a conversation with yourself and GPEB to help ensure that both organizations move forward with a common understanding of this direction.

Yours truly,
s.22

Bud Smith
Chair, BCLC Board of Directors

cc: Mr. Richard Fyfe, QC
Jim Lightbody, President & CEO, BCLC

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Ussery, Camas AG:EX

From: Suzanne Rowley <SRowley@bclc.com>
Sent: Monday, November 20, 2017 4:18 PM
To: Minister, AG AG:EX
Cc: Jim D. Lightbody; Bud Smith (bsmith@urbansystems.ca); Richter, Connie JAG:EX; Fyfe, Richard J JAG:EX
Subject: BCLC - Letter for Minister Eby's Attention
Attachments: 2017.11.20 - Letter to Minister - Request to clarify new games per supplement to ML.pdf

Hello,

On behalf of Bud Smith, BCLC's Board Chair, please find attached letter for the Minister's attention.

Thank you & regards,

Suzanne Rowley
Assistant Corporate Secretary/EA
President's Office, BCLC

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October 6, 2017

Ministry of Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: David Eby
Attorney General

Dear Minister Eby:

Re: Allegations of sexual assaults on staff at River Rock Casino

I write in response to your letter dated October 5, 2017.

BCLC is aware of one employee allegation of sexual assault by a patron at River Rock that occurred in February, 2016. The service provider reported the incident to GPEB, BCLC immediately reported it to the RCMP and GPEB. BCLC continued to closely monitor the incident, providing the RCMP with the relevant records and video evidence of the incident and banning the accused individual from all gaming facilities for 2 years. In September, 2016, BCLC was advised by the RCMP that the victim did not want to pursue the matter. BCLC has no evidence of any additional occurrences of a similar nature but will take steps to verify this.

BCLC did not and has never required any River Rock staff to sign any form of non-disclosure agreement. While the legal responsibility for River Rock employees rests solely with Great Canadian Gaming Corporation, BCLC has developed robust standards and policies to ensure a safe working environment for all gaming workers at gaming facilities. BCLC policy requires service providers to report all alleged criminal and security incidents to BCLC.

Given the serious nature of these allegations as well as other recent public disclosures, BCLC will undertake a thorough review of the entire operation at River Rock to verify operational compliance with BCLC's policies. During the course of our review, we will ensure to obtain answers to the specific concerns raised in your letter.

I will report back to you once the review has been completed.

Yours truly,

s.22

// Jim Lightbody
President & CEO

cc: Mr. Richard Fyfe, QC
Mr. Bud Smith, BCLC Board Chair



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Ussery, Camas AG:EX

Subject: FW: BCLC - AML Q3 F17/18 Report to Attorney General of BC
Attachments: 2018.01.30 - a - Letter to Minister Eby re AML Q3 Report for Fiscal 17-18.pdf
2018.01.30 - b - Attachment to Letter - AML Q3 F17-18 Report to Attorney General of BC.pdf

From: Jen Viau [<mailto:JViau@bclc.com>]
Sent: Tuesday, January 30, 2018 7:07 PM
To: Minister, AG AG:EX
Cc: Fyfe, Richard J JAG:EX; Richter, Connie JAG:EX; Nanninga, Tanera AG:EX; Jim D. Lightbody; Bud Smith (bsmith@urbansystems.ca) (bsmith@urbansystems.ca)
Subject: BCLC - AML Q3 F17/18 Report to Attorney General of BC

Dear Minister Eby,

On behalf of Bud Smith, Chair of BCLC's Board of Directors, please see attached.

Kind regards,

Jen Viau
Executive Coordinator
President's Office, BCLC

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

 Think Green, keep it on the screen! Please only print if necessary

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January 30, 2018

Ministry of the Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: **David Eby**
Attorney General

Dear Minister Eby:

**Re: Anti-Money Laundering (AML) Quarterly Report for the third quarter of
Fiscal Year 2017/2018**

I am writing to you as Board Chair of BCLC and in regard to your supplemental mandate of letter of November 28, 2017. I am pleased to provide to you the Anti-Money Laundering (AML) Quarterly Report for the third quarter of Fiscal Year 2017/2018.

From its outset, the AML framework at BCLC has been premised upon the federal legislative requirements set out in the *Proceeds of Crime Money Laundering & Terrorist Financing Act*, as well as formal written guidance provided specifically to the casino sector by both the Financial Action Task Force (FATF - the international governing body responsible for anti-money laundering requirements) and FINTRAC. The legislative requirements and the guidance create a risk-based approach to anti-money laundering and anti-terrorist financing controls (AML/ATF) which involves assessing potential risks and then targeting resources and efforts on preventing, detecting and responding to the highest identified risks. The norm for AML/ATF regimes is to work from a risk-based framework.

The MNP review completed for GPEB in 2016 includes recommendations that suggest moves away from a risk-based framework in casinos to a more prescriptive approach. One of those suggestions was to place a hard limit on the acceptance of cash (banknotes) at casinos that would apply to all transactions and all individuals irrespective of risk. MNP made no recommendation as to the amount of the limit. In light of this proposed shift to a more prescriptive approach, BCLC wanted to be prepared to offer advice on this approach should it be asked. BCLC has conducted analysis to determine a cash buy-in limit that will provide for a prescriptive level of control while still being operationally sound. BCLC, based on its analysis, believes that if a hard limit on cash buy-ins is desired, the limit should not be set at a threshold below \$25,000.

While BCLC and its Board of Directors believes that this prescriptive cash limit may be workable and can be implemented relatively quickly, our analysis does not suggest the move would be completely free of adverse impacts. BCLC believes its current risk-based approach, as mandated by FINTRAC and the FATF, provides the most effective AML/ATF controls.

I would also like to take this opportunity to advise you that BCLC has had open communications with Mr. Peter German and his team over the last few months as Mr. German has conducted his review, including his joint interview of the Chair and President & CEO. BCLC has provided open and unfettered access to any records



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and materials Mr. German has requested. We have accomplished this by creating a s.15
s.15 specifically for Mr. German and his team that allows access to anything needed while
ensuring a very high level of security and protection for personal and other sensitive information. We look
forward to Mr. German's final report and are preparing to take the action necessary to implement any
recommendations falling within our purview or direction given to us by government.

Yours truly,

s.22

Bud Smith
Chair, BCLC Board of Directors

cc: Mr. Richard Fyfe, QC
Jim Lightbody, President & CEO, BCLC

Enclosure(s) x 1

QUARTERLY REPORT TO THE ATTORNEY GENERAL OF BRITISH COLUMBIA

Pursuant to the Amended Supplemental Mandate Letter dated November 28, 2017

REPORT FOR THE THIRD QUARTER FISCAL YEAR 2017/2018

BCLC PROVIDES THIS REPORT in accordance with Direction #3 set out in the Supplemental Mandate Letter:

German Recommendations

1. On December 18, 2017, BCLC completed the work necessary, save and except completion of consultations with GPEB, to implement German recommendation #1 expanding player source of funds declarations to all casino transactions of \$10,000 or more. Consultations with GPEB continued through the end of the quarter with implementation planned for January 2018.

Anti-Money Laundering/Anti-Terrorist Financing Program Normal Course Processes and Controls Changes

(BCLC presented items 3, 4, and 6 to the Attorney General at a briefing on October 23, 2017, and are updated here.)

2. On October 27, 2017, BCLC's Chief Compliance Officer met with FinTRAC senior management to consult on planned enhancements to BCLC's anti-money laundering regime. FinTRAC's input and guidance was received and informed planned changes.
3. To increase diligence and accountability with respect to anti-money obligations on the part of service providers, on October 27, 2017, BCLC's CEO wrote to the Gaming Policy and Enforcement Branch asking them to modify the terms of registration of all gaming service providers who offer table games requiring service providers to formally designate a Chief Compliance Officer who: 1) reports directly to the president, CEO, Board of Directors or beneficial owner of the service provider as the case may be; 2) holds credentials or has considerable experience related to Canadian anti-money laundering laws; and, 3) is granted, as evidence by company policy, unfettered authority to give operational direction related to money laundering concerns. This change is consistent with long standing terms of registration in at least one other large Canadian jurisdiction. This would focus compliance obligations for this critical function at the highest levels and create a much clearer line of responsibility within service provider organizations. Additionally, this change would give regulatory weight and force to similar contractual provisions in the new casino operating services agreement.

GPEB has responded advising that, in its view, this is not an appropriate term of registration and as such has declined BCLC's request.

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the last quarter of 2017/2018.

This work will be complete in

5. On December 4, 2017, BCLC increased the controls on bank drafts. For a casino service provider to accept a bank draft, the draft must, in addition to the name of the payee, now include the name of the financial institution issuing the bank draft, the name of the payor, as well as the account number and name of the account holder from which the funds were drawn. To the extent a bank draft does not include this information on its face, a receipt from the issuing financial institution showing the required information must be presented to the casino along with the bank draft at the time of the casino transaction and the

required information must be recorded.

6. On December 14, 2017, BCLC implemented an upgrade to one of the systems supporting its anti-money laundering regime. S.15
S.15
7. BCLC has implemented additional transaction tracking and monitoring processes related to bank drafts. On S.15
8. GPEB reported that bank drafts have been accepted at casinos where there are anomalies on the face of the bank draft giving rise to money laundering concerns. GPEB expressed concerns including: the name of the payee being left blank, the draft being made out to a person other than the player negotiating the draft at the casino, and illegible payee names. In response to these concerns, BCLC initiated a review which included a physical inspection of every bank draft and certified cheque accepted by the seven major casinos in the lower mainland for the January 2015 to November 2017 period. The review was conducted over a 20 day period from November 6-26, 2017. A total of 7,436 drafts and certified cheques were individually pulled from records and then reviewed and inspected. No anomalies were detected on or in relation to any of the bank drafts. BCLC has asked GPEB for copies of the bank drafts noted in their reports so that BCLC can take further investigative and corrective action and is awaiting a response from GPEB.
9. BCLC has analyzed the impacts of moving to a prescribed daily limit on cash buy-ins for table games products, per player, per gaming site. Based upon its research, BCLC is prepared to offer advice on the implementation and other implications associated with the imposition of a prescribed limit.

Ussery, Camas AG:EX

Subject:

FW: BCLC - Letter & Report for Minister Eby's Attention

Attachments:

2018.03.02 - a - Letter to Minister Eby re Implementing Govt Direction Report.pdf,

2018.02.26 - b - Implementing Govt Direction Report.pdf

From: Suzanne Rowley [<mailto:SRowley@bclc.com>]

Sent: Friday, March 2, 2018 2:45 PM

To: Minister, AG AG:EX

Cc: Bud Smith (bsmith@urbansystems.ca); Jim D. Lightbody; Fyfe, Richard J JAG:EX; Richter, Connie JAG:EX

Subject: BCLC - Letter & Report for Minister Eby's Attention

Hello,

On behalf of Bud Smith, BCLC's Board Chair, please find attached letter and report for the Minister's attention.

Thank you & regards,

Suzanne Rowley

Assistant Corporate Secretary/EA

President's Office, BCLC

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March 2, 2018

Ministry of the Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: **David Eby**
Attorney General

Dear Minister Eby:

Re: BCLC's Implementing Government Direction Report

Please find enclosed BCLC's Implementing Government Direction report, dated February 26, 2018.

We trust that the report will provide a helpful update on BCLC's work to fulfill its current Mandate Letter requirements.

Detailed below are some highlights from the enclosed report:

1. **Recent Ernst & Young (EY) Audit on BCLC Anti-Money Laundering (AML) program**

BCLC's AML program recently underwent its biennial audit which was conducted by EY. The audit was largely positive and noted only a few minor issues, all of which have since been completely addressed by BCLC. The findings in this audit are similar to all other BCLC AML audit reports, whether conducted by FinTRAC or independent third parties, in that a few minor issues are identified and BCLC takes immediate action to correct any issues. Recently, FinTRAC advised BCLC that our AML program was the industry leader and that FinTRAC intended to develop some of its' casino industry guidance based upon BCLC's program.

BCLC has proactively released the audit report and have provided an un-redacted copy to the Ministry.

2. **Determination of BCLC and GPEB Responsibilities**

BCLC continues to work cooperatively with GPEB to determine responsibilities and accountability within the BC gaming industry. We are also aware that Dr. Peter German is reviewing roles and responsibilities pertaining to AML as part of his review.

Working with GPEB to more clearly delineate areas of responsibility is important work since if either entity were to take action outside their prescribed authority, the action or decision could be challenged as *ultra vires*. Further, there are many areas of overlap between BCLC and GPEB and it is expedient to ensure that work is not been duplicated, thereby wasting resources.

3. **GameSense Advisor Program**

GPEB will transfer the GameSense Advisor (GSA) program to BCLC effective April 1, 2018. Expanding GSAs to Community Gaming Centres (CGC) is one



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of the recommendations contained in the Plan for Public Health and Gambling (February 2015). BCLC and GPEB are consolidating the GSA program under BCLC's management to increase efficiency and service to players. Presently in B.C., GSAs staff GameSense Information Centres (GSICs), which are located in all casinos. In CGCs, there are currently self-serve kiosks. However, with the transfer of the GSA program to BCLC, GSAs will staff every casino and CGC in B.C. by September 2019.

By the time the program is fully implemented, the expansion of the GSA program will almost double BCLC's investment in Player Health to \$6.4M annually (BCLC's current budget for responsible gambling is \$3.4M).

Additional anticipated benefits associated with the transfer of GSAs to BCLC employee positions include:

- Improved relationships with Service Providers and players by integrating the GSA program within gaming facilities;
- Refined roles and responsibilities to develop subject-matter expertise and improve GSA program delivery;
- Improved customer experience and data gathering through technology and innovative solutions;
- Improved customer experience through new education tools;
- Improved level of support for gaming workers and BCLC staff to enhance further the culture of responsible gambling within B.C.'s gambling industry.

4. **New Game Framework**

BCLC and GPEB have been working to develop an approach to the development and implementation of new games. The concept of 'new games' is not contained within the Gaming Control Act (GCA) – the GCA only references the ministerial approval process for 'new lottery schemes'. While a new lottery scheme will always include the concept of a new game, it is possible for a new game to be part of an existing lottery scheme (for example, a newly purchased slot machine or a new Scratch & Win ticket are new games, but not new lottery schemes).

BCLC and GPEB met to discuss the issue, following which GPEB provided BCLC for its review a draft policy regarding the approval of new games that are defined as new lottery schemes. In addition to providing written feedback, s.14

GPEB is now in the process of re-writing the policy and has committed to providing BCLC with an opportunity to comment on the new draft and further conversations between both entities.

Once this work is complete, both entities should have a common understanding of what constitutes a 'new game'. This will assist BCLC's ability to innovate and develop new products that meet the demands of the competitive marketplace for entertainment.

5. **University of British Columbia (UBC) Centre for Gambling Research**

Three years ago, BCLC entered into a sponsorship agreement with UBC to create the Centre for Gambling Research. In total, BCLC contributed \$2.5 million dollars to UBC in exchange for specific benefits. The funding for this sponsorship comes from the Ineligible Jackpot Monies from people who are in the Voluntary Exclusion Program (VSE).

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In addition, BCLC and our service providers await implementation by GPEB of the Dr. German recommendation to have enforcement personnel inside casinos that offer high limit table play. Having onsite personnel who have enforcement jurisdiction/authority will greatly improve the response time when anomalous, improper, or potential criminal behaviour is identified, suspected, and reported.

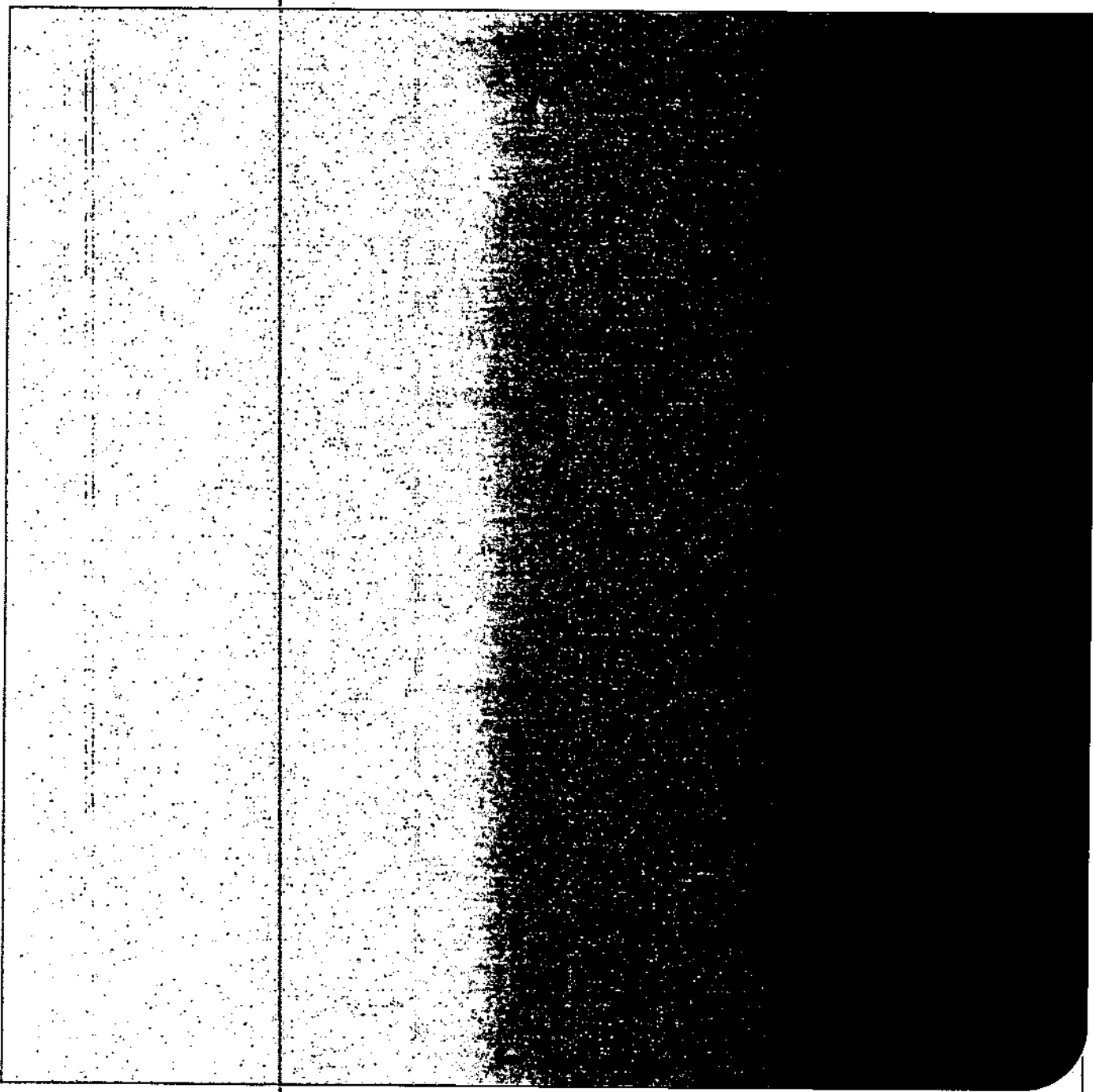
As always, BCLC would be pleased to meet with you at your convenience to discuss any aspects of this letter or the enclosed report.

Yours truly,
s.22

Bud Smith
Chair, BCLC Board of Directors

cc: Mr. Richard Fyfe, QC
Jim Lightbody, President & CEO, BCLC

Enclosure(s) x 1



Implementing Government Direction

February 26, 2018 Update

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implementing government direction

ABOUT THIS REPORT

This report tracks our actions and responses to the Mandate Letter and Plan for Public Health and Gambling. Should Government have other reports or documents with significant requirements or recommendations for BCLC, we will add the tracking of those recommendations to this report.

implementing government direction

IMPLEMENTATION OF 2017/18 MANDATE LETTER (MANDATE) AMENDMENT (November 28, 2017)

	Mandate Letter Action	Plans and Progress	
1.	Implement the five remaining commitments that BCLC is responsible for in the <i>Plan for Public Health and Gambling</i> (February 2015). This includes: a) Implementing a GameSense Advisor presence in Community Gaming Centres; b) Offering time and money budgeting tools to Encore Rewards members and PlayNow.com customers; and c) Implementing customized responsible gambling messaging on PlayNow.com subject to review and approval by GPEB, and alignment with provincial Responsible Gambling Standards applicable to online gambling. BCLC will continue to work with GPEB in the implementation of the three remaining commitments for which they are jointly accountable, including undertaking key research projects related to online problem gambling and high-risk features of Electronic Gambling Machines. BCLC will submit bi-annual progress reports to the General Manager, GPEB, detailing the status of these commitments.	A summary of the actions taken related to The Plan for Public Health and Gambling is contained in Appendix 1. BCLC attended a meeting with GPEB in Victoria on October 17, 2017, to discuss joint progress on all recommendation of the Public Health Recommendations related to responsible gambling. On January 8, 2018, BCLC and GPEB finalized plans to address all recommendations and plans are moving forward to address all recommendations that are outstanding.	In Progress

implementing government direction

	Mandate Letter Action	Plans and Progress	
2.	Proactively share information with GPEB that assists the branch in meeting its responsibility for the overall integrity of gaming and horse racing and providing the Minister with advice on broad policy, standards and regulatory issues. The type of information includes, but is not limited to, the following:		
	a) Information about any new games, excluding variations of existing games or similar games already being offered by BCLC, that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval under Section 7 of the <i>Gaming Control Act</i> ; and	BCLC is working with GPEB to formalize a new game evaluation framework. There have been conversations regarding the legal definitions of new lottery schemes to clarify what requires review, and exchange of documents around the evaluation process during November and December 2017. During this period, there have been no new games submitted by BCLC for GPEB review.	Ongoing
	b) Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of British Columbia gambling facilities.	BCLC is not aware of any new information on specific trends that would assist the branch with its responsibilities that may influence the branch's anti-money laundering strategies, however, GPEB is provided on an on-going basis reports on all unusual financial transactions, any suspected illicit activity occurring or attempted at casinos, and any material changes BCLC makes to its compliance programs.	Ongoing

implementing government direction

Mandate Letter Action	Plans and Progress	
3. BCLC will provide a quarterly report to the Attorney General on the implementation of the government's Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities. This will include but not be limited to: a) Activities undertaken to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of British Columbia's gaming industry in the public interest; b) Participation in the development of, and providing funding to support, an enhanced coordinated enforcement approach with the Gaming Policy and Enforcement Branch, the RCMP and local police to mitigate the risk of criminal activities in the gaming industry; c) The implementation of anti-money laundering compliance best practices with appropriate consideration of evaluating source of wealth and source of funds prior to cash acceptance within a risk-based framework; and d) Providing input to the Ministry of Attorney General in the development of a public information and education strategy and action plan for government's review and approval.	Refer to QUARTERLY REPORT TO THE ATTORNEY GENERAL OF BRITISH COLUMBIA - FOURTH QUARTER OF 2017	In Progress

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

A PLAN FOR PUBLIC HEALTH AND GAMBLING IN BRITISH COLUMBIA (February 2015)

Recommendation	Action
1. The provincial Responsible & Problem Gambling program will link with the University of Victoria's Centre for Addictions Research and other researchers to work towards linking problem gambling education with broader issues of substance use, including preventing and addressing dependence and fostering positive mental health and social and personal responsibility.	GPEB, UVic
2. Within available resources, the provincial Responsible & Problem Gambling Program is shifting its prevention services to incorporate a greater focus on problem solving and critical thinking and prioritizing the need to ensure programs are as effective as possible for students.	GPEB
3. The Ministry of Education will share the findings of the PHO Report on Gambling as well as current research related to youth gambling with the Physical and Health Education curriculum development teams and other relevant specialist associations such as school counsellors.	Ministry of Education
4. Links to responsible gambling education materials will be added to the new Physical and Health Education curriculum as well as to the Healthy Schools BC website and promoted in the Healthy Schools BC newsletter.	Ministry of Education
5. The Ministries of Education, Finance, and Health will work together to raise awareness about the need for problem gambling education and its links with broader issues of risk-taking behaviour and promote related education materials.	Ministries of Education, Finance and Health

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

Recommendation	Action
6. BCLC is working with other gambling jurisdictions in Canada on constructive approaches to communicating 'odds' and 'return to player' on Electronic Gaming Machine screens to dispel myths about control and ability to win.	In Progress BCLC is committed to provide full disclosure of the odds of winning and return to player from electronic gaming device (EGD) to our customers. Recently, OLG invested a significant amount into a pilot project of slot machine classifications. That pilot was completed in October 2017. While there were some positive findings, the results showed confusion with the messages, largely associated with too much information. In response, OLG is redesigning the messages and planning another launch. They anticipate findings from the new launch within six months – or summer 2018. Given the considerable investment already made by OLG, BCLC will await the OLG findings to develop a plan to effectively communicate this information to our players. BCLC is working with the Interprovincial Lottery Corporation's Responsible Gaming Group (RGG) towards compliance of this requirement. This requirement is expected to become mandatory for all new game themes released to BCLC and other Canadian Gaming Jurisdictions. Vendors will ensure that the Devices comply with any applicable standards of the Interprovincial Lottery Corporation's Responsible Gaming Group relating to disclosure of the odds of winning and return to player (the "Standards") within twelve (12) months of such Standards coming into effect. All vendors on BCLCs roster have agreed to this requirement as part of the executed contracts, and will strive to work with their R&D teams.
7. Beginning in 2015, BCLC will offer new time and money budgeting tools to its Encore Rewards members. Similarly, enhanced tools have been developed for implementation on PlayNow.com.	In Progress s.17,s.21 s.17,s.21 The most recent product delivered was successfully tested by quality assurance and onsite production validation. In March/ April 2018, BCLC will introduce PlayPlanner as a pilot program at one site for a 3-month period. PlayPlanner is a new, optional budgeting tool that enables Encore Rewards members the opportunity to set their gambling time and spend while playing on a slot machine or eTable game. The pilot program will enable BCLC to evaluate the tool in preparation for a provincial rollout.

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

Recommendation	Action
8. BCLC has conducted its third review of the Appropriate Response Training program for gaming facilities staff, and in 2015, will be incorporating new approaches to problem gambling identification and response as recommended by the Responsible Gambling Council.	Complete In the fall of 2015, BCLC enhanced its Appropriate Response Training (ART) program with a response guidelines matrix to help equip gaming venue staff with skills and knowledge to recognize observable behaviours that may indicate a problem with gambling and to provide the appropriate assistance when required. In early 2016, BCLC worked with an expert from the Centre for Addiction and Mental Health to enhance delivery and curriculum of ART Level 2 in-person workshops. Eight new learning activities, tailored to ART curriculum and response guidelines, were developed and all ART trainers received training on the new content.
9. BCLC will incorporate mandatory staff training about the cognitive effects of alcohol and the resulting increase in impulse behaviour.	Complete BCLC added new training content for its Appropriate Response Training Level 1 course in March 2015. It is mandatory for all gaming workers in BC, and the content aims to equip gaming staff with ability to identify and understand policies and procedures pertaining to liquor service in a gaming environment; possible effects of alcohol intoxication on gambling behavior; knowing when to prevent customers who are, or appear to be, visibly intoxicated from participating in gambling; and, understand escalation procedures pertaining to intoxicated customers.
10. GPEB and BCLC plan to implement a GameSense Advisor presence in community gaming centres.	In Progress In December 2017, following Ministerial approval, BCLC and GPEB announced the GameSense Advisors (GSA) will transition to BCLC employee positions beginning April 1, 2018. BCLC will add staff and expand the GSA program province-wide into all BC gambling and entertainment facilities. The transfer of the GSA program will be a phased approach, with all planned hires by completed by September 2019.
11. BCLC is implementing a new Appropriate Response Training course that is specific to customer telephone support. It includes training on how to assess and respond to callers who may be experiencing difficulty with their gambling, details on available resources, procedures for handling third party concerns, and escalation guidelines.	Complete ART for BCLC's Customer Support team was launched in August 2014. All Customer Support staff completed the course in facilitated sessions held through November 2014. The training program is ongoing for new employees.

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

Recommendation	Action
12. BCLC will implement customized responsible gambling messaging to PlayNow.com account holders as well as BCLC Encore members.	In Progress In 2014, BCLC partnered with the Manitoba Gambling Research Program, and researchers from UCLA, UNLV, and Southern Cross University to evaluate customized responsible gambling messaging to PlayNow.com account holders as well as BCLC Encore members. The field experiment began in fall 2016 and was discontinued due to a low rate of engagement, and above average unsubscribe rate. s.17,s.21
13. BCLC will engage an international team of researchers in a longitudinal research project to evaluate the impact of customized messaging on player behaviour.	In Progress Upon completion of recommendations 12 & 21 we will be in a better position to examine the impact of RG messages on behaviors.
14. BCLC has worked with the Responsible Gambling Council in developing and implementing their new Responsible Gambling Check accreditation program for online gaming. In anticipation of being the first online gambling platform to officially participate in this program, BCLC has initiated a number of changes in its approach to online responsible gambling, including better documentation of processes, policy reviews, and customer support training. The Responsible Gambling Council is auditing PlayNow.com.	Complete BCLC's PlayNow.com was certified by RG Check in June 2015 with the recertification scheduled for April 2018. BCLC is the first organization in the world to have its online gaming site certified by RG Check.
15. GPEB will update its Responsible Gambling Standards to include online gambling on PlayNow.com. These standards must be followed by BCLC and all gaming service providers in British Columbia.	GPEB

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

Recommendation	Action
16. The Ministry of Finance will partner with the Ministry of Health to further explore problematic gambling screening and collaborative care planning for clients with co-occurring issues with the goal of improving the overall continuity of care.	Ministries of Finance and Health
17. The Ministries of Health and Finance, with BCLC, will be responsible for maintaining a working group with stakeholders and the Ministry of Education, to continue a dialogue regarding policy and legislative decisions that involve expansion of gambling, issues related to the public health risks of gambling, and alignment of policies and practices. The working group will act as an advisory committee for government decision makers. It will have a mandate to ensure that gambling policy is informed by reliable research and best practices, creating a fulsome understanding of the social and economic implications of gambling.	In Progress GPEB will lead the creation of this working group given their responsibility for gaming policy. They plan to have the group created by the end of March 2018.
18. The provincial government will develop a standardized package of information outlining the public health risks of gambling. It will be offered to municipalities to assist decision makers in their analysis of gaming expansion and ensure that they have a full understanding of the risks and benefits of expanding gambling in their communities. The package will include information about problem gambling prevalence, availability of alcohol, high-risk games, and revenue generated from problem gamblers.	Ministry of Finance
19. Government and BCLC will consider long-term funding of the Centre for Gambling Research at the University of British Columbia in 2017.	In Progress BCLC and GPEB are currently working with UBC to establish long-term funding options for the Centre for Gambling Research. A proposal for the funding will be completed by the end of March, 2018.

appendix 1: Responsible and Problem Gambling in British Columbia – Action Items

Recommendation	Action
20. GPEB and BCLC will undertake research to determine the impacts of reducing or minimizing higher risk features of Electronic Gaming Machines.	In Progress BCLC and GPEB are developing plans to engage GREO to conduct a meta-review on this area. Funding will be from the withheld jackpot fund.
21. GPEB and BCLC will undertake research to estimate online gambling prevalence and problem gambling prevalence among online players in British Columbia.	In Progress The UBC Centre for Gambling Research completed a study that characterized level of play (Pareto analyses) on the PlayNow platform in 1 month. The next step is to expand the investigation to examine gambling and problem gambling characteristics using both survey and player data. BCLC and GPEB will develop a RFP by the end of March 2018 and commence the research from the withheld jackpot fund.

Ussery, Camas AG:EX

From: Suzanne Rowley <SRowley@bclc.com>
Sent: Monday, March 19, 2018 3:41 PM
To: Minister, AG AG:EX
Cc: Fyfe, Richard J JAG:EX; Scott, Douglas S AG:EX; Mazure, John C GPEB:EX; Jim D. Lightbody; Richter, Connie JAG:EX
Subject: BCLC - Letter & Attachments for Minister Eby's Attention
Attachments: 2018.03.19 - a - Letter to Minister Eby re Investigation into Allegations re GCGC Operations at RiverRock.pdf; 2018.03.19 - b - Attachment - Paladin Security - River Rock Summary Report.pdf; 2018.03.19 - c - Attachment - River Rock Employee Confidentiality Statement.pdf

Hello,

On behalf of Jim Lightbody, President & CEO of BCLC, please find attached letter and attachments for the Minister's attention.

Thank you & regards,

Suzanne Rowley
Assistant Corporate Secretary/EA
President's Office, BCLC

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March 19, 2018

Ministry of Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: **David Eby**
Attorney General

Dear Minister Eby:

**Re: Investigation into Allegations regarding Great Canadian Gaming
Corporations Operations at River Rock**

I am writing to report on your October 5, 2017 request that BCLC investigate allegations regarding Great Canadian Gaming Corporation's (GCGC) operations at River Rock and determine, specifically:

1. Whether or not there have been reported and unreported incidents of sexual harassment and/or sexual assaults on floor staff and if so, what actions were taken by the service provider and BCLC;
2. Whether or not BCLC or River Rock have required staff to sign some kind of non-disclosure agreement, and if so, what the text of that agreement is and the legal basis for it; and
3. Whether management at River Rock is failing to report assaults on their staff to BCLC.

BCLC retained Paladin Security to conduct the investigation and that work has now been completed. This investigation was very thorough, but not without its challenges as you will read. In total, 429 GCGC employees at River Rock were interviewed. We have received the Final Summary Report and as a result of Paladin's findings, we have referred the matter to GPEB for investigation. A copy of the Final Summary Report has been enclosed for your reference.

In short, the Paladin Security report has concluded that:

s.15
a.

b.

c.



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BCLC has a responsibility, pursuant to s. 86(2) of the *Gaming Control Act* (GCA), to report to GPEB any allegations of conduct that would be an offense under the *Criminal Code* or the GCA. Accordingly, we have reported our concerns to GPEB and are awaiting their decision as to whether or not they intend to initiate an investigation pursuant to s. 81 of the GCA. As BCLC does not have either investigatory or enforcement powers under the GCA, we are reliant on GPEB to conduct any further investigation or to take the appropriate, if any, enforcement actions.

Pursuant to the GCA, BCLC has the sole authority to conduct and manage gaming on behalf of the province. Through its Operational Services Agreement (OSA), BCLC contracts with service providers to perform the necessary operational services at each gaming facility. While BCLC may establish standards and policies relating to the operation of a gaming facility, it is the service provider's legal responsibility to meet its contractual obligations to BCLC while remaining fully compliant with the GCA reporting requirements. In addition, service providers are solely responsible for the management and direction of their employees and compliance with all applicable employment law.

BCLC takes the findings of the Paladin Security review very seriously S.15
S.15

S.15 However, we do not want our actions to potentially prejudice any investigation that GPEB may undertake and therefore, will await GPEB's direction before releasing any communication on this subject. BCLC will, of course, fully cooperate and assist GPEB with any investigation.

We trust you understand the limited role that BCLC has in enforcement matters such as this, but if you have any questions, please advise.

Yours truly,
S.22

//Jim Lightbody
President & CEO

cc: Richard Fyfe, Deputy Attorney General
Doug Scott, Associate Deputy Minister
John Mazure, Assistant Deputy Minister, GPEB

Enclosure(s) x 2

Page 029 to/à Page 044

Withheld pursuant to/removed as

s.22;s.15;s.21

Ussery, Camas AG:EX

Subject:

FW: BCLC - Letter & Attachments for Minister Eby's Attention

Attachments:

2018.05.30 - a - Letter to Minister Eby re AML Q4 Report for Fiscal 17-18.pdf;
2018.05.30 - b - Attachment to Letter - AML Q4 Report F17-18 to the Attorney General
of BC.pdf; s.15,s.16,s.22
s.15,s.16,s.22

From: Suzanne Rowley [<mailto:SRowley@bclc.com>]

Sent: Wednesday, May 30, 2018 10:30 AM

To: Minister, AG AG:EX

Cc: Jim D. Lightbody; Bud Smith (bsmith@urbansystems.ca); Fyfe, Richard J AG:EX; Richter, Connie AG:EX

Subject: BCLC - Letter & Attachments for Minister Eby's Attention

Hello,

On behalf of Bud Smith, BCLC's Board Chair, please find attached letter along with the Q4 AML Report and attachments for the Minister's attention.

Thank you & regards,

Suzanne Rowley

Assistant Corporate Secretary/EA
President's Office, BCLC

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May 30, 2018

Ministry of the Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: David Eby
Attorney General

Dear Minister Eby:

Re: **Anti-Money Laundering (AML) Quarterly Report for the fourth quarter of Fiscal Year 2017/2018**

I am pleased to provide you with the enclosed update on the activities and actions BCLC has taken with respect to the direction set out in the Mandate Letter provided to the BCLC Board of Directors. Included in this update is the Quarterly Anti-money Laundering Report for the fourth quarter of fiscal 2017/2018.

As I prepared this, my final AML Quarterly Report and associated narrative, before expiration of my term as Chair of BCLC – I have sought and received various information which it is hoped you will find useful as our organization moves forward.

A central learning during my term(s) on the BCLC Board, is that our business is exceedingly dynamic. This notion applies within BCLC, but as well to external exigencies such as Responsible Gaming, security, and AML. Failure to recognize that there is, invariably, a context influencing emerging issues, which may appear solvable through simple solutions, will often result in a kind of 'water bed' effect through implementation.

Advancing AML strategy, in my opinion, has required understanding there are three streams of activity which, at some level, must operate in harmony. Those streams of activity are information and intelligence gathering; information sharing between agencies; and enforcement.

I can report to you that information/intelligence gathering is strong. Whilst undertaken largely by service providers and BCLC, it also involves enforcement agencies and regulators.

Sharing intelligence and information between agencies I would describe as 'spotty'.

Enforcement, rooted in the vast amounts of information/intelligence gathered from within or through or around gaming facilities, I must report, appears to run from weak to non-existent.

Dr. German's recommendation that a Designated Policing Unit (DPU) replace the current enforcement regime has great potential to markedly improve enforcement. Developed carefully, a DPU should be able to better use the great amounts of information/intelligence that long has been available to enforcement agencies, and enable the two way sharing of information to be more effective.

You will see in the Quarterly Anti-money Laundering Report that BCLC implemented Dr. German's interim recommendation #1 effective January 10, 2018. At the time of the Report being compiled, BCLC had the benefit of nearly three complete months of



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experience with the recommendation in place at casinos. Staff have observed three changes in transaction trends that I think important to bring to your attention.

1. s.15

2.

3. The third change observed has been in relation to table game drop dollar values (also referred to as topline table game revenue). For the first three months of 2018, topline table game revenue has been trending stable to increasing, but with a shift from games like squeeze baccarat in high limit rooms to table games on the main floor of the casinos. This is a continuation of the overall table revenue trend for the past five years.

BCLC staff report that most of the increase in potential suspicious transaction (UFT) reports from service providers have to do with players making multiple buy-ins just under the \$10,000 threshold where proof of source of funds is required. s.15

s.15

BCLC has been monitoring these circumstances closely and have discussed the same with GPEB and the police. Structuring behaviour was s.15 observed prior to the implementation of the recommendation. When asked, players are reporting to service providers and BCLC that they are engaging in this behaviour for two primary reasons: 1) the players do not want to go to the added effort of requesting back up documentation from their financial institutions needed to support bank draft and cash buy-ins of \$10,000 or more; and, 2) players are concerned about the privacy implications of handing over detailed personal banking information. To date the information available suggests these are in fact the motivations behind the change in player behaviour, however caution and further inquiry is needed. BCLC is continuing to work with GPEB and the police on this recent development. On the positive side, this development demonstrates that service providers are exercising a good level of due diligence in assessing player transactions and are accurately identifying potential signs of money laundering behaviour.

On a related note, as you are no doubt aware there have been numerous media and other reports on money laundering that allege an individual by the name of s.22 was central to the money laundering activities that have or are occurring. I wanted to bring to your attention that BCLC and its service providers first identified s.22 as a person of concern in the summer of 2012 and reported its concerns to FinTRAC and the police at that time. s.22 was barred by BCLC from all casinos in September of 2012. s.15.s.16.s.2 s.15.s.16.s.22

s.1 I have enclosed with this letter a timeline setting out some of the more important interactions BCLC has had with the police in regards to s.22 activities and associates. In addition, I can advise that between 2013 and 2017, BCLC submitted s.22 to GPEB that included circumstances involving or related to s.2 c that it found concerning and that s.22 those occurrences were also reported to the police.

The s.22 speaks both to the absence of meaningful enforcement and an apparent tendency to deflect scrutiny thereof. In the attached "BCLC Chronology re: s.22 you will note that by November 2015 Inspector Bruce Ward was the OIC of s.22 file and was briefed fully by BCLC's Alderson about c 2

apparently and/or suspected illegal activity associated with our casinos. You will note that two years later Insp. Ward presented at an IAFCI conference, attended by media and public members. That presentation left the distinct impression that others had failed, but that the RCMP investigation he led now was riding to the rescue, with charges coming. No charges have been laid as of the date of this letter. In his 2017 presentation, Insp. Ward did not note that s.22 activities had been brought to the RCMP's attention in late 2012. Given the confidential and sensitive nature of the information contained within the attachments, we ask that you maintain the confidentiality of the material.

I wish to bring to your attention one other concerning matter. On June 13, 2017, the RCMP and GPEB held a joint press conference in Vancouver. At that event it was reported that "top tier" organized crime figures linked to money laundering, illegal gaming houses, drug trafficking, kidnappings and extortions had laundered large amounts of money through casinos. It was further reported that nine of the accused had been arrested and released. BCLC was deeply concerned to learn that potentially violent criminals had been frequenting its casinos and targeting its facilities for money laundering. Very shortly after the press conference, BCLC wrote to the RCMP asking, under our information sharing agreement, for the names of those arrested so that it could use its statutory powers under the Gaming Control Act to bar those nine individuals from all casinos in the province to protect customers and staff, and to stop any further money laundering attempts by these individuals. BCLC has not yet been provided the names of the nine individuals arrested. BCLC remains concerned that potentially violent criminals, whose identities are not known to BCLC, may be continuing to enter its facilities and BCLC remains committed to barring those who were arrested as soon as they are identified to BCLC.

This matter speaks to a clear need for better sharing of information between agencies. These 9 "top tier" crime figures have been arrested and know, therefore, they are targets. Our service providers and BCLC do not want "top tier" crime figures in our casinos. Nor do we want our patrons being put at any potential risk of harm, if the reason for not notifying us of their identities, is to enable police to continue observing them, as they conduct unlawful activities in or around our gaming facilities.

s.12

BCLC's results for this past fiscal year, and our projections for the next period, provide well more than enough new revenue for TB to be able to accommodate all the investments required by BCLC during the next defined period of our fiscal projections.

Finally, let me say it has been my privilege to serve my Province through the Board of BCLC, and if asked I will happily support my successor as Chair, in whatever modest way I can, that would be appropriate.

Yours truly,

s.22

Bud Smith, Q.C.
Chair, BCLC Board of Directors

cc: Mr. Richard Fyfe, Q.C., Deputy Attorney General
Jim Lightbody, President & CEO, BCLC

Enclosure(s) x3

QUARTERLY REPORT TO THE ATTORNEY GENERAL OF BRITISH COLUMBIA

Pursuant to the Amended Supplemental Mandate Letter dated November 28, 2017

REPORT FOR THE FOURTH QUARTER FISCAL YEAR 2017/2018

BCLC PROVIDES THIS REPORT in accordance with Direction #3 set out in the Supplemental Mandate Letter:

German Recommendations

1. On December 18, 2017, BCLC completed the work necessary, save and except completion of consultations with GPEB, to implement German recommendation #1 expanding player source of funds declarations to all casino transactions of \$10,000 or more. Feedback from GPEB continued through to the end of the third quarter 2017/18. BCLC implemented Recommendation #1 on January 10, 2018.
2. Post implementation, as gaming service providers worked with the new requirements under German Recommendation #1 they provided additional operational feedback to BCLC. Based on that feedback and to smooth operational issues that had arisen, BCLC completed the work necessary to implement 3 procedural changes in response:
 - a. s.15,s.17
 - b.
 - c.

BCLC was prepared to implement these changes January 31, 2018, however has held off at the request of the ministry until a future date that is yet to be determined.

Anti-Money Laundering/Anti-Terrorist Financing Program Normal Course Processes and Controls Changes

3. s.15

4. BCLC has increased its anti-money laundering capabilities. One additional AML investigator was hired effective February 19, 2018, and one additional crime analyst was hired as of March 5, 2018.
5. On January 16, 2018, BCLC's Board of Directors approved new rules regarding the issuance and redemption of chips. The new rules provide better control by making it clear that chips, at all times, remain the property of BCLC and may only be redeemed by the individual who originally acquired the chips through a *bona fide* transaction with a BCLC casino service provider. Chips remain redeemable only at the casino from which the chips were acquired.
6. In March 2018, BCLC received verbal notice from FinTRAC that it will be conducting a compliance examination of BCLC's anti-money laundering program sometime in the summer of 2018. FinTRAC has established a pattern of conducting periodic casino reviews on a biannual basis; the last FinTRAC examination of BCLC occurred in the summer of 2016.

Page 050 to/à Page 058

Withheld pursuant to/removed as

s.16;s.22;s.15

Ussery, Camas AG:EX

From: Suzanne Rowley <SRowley@bclc.com>
Sent: Thursday, May 31, 2018 2:46 PM
To: Minister, AG AG:EX
Cc: Jim D. Lightbody; Bud Smith (bsmith@urbansystems.ca); Fyfe, Richard J AG:EX; Richter, Connie AG:EX
Subject: BCLC - Letter & Reports for Minister Eby's Attention
Attachments: 2018.05.31 - a - Letter to Minister Eby re Implementing Govt Direction Report.pdf; 2018.05.31 - b - Attachment to Letter - Q4 Implementing Govt Direction Report_FY18.pdf; 2018.05.31 - c - Attachment to Letter - Corporate Social Responsibility Report.pdf

Hello,

On behalf of Bud Smith, BCLC's Board Chair, please find attached letter and reports for the Minister's attention.

Thank you & regards,

Suzanne Rowley
Assistant Corporate Secretary/EA
President's Office, BCLC

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bclc.com

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May 31, 2018

Ministry of the Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: **David Eby**
Attorney General

Dear Minister Eby:

Re: BCLC's Implementing Government Direction Report

Please find enclosed BCLC's Implementing Government Direction report, dated March 31, 2018, which provides an update on BCLC's work to fulfill its current Mandate Letter.

BCLC recognizes its responsibility to conduct, manage and operate gaming on behalf of the Province of BC and for the benefit of all British Columbians. While revenue generation is an expectation, we are cognizant that it is equally important to ensure the integrity of gaming, player health and public safety.

In addition, we have taken the liberty of including a copy of BCLC's most recent Corporate Social Responsibility (CSR) Report. Since 2012, BCLC has proactively and voluntarily published a CSR report, which details our commitments to socially responsible business practices.

As we await the release of Dr. German's report, we wish to reiterate our continuing commitment to work cooperatively and collaboratively with the Gaming Policy & Enforcement Branch, FinTRAC, law enforcement and our Gaming Service Providers. We stand ready to implement recommendations that will benefit both the evolution of the Anti-Money Laundering system for casinos and the integrity of gaming in BC.

As always, BCLC would be pleased to meet with you at your convenience to discuss any aspects of the enclosed reports.

Yours truly,
s.22

Bud Smith, Q.C.
Chair, BCLC Board of Directors

cc: Richard Fyfe, Q.C., Deputy Attorney General
Jim Lightbody, President & CEO, BCLC

Enclosure(s) x2



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Implementing Government Direction

March 31, 2018

This report details BCLC's progress on government direction per:

1. 2017/18 Mandate Letter Amendment (November 23, 2017)
2. Plan for Public Health and Gambling (February 2015)

Future directives will be added, when required.

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2017/18 Mandate Letter Amendment (November 23, 2017)

IN PROGRESS

Mandate Letter Action	Plans and Progress
1. Implement the five remaining commitments in the <i>Plan for Public Health and Gambling</i> . Submit bi-annual progress reports to the General Manager, GPEB.	Progress related to the <i>Plan for Public Health and Gambling</i> located in the following section. Jan. 8, 2018, BCLC and GPEB finalized plans to address all recommendations and plans are moving forward to address all outstanding recommendations. Mar. 2018, BCLC and GPEB reviewed the status of all recommendations and updated the progress report, which GPEB then shared with the ADM's Office.
3. BCLC will provide a quarterly report to the AG on the implementation of the government's AML Strategy and mitigation of related illegal activities.	Refer to the Q4 2017-2018 Quarterly Report to the Attorney General of British Columbia sent separately.

ONGOING

Mandate Letter Action	Plans and Progress
2 Proactively share information with GPEB that assists the branch in meeting its responsibility for the overall integrity of gaming and horse racing and providing the Minister with advice on broad policy, standards and regulatory issues. This includes, but is not limited to:	
a) Information about any new games to determine if additional RG standards are required or if it is a new type of lottery scheme which requires written approval as per the <i>Gaming Control Act</i> ; and	BCLC has worked with GPEB to refine and formalize a new game evaluation framework, which is being finalized. BCLC shared some new game ideas in their concept stage with GPEB to determine if they require approval. No major issues were raised. BCLC and GPEB are developing a communication strategy to ensure government is always informed about new game introductions.
b) Information regarding trends that may influence strategies to combat money laundering and keep the proceeds of crime out of BC gambling facilities.	BCLC is not aware of any new information or trends at this time. GPEB is provided on an on-going basis reports on all unusual financial transactions, any suspected illicit activity occurring or attempted and any material changes BCLC makes to its compliance programs.

A Plan for Public Health and Gambling in BC (February 2015)

IN PROGRESS

Recommendation	Plans and Progress
6 BCLC is working with other gambling jurisdictions in Canada on constructive approaches to communicating 'odds' and 'return to player' on Electronic Gaming Machine screens to dispel myths about control and ability to win.	BCLC is committed to provide full disclosure of the odds of winning and return to player from electronic gaming device (EGD). Recently, OLG invested a significant amount into a pilot project of slot machine classifications, completed in October 2017. While there were some positive findings, results showed confusion with the messages, largely associated with too much information. OLG is redesigning and planning another launch with results anticipated within six months. Given the considerable investment already made by OLG, BCLC will await the OLG findings to develop a plan to effectively communicate this information to our players. BCLC is working with the Interprovincial Lottery Corporation's RG Group as this requirement is expected to become mandatory for all new game themes released in Canada. Vendors will ensure the devices comply with any applicable standards of the Interprovincial Lottery Corporation's RG Group relating to disclosure of the odds of winning and return to player (the "Standards") within twelve (12) months of such Standards coming into effect. All vendors on BCLC's roster have agreed to this requirement as part of the executed contracts, and will work with their R&D teams.
7 Beginning in 2015, BCLC will offer new time and money budgeting tools to its Encore Rewards members. Similarly, enhanced tools have been developed for implementation on PlayNow.com.	The most recent PlayPlanner product was successfully tested by quality assurance and onsite production validation. On April 23, 2018, BCLC will introduce PlayPlanner as a pilot program at two sites in Kamloops for a 3-month period. PlayPlanner is a new, optional budgeting tool that enables Encore Rewards members to set their gambling time and spend while playing on a slot machine or eTable game. The pilot program will enable BCLC to evaluate the tool, and if successful, continue with a provincial rollout.
10 GPEB and BCLC plan to implement a GameSense Advisor presence in community gaming centres.	In December 2017, following Ministerial approval, GameSense Advisors (GSA) transitioned to BCLC employee positions April 1, 2018. BCLC will continue to incrementally add staff to expand the GSA program to all facilities province-wide with completion anticipated by Sept. 2019.

Recommendation	Plans and Progress
12 BCLC will implement customized RG messaging to PlayNow.com account holders as well as BCLC Encore members.	In 2014, BCLC partnered with the Manitoba Gambling Research Program, and researchers from UCLA, UNLV and Southern Cross University to evaluate customized RG messaging to PlayNow.com account holders as well as BCLC Encore members. The field experiment began in fall 2016 and was discontinued due to a low rate of engagement and above average unsubscribe rate.
	s.17,s.21
13 BCLC will engage an international team of researchers in a longitudinal research project to evaluate the impact of customized messaging on player behaviour.	Upon completion of recommendations 12 & 21, we will be in a better position to examine the impact of RG messages on behaviors.
17 The Ministries of Health and Finance, with BCLC, will be responsible for maintaining a working group with stakeholders and the Ministry of Education, to act as an advisory committee for government decision makers. Its mandate is to ensure gambling policy is informed by reliable research and best practices, creating a fulsome understanding of the social and economic implications of gambling.	GPEB will lead the creation of this working group given their responsibility for gaming policy.
19 Government and BCLC will consider long-term funding of the Centre for Gambling Research at UBC in 2017.	In March 2018, the Attorney General approved a joint BCLC/GPEB proposal to renew funding to the Centre for Gambling Research at UBC. The details of the agreement are currently being finalized.
20 GPEB and BCLC will research to the impacts of reducing or minimizing higher risk features of Electronic Gaming Machines.	BCLC and GPEB are developing plans to engage GREO to conduct a meta-review on this area. Funding will be from the withheld jackpot fund.
21 GPEB and BCLC will undertake research to estimate online gambling prevalence and problem gambling prevalence among online players in British Columbia.	The UBC Centre for Gambling Research completed a study that characterized level of play (Pareto analyses) on the PlayNow platform in 1 month. The next step is to expand the investigation to examine gambling and problem gambling characteristics using both survey and player data. BCLC and GPEB will develop a RFP and commence the research from the withheld jackpot fund.

COMPLETE

Recommendation	Plans and Progress
8 BCLC has conducted its third review of the Appropriate Response Training (ART) program for gaming facilities staff, and in 2015, will be incorporating new approaches to problem gambling identification and response as recommended by the RG Council.	Fall of 2015, BCLC enhanced its ART program with a response guidelines matrix to help equip gaming venue staff with skills and knowledge to recognize observable behaviours that may indicate a problem with gambling and to provide the appropriate assistance when required. In early 2016, BCLC worked with an expert from the Centre for Addiction and Mental Health to enhance delivery and curriculum of ART Level 2 in-person workshops. Eight new learning activities, tailored to ART curriculum and response guidelines, were developed and all ART trainers received training on the new content.
9 BCLC will incorporate mandatory staff training about the cognitive effects of alcohol and the resulting increase in impulse behaviour.	BCLC added new training content for its ART Level 1 course in March 2015, which is mandatory for all gaming workers in BC. The content aims to equip gaming staff with ability to identify and understand policies and procedures pertaining to liquor service in a gaming environment; possible effects of alcohol intoxication on gambling behavior; knowing when to prevent customers who are, or appear to be, visibly intoxicated from participating in gambling; and, understand escalation procedures pertaining to intoxicated customers.
11 BCLC is implementing a new ART course that is specific to customer telephone support. It includes training on how to assess and respond to callers who may be experiencing difficulty with their gambling, details on available resources, procedures for handling third party concerns, and escalation guidelines.	ART for BCLC's Customer Support team launched in August 2014. All Customer Support staff completed the course in facilitated sessions held through November 2014. The training program is ongoing for new employees.
14 BCLC has worked with the RG Council to develop and implement the new RG Check accreditation program for online gaming. In anticipation of being the first online gambling platform to participate in this program, BCLC has initiated a number of changes in its approach to online RG, including better documentation of processes, policy reviews, and customer support training. The RG Council is auditing PlayNow.com.	BCLC's PlayNow.com was certified by RG Check in June 2015 with the recertification scheduled for April 2018. BCLC is the first organization in the world to have its online gaming site certified by RG Check.

Appendix 1 - Plan for Public Health and Gambling in BC – Other Stakeholders' Recommendations

Recommendation	Responsible
1 The provincial Responsible & Problem Gambling program will link with the University of Victoria's Centre for Addictions Research and other researchers to work towards linking problem gambling education with broader issues of substance use, including preventing and addressing dependence and fostering positive mental health and social and personal responsibility.	GPEB, UVic
2 Within available resources, the provincial Responsible & Problem Gambling Program is shifting its prevention services to incorporate a greater focus on problem solving and critical thinking and prioritizing the need to ensure programs are as effective as possible for students.	GPEB
3 The Ministry of Education will share the findings of the PHO Report on Gambling as well as current research related to youth gambling with the Physical and Health Education curriculum development teams and other relevant specialist associations such as school counsellors.	Ministry of Education
4 Links to RG education materials will be added to the new Physical and Health Education curriculum as well as to the Healthy Schools BC website and promoted in the Healthy Schools BC newsletter.	Ministry of Education
5 The Ministries of Education, Finance, and Health will work together to raise awareness about the need for problem gambling education and its links with broader issues of risk-taking behaviour and promote related education materials.	Ministries of Education, Finance and Health
15 GPEB will update its RG Standards to include online gambling on PlayNow.com. These standards must be followed by BCLC and all gaming service providers in British Columbia.	GPEB
16 The Ministry of Finance will partner with the Ministry of Health to further explore problematic gambling screening and collaborative care planning for clients with co-occurring issues with the goal of improving the overall continuity of care.	Ministries of Finance and Health
18 The provincial government will develop a standardized package of information outlining the public health risks of gambling. It will be offered to municipalities to assist decision makers in their analysis of gaming expansion and ensure that they have a full understanding of the risks and benefits of expanding gambling in their communities. The package will include information about problem gambling prevalence, availability of alcohol, high-risk games, and revenue generated from problem gamblers.	Ministry of Finance

2017/2018

Social Responsibility Report

belo

Page 069 to/à Page 135

Withheld pursuant to/removed as

Copyright

Nanninga, Tanera AG:EX

From: Eby, David AG:EX
Sent: Thursday, September 21, 2017 2:07 PM
To: Smith, George AG:EX; Fyfe, Richard J AG:EX
Subject: RE: 2015 EY Audit and 2016 FinTRAC Audit

Can we please confirm that this is what they want publicly released with the other material?
D.

From: Smith, George AG:EX
Sent: Wednesday, September 20, 2017 9:28 PM
To: Eby, David AG:EX; Fyfe, Richard J AG:EX
Subject: Fwd: 2015 EY Audit and 2016 FinTRAC Audit

FYI

Begin forwarded message:

From: "Jim D. Lightbody" <JDLightbody@bccl.com>
To: "Smith, George AG:EX" <George.Smith@gov.bc.ca>
Cc: "Godfrey, Sam AG:EX" <Sam.Godfrey@gov.bc.ca>, "Bud Smith" <bsmith@urbansystems.ca>
Subject: Fwd: 2015 EY Audit and 2016 FinTRAC Audit

George,
For further information and perspective, I'm forwarding the note and attachments below. Rob Kroeker is our VP Security & Compliance. I asked him to send me the audits by FinTRAC and EY, completed around the same time as the MNP review, that provide a much more fulsome report on our AML practices.
Rob also provides commentary on some of the circumstances of the MNP review that the Minister should know. See below.
We can expand more tomorrow morning.
Best regards,
Jim

Sent from my iPhone

Begin forwarded message:

From: "Rob Kroeker" <RKroeker@bccl.com>
To: "Jim D. Lightbody" <JDLightbody@bccl.com>, "Bud Smith" <bsmith@urbansystems.ca>
Subject: 2015 EY Audit and 2016 FinTRAC Audit

Jim

The EY Report is dated November 23, 2015. That audit covered the period **Oct 1, 2013 – July 31, 2015** and was a comprehensive audit of the entire AML Programme.

The FinTRAC Audit is dated July 14, 2016. That audit covered the period **September 1, 2015 to February 29, 2016** and was a comprehensive audit of the entire AML Programme.

The MNP Audit is dated July 26, 2016. That audit covered the period **September 1, 2013 to August 31, 2015**. This audit focused only on select transactions at River Rock.

You might recall the Audit lead from MNP left MNP to take employment with a competitor prior to the engagement being completed.

In addition you may recall that MNP based its work on a data extract from our database – something which has never been done before. We were able to determine their finding that mandatory fields in a number of large cash transaction reports (LCTs) were left blank, and thus were non-compliant, was in error as a result of apparent data corruption occurring during their data extraction process. We checked the LCTs in question both in our database from which the extract was taken and the FinTRAC database. The reports were complete and compliant. We asked MNP to confirm our findings by directly auditing our database rather than the extract and/or confirming directly with FinTRAC the reports were in fact submitted in compliant form. MNP declined to follow either course and did not make any changes to their report.

One other item that was noteworthy was that despite starting off being described as an audit, when the work was concluded MNP inserted into its report on page 3 "This engagement is not an audit and did not include any control testing".

Rob

This email is intended only for the addressee. It may contain confidential or proprietary information that cannot be disclosed without BCLC's permission. If you have received this email in error, please notify the sender immediately and delete the email.

Nanninga, Tanera AG:EX

From: Harder, Derrick AG:EX
Sent: Friday, June 8, 2018 6:34 PM
To: Eby, David AG:EX
Subject: FW: 550260 FW: BCLC - Letter & Reports for Minister Eby's Attention
Attachments: 2018.05.31 - a - Letter to Minister Eby re Implementing Govt Direction Report.pdf; 2018.05.31 - b - Attachment to Letter - Q4 Implementing Govt Direction Report_FY18.pdf; 2018.05.31 - c - Attachment to Letter - Corporate Social Responsibility Report.pdf

In case this did not get to you last week when it was sent.
Separate from the Bud Smith letter that you discussed with him over the phone.
Has been some confusion at correspondence about the two separate letters from Bud Smith but they are being handled separately now and separate drafted response will be coming for your signature.

From: Minister, AG AG:EX
Sent: Friday, June 8, 2018 2:12 PM
To: Harder, Derrick AG:EX
Cc: Thompson, Angella N PSSG:EX
Subject: 550260 FW: BCLC - Letter & Reports for Minister Eby's Attention

Hi Derrick,

This is the second piece of correspondence, dated May 31, 2018.

Please respond to myself and Angella as I will be leaving the office shortly – many thanks for your assistance with this request, very much appreciated.

Candice

From: Suzanne Rowley [<mailto:SRowley@bclc.com>]
Sent: Thursday, May 31, 2018 2:46 PM
To: Minister, AG AG:EX
Cc: Jim D. Lightbody; Bud Smith (bsmith@urbansystems.ca); Fyfe, Richard J AG:EX; Richter, Connie AG:EX
Subject: BCLC - Letter & Reports for Minister Eby's Attention

Hello,

On behalf of Bud Smith, BCLC's Board Chair, please find attached letter and reports for the Minister's attention.

Thank you & regards,

Suzanne Rowley
Assistant Corporate Secretary/EA
President's Office, BCLC

2940 Virtual Way, Vancouver BC V5M 0A6
T 604 225 6399
srowley@bclc.com
bclc.com

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May 31, 2018

Ministry of the Attorney General
PO Box 9044, Stn Prov Govt
Victoria, BC V8W 9E2

Attention: **David Eby**
Attorney General

Dear Minister Eby:

Re: BCLC's Implementing Government Direction Report

Please find enclosed BCLC's Implementing Government Direction report, dated March 31, 2018, which provides an update on BCLC's work to fulfill its current Mandate Letter.

BCLC recognizes its responsibility to conduct, manage and operate gaming on behalf of the Province of BC and for the benefit of all British Columbians. While revenue generation is an expectation, we are cognizant that it is equally important to ensure the integrity of gaming, player health and public safety.

In addition, we have taken the liberty of including a copy of BCLC's most recent Corporate Social Responsibility (CSR) Report. Since 2012, BCLC has proactively and voluntarily published a CSR report, which details our commitments to socially responsible business practices.

As we await the release of Dr. German's report, we wish to reiterate our continuing commitment to work cooperatively and collaboratively with the Gaming Policy & Enforcement Branch, FinTRAC, law enforcement and our Gaming Service Providers. We stand ready to implement recommendations that will benefit both the evolution of the Anti-Money Laundering system for casinos and the integrity of gaming in BC.

As always, BCLC would be pleased to meet with you at your convenience to discuss any aspects of the enclosed reports.

Yours truly,

s.22

Bud Smith, Q.C.
Chair, BCLC Board of Directors

cc: Richard Fyfe, Q.C., Deputy Attorney General
Jim Lightbody, President & CEO, BCLC

Enclosure(s) x2

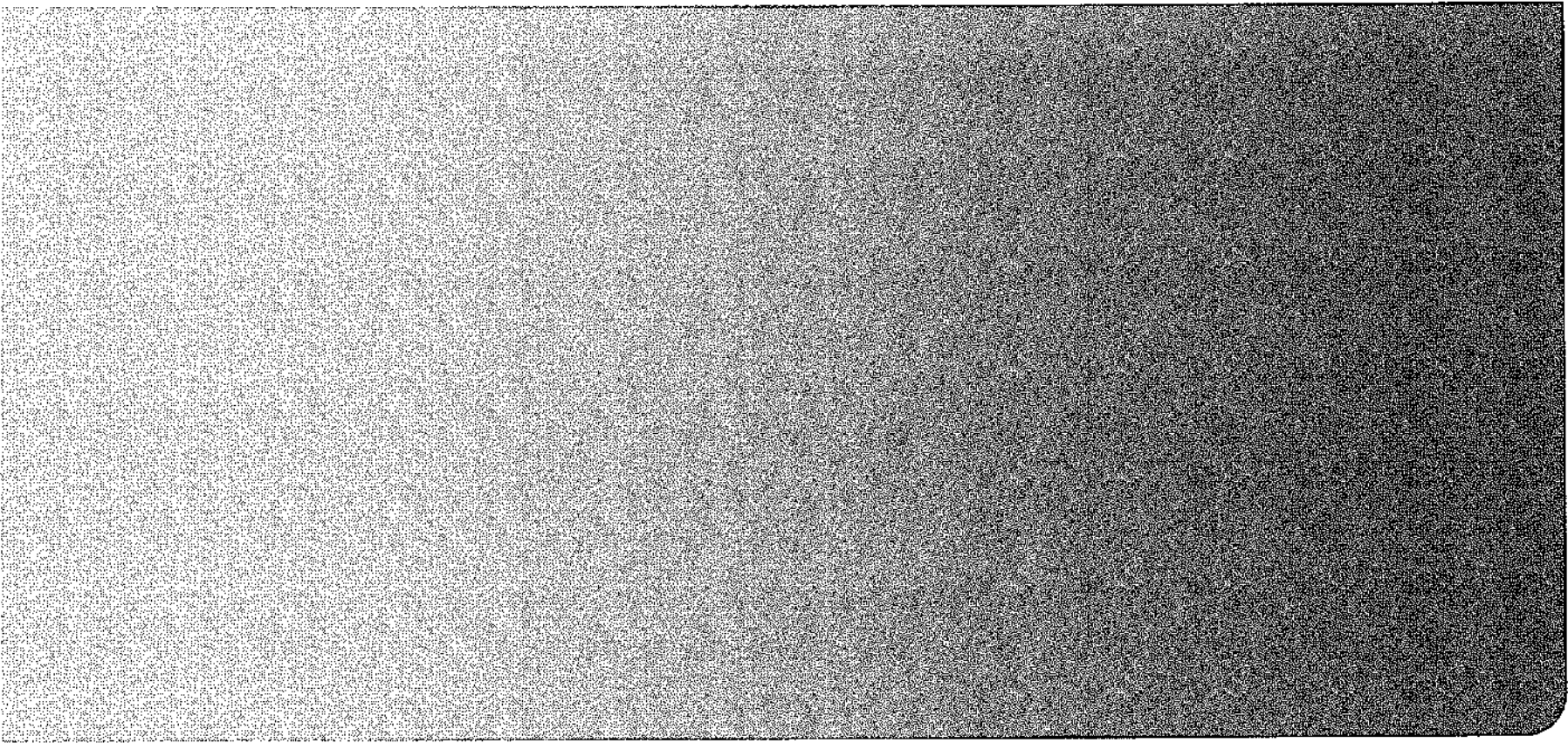


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Vancouver, BC V5M 0A6

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bclc.com



Implementing Government Direction

March 31, 2018

This report details BCLC's progress on government direction per:

1. 2017/18 Mandate Letter Amendment (November 23, 2017)
2. Plan for Public Health and Gambling (February 2015)

Future directives will be added, when required.

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2017/18 Mandate Letter Amendment (November 23, 2017)

IN PROGRESS

Mandate Letter Action	Plans and Progress
1. Implement the five remaining commitments in the <i>Plan for Public Health and Gambling</i> . Submit bi-annual progress reports to the General Manager, GPEB.	Progress related to the Plan for Public Health and Gambling located in the following section. Jan. 8, 2018, BCLC and GPEB finalized plans to address all recommendations and plans are moving forward to address all outstanding recommendations. Mar. 2018, BCLC and GPEB reviewed the status of all recommendations and updated the progress report, which GPEB then shared with the ADM's Office.
3. BCLC will provide a quarterly report to the AG on the implementation of the government's AML Strategy and mitigation of related illegal activities.	Refer to the Q4 2017-2018 Quarterly Report to the Attorney General of British Columbia sent separately.

ONGOING

Mandate Letter Action	Plans and Progress
2 Proactively share information with GPEB that assists the branch in meeting its responsibility for the overall integrity of gaming and horse racing and providing the Minister with advice on broad policy, standards and regulatory issues. This includes, but is not limited to:	
a) Information about any new games to determine if additional RG standards are required or if it is a new type of lottery scheme which requires written approval as per the <i>Gaming Control Act</i> ; and	BCLC has worked with GPEB to refine and formalize a new game evaluation framework, which is being finalized. BCLC shared some new game ideas in their concept stage with GPEB to determine if they require approval. No major issues were raised. BCLC and GPEB are developing a communication strategy to ensure government is always informed about new game introductions.
b) Information regarding trends that may influence strategies to combat money laundering and keep the proceeds of crime out of BC gambling facilities.	BCLC is not aware of any new information or trends at this time. GPEB is provided on an on-going basis reports on all unusual financial transactions, any suspected illicit activity occurring or attempted and any material changes BCLC makes to its compliance programs.

A Plan for Public Health and Gambling in BC (February 2015)

IN PROGRESS

Recommendation	Plans and Progress
6 BCLC is working with other gambling jurisdictions in Canada on constructive approaches to communicating 'odds' and 'return to player' on Electronic Gaming Machine screens to dispel myths about control and ability to win.	BCLC is committed to provide full disclosure of the odds of winning and return to player from electronic gaming device (EGD). Recently, OLG invested a significant amount into a pilot project of slot machine classifications, completed in October 2017. While there were some positive findings, results showed confusion with the messages, largely associated with too much information. OLG is redesigning and planning another launch with results anticipated within six months. Given the considerable investment already made by OLG, BCLC will await the OLG findings to develop a plan to effectively communicate this information to our players. BCLC is working with the Interprovincial Lottery Corporation's RG Group as this requirement is expected to become mandatory for all new game themes released in Canada. Vendors will ensure the devices comply with any applicable standards of the Interprovincial Lottery Corporation's RG Group relating to disclosure of the odds of winning and return to player (the "Standards") within twelve (12) months of such Standards coming into effect. All vendors on BCLCs roster have agreed to this requirement as part of the executed contracts, and will work with their R&D teams.
7 Beginning in 2015, BCLC will offer new time and money budgeting tools to its Encore Rewards members. Similarly, enhanced tools have been developed for implementation on PlayNow.com.	The most recent PlayPlanner product was successfully tested by quality assurance and onsite production validation. On April 23, 2018, BCLC will introduce PlayPlanner as a pilot program at two sites in Kamloops for a 3-month period. PlayPlanner is a new, optional budgeting tool that enables Encore Rewards members to set their gambling time and spend while playing on a slot machine or eTable game. The pilot program will enable BCLC to evaluate the tool, and if successful, continue with a provincial rollout.
10 GPEB and BCLC plan to implement a GameSense Advisor presence in community gaming centres.	In December 2017, following Ministerial approval, GameSense Advisors (GSA) transitioned to BCLC employee positions April 1, 2018. BCLC will continue to incrementally add staff to expand the GSA program to all facilities province-wide with completion anticipated by Sept. 2019.

Recommendation	Plans and Progress
12 BCLC will implement customized RG messaging to PlayNow.com account holders as well as BCLC Encore members.	In 2014, BCLC partnered with the Manitoba Gambling Research Program, and researchers from UCLA, UNLV and Southern Cross University to evaluate customized RG messaging to PlayNow.com account holders as well as BCLC Encore members. The field experiment began in fall 2016 and was discontinued due to a low rate of engagement and above average unsubscribe rate. s.17,s.21
13 BCLC will engage an international team of researchers in a longitudinal research project to evaluate the impact of customized messaging on player behaviour.	Upon completion of recommendations 12 & 21, we will be in a better position to examine the impact of RG messages on behaviors.
17 The Ministries of Health and Finance, with BCLC, will be responsible for maintaining a working group with stakeholders and the Ministry of Education, to act as an advisory committee for government decision makers. Its mandate is to ensure gambling policy is informed by reliable research and best practices, creating a fulsome understanding of the social and economic implications of gambling.	GPEB will lead the creation of this working group given their responsibility for gaming policy.
19 Government and BCLC will consider long-term funding of the Centre for Gambling Research at UBC in 2017.	In March 2018, the Attorney General approved a joint BCLC/GPEB proposal to renew funding to the Centre for Gambling Research at UBC. The details of the agreement are currently being finalized.
20 GPEB and BCLC will research to the impacts of reducing or minimizing higher risk features of Electronic Gaming Machines.	BCLC and GPEB are developing plans to engage GREO to conduct a meta-review on this area. Funding will be from the withheld jackpot fund.
21 GPEB and BCLC will undertake research to estimate online gambling prevalence and problem gambling prevalence among online players in British Columbia.	The UBC Centre for Gambling Research completed a study that characterized level of play (Pareto analyses) on the PlayNow platform in 1 month. The next step is to expand the investigation to examine gambling and problem gambling characteristics using both survey and player data. BCLC and GPEB will develop a RFP and commence the research from the withheld jackpot fund.

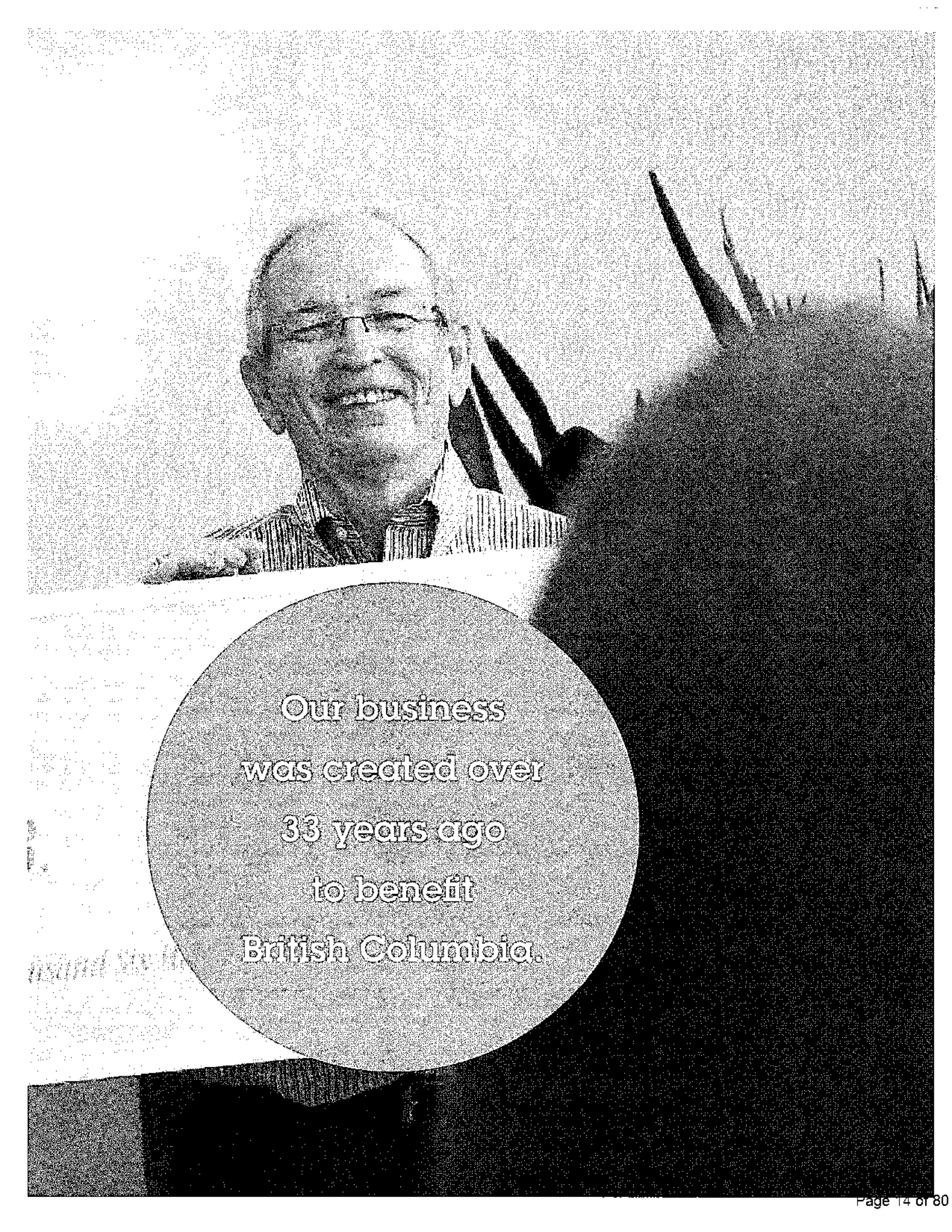
COMPLETE

Recommendation	Plans and Progress
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2017/2018
**Social
Responsibility
Report**



Our business
was created over
33 years ago
to benefit
British Columbia.

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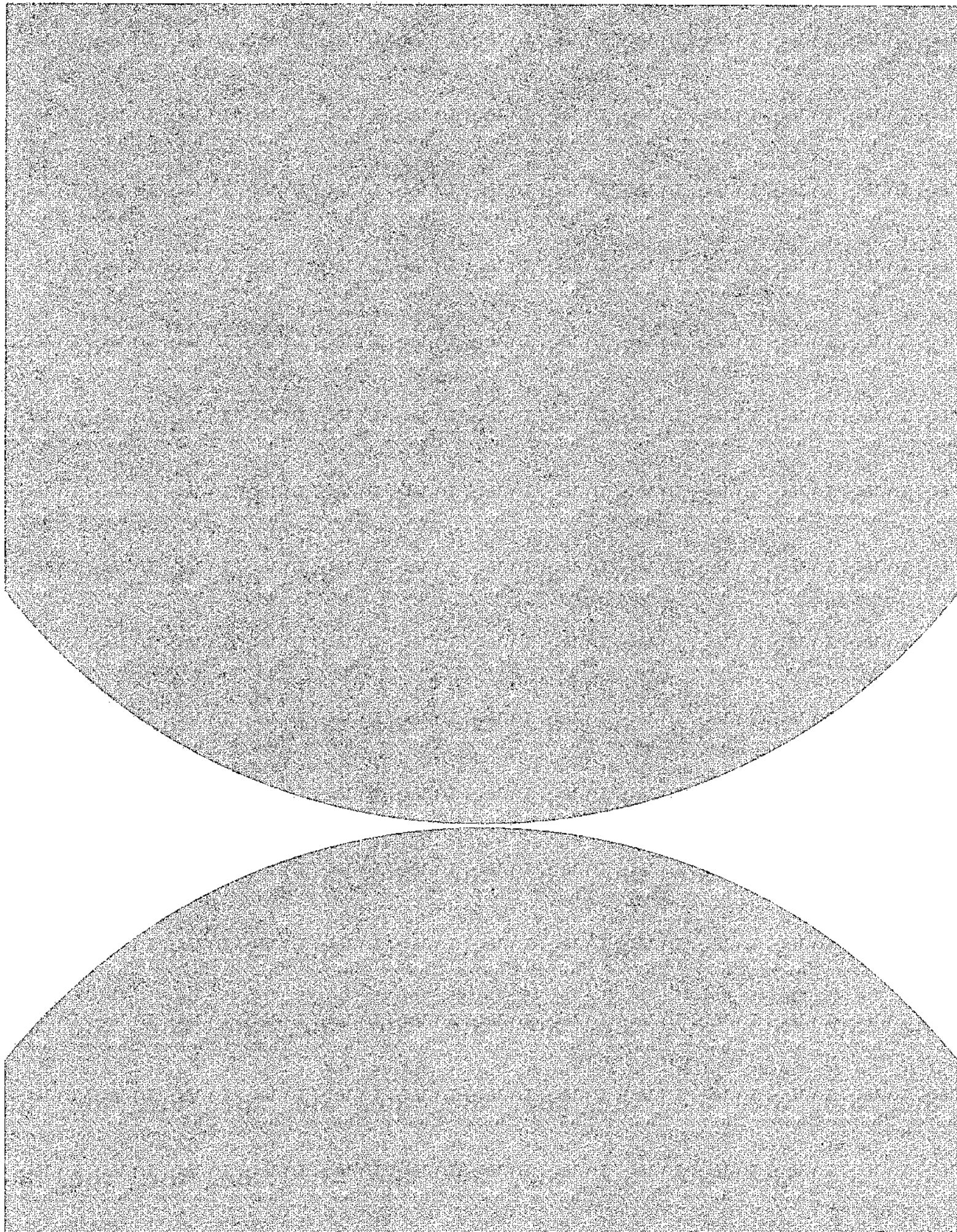
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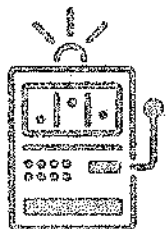
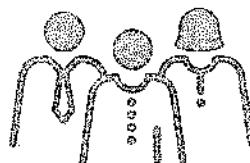
Appendix 05



BCLC at a Glance

933

EMPLOYEES
EMPLOYED IN B.C.

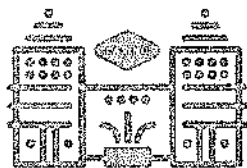
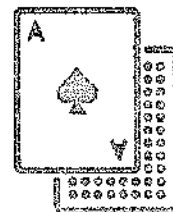


13,588

SLOT MACHINES

528

TABLE GAMES



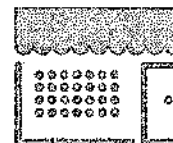
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GAMING FACILITIES

APPROXIMATELY

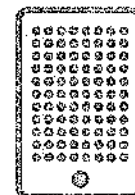
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RETAIL LOCATIONS THAT
SELL NATIONAL AND
PROVINCIAL LOTTERIES

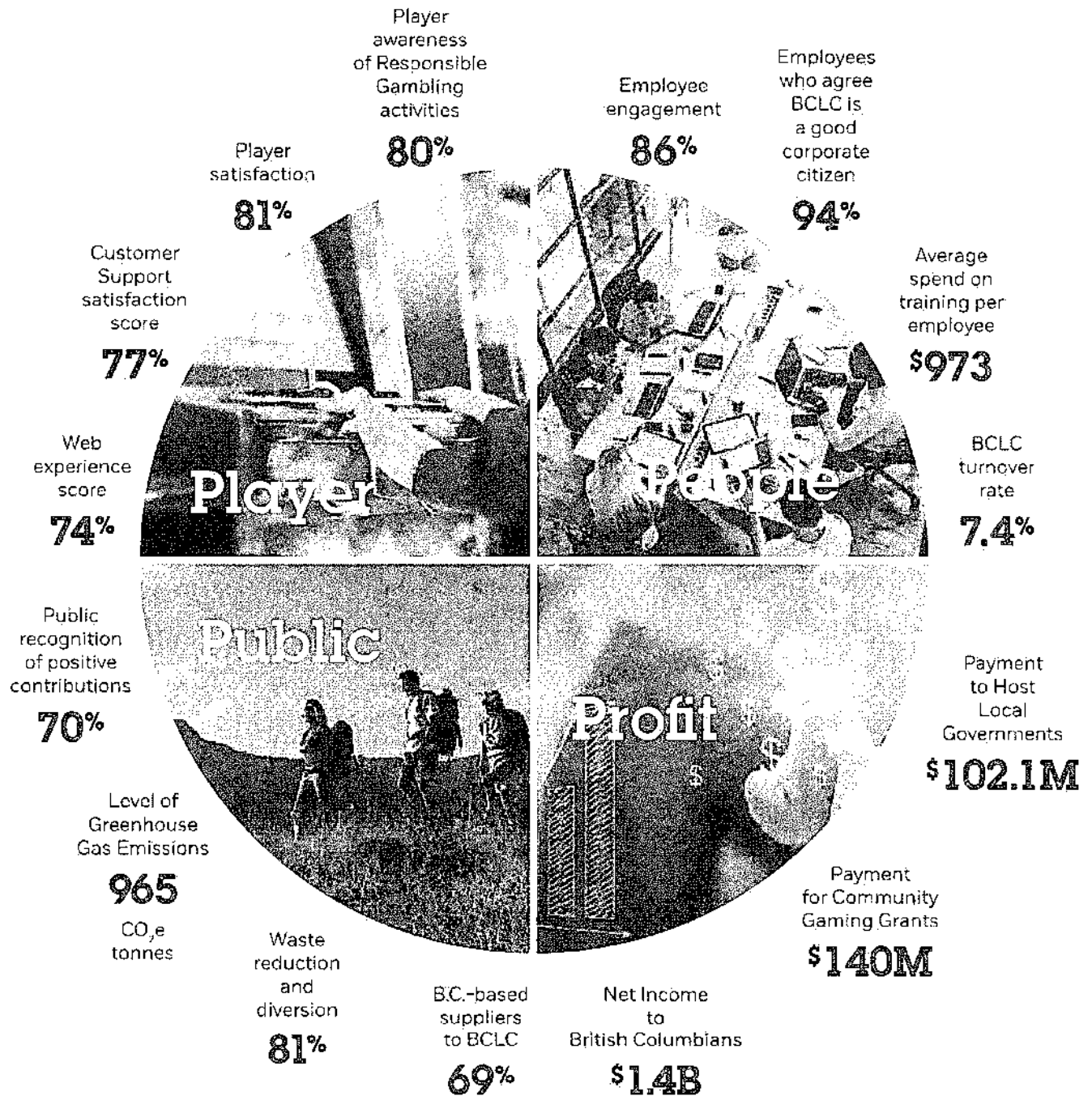


PlayNow.com

B.C.'S ONLY REGULATED ONLINE
AND MOBILE EGAMING CHANNEL



The Big Picture



Our Performance

Metric	2016/17 actual	2017/18 actual	2017/18 target	2018/19 target	2019/20 target
Player awareness of Responsible Gambling activities	79%	80%	78%	78%	N/A
Player interactions at GameSense Info Centres (No.)	59,075	48,587	65,000	70,000	70,000
Pass rate in Lottery Mystery Shop Program	86%	82%	75%	75%	75%
Pass rate in ID25 Mystery Shop Program	43%	39%	50%	60%	70%
Employee engagement score	87%	86%	85%	85%	85%
Employees who agree BCLC is a good corporate citizen	94%	94%	90%	90%	90%
Average spend on training per employee	\$992	\$973	\$1,200	\$1,200	\$1,200
Public perception of BCLC's transparency	64%	60%	64%	61%	62%
Public recognition of positive contributions	73%	70%	74%	74%	75%
Level of Greenhouse Gas Emissions (CO ₂ e tonnes)	833	965	900	900	900
Waste diverted from landfill—Kamloops office	64%	63%	78%	82%	82%
Waste diverted from landfill—Vancouver office	92%	87%	93%	93%	93%

Message from the President and CEO



We work to demonstrate how BCLC is a socially responsible company by communicating openly about our strategies and targets and how we are meeting those commitments. In order to earn the trust of government, service providers, customers and communities across B.C., we recognize that when our business is challenged to keep pace with shifting dynamics, it can question that hard earned trust.

I am proud of the action we have taken this past year to evolve our responsible gambling programs, improve our employee experience and strengthen key areas of our business. Even with the progress we have made in these areas, I also recognize there are other areas of our business that require more effort to improve the trust people have in our company.

Dr. Peter German's review on our anti-money laundering practices at casinos provides useful and practical recommendations that will serve as a road map for all agencies involved in combating money laundering. It is clear to me that even though BCLC has always followed the rules set by our authorities and maintained a comprehensive AML program, we need to do even more to rid our casinos of people who seek to exploit our systems for money laundering. We will act immediately to implement all recommendations outlined in Dr. German's report, and work collaboratively and in support of the important roles other agencies have in combating this urgent problem.

Looking ahead, I also look forward to further building up other important aspects of our business. A key area of focus will be the continuing evolution of our responsible gambling program to focus more on player health. This includes offering our players more than just awareness of the potential harms of our products, it involves better educating our players and giving them timely support and referrals to treatment and other resources. As such, we will be investing in research and utilizing research data and metrics to guide how we support healthier players.

The majority of British Columbians play our games for entertainment and the dream of a win. I am proud of the work we do at BCLC and the benefits it returns to communities. I want the people of this province to share that same sentiment. The only way for us to earn that confidence and trust is for us to let our actions speak for us in the year ahead and beyond.

Sincerely,

Jim Lightbody

Message from the Vice-President, Social Responsibility and Communications



Social responsibility must be embedded into our corporate culture and the way in which we manage our business and make decisions, not just when we develop strategies or set targets, but in our daily work at all levels of the company. To ensure we continue to build on our past success, we will continue to invest in improving our programs so that we provide our business, players and communities a sustainable and healthy future.

Being a part of British Columbia's public sector positions BCLC to be a catalyst for climate action at both the community and provincial levels. As such, it is incumbent on us to set an example with concrete action to reduce our carbon footprint and run a sustainable business. This report is our way of demonstrating our climate action efforts in the past year, as well as the efforts to uphold our commitments to social responsibility.

Among our social responsibility priorities are the recent and upcoming changes at BCLC that will bolster our goal of having the world's healthiest players. Our GameSense program has evolved from simply providing our players responsible gambling information, to adopting new approaches to promote player health, community and consumer awareness, education and access to appropriate treatment. BCLC and GPEB also successfully consolidated the GameSense Advisor (GSA) program under BCLC's management in April 2018. Assuming responsibility of all operations of the GSA program means we will have a stronger influence on the programs, practices and policies developed around player health.

Additionally, we are investing in new research about online behaviour and self-exclusion programming, and using data and metrics more than ever before to better measure our success and guide our future efforts. This focus and investment in outcomes-based research and player education is why BCLC was internationally recognized last year by the World Lotteries Association for leadership in responsible gambling.

I am committed to working alongside our team to ensure that we continue integrating social responsibility throughout every part of our business. Not only is it an integral way to build public trust by demonstrating good corporate citizenship; it's simply the right thing to do.

Sincerely,

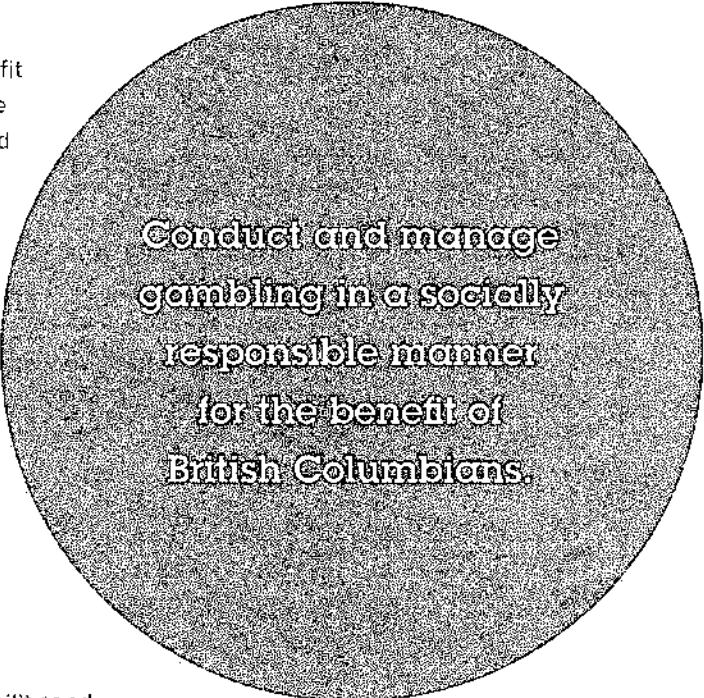
Susan Dolinski

Our Social Purpose

Mission and Values

BCLC was created over 33 years ago for the benefit of British Columbians. As a Crown corporation we conduct and manage lottery, eGaming, bingo and casino gambling entertainment on behalf of the Province of British Columbia. We strike a balance between fun and social responsibility by entertaining customers with a chance to dream and enjoy our games while also embedding player health and harm reduction approaches in the delivery of our games and offerings. The greatest impact we have is delivering important revenue to the Government of B.C. to support health care, education, social programs and charitable organizations. Since 1985, we have generated more than \$21 billion for the benefit of British Columbians.

We live by our values of integrity, social responsibility and respect. The games we offer and the ways we conduct business are fair, honest, transparent and trustworthy. Being socially responsible means keeping player health top of mind, reducing gambling-related harm and being a good corporate citizen, which is our social purpose.



**Conduct and manage
gambling in a socially
responsible manner
for the benefit of
British Columbians.**

Governance and Oversight

Our business is overseen by a Board of Directors, appointed by Government, which reports to the Attorney General of British Columbia, who is responsible for BCLC. The Board's Governance and Social Responsibility Committee provides guidance for issues related to Social Responsibility, while our CEO and the Vice-President, Social Responsibility and Communications have overall authority and accountability for our social responsibility performance.

At an operational level, we have established a Social Responsibility Committee made up of directors and senior managers from throughout the organization.

This committee provides direct input on, and approval of, the social responsibility performance framework, social responsibility charter, identification and prioritization of BCLC's material topics, as well as general social responsibility strategy at BCLC.

The Gaming Policy and Enforcement Branch (GPEB) is responsible for the overall integrity of gambling and horse racing in British Columbia, including regulation of BCLC and our compliance with B.C.'s *Gaming Control Act* (2002). GPEB is also responsible for setting the province's responsible and problem gambling strategy and has direct responsibility for the provision of problem gambling treatment services.

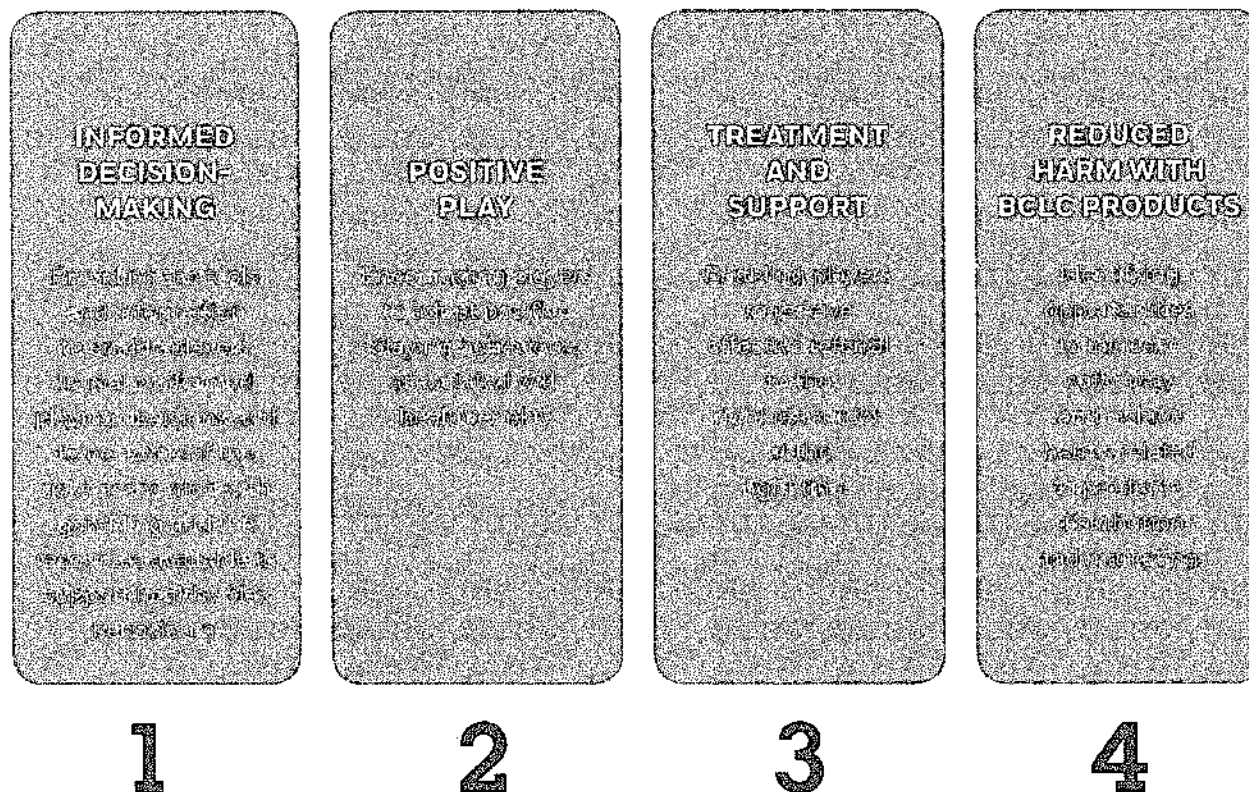
A Proactive Player Health Strategy

Keeping gambling fun for all players is an important part of being socially responsible, which means having programs that reinforce positive play behaviours, and assist players to get help if they need it. BCLC has policies reflecting responsible gambling standards that apply to all gaming service providers and lottery retailers, in support of our lottery, casino, bingo and online gambling activities. But it's not just about meeting regulatory standards—we're committed to continuous improvement. We embrace global leading practices and research, including partnerships with research institutions, to refine programming for healthy players, people at-risk and people with a gambling disorder.

BCLC's key initiatives include: information booths in all B.C. casino and community gaming facilities; a Voluntary Self-Exclusion program for those that are having difficulty controlling their gambling; and Appropriate Response Training (ART) educating all gaming staff in how to respond to players requiring assistance.

Our player health strategy incorporates key learnings from prevention and harm reduction approaches applied to other types of addictive behaviours.

FOUR PILLARS OF OUR PLAYER HEALTH STRATEGY:



Appropriate Response Training: Ongoing training is key to keeping responsible gambling, player health and best practices top of mind. We require all player-facing staff in casinos and community gaming centres to successfully complete Appropriate Response Training (ART), which prepares them to proactively assist players who may need extra support in a respectful manner. BCLC staff also complete training to enhance employee understanding of player health policies and practices.

Corporate Social Responsibility Assessments: To ensure we do not put vulnerable players at undue risk for harm, all products, promotions and advertising campaigns are reviewed using a Corporate Social Responsibility Assessment (CSRA). Through CSRAs, initiatives are screened for responsible gambling best practices, protection of minors and compliance to advertising standards, among other considerations.

Problem Gambling: According to the 2014 British Columbia Problem Gambling Prevalence Study conducted on behalf of the Gaming Policy and Enforcement Branch, the rate of people at risk of problem gambling was 3.3 per cent, which is down from 4.6 per cent in 2008. The B.C. Problem Gambling Help Line offers confidential and free support 24-hours a day, seven days a week for all British Columbians and counselling services are also offered free of charge by the Province of B.C.

External Certification: External certification helps us benchmark our progress against leading standards in the industry and continuously improve our policies, practices and programs throughout the organization. BCLC has once again maintained Level 4 certification (top-tier) for responsible gambling programs from the World Lottery Association (WLA). Additionally, all B.C. casinos, community gaming centres and PlayNow.com have received RG Check accreditation from the Responsible Gambling Council.

Voluntary Self-Exclusion: The Voluntary Self-Exclusion (VSE) program is for players who want to take a break from gambling, and choose to exclude themselves from facilities with slot machines, commercial bingo halls, and/or PlayNow.com for a self-determined period of time. As a deterrent, those enrolled in VSE are not eligible to claim jackpot prizes in gambling facilities. As of March 31, 2018, 10,563 people are enrolled in the VSE program and VSE participants were identified and turned away from entering a venue more than 9,563 times last year. In 2016, researchers concluded a four-year study with the goal of determining overall satisfaction, access to treatment and overall effectiveness of the VSE program, with favourable results and findings that will help further improve the program. In 2018, a new longitudinal study will be started with an additional cohort of participants who have enrolled in the program via PlayNow.com.

VOLUNTARY SELF-EXCLUSION LONGITUDINAL STUDY REVEALS POSITIVE FINDINGS

In 2017, researchers at the University of the Fraser Valley released a second, comprehensive four-year longitudinal evaluation of BCLC's VSE program from the perspective of the participant. Results revealed continued high levels of satisfaction with the program's enrolment process and a general effectiveness in reducing opportunities to participate in gambling.

- 93 per cent of participants were satisfied or very satisfied with the VSE program.
- 97 per cent would recommend the program to others.
- 25 per cent of participants attempted to violate their VSE agreement; a decrease of 10 per cent from the 2011 VSE Longitudinal Study.
- The study found that within one year of enrolling in the VSE program, the average problem gambling score for study participants was in the low-risk category.

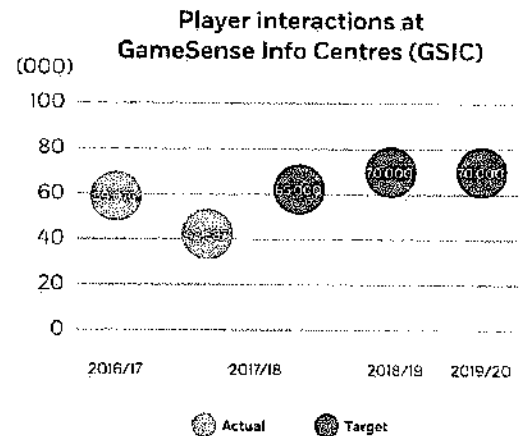
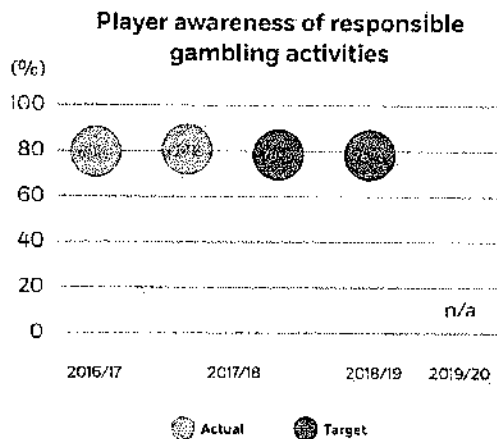
WORLD LOTTERY
ASSOCIATION



CERTIFIED
WLA RESPONSIBLE GAMING
FRAMEWORK
LEVEL 4 / VALID UNTIL 2020

BCLC Garner's International Recognition for Leadership in Responsible Gambling

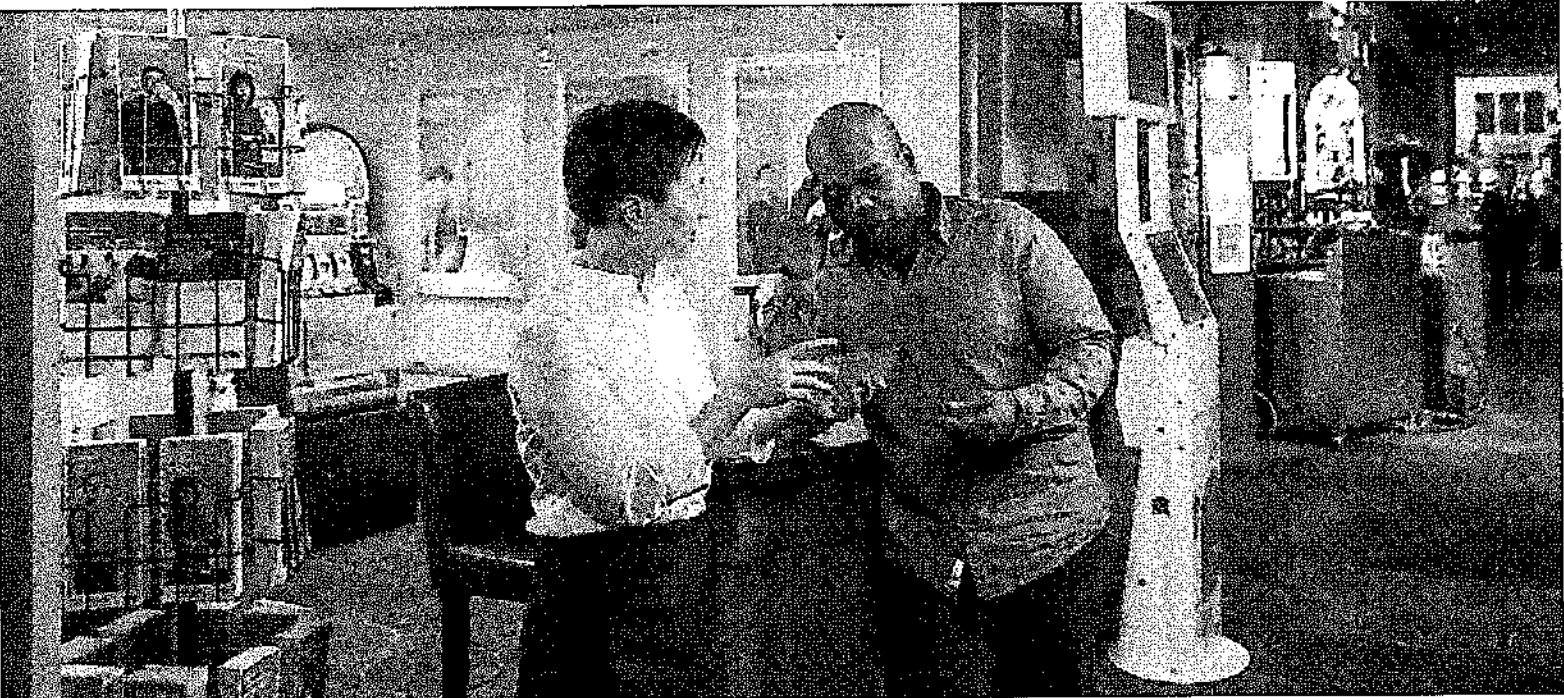
In October 2017 BCLC received the World Lottery
Association's (WLA) Level 4 certification for
excellence in responsible gambling programming.
BCLC is one of only 12 jurisdictions worldwide
to achieve this top honor in North America
to reach the top tier Level 4.



Supporting Players in Responsible Gambling

Some of the initiatives designed to promote and enable safer gambling practices among BCL players include:

- **GameSense Info Centres Design Standards:** Redefining the GameSense Info Centre design to better support players.
- **GamTalk (<http://www.gamtalk.org/>):** Hosting an online community to help people with gambling issues.
- **PlayPlanner:** Developing a tool which will allow Game players to set money and time limits on their play. Similar features are currently available on PlayNow.com.
- **Positive Plays:** Conducted research to identify behaviours and activities that can reduce the risk of developing gambling disorders.
- **RG Check (www.rgcheck.ca):** All BCL gambling facilities and PlayNow have now all received RG Check accreditation for their comprehensive delivery of responsible gambling programs.



GAMESENSE ADVISOR PROGRAM EXPANSION

GameSense Advisors (GSAs) provide gambling education, awareness and support to help players make informed decisions and connect them to community resources. They also provide support to gaming workers, helping them gain confidence in responding to critical or sensitive incidents.

GSAs provide a unique service to players and gaming workers by building positive relationships, rapport and trust. Players convey how the support from a GSA has made a difference, providing empathy and support when they've expressed concerns about their or their loved one's gambling.

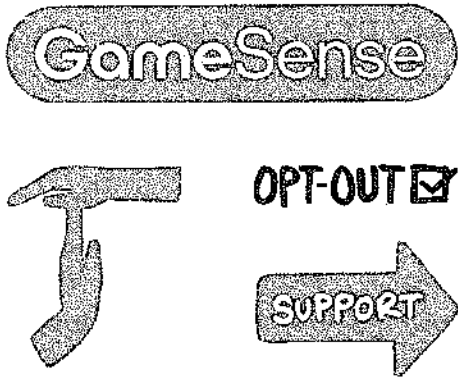
GSAs also provide information about how games work, risks associated with gambling, and tools to support

safer gambling practises. When appropriate, GSAs deliver educational programming and activities to engage customers in player health information.

In 2018, the program is being expanded so that by the fall of 2019, every facility in the province will have GameSense Advisor presence. This expansion is in response to a recommended action item in the Public Health Officer's report in 2015 on gambling in B.C. To support the expansion plan, BCLC and GPEB jointly commissioned a third-party review of the GSA program to determine if there were opportunities for program improvement. The overall recommendation from that review was to consolidate responsibility of all operations of the GSA program, including GSAs, from GPEB to within BCLC.

GAMESENSE BRAND UPDATE

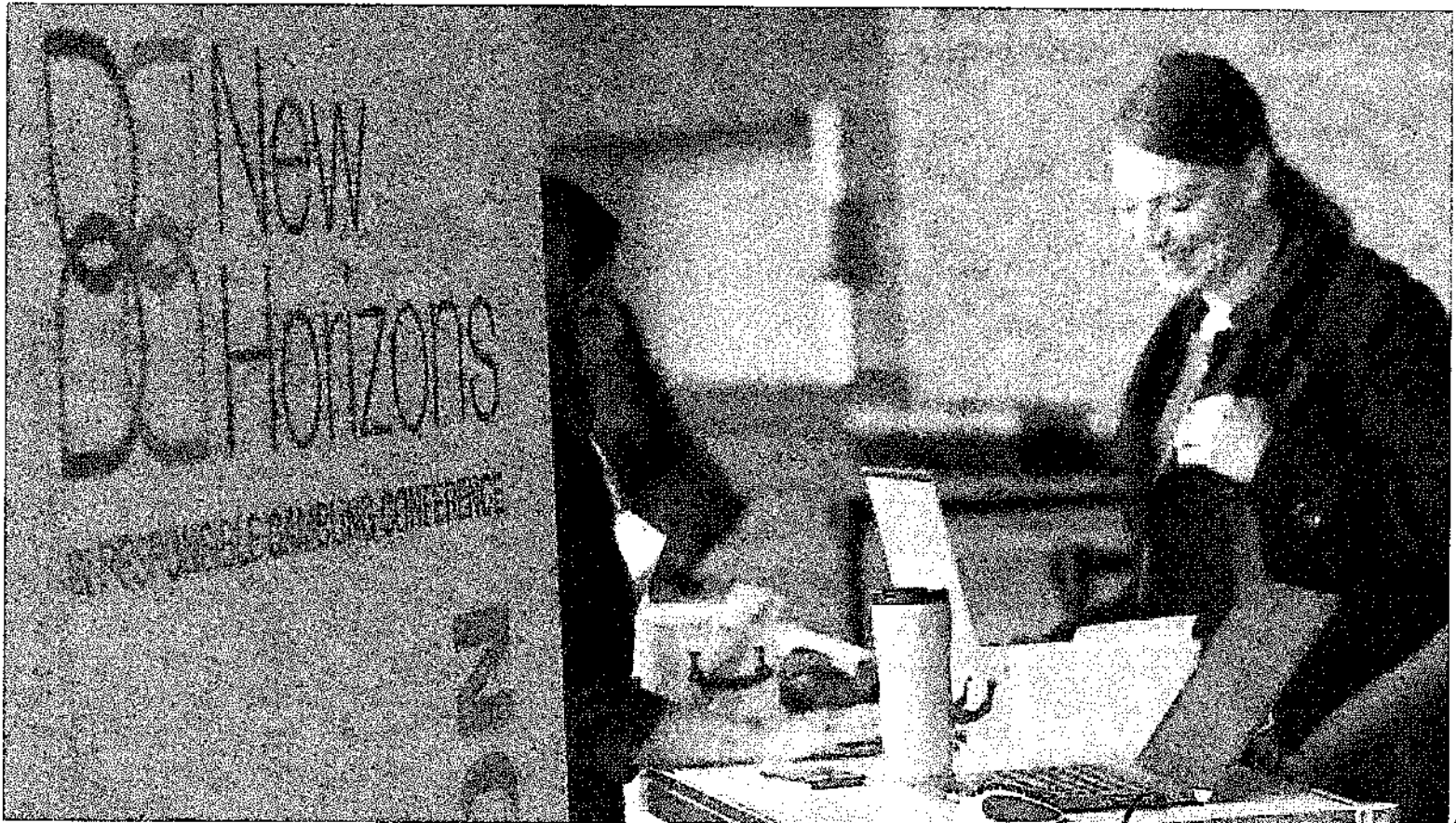
GameSense has had many successes and international recognition since it was first launched in 2009, reflecting our commitment to best practices and continuous improvement. In 2017, a review of the brand was conducted to better align with modern marketing communication standards and with BCLC's player health strategy. Research helped identify that focusing on positivity, simplicity, friendliness and balancing gambling with other activities leads to increased player engagement. In the year ahead, our players will see refreshed images, graphics and brochures online and at retail and they will also see a new design for GameSense Information Centres.



NEW HORIZONS IN RESPONSIBLE GAMBLING CONFERENCE

For six consecutive years, we have hosted the New Horizons in Responsible Gambling Conference. The Conference brings together academics, policy makers, community leaders and industry to advance the responsible gambling agenda. Year after year, experts share findings and insights for practical application. The learnings from New Horizons help to inspire progress and innovation in responsible gambling.

In 2018, Neil Pasricha, best known for his bestselling The Book of Awesome series, presented a captivating keynote address on reducing the stigma of mental health and Johann Hari, a New York Times bestselling author, journalist and TED presenter, gave a compelling address on treating pain and managing addiction through compassion, connection and treating people's psychological needs.



Player Experience

We are an integrated, player focused entertainment company, and the player experience is an important part of our commitment to social responsibility and how we build trust with the public. We are committed to enhancing the player experience by ensuring player privacy, safety and security and integrity of our games. We ensure that these aspects are well integrated across our gambling platforms—casinos, lottery and online gambling.

BROADENING GAMBLING PARTICIPATION

In order to continue to sustain the revenue that supports so many important programs in B.C., we are committed to creating experiences that appeal to new or light and casual players. With every new game we launch and facility we open, we have the opportunity to develop an entertainment option that resonates with new customers. Facilities like Elements Casino in Surrey, which has a dedicated video gaming lounge, and Cascades Casino in Penticton, which has a roof top patio and bocce ball court or the brand new Parq Vancouver, with its extensive amenities, are great examples of how we are working with our service providers to enable broader participation and new entertainment options in the community.

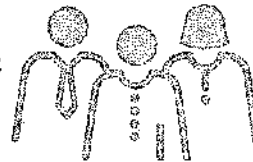
Another great example of our collaborative partnership with service providers was the launch of two new gaming lounges. In January 2018, Alpina Bar & Gaming Lounge and The BLOCK Gaming Lounge were introduced at Grand Villa Casino and Hard Rock Casino Vancouver. The all-new Gaming Lounges were developed as part of an opportunity we identified to increase participation from light and casual players. Both spaces were designed while keeping a social atmosphere top of mind for customers who want to enjoy more options when visiting a casino. Gaming Lounges feature tasteful interiors, an open layout and regular themed events. Games are hand-picked for those who want to dabble in the fun and learn to play with simple, lower betting options and popular themes.



Get to know BCLC's Customer Support Centre

250,000

INTERACTIONS
THIS YEAR



125%

CHAT CHANNEL GROWTH
IN VOLUME EACH YEAR



80%



CUSTOMER EXPERIENCE SCORE

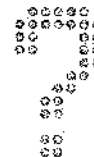
80%



STAFF ATTENDED THOMPSON
RIVERS UNIVERSITY AT SOME POINT

5,000

COMPLETED CUSTOMER
EXPERIENCE SURVEYS



Customer Support Centre

Every day, our Customer Support Centre (CSC) in Kamloops responds to hundreds of calls and inquiries from customers and players with the goal of providing the highest level of customer service and achieving the highest level of customer satisfaction. Our CSC agents have one of the most pivotal roles in our organization as BCLC front line ambassadors who have the ability to manage and enhance player experiences. Thanks to their ongoing efforts and commitment to customer service, our Customer Satisfaction score has increased from 74 per cent to 77 per cent in the last year.



PLAYER PRIVACY

When people play with us, they want to know their information is safe and secure. We have established three pillars to guide and help us fulfil our obligations to players and to the *Freedom of Information and Protection of Privacy Act* (FIPPA).

Fairness

We don't sell or use personal information for any purpose other than what we've disclosed.

Accountability

We are responsible for protecting personal information, so we've developed safeguards and trained our staff accordingly.

Accessibility

We provide players with complete information on the existence, use and disclosure of their personal information upon request.

In order to ensure that player information collected through our online platform is private and secure, we annually seek the Certified Privacy Seal from TRUSTe for PlayNow.com. TRUSTe is a leading global data privacy management company that provides certification for companies who collect consumer data.

SAFETY AND SECURITY

As a gambling entertainment organization, trust in our games and in the safety and security of our facilities and offerings underpins the success of our business. We execute strategies, programs and processes for risk control, partner and asset protection and compliance with all relevant acts, legislation and related policies and procedures.

ANTI-MONEY LAUNDERING

Combating money laundering is a top priority for BCLC, and we work closely with our casino operators, regulators and law enforcement to prevent and report criminals targeting our facilities. This is an important responsibility and we remain committed to continuous improvement. To do so, we conduct regular internal reviews, commission independent audits and are audited by the Gaming Policy Enforcement Branch (GPEB) and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to bolster

our AML program. In September 2017, the Attorney General appointed Dr. Peter German to conduct an independent review into money laundering in Lower Mainland casinos. On January 10, 2018, BCLC implemented the first of Peter German's interim recommendations, through new procedures requiring Service Providers to gather detailed information on the source of player funds for all transactions of \$10,000 or more.

LOTTERY SECURITY AND INTEGRITY

All lottery retailers are required to adhere to our policies and procedures. We conduct an ongoing post-sale validation Mystery Shop program to assess our retailers' handling and validating of lottery products and to prevent fraudulent activities.

In 2016, we also introduced mandatory ID checks from all lottery customers who appear to be 25 years of age or younger in order to help ensure that lottery products are only sold to people who are 19 years of age or older. We assess compliance with this requirement through mystery shops. To date, mystery shops have revealed that retailer compliance needs to be significantly improved. After a full year of data collected from the ID25 mystery shops, findings revealed that 39 per cent of retailers tested asked for ID. Currently, repetitive non-compliance with Lottery Retailer procedures results in disciplinary action as per the Lottery Retailer Service Standard Remedies. BCLC is working to determine how to improve compliance with this important requirement.

INTEGRITY OF GAMES

Integrity of our games is paramount to us and we want our players to feel secure in the knowledge that every casino game, lottery ticket and online gambling experience represents a fair chance to win. We have technology, strict standards, training and regular compliance reviews to help maintain the integrity of our systems.

For example, corporate security staff review all lottery retailer prize claims above \$2,000 and all other prize claims above \$25,000. If there is any reason to believe the ticket does not belong to the claimant, the prize is not awarded and it is fully investigated, and notification is sent to our regulator, the Gaming Policy and Enforcement Branch (GPEB). We also notify GPEB of all lottery retailer claims of \$2,000 or more.

We also work together with our service providers to prevent suspicious and criminal activities in casinos. We have dedicated and trained surveillance staff within each of our casinos conducting observations of all facets of operations to ensure compliance with BCLC Standards. Any suspicious activity is reported and fully investigated by BCLC. Any criminal activity is immediately reported to local law enforcement and GPEB and we fully cooperate with police investigations by providing necessary evidence to support criminal charges. BCLC also takes proactive steps to prohibit individuals from our gaming facilities who have known criminal ties through an information sharing agreement with police. To date, more than 270 people have been barred as a result.

Player protection and game integrity are fundamental to PlayNow.com and we do this through secure registration, secure browsing, secure firewalls, cookies, log-in protection and more.

BRIDGING THE RETAIL AND DIGITAL PLAYER EXPERIENCE

In November 2017, we piloted Web Cash, a \$25 voucher for deposit to a PlayNow player account, allowing players to wager on all PlayNow products including ePoker, eCasino, Sports and Lottery. Customer and retailer feedback was positive after the pilot at 33 retail locations. We will explore potentially expanding Web Cash as we strive to create more playing experiences that seamlessly bridge the brick-and-mortar and digital spaces.



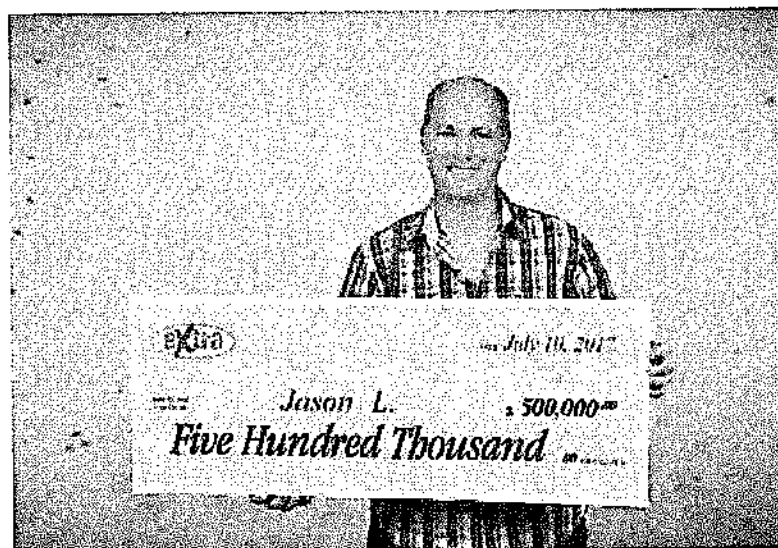
B.C.'S FIRST EVER DAILY GRAND JACKPOT WINNER

For years, Mike Jansen from Prince George joked with his wife that he would retire if he won the lottery, which meant she would have to spend a lot more time with him. On January 29, 2018 it was no longer a joke when Jansen matched five out of five numbers plus the 'Grand Number', making him the first ever Daily Grand Jackpot winner in B.C. Once he got the prize, he decided retirement wasn't in the cards, but he did decide to begin living "grand" right away, starting with a month-long vacation to Australia and Europe to enjoy some sun.



KAMLOOPS LOTTO MAX WINNER PLAYS IT FORWARD BY DONATING TO B.C. WILDFIRE RELIEF

Playing it Forward is something we do at BCLC, and is also something our players have come to embrace. Kamloops resident Jason Labby won the \$500,000 Extra on the July 7, 2017 Lotto Max draw and pledged to donate a portion of his windfall to those affected by the B.C. wildfires, which raged through the province last summer.



Employee Experience

Our employees are the driving force of our business and one of our most important stakeholders, so it is important that we listen to them and look for ways to continue improving their experiences at work.

CREATING A COMPELLING EMPLOYEE EXPERIENCE

We aim to provide a fun and engaging work environment with a strong culture based on trust and collaboration because we know that an inspired workforce will drive the success of our business. One way we do this is through our employee engagement survey. This year, our work to build a strong culture was well reflected in the results of this survey, which maintained a very strong score at 86 per cent in our overall engagement. The survey results help us understand our workforce and develop a plan to improve each employee's engagement and employee experience.

Listening to our employees makes us stronger. Our Advisory Committee of Employees (ACE) consists of employees of all levels and functions across the organization (excluding management). The committee meets monthly with Human Resources representatives and empowers employees to bring forward concerns, new ideas and solutions to potential issues, ensuring that they are heard and given full consideration at the executive level.

TALENT ACQUISITION AND TALENT MANAGEMENT

In order to deliver on our mission, we must attract and retain the right employees. As we plan for our future talent needs, we develop close partnerships with educational institutions and talent communities to bring in exceptional and diverse employees. We have also developed a "grow your own" philosophy to talent development. As such, we offer a breadth of training resources, development opportunities and programs to help our employees grow and develop professionally while contributing to our corporate goals. In addition to more than 1,000 on-demand online training courses, we offer three key leadership programs. The Emerging Leaders program helps build skills and capabilities for employees who have shown potential for, and aspire to, leadership roles. Leadership Essentials is for people who already manage teams, but are looking to enhance their leadership skills. Finally, we also offer a Business Leadership program in partnership with the UBC Sauder School of Business, which focuses on strengthening leadership skills and business acumen among our managers and directors.



2018
BC's Top Employers

BECOMING LEADERS IN DIVERSITY AND INCLUSION

In order to make decisions that reflect the wants and needs of the public and our players, we need to invite a range of perspectives that represent the diverse population of B.C. We believe that having a diverse and inclusive workforce is one way to do this. In addition to becoming a member of the Canadian Centre for Diversity and Inclusion (CCDI), this year we worked with experts to better define what diversity and inclusion means for BCLC. We also established a Diversity and Inclusion Committee, which includes managers and directors of various departments. Through these discussions, we have developed and started to implement our framework for a formal diversity and inclusion strategy. This includes exploring and implementing new methods of recruitment and employee development practices, as well as workplace improvements such as accessibility.

TOTAL REWARDS EXPERIENCE

At BCLC, we support our employees through our Total Rewards program. This program includes a comprehensive benefits package, pension plan, a deferred salary program, as well as career milestone and employee recognition programs. This program is one of the reasons we were selected as a Top Employer in B.C. for the 12th consecutive year. Recognizing that work life balance is also an important part of the employee experience, our wellness program is expanding to offer our employees activities that promote and support physical and mental health in the workplace.

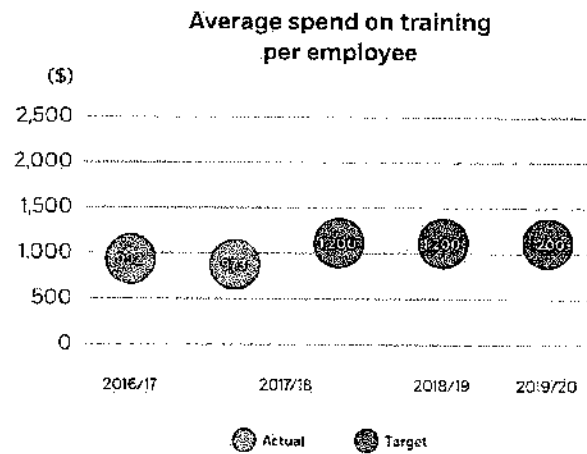
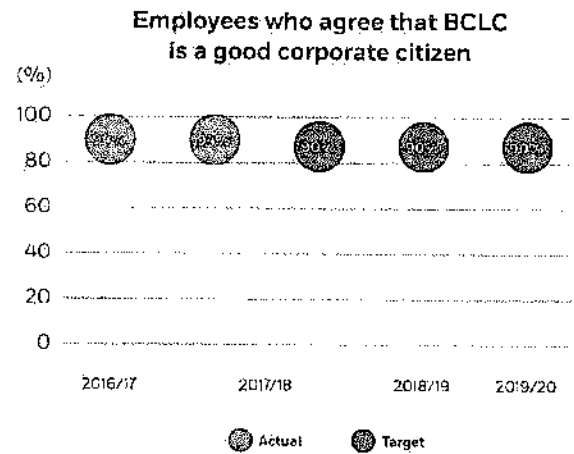
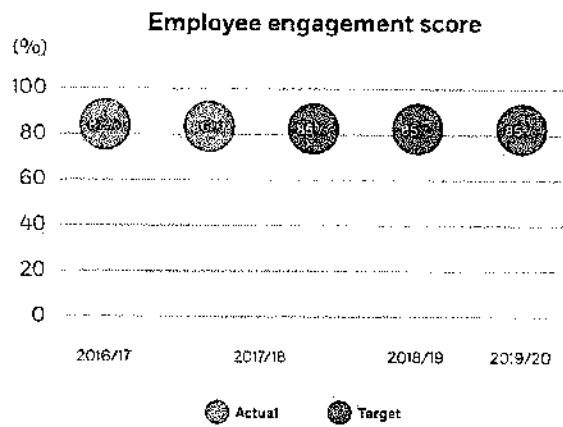
PLAYING IT FORWARD

Our employees are passionate about giving back to their communities. Our Play It Forward program allows employees to use up to 7.5 work hours annually to volunteer in the community.

In addition to volunteering through our Play It Forward program, they invest their own time to various good causes and have logged a combined total of over 3,839 volunteer hours since April 2015. Last year, the hours were used to volunteer at the following organizations: Greater Vancouver Food Bank, Kamloops Food Bank, Kamloops SPCA, Special Olympics, Kamloops Fire Centre support, Burnaby Minor Lacrosse Club, Kamloops Minor Hockey Association, Kamloops International Bantam Hockey Tournament, Dress For Success Vancouver, Thompson Rivers University Alumni Association and Thompson Rivers Women's Athletics.



Performance Summary



BCLC EMPLOYEES RECOGNIZED FOR GOING ABOVE AND BEYOND TO SUPPORT WILDFIRE RELIEF EFFORTS

BCLC employees came together to lend a helping hand during the 2017 unprecedented wildfire season that left many people displaced, homeless and in despair. The whole Kamloops community rallied to support evacuees at the Kamloops Wildfire Evacuation Centre, and our people at BCLC were right there to help. In appreciation, Premier John Horgan awarded BCLC with an Above and Beyond Award. The B.C. government created the Above and Beyond Awards program to recognize people who made a big difference in their communities during 2017's devastating floods and wildfires.



WELLNESS COMMITTEE MAKES STRIDES TO IMPROVING MENTAL AND PHYSICAL HEALTH OF EMPLOYEES

Since its inception, the Wellness Committee has been successful in hosting a variety of programs such as wellness challenges, lunch and learns as well as classes such as yoga, boot camp, self-defense and much more. All wellness events and activities are employee-driven and cater to all fitness levels and abilities. The group also works closely with the Human Resources team to align on goals of creating a healthier and happier workplace through the physical and mental wellness of employees.



EMPLOYEE GIVING PROGRAM

Our business is built on giving back and playing it forward. In 2017, we asked employees to select the charities in their communities that they would like to support through our corporate Employee Giving Program. Employees selected two charities in Kamloops; the Kamloops Food Bank and the Royal Inland Hospital Foundation, two charities in Vancouver; BC Children's Hospital Foundation and the Vancouver Food Bank, and field employees selected their local foodbanks. BCLC has entered into a two-year commitment with these organizations, and employees have already shown their support, demonstrating a true commitment to helping their communities thrive and grow.





IMPROVING EMPLOYEE RECOGNITION EXPERIENCE

This past year, our Human Resources team has worked in conjunction with our Advisory Committee of Employees (ACE) on a number of initiatives to improve the employee experience. One of these initiatives is reviewing BCLC's current recognition program. Over a six-day recognition accelerator workshop, the committee came up with some new and different solutions to better recognize our employees, based on their recognition and motivation preference. The information will be used to inform the next iteration of BCLC's recognition program.

CELEBRATING THE INAUGURAL AIM AWARDS ON INTERNATIONAL WOMEN'S DAY

The inaugural AIM Awards took place on March 8, 2018 and proved to be a true success. AIM is a grassroots group established at BCLC in 2016 to connect, inspire and motivate women at BCLC, regardless of title, with a focus on networking, professional and personal development and making a difference in our communities.

The awards recognized and acknowledged outstanding BCLC staff and served as an opportunity to celebrate those who live BCLC's value of diversity and who are making real change for women in the workplace. There were four nomination categories: Acts of Kindness, Inspirational/Emerging Leader, Mentor and Champion of Women.



Public Trust

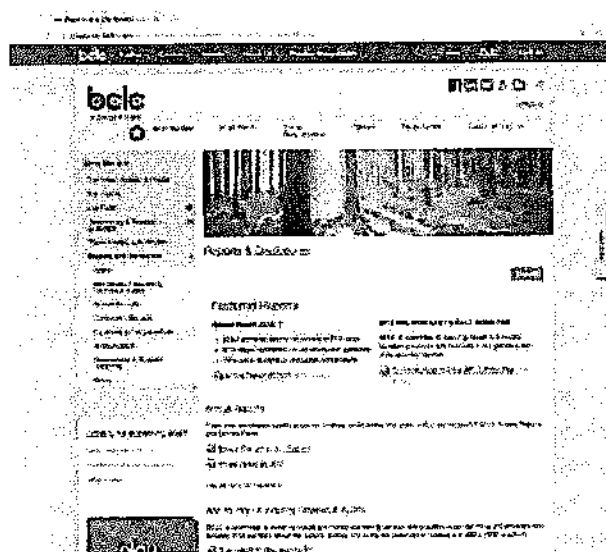
Building a foundation of trust and accountability with the people we serve is a core element of social responsibility.

TRANSPARENCY

We listen to our stakeholders and have meaningful dialogue with individuals and organizations that are impacted by our business. In addition to this Social Responsibility Report, we publish a number of other reports to be transparent and accountable to our stakeholders. These reports include:

- Annual Retail Compliance Report
- Annual Service Plan Report
- BCLC Action Plan Response to AML Audit
- Bi-Annual AML Audit
- Carbon Neutral Action Report
- Community Impact Report
- Financial Information Act Report
- Hosting a Gambling Facility:
A Local Government Information Package
- Public Sector Executive Compensation Report
- Quarterly Freedom of Information (FOI)
Request Report
- Report on Multiculturalism to the
B.C. Government
- Report on Voluntary Self-Exclusion (VSE)
Enrolment and Tracking
- Service Plan
- Service Provider Commission Report

Our latest Key Performance Indicator measurement shows public perception of BCLC's transparency has dropped to 60 per cent for the past year, down from 64 per cent last year. We are motivated to continue pushing that needle forward.



PROACTIVE DISCLOSURE

In 2017, as part of our openness and accountability initiative, we created a new corporate information landing page on our website. This page consolidated all corporate reports and disclosures in a logical and easily accessible manner. In addition to corporate reports, we now proactively disclose all types of information related to BCLC on our new Reports and Disclosures page on www.bclc.com, including CEO travel expenses, Board meeting Agenda and Minutes and Internal Audit reports. Across our business, we will continue seeking out opportunities to be more transparent in the future.

EXPRESSION OF INTEREST (EOI) PROCESS

BCLC has a formalized process for locating and relocating gambling and entertainment facilities that is clear, transparent and efficient. As part of its EOI process, BCLC identifies local governments interested in hosting a gambling facility within a defined market area, and asks them whether they wish to be considered to host a facility.

To date, BCLC has initiated three separate EOI processes: in Greater Victoria, and in the North Shore and South of the Fraser regions of Metro Vancouver.

As part of a rigorous assessment process, BCLC has selected the Cities of Victoria and Delta as preferred host local governments for potential new gambling and entertainment facilities. BCLC has not yet made a decision regarding a preferred host community on the North Shore.

In May 2018, Delta council voted to give preliminary approval for a proposed casino in that community. BCLC is still in the process of selecting a private-sector Service Provider to develop a casino proposal for the City of Victoria's future consideration.

BCLC respects the authority of local governments to choose whether they want a gambling facility in their community, and is committed to community engagement throughout the EOI process.

HEALTH IMPACT ASSESSMENTS

In 2017, BCLC engaged consultants to undertake Health Impact Assessments (HIA) to identify and examine potential health effects related to proposed gambling facilities in the Greater Victoria, South of the Fraser and North Shore region of Metro Vancouver. In May 2018, a draft HIA report for the City of Delta was completed as part of our Expression of Interest (EOI) process. This assessment, which involved numerous provincial and municipal government stakeholders and public health representatives examined potential positive and negative impacts related to a proposed gambling facility, and is another way to support informed decision making when it comes to a potential casino development.

COMMUNITY CONSULTATIONS

Every spring, our Stakeholder Engagement team travels across the province to meet with municipal government councillors, mayors and senior staff at their regional conferences, which we have sponsored for over a decade. Last year, we engaged with thousands of elected government officials when they met in Campbell River, Sun Peaks, Terrace, Harrison Hot Springs and Vancouver. Our goal is to enhance understanding of BCLC and the gambling industry, while building on these important relationships to ensure we are meeting the needs of the community which will in turn, help drive our success.

SUPPORTING COMMUNITIES THROUGH SPONSORSHIPS

For 25 years, BCLC has sponsored Music in the Park—a nightly outdoor summer music festival in Kamloops. This is the longest running free music festival in B.C. and brings arts to the forefront in the Kamloops community. For the last four years, BCLC has hosted Midsummer Music Jam, a special community concert that is part of Music in the Park. In 2017 an estimated 10,000 people attended the event—the largest crowd to date.

BCLC also introduced "Food Truck Wednesdays" to Music in the Park in 2017. BCLC was able to help B.C. wildfire evacuees who had been displaced during the 2017 wildfire season by providing evacuees with complimentary meals via food truck vouchers, and also worked with the Kamloops Food Bank to collect donations of more than 1,000 pounds of personal care products for evacuees staying in Kamloops.

In fiscal 2017/18, we supported numerous community organizations and initiatives in addition to the above. For a full list, see appendix 5. For those interested in having BCLC sponsor an event, please visit: <https://corporate.bclbc.com/social-responsibility/sponsorship/criteria-and-application.html>

ETHICAL CONDUCT

Our Standards of Ethical Business Conduct embed our core values of integrity, social responsibility and respect. All our employees are required to fulfill our ethical promise to conduct our business with professionalism, honesty and integrity at all times.

For a number of years after the Ombudsperson's report into the lottery prize payout process in 2007, we commissioned and published a research report into retailer play and win rates. Those reports indicated that our retailer win rate was statistically in line with non-retailer win rates in the province. As such, we ceased commissioning the research report. We continue to report reporting retailer wins to GPEB and have, since 2007, added a number of layers of security to increase the security and integrity of the lottery. In 2017, we had 89 retailer prize claims out of a total of 5562 prize claims over \$2,000, which accounted for 1.6 per cent of total prize claims.



DOING BUSINESS WITH US

As a Crown corporation, we follow strict rules when working with external vendors or suppliers. We abide by relevant trade agreements and specific processes and procedures when seeking potential vendors and suppliers. We, along with all other government organizations, post bid invitations and all the documentation required for a successful bid, such as a Request for Proposal, Request for Information, Invitation to Quote or Request for Qualification on B.C. Bid.

Our Procurement Department sources goods and services through qualified suppliers using transparent, equitable, fair and ethical bidding processes. Purchasing decisions are made to provide the best life cycle value for dollars spent, while giving the best possible service to internal and external customers.

WHISTLEBLOWER POLICY

Our Whistleblower Policy and procedures provide employees with a confidential process to raise concerns about leadership and ethical conduct. This framework allows employees to feel confident that they can raise concerns about leaders, or other employees, without the fear of retaliation. Complaints filed through our Whistleblower Policy are handled by an independent third party who specializes in employee relations issues. The independent specialist works with the Chair of our Board of Governance and Social Responsibility Committee to ensure all complaints are addressed and resolved appropriately.

Carbon Neutral Action

This Carbon Neutral Action Report for the period January 1, 2017 to December 31, 2017 summarizes our emissions profile, the total offsets to reach net-zero emissions, the actions we have taken in 2017 to reduce our greenhouse gas emissions and our plans to continue reducing emissions in 2018 and beyond.

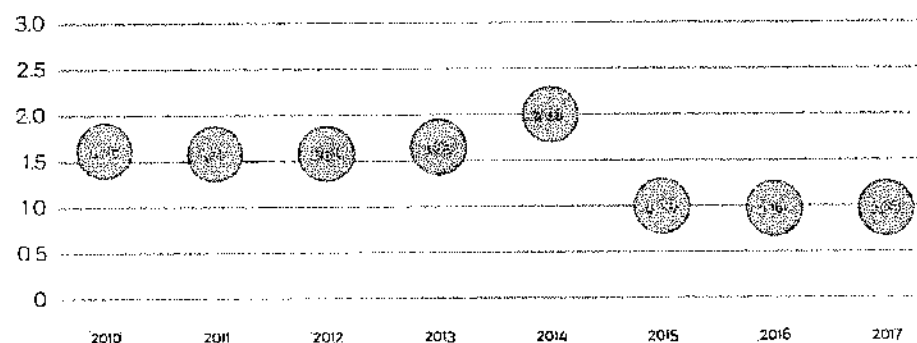
By June 30, 2018 BCLC's final Carbon Neutral Action Report will be posted to our website at www.bcllc.com.

OVERVIEW

In 2017, BCLC conducted several initiatives and projects aligned to its efforts of being more energy efficient and reducing its corporate greenhouse gas (GHG) emissions. Despite the actions taken, BCLC's overall emissions increased by 16 per cent in 2017. The main reason for the increase was the higher

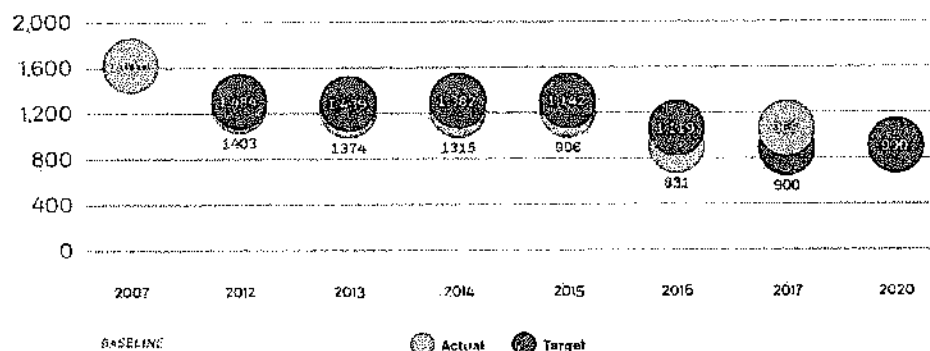
consumption of natural gas for heating, which is associated with the longer and colder winter in 2017. In addition, the BCLC fleet changed its composition by replacing two hybrid cars and adding an additional one (all three run on gas), resulting in an increase of 45 per cent of fleet related emissions.

GHGs per Employee (CO₂e tonnes)



Note: December 2010 to June 2011 BCLC was still responsible for vacated floor space in Richmond.

Annual GHG Emissions (tonnes CO₂e)



2017 REPORTABLE GHG EMISSIONS

Emission Source	2016	2017	% Change
Natural Gas	661	758	15
Electricity	85	79	(-7)
Fleet Gas	51	74	45
Office Paper	27	24	(-10)
Diesel Generators	7	8	11
Fugitive Sources	0	21	-
Grand Total	833	965	16

(All values are in tonnes carbon dioxide equivalent–CO₂e tonnes)

SUMMARY OF ACTIVITY DATA

Year	2010	2011	2012	2013	2014	2015	2016	2017
Natural Gas (GJ)	15,435	16,263	15,533	16,240	16,901	15,092	13,260	15,205
Electricity (GJ)	30,441	31,784	33,576	33,783	32,889	32,522	28,712	26,209
Fleet Gas (L)	211,846	175,518	149,208	160,979	121,027	14,017	21,030	30,388
Office Paper	7,444	6,999	4,952	5,973	6,133	4,616	3,740	3,328

Our Carbon Neutral Action Report (CNAR) is a required submission for the Government of British Columbia under the Greenhouse Gas Reduction Targets Act. More information can be found on the B.C. Climate Action Secretariat's website.

BUILDINGS

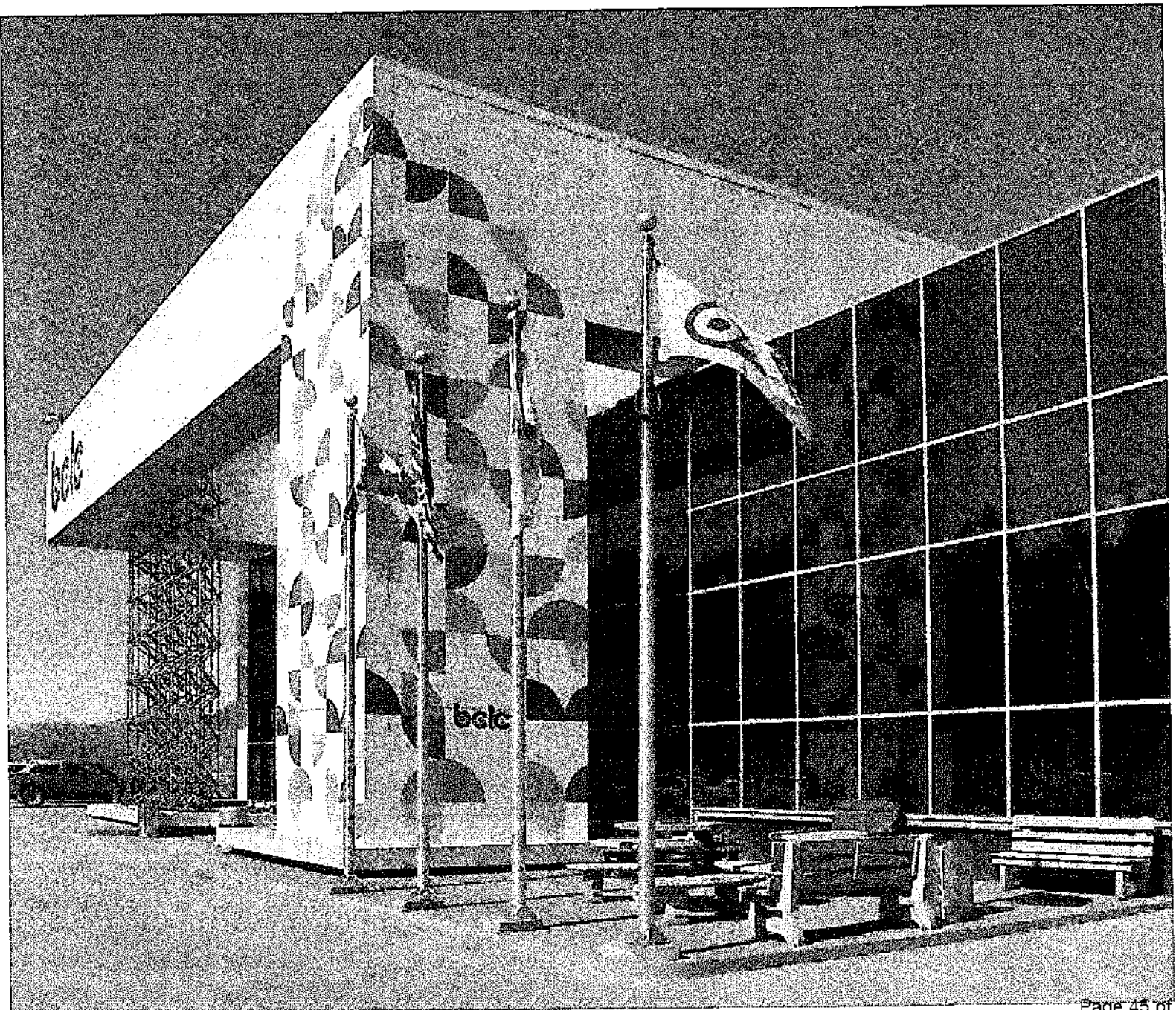
- An initiative that has also contributed to reducing electricity demand is the transition of lights to halide LED in the Vancouver warehouse. The new LED's are about 1/4 of the wattage of the original lights. The replacements have been occurring gradually over the past several years, on an as-needed basis.
- In 2017, fugitive emissions totaled 21 CO₂e tonnes. This was due to the refrigerant gas leak from one of the data centre's air conditioners. BCLC has a preventive maintenance program for this equipment which has a refrigeration contractor performing a full service and compliance leak checks every six months. Additionally, the equipment are visually inspected on a daily and weekly basis. Any leaks detected are reported and repaired immediately.

OFFICE PAPER

Office paper usage has decreased by 11 per cent, due to the trend towards more digitalized communication and the efforts of the company to reduce paper consumption. Examples of reduction efforts include building employee awareness and default double-sided printing settings.

ENVIRONMENTAL REMEDIATION CONTINUES AT POTENTIAL KAMLOOPS OFFICE SITE

BCLC has purchased land to the west of our head office as a space for a potential new head office facility. These lands were previously contaminated. BCLC is working with a Canadian environmental consultant who is overseeing the assessment work required to finalize site investigation into contamination. The findings from this work will inform the remediation plan that is being drafted for both the Environment Ministry and for potential developers to plan construction of a potential new head office building in Kamloops.





FLEET

- BCLC's fleet has increased in 2017. This resulted in a 45 per cent increase in associated GHG emissions. The expansion of the fleet is part of BCLC's strategy to reduce costs related to flights between offices by encouraging the use of the fleet when travel is not avoidable.
- In 2017, the fleet had one additional vehicle added and two hybrid cars were replaced by two gas-powered ones. The replacement was based on an internal analysis which concluded that the hybrid technology was not being maximized and it was preferable for BCLC to move to a gas vehicle with improved highway mileage.

Despite the increase in GHG emissions, we aim for effective management of the fleet. The addition of one gas vehicle, and the replacement of two hybrids with gas vehicles, was based on an internal analysis that hybrid technology was not being maximized and it was preferable to move to gas vehicles with improved highway mileage. As the use of fleet vehicles is primarily for travel between our head office in Kamloops and our Vancouver office, the analysis found gas vehicles were more fuel efficient for highway driving. Fleet usage and performance will be continually monitored, and maintenance will be regularly performed.

RECYCLING STEWARDSHIP PROGRAMS

We are a steward of two provincial programs that help us meet our obligations for B.C.'s Recycling Regulation —Electronic Products Recycling Association (EPRA) and Recycle BC (formerly, Multi-Material BC). In 2017, we recycled 243 tonnes of electronic equipment through the EPRA program, including slot machine parts, computers and lottery equipment.

As a registered B.C. Environmental Product Steward, we file reports with Recycle B.C. on the amount of paper sold as lottery and scratch tickets in addition to other paper and packaging materials used by our business. Fees that we pay on these amounts help fund downstream waste management and recycling programs. In 2017, we reported more than 670 tonnes of paper and packaging material, as follows:

Materials (tonnes)	2016	2017
Lottery ticket paper	288.3	261.6
Instant tickets (Scratch & Win, Pull Tabs)	282.3	314.5
Other Paper and Materials Packaging ¹	31.1	95.2
Total	601.7	671.3

¹ The category name was rephrased to include other materials reported than printed paper. The adjustment resulted in an increment of 29.4 tonnes in the 2016 Total. Besides the adjustment in this report, the data reported to Recycle BC remains the same and has not been changed.

GREEN COMMITTEE

- **The Green Committee** is an employee committee that aims to improve environmental sustainability within BCLC and to make sustainable behaviour a permanent part of BCLC culture. In 2017, the Green Committee coordinated several events to engage employees and raise environmental sustainability awareness. The events undertaken included:
 - **Earth Day Café Booth and Earth Day Lunch and Learn Movie:** these initiatives took place in April to bring awareness to the internationally recognized day. Over 50 employees were engaged in both events;
 - **Bike to Work Week:** this initiative promoted healthy living and encouraged employees to reduce their own carbon footprint by using bikes instead of cars. Twenty-one employees participated and 124 trips were recorded resulting in 810 km logged;
 - **Commuter Challenge:** BCLC has joined this national competition which takes place during Canadian Environment Week. The competition between Canadian cities and workplaces encourages people to be more conscious about the way people move in the city by rewarding alternatives to individual transportation such as walking, cycling, carpooling/ride-sharing, taking transit and telecommuting. Thirty employees participated in the 2017 initiative.
 - **Community Gardening:** this initiative took place in July and resulted in \$400 donated to Fresh Roots Society at Vancouver Technical Secondary. Nine employees donated an afternoon to pulling weeds and gardening.
 - **Green Committee Lunch and Learn:** the objective of this event was to raise awareness of the Green Committee amongst employees by sharing the Green Committee's mandate, mission and makeup, and encouraging people to get involved. Fifty employees attended the event in Vancouver and Kamloops.

% OF WASTE DIVERTED FROM LANDFILL

63	KAMLOOPS
87	VANCOUVER
81	OVERALL

Community Impact

The Province of B.C. created BCLC 33 years ago with the purpose of giving back to British Columbia and helping communities grow. Thanks to our players, more than \$21 billion has been delivered to support communities, provincial programs and services, charities and major events that have helped shape B.C.

CAMPBELL RIVER LIVE STREETS INITIATIVE

A team of Special Olympics athletes had the opportunity to build self-esteem and confidence—and raise a little money along the way—as part of Campbell River's Show on the Row. The athletes raised funds to support Special Olympics BC by selling popcorn at an outdoor movie night, one component of the CR Live Streets initiative. The community programming was funded by the City's share of provincial gaming revenue for hosting Chances Campbell River.

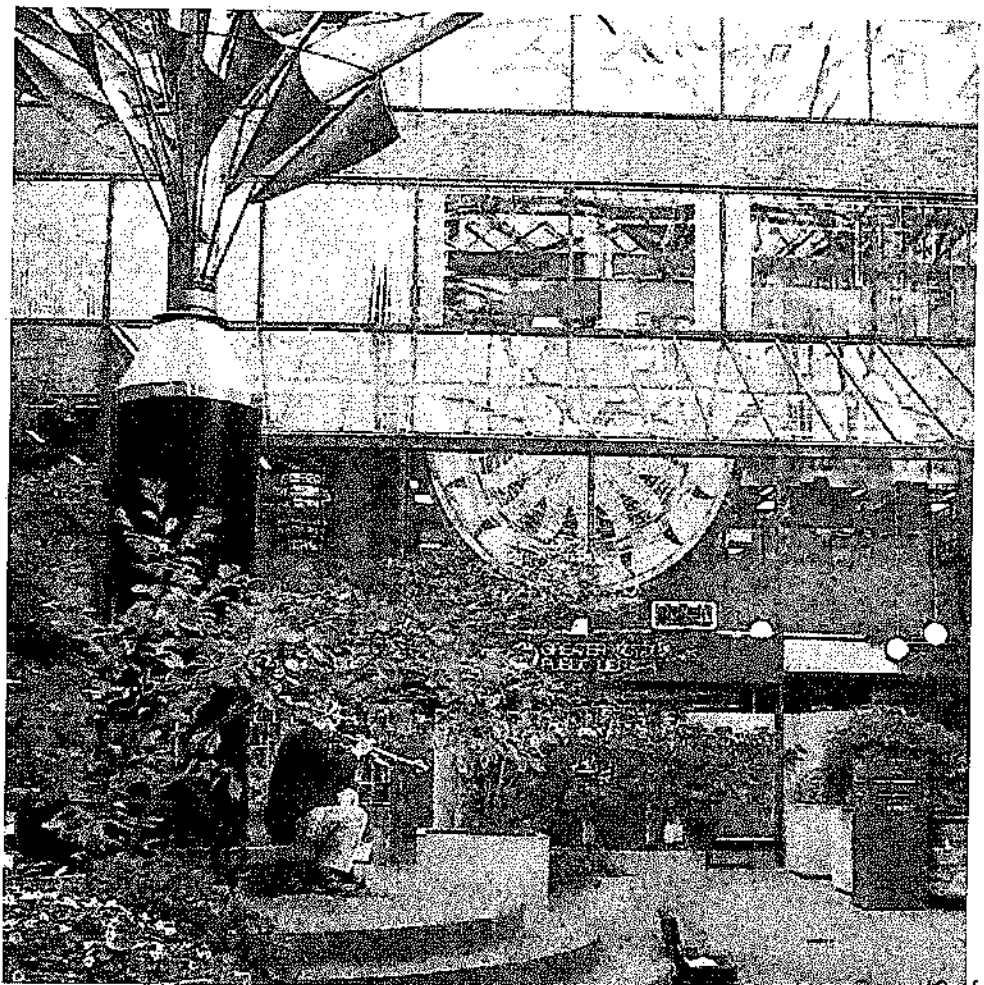
"They love it, they love the social aspects, they love the community, they love being a part of work that they may not normally have the opportunity to be involved

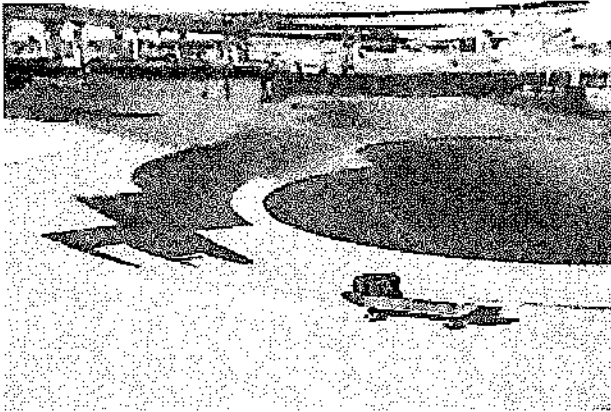
in," said George MacLagan, a coach with Special Olympics BC—Campbell River. "These are the stepping stones that allow an athlete to get a more successful job in the community, to be more proud of who they are."

The revitalization of the downtown core has been a strategic priority for the City of Campbell River for a number of years, and one that is supported by their share of provincial gaming revenue generated at Chances Campbell River. In 2016, the City of Campbell River received \$749,000 in Host Local Government payments from the provincial government.

"Thanks to revenue from View Royal Casino, the Town has become a co-owner of the regional library system, which made it possible for all of our residents to get a library card—at no charge."

MAYOR DAVID SCREECH
Town of View Royal



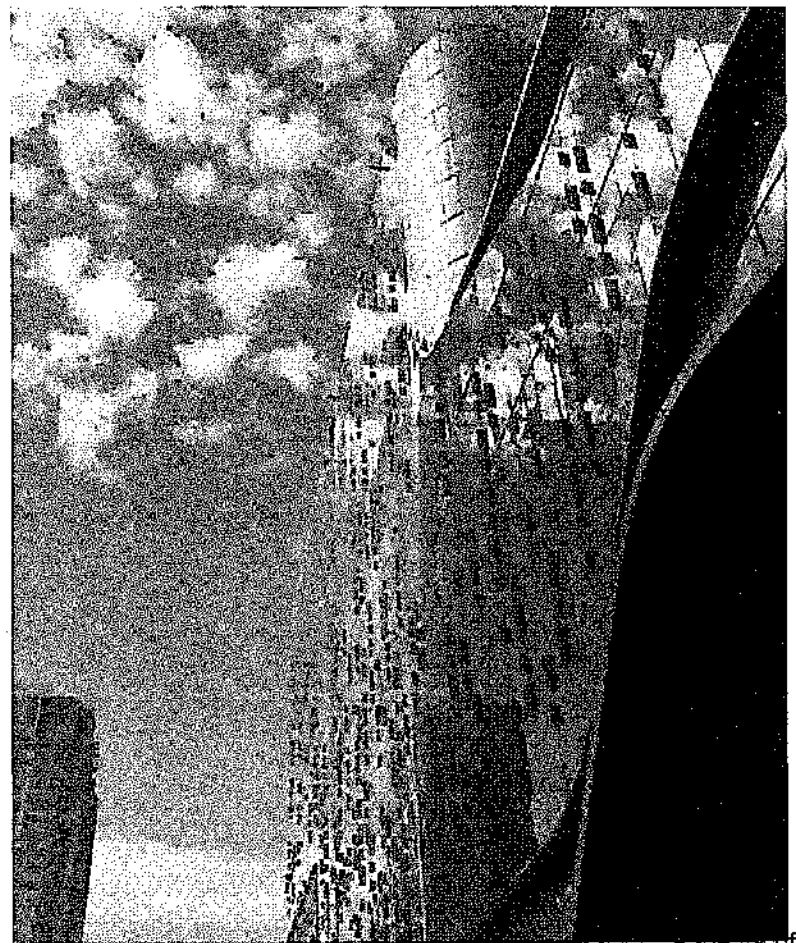


MISSION SKATEPARK, MISSION

The new Mission Skatepark was built thanks to the provincial gaming revenue that the District of Mission receives for hosting Chances Mission. After a young skateboarder from Mission presented to Council requesting support for building a new skatepark in Mission, Council and Staff embarked on a community engagement program to design the project. Working with Newline Skateparks, the new park opened in July 2016 and is now used by hundreds of kids every week, bringing youth in the community together in a safe and fun environment. "The new skatepark in Mission has had a strong impact on many youth and families in our community. Usage of the park has consistently been near capacity and is full of skaters of all ages, including family members. The reactions are all positive, some stating that it is the best one in the Lower Mainland. Youth in Mission are very proud of the new park. It means a lot to them to see the community invest in something that is specifically for them." Calvin Williams, Youth Worker and Area Director of Youth Unlimited, Mission.

PARQ VANCOUVER INTRODUCES A NEW STANDARD FOR COLLABORATION WITH COMMUNITIES

Paragon Gaming unveiled Parq Vancouver in fall 2017, making its mark on the way casino entertainment facilities should be developed going forward. Throughout the development of Parq, Paragon Gaming generated many economic and social benefits to the Vancouver community. The service provider made annual donations towards responsible gambling research, provided employment opportunities to at-risk families through in-kind support and partnerships and supported B.C. businesses by using locally sourced construction materials, supplies, furnishings and décor. Additionally, Paragon Gaming has committed to contributing \$300,000 annually to St. Paul's Hospital Foundation towards creating best practices for people with problem gambling behaviours.



HOST LOCAL GOVERNMENT PAYMENTS FOR FISCAL YEAR 2017/18

Each year, local governments that host casinos receive a share of net gaming income generated by those facilities. The following charts show Provincial payments made to Host Local Governments in 2017/18. The calculations for these payments are done in accordance with the Host Financial Assistance Agreement between the Province of British Columbia and each local government.

Net gaming income is defined as net win (revenue after prizes) from casino games less fees payable by BCLC to the casino operator in accordance with International Financial Reporting Standards. Operator fees are attributed to the specific facility and vary by community. BCLC administrative and operating costs are attributed to each facility based on net win from the facility and therefore also vary by community.

HOST LOCAL GOVERNMENT SHARE OF CASINO REVENUE

in thousands of dollars rounded

Local Government	Casino	Total 2017/18	Total 2016/17
Burnaby	Grand Villa Casino	\$ 11,731	\$ 10,876
Coquitlam	Hard Rock Casino Vancouver	8,634	8,180
Kamloops	Cascades Casino Kamloops	1,905	1,821
Kelowna	Playtime Kelowna ¹	1,930	1,915
Ktunaxa/Kinbasket Tribal Council Society	Casino of the Rockies	995	1,060
Langley City	Cascades Casino	7,688	6,943
Nanaimo	Casino Nanaimo	2,860	2,673
New Westminster	Starlight Casino	6,783	6,381
Penticton	Lake City Casino Penticton	2,056	1,687
Prince George	Treasure Cove Casino	2,682	2,640
Quesnel	Billy Barker Casino ²	497	479
Richmond	River Rock Casino Resort	17,086	16,972
Surrey	Elements Casino	4,124	4,103
Vancouver	Parq Casino ²	9,433	8,548
	Hastings Racecourse Casino	1,097	1,109
Vancouver Total		10,530	9,657
Vernon	Lake City Casino Vernon	1,972	1,962
View Royal	View Royal Casino	4,166	4,307
Total		\$ 85,639	\$ 81,656

1 Playtime Kelowna—formerly Lake City Casino Kelowna

2 Parq Casino replaced Edgewater Casino during FY 2017/18

"We wouldn't have the South Okanagan Events Centre if we didn't have gaming. There's a real phenomenal mix of events here, including concerts from international superstars. We're the envy of a lot of communities to have a state-of-the-art facility like this."

MAYOR ANDREW JAKUBEIT
City of Penticton

"The gaming revenue from Starlight Casino has been a huge benefit to New Westminster. It's helped to fund new parkland and a trail network in Queensborough that have really allowed residents to experience their city better—and connect with their waterfront."

MAYOR JONATHAN COTÉ
City of New Westminster

HOST LOCAL GOVERNMENT SHARE OF COMMUNITY GAMING CENTRE REVENUE

in thousands of dollars rounded

Local Government	Community Gaming Centre	Total 2017/18	Total 2016/17
Abbotsford	Chances Abbotsford	\$ 1,221	\$ 1,100
Adams Lake Indian Band	Chances Salmon Arm	524	505
Campbell River	Chances Campbell River	801	749
Castlegar	Chances Castlegar	502	482
Chilliwack	Chance Chilliwack	2,047	1,775
Courtenay	Chances Courtenay	1,046	981
Cowichan Tribes	Chances Cowichan	815	774
Dawson Creek	Chances Dawson Creek	704	578
Fort St. John	Chances Fort St. John	900	774
Kamloops	Chances Kamloops	900	853
Kelowna	Chances Kelowna	2,249	2,132
Maple Ridge	Chances Maple Ridge	1,609	1,404
Mission	Chances Mission	688	664
Port Alberni	Chances RimRock	467	454
Prince Rupert	Chances Prince Rupert	503	483
Squamish Nation	Chances Squamish	266	237
Terrace	Chances Terrace	663	632
Williams Lake	Chances Signal Point	565	588
Total		\$ 16,470	\$ 15,165

BCLC CASINO REVENUE FOR FISCAL YEAR 2017/18

BCLC casino revenue charts show all revenue generated by B.C. gambling facilities on behalf of BCLC for 2017/18. Slot machine and table game revenue is recorded as "net win," which is revenue after prizes are paid. Bingo revenue is recorded as "Sales," which is revenue before prizes are paid.

Casino	Service Provider	No. of Slot Machines*	Slot Machine Revenue 2016/17	No. of Tables	Table Game Revenue 2017/18	Total Casino Revenue 2017/18	Total Casino Revenue 2016/17
Billy Barker Casino	SBS Holdings Ltd.	122	8,618	4	186	8,804	8,474
Cascades Casino	Gateway Casinos and Entertainment Limited	1,001	112,370	28	26,740	139,110	126,641
Casino Nanaimo	Great Canadian Casinos Inc.	406	45,572	12	4,909	50,481	45,616
Casino of the Rockies	SEM Resort Limited Partnership	229	10,411	5	776	11,187	11,819
Parq Vancouver	Parq Vancouver Casino ULC	580	80,931	75	110,341	191,272	165,827
Elements Casino	Orangeville Raceway Ltd.	542	60,513	24	13,591	74,104	73,422
Grand Villa Casino	Gateway Casinos and Entertainment Limited	1,202	141,781	74	78,629	220,410	205,409
Hard Rock Casino Vancouver	Great Canadian Casinos Inc.	919	113,220	49	47,611	160,831	152,848
Hastings Racecourse Casino	Hastings Entertainment Inc.	536	20,451	-	-	20,451	20,370
Cascades Casino Kamloops	Gateway Casinos and Entertainment Limited	442	31,567	17	3,670	35,237	34,252
Playtime Casino Kelowna	Gateway Casinos and Entertainment Limited	436	29,707	16	6,990	36,697	35,958
Cascades Casino Penticton	Gateway Casinos and Entertainment Limited	400	34,631	11	2,116	36,748	29,219
Lake City Casino Vernon	Gateway Casinos and Entertainment Limited	401	33,420	9	1,721	35,141	34,823
River Rock Casino Resort	Great Canadian Casinos Inc.	1,267	160,397	112	167,327	327,723	337,721
Starlight Casino	Gateway Casinos and Entertainment Limited	934	88,928	54	37,578	126,506	120,882
Treasure Cove Casino	Treasure Cove Casino Inc.	540	45,377	8	2,175	47,551	46,381
View Royal Casino	Great Canadian Casinos Inc.	760	64,362	21	9,515	73,878	74,966
Total		10,717	1,082,258	519	513,874	1,596,132	1,524,629

* Number of slot machines includes electronic table games. Electronic table revenue is reported within Slot Machine Revenue

"The Calvin Kruk Centre for the Arts has been an amazing addition to our city. Thanks to players at Chances Dawson Creek, our community's quality of life is enhanced with a state-of-the-art facility for the performing arts."

MAYOR DALE BUMSTEAD
City of Dawson Creek

"Coquitlam is host city to the Hard Rock Casino Vancouver, and that host agreement brings with it a good funding source for the kinds of needs that a growing community like ours has."

MAYOR RICHARD STEWART
City of Coquitlam

BCLC COMMUNITY GAMING REVENUE

Community Gaming Centre or Commercial Bingo Hall	Service Provider	No. of Slot Machines*	Slot Machine Revenue	No. of Tables	Table Game Revenue 2017/18	Bingo Revenue 2017/18	Total Community Gaming Revenue 2017/18	Total Community Gaming Revenue 2016/17
Bingo Esquimalt	Great Canadian Entertainment Centres Ltd.					3,360	3,360	3,107
Chances Playtime Abbotsford	Playtime Gaming Group Inc.	211	20,946	-	-	95	21,041	19,081
Chances Playtime Campbell River	Playtime Gaming Group Inc.	150	14,090	-	-	546	14,636	13,785
Chances Castlegar	Terrim Properties	100	8,935	-	-	347	9,282	8,754
Chances Chilliwack	Great Canadian Entertainment Centres Ltd.	301	35,158	-	-	4,115	39,273	35,054
Chances Playtime Courtenay	Playtime Gaming Group Inc.	200	18,252	-	-	607	18,858	17,953
Chances Cowichan	Duncan Dabber Bingo Society	157	14,312	-	-	1,445	15,757	14,788
Chances Dawson Creek	Great Canadian Entertainment Centres Ltd.	148	12,522	-	-	477	12,999	10,831
Chances Fort St. John	243045 Alberta Ltd.	150	15,092	9	1,331	257	16,680	14,507
Chances Kamloops	Enterprise Entertainment Ltd.	200	15,829	-	-	3,392	19,221	18,392
Chances Kelowna	Goldwing Investments (Saskatoon) Ltd.	326	37,351	-	-	8,677	46,028	44,126
Chances Maple Ridge	Great Canadian Entertainment Centres Ltd.	200	27,374	-	-	2,072	29,447	26,307
Chances Mission	Gateway Casinos and Entertainment Limited	125	11,651	-	-	790	12,441	12,156
Chances Prince Rupert	0733244 BC Ltd.	102	9,080	-	-	1,274	10,355	9,780
Chances Rim Rock	Alberni Valley Gaming Association	100	8,243	-	-	822	9,065	8,821
Chances Salmon Arm	Terrim Properties	104	9,234	-	-	757	9,992	9,456
Chances Signal Point	Lucky's Venture Ltd.	123	9,997	-	-	1,380	11,377	11,592
Chances Squamish	Gateway Casinos and Entertainment Limited	99	5,040	-	-	441	5,481	4,816
Chances Terrace	Fort St. John Gaming Centre and Hotel Limited Partnership	75	11,096	-	-	934	12,030	11,604
Harbour City Bingo	Harbour City Bingo Inc.	-	-	-	-	5,886	5,886	5,471
Newton Community Gaming Centre	Gateway Casinos and Entertainment Limited	-	-	-	-	5,302	5,302	5,160
Planet Bingo	Community Gaming Management Association	-	-	-	-	7,709	7,709	7,377
Playtime Langley	Playtime Gaming Group Inc.	-	-	-	-	5,425	5,425	5,700
Chances Playtime Penticton	Playtime Gaming Group Inc.	-	-	-	-	0	0	2,145
Chances Playtime Victoria	Playtime Gaming Group Inc.	-	-	-	-	3,382	3,382	3,379
Treasure Cove Bingo	Treasure Cove Casino Inc.	-	-	-	-	9,881	9,881	9,416
Total Community Gaming Centres & Commercial Bingo Halls		2,871	284,203	9	1,331	69,373	354,908	333,558
Paper Bingo Distribution Revenue		-	-	-	-	245	245	203
Total		2,871	284,203	9	1,331	69,619	355,153	333,761

* Number of slot machines includes electronic table games. Electronic table revenue is reported within Slot Machine Revenue.

\$1.4B

in net income was
generated in 2017/18 by BCLC
for the Province of B.C.

\$ MILLIONS

5.6

RESPONSIBLE GAMING
EDUCATION AND SERVICES

6.7

LOCAL ECONOMIC
DEVELOPMENT INITIATIVES

11.6

HORSEMAN'S
PURSE PAYMENTS

13.4

GAMING CORE
OPERATIONS

102.1

HOST LOCAL
GOVERNMENT

140.0

COMMUNITY
GAMING GRANTS

147.2

PROVINCIAL HEALTH
SPECIAL ACCOUNT

964.0

TO SUPPORT PUBLIC
PROGRAMS, HEALTHCARE
AND EDUCATION
(CONSOLIDATED REVENUE FUND)

\$3.2B

in gambling revenues
(total) was generated in
2017/18 by BCLC

\$1.3B Lottery & eGaming revenue

\$1.9B Casino & Community
Gaming revenue

About this Report

This report covers the activities and operations of BCLC during the fiscal year period which commenced on April 1, 2017 and ended on March 31, 2018. We have identified and reported on material issues that are of particular importance to BCLC and our stakeholders. Excluded from the scope of this report are the operations and activities of the broader gambling industry in British Columbia. This includes our service providers, retailers and suppliers. While BCLC acknowledges the leadership role that we play in encouraging socially responsible behaviour throughout the industry, overall performance outcomes reflect a shared effort.

CHANGES TO THE REPORT IN 2017-18

This year, we have started to look at different and more effective ways of measuring performance around our Corporate Social Responsibility Assessment (CSRA) process. As a result, we have ceased reporting on the rate of products/promotions labelled "Risk Recorded". Through evaluation of our player health strategy, we will consider more meaningful approaches to measuring this assessment process moving forward, in an ongoing effort to be open and transparent.

Material topics have been reduced from 20 to 16, due to the combination of topics and removal of "stakeholder engagement" entirely as a topic.

In accordance with updated GRI standards, we have adjusted the way in which we disclose our social responsibility reporting, so they continue to align with the GRI principles. The GRI Index can be read in Appendix 4.

GLOBAL REPORTING INITIATIVE

We support the Global Reporting Initiative's (GRI) framework for sustainability reporting. GRI has been a part of our reporting platform since 2012-13. This report is consistent with the GRI reporting principles for content and quality and was developed based on an assessment of our material topics. In alignment with the GRI Standards, this report is comprised of:

- **General Disclosures**, including our organizational profile and strategy as well as a discussion of ethics and integrity, governance, stakeholder engagement practices and our reporting process
- A review of our **Management Approach**, where we provide information on how our material topics are managed within the company; and,
- **Topic-specific Disclosures**, where we report on our activities and performance related to specific economic, environmental and social topics, including our material topics.

This report has been prepared in accordance with the GRI Standards: Core option. Please refer to our GRI content index for further information.

AUDIENCE

Our Social Responsibility Report is a platform for us to reach out and communicate with our stakeholders. Through the report we want to demonstrate transparency and accountability, in relation to all aspects of our business, our accomplishments and the challenges we face. This report is intended for a broad audience, but we have identified the following stakeholders, for whom this information may be particularly relevant:

- Players
- General public
- BCLC employees
- Provincial government
- Local governments
- Host local governments
- First Nations
- Community organizations
- Business organizations
- Health authorities
- Service providers
- Regulator
(Gaming Policy Enforcement Branch–GPEB)

STAKEHOLDER ENGAGEMENT

We consider it vital to listen to our stakeholders, address their concerns and learn from them in order to continue to be successful. We work with our stakeholders to help them build understanding of our business and our social purpose. Our stakeholders also help us identify trends and topics that we need to be aware of to ensure we are being accountable in the ways we do business. Our approach to stakeholder engagement is guided by the following principles:

- **Significance:** We deal with issues that are significant to our stakeholders and to us
- **Completeness:** We understand the views, concerns, needs and expectations of our stakeholders
- **Responsiveness:** We respond in a coherent, timely and appropriate manner
- **Measurable:** We track the quality, responsiveness and outcomes of our engagements

The following table summarizes key topics and engagement with our external stakeholders in 2017. These engagements are conducted on an ongoing basis with varying frequency based on each stakeholder group. This table does not include players, employees and the general public. More information about these groups can be found in the report under player health, player experience, employee experience and public trust.

Key Topics	Stakeholder groups	Types of engagement
Reducing gambling related harm	- Provincial government - Local governments - Host local governments - First Nations - Regulator (GPEB) - Public Health Authorities - Service providers - Academia - Community organizations - Players	- New Horizons Conference 2018 - Health Impact Assessments of three markets in collaboration with Medical Health officers - Expression of Interest process for potential new gambling facilities - Ad-hoc meetings with local representatives - Research projects with academia
Community Benefits/Financial Contributions to British Columbia	- Provincial government - Local government - First Nations - Service providers - Community organizations - General public - Business organizations	- Municipal conferences - Annual general meetings - Ongoing meetings with representatives - Community Outreach program - Music in the Park - Thompson Rivers University (TRU) Technology Speaker Series - More than 100 annual sponsorships
Transparency and Ethical Conduct	- Provincial government - Local governments - First Nations - Service providers - Community organizations - Business organizations	- Stakeholder engagement in the Facility Development Process for new facilities - Disclosure through various external reports (see Transparency)

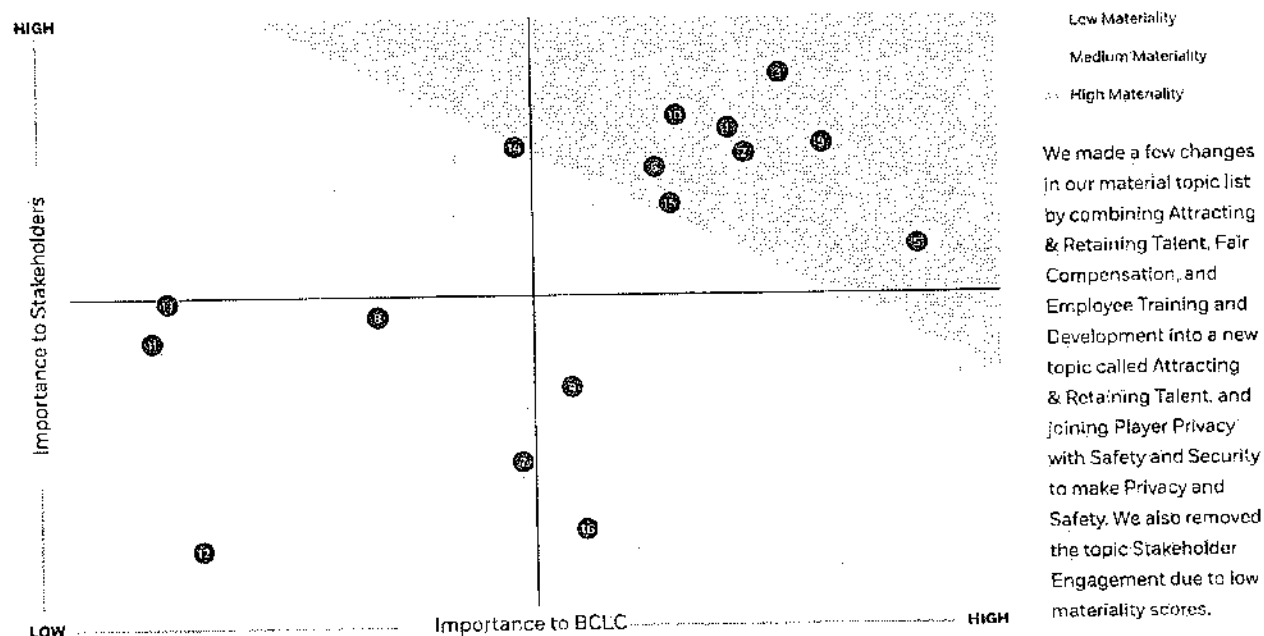
Stakeholder Groups:

- **Provincial government:** BCLC is overseen by a Board of Directors appointed by the Government of B.C. The Board reports to the Attorney General. Elected members from provincial ridings form the Legislative Assembly of British Columbia.
- **Local governments:** The government of a city, town or village.
- **Host local governments:** Municipalities and First Nations that host BCLC gambling facilities.
- **First Nations:** Aboriginal peoples in Canada who are neither Inuit nor Métis. In the context used here, it refers only to band governments.
- **Regulator, The Gaming Policy and Enforcement Branch (GPEB):** GPEB is responsible for the overall integrity of gambling and horse racing in British Columbia, including regulation of BCLC.
- **Health Authorities:** Five regional health authorities that govern, plan and deliver health care services within their geographic areas of B.C.
- **Community organizations:** An organization that improves the social well being of individuals, groups and neighbourhoods within a community or region. Examples include social services agencies and resident associations.
- **Business organizations:** A group of people that collaborate to achieve certain commercial goals. Examples include Chambers of Commerce, Business Improvement Associations and tourism entities.
- **Service providers:** Private-sector companies that are key players in our made-in B.C. operating model. They own or lease gambling facilities and maintain facility operations on a day-to-day basis.
- **Academia:** Students and teachers focused on research and higher education at a school or university.

Materiality

Our reporting approach is driven by the material topics that reflect the significant economic, environmental and social impacts of our business. BCLC's material topics are associated with our corporate goals of Player, People, Public and Profit as defined in our Social Responsibility Charter. For our 2017 report, we have updated our materiality matrix and the prioritization of material topics according to feedback provided by our internal and external stakeholders including the Social Responsibility Committee, players and employees. We also revised how certain topics are described based on our current understanding of each issue.

Strategic Goal	Focus Area	Material Topic
Player	Reduce Gambling-Related Harm (Player Health)	1. Problem Gambling
	Player Experience	2. Responsible Gambling
		3. Anti-Money Laundering
		4. Broadening gambling participation
		5. Integrity of Games
People	Employee Experience	6. Privacy & Safety
		7. Attracting & Retaining Talent
	Public Trust	8. Diversity & Inclusion
		9. Ethical Conduct
Public	Environment (Carbon Neutral Action)	10. Transparency
		11. Climate Change
	Community Impact	12. Sustainable Procurement
		13. Waste Management
Profit		14. Direct Community Benefits
		15. Financial contributions to Province of B.C.
		16. Service Partner and Retailer success



Appendices

APPENDIX 1: ADDITIONAL DISCLOSURES

Indicator	2016/17	2017/18
Player awareness of Voluntary Self-Exclusion program	51.0%	50.0%
Player satisfaction	80.0%	81.0%
Player participation (at least monthly)	53.0%	51.0%
Customer satisfaction score	74.0%	77.0%
PlayNow.com web experience score	73.0%	74.0%
Total number of employees (No.)	920	933
Female	42.0%	42.0%
Male	58.0%	58.0%
Employee turnover	5.5%	7.4%
Absenteeism rate	5.4%	5.4%
Rate of retailer prize claims	1.2%	0.9%
Percentage of B.C.-based suppliers	63.0%	69.0%

APPENDIX 2:

Employees by Gender and Location

The table below summarizes the headcount at BCLC as of December 31, 2017

Work Status	Kamloops	Vancouver	Field	Total
Full-Time	38	31	15	84
Part-Time	23	6	0	29
On Call	25	17	6	48
Total	86	54	21	933

Employees by Location

Gender	Kamloops	Vancouver	Field
Female	36	22	11
Male	50	32	10

Definitions:

Permanent Full-Time	permanently employed with no end date and is guaranteed 37.5 hrs. per week
Permanent Part-Time	permanently employed with no end date and is guaranteed a set number of hours each week
Permanent On-Call	permanently employed with no end date and is not guaranteed a set number of hours each week
Temporary Full-Time	temporarily employed with a set end date and is guaranteed 37.5 hrs per week for the duration of contract
Temporary Part-Time	temporarily employed with a set end date and is guaranteed set number of hrs per week for the duration of contract
Temporary On-Call	temporarily employed with a set end date and is not guaranteed set number of hours per week for the duration of contract

Employee is:

Employees by Management

Gender	CEO	V.P.s	Managerial	Other
Female		2	17	35
Male	1	2	2	15

Employees by Contract

Gender	Permanent	Temporary
Female	36	15
Male	50	15

APPENDIX 3: PERFORMANCE AND DISCLOSURE METHODOLOGY

The table below summarizes how we measure our performance metrics, our benchmarks and information on the reliability of the data we collect.

Our Performance Metrics	How We Measure and Benchmark	Data Reliability
Player awareness of Responsible Gambling Activities (%)	Survey participants are asked to indicate their awareness of five of BCLC's responsible gambling activities. The result is a net percentage of BCLC players who are aware of at least one of the five initiatives. Player Awareness of Responsible Gambling Activities is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.	Continuous online survey independently conducted by a third-party firm with a random sample of B.C. adults aged 19 and up who have played at least one BCLC game in the past year. The survey uses industry-standard techniques to randomize the sample in a way that is consistent with B.C. population demographics as per Statistics Canada's Census. The margin of error is ± 1.55 at the 95 per cent confidence level (19 times out of 20). The figure is an average of four quarterly scores. After a player responds, they are not allowed to participate in the survey again for another six months.
Player interactions at GameSense info centres (No.)	Number of Player Interactions at GameSense Info Centres (GSICs) measures the total number of interactions that GameSense Advisors (GSA) have with players at casinos about responsible gambling.	GSAs are trained to use a mobile application to input customer interaction data which BCLC tracks on a monthly basis. Only interactions directly entered by GSAs are included in our total number of interactions.
Employee Engagement Score (%)	Each year, a third-party research firm conducts an anonymous online survey amongst BCLC's employees on our behalf. The survey asks employees to rank on a six-point scale their agreement with a broad range of statements that span different aspects of the workplace. The overall engagement score is an aggregate of the proportion of employees who agree with the eight key statements in the top two points of the scale. Employee Engagement is internally benchmarked on a time series basis. We have not externally benchmarked the measure due to the BCLC specific nature of the survey questions.	The survey to measure Employee Engagement is independently conducted by a third-party research firm, using market research industry standard techniques.

Our Performance Metrics	How We Measure and Benchmark	Data Reliability
Employees who agree BCLC is a good corporate citizen (%)	Employees Who Agree That BCLC is a Good Corporate Citizen is a specific question in the annual Employee Engagement Survey, an annual anonymous online survey among BCLC employees, conducted by a third-party research firm on our behalf. The survey asks employees to rank on a five-point scale their agreement with the statement "BCLC is a Good Corporate Citizen." Employee responses in the top two box scores are then aggregated and expressed as a percentage to get the aggregate agreement.	The survey to measure Employees Who Agree That BCLC is a Good Corporate Citizen is independently conducted by a third-party research firm, using market research industry standard techniques
Average spend on training per employee (\$)	Average Spend on Training per Employee measures the total amount BCLC employees have expensed for self-training or development activities, divided by the total headcount.	This measure relies on employees self recording their training expenses and the total amount of training dollars spent by BCLC are audited annually by BCLC's financial auditors.
Public perception of BCLC's transparency (%)	A third-party research firm conducts a continuous tracking study to measure Public Perception of BCLC's Transparency on our behalf. The survey asks participants to rank their agreement with the statement that BCLC is forthcoming and open with the public, on a scale of one to seven. The overall public perception score is a percentage of participants who agree with the statement in the top three points of scale.	Continuous online survey independently conducted by a third-party firm with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample in a way that is consistent with B.C. population demographics as per Statistics Canada's Census. The margin of error is ± 1.55 at the 95 per cent confidence level (19 times out of 20). The figure is an average of four quarterly scores. After someone responds, they are not allowed to participate in the survey again for another six months.
Public recognition of positive contributions (%)	A third-party research firm conducts a continuous tracking study to measure Public Recognition of BCLC's Positive Contributions to the Province of B.C. on our behalf. The survey asks participants to rank their agreement with the statement that BCLC makes positive contributions to the province of B.C., on a scale of one to seven. The overall public recognition score is a percentage of participants who agree with the statement in the top three points of scale.	Continuous online survey independently conducted by a third-party firm with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample in a way that is consistent with B.C. population demographics as per Statistics Canada's Census. The margin of error is ± 1.55 at the 95 per cent confidence level (19 times out of 20). The figure is an average of four quarterly scores. After someone responds, they are not allowed to participate in the survey again for another six months.

Our Performance Metrics	How We Measure and Benchmark	Data Reliability
Level of Greenhouse Gas Emissions (CO ₂ e tonnes)	BCLC is a Public Sector Organization (PSO) subject to the Province of B.C.'s Carbon Neutral Government policy. We report our consumption of building energy, vehicle fuel and office paper to the B.C. Ministry of Environment's Climate Action Secretariat through its SmartTool GHG reporting website. BCLC obtains the required data from our suppliers of electricity, natural gas, fleet vehicle fuel and paper, and match that against internal procurement records. GHG emissions are internally benchmarked on a time series basis. Externally, our Carbon Neutral Action Report and those of other PSOs are published by the Ministry of Environment annually at the end of June and are benchmarked amongst each other. GHG targets have a 2007 base year and emission factors come from the 2016 B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions which incorporate Global Warming Potentials (GWP) from the IPCC's fourth assessment report (AR4).	Data for electricity and natural gas consumption is verifiable from billable consumption figures supplied by the respective utilities companies. We calculate electricity usage for our offsite data facility from meter readings. Fleet vehicle gasoline consumption is obtained through fuel consumption reporting from our fleet vehicle management company. Office paper consumption for all types of reportable paper is measured internally each month.
Waste diverted from landfill—Kamloops office (%)	Waste Diverted from Landfill is measured by taking the weight of waste streams diverted from landfill (recycled paper, cardboard, recyclable containers, metals, glass, and compostable organics) as a per cent of the total weight of all waste streams collected from our Kamloops office.	BCLC receives monthly reports from our external waste management contractors, detailing the actual weights of general garbage, recycled paper, recyclable containers, compostable materials and cardboard.
Waste diverted from landfill—Vancouver office (%)	Waste Diverted from Landfill is measured by taking the weight of waste streams diverted from landfill (recycled paper, ticket shredding, cardboard, recyclable containers, metals, glass, and compost) as a per cent of the total weight of all waste streams collected from our Vancouver office.	BCLC receives monthly reports from our external waste management contractors, detailing the actual weights of general garbage, recycled paper, shredded tickets, recyclable containers, compostable materials and cardboard.

The table below summarizes how we measure our additional disclosures and information on the reliability of the data we collect.

Additional Disclosures/Indicators	How We Measure and Benchmark	Data Reliability
Player awareness of Voluntary Self-Exclusion Program	A third-party research firm conducts a continuous tracking study to measure Player Awareness of BCLC's VSE program on our behalf. Players are considered to be aware of the VSE program if they specifically mention the VSE program during the survey of Player Awareness of Responsible Gambling Activities.	Continuous online survey independently conducted by a third-party research firm with a random sample of B.C. adults aged 19 and up who have played at least one BCLC game in the past year. The survey uses industry-standard techniques to randomize the sample, while retaining a gender, age and regional balance consistent with B.C. population as per Statistics Canada's Census. The margin of error is ± 1.55 at the 95 per cent confidence level (19 times out of 20). The reported figure is an average of four quarterly scores. After a player responds to the survey, they are not allowed to participate in the survey again for another six months. The indicator is also included in Ernst & Young's scope of assurance activities.
Player Satisfaction	Players who played in one of BCLC's gambling channels at least once every three to five months are asked to rate their level of satisfaction with their last experience in each channel on a 10-point scale. For each player, an average satisfaction score is calculated using their satisfaction scores in all channels they play in.	Continuous online survey independently conducted by a third-party research firm with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample, while retaining a gender, age and regional balance consistent with B.C. population as per Statistics Canada's Census. The margin of error is 1.55 at the 95 per cent confidence level (19 times out of 20).
Player Participation (at least monthly)	Participants are asked how frequently they play our games in any of BCLC's channels. The result is an aggregate score for those players who played at least once a month in any of our channels, including lottery tickets, casino games or PlayNow.com activity.	Continuous online survey independently conducted by a third-party research firm with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample, while retaining a gender, age and regional balance consistent with B.C. population as per Statistics Canada's Census. The margin of error is 1.55 at the 95 per cent confidence level (19 times out of 20).

Additional Disclosures/ Indicators	How We Measure and Benchmark	Data Reliability
Customer Support Satisfaction Score	The "Customer Satisfaction" metric represents a player's overall satisfaction with BCLC's Customer Support Centre (CSC) after an interaction with the CSC. The score is a "Top 2 Box" score, meaning that it represents the percentage of players who rated the CSC's service as "Very Good" or "Excellent" (e.g., "4" or "5" on a 5-point scale).	This is a continuous online survey conducted by a third party with BCLC customers who contact the Customer Support Centre (CSC). Only those who have provided sufficient data via telephone or email will be invited to complete the online survey.
Employee turnover	Employee Turnover Rate is internally benchmarked on a time series basis. We do not externally benchmark, as other gambling jurisdictions and B.C. Crown corporations do not publish equivalent figures.	Employee Turnover Rate is internally calculated by our Human Resources team. It is measured on a monthly basis with the year-end calculated by averaging monthly rates.
Absenteeism rate	Absenteeism Rate is internally benchmarked on a time series basis. We do not externally benchmark, as other gambling jurisdictions and B.C. Crown corporations do not publish equivalent figures.	Absenteeism Rate is internally calculated by our Human Resources team. It is measured on a monthly basis with the year-end calculated by averaging monthly rates.
Rate of retailer prize claims	The rate of retailer prize claims is the number of retailer claims over \$2,000 divided by total claims over \$2,000 processed at all payout centres in B.C. for lottery products. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.	Each payout centre reports to the BCLC corporate lottery division the number of retailer and non-retailer prize payouts over \$2,000 on a monthly basis. This data is then aggregated and reported to GPEB and BCLC's Corporate Communications group each month.
Percentage of B.C.-based suppliers	Percentage of B.C.-based suppliers is calculated by dividing the number of BCLC's registered vendors with a B.C. address by the total number of registered vendors. This metric is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.	BCLC's vendors are reported publicly each year in our Statements of Financial Information in accordance with the <i>Financial Information Act</i> , in the Schedule of Payments to Suppliers of Goods and Services. This information is audited annually by our independent third-party financial auditing firm.

APPENDIX 4: GRI CONTENT INDEX

BCLC aligns our social responsibility reporting with the Global Reporting Initiative (GRI) principles. The table below indicates where to find our general and specific standard disclosures from GRI's Standards.

Disclosure	Reference	Page #	
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	British Columbia Lottery Corporation-BCLC	
	102-2 Activities, brands, products, and services	What We Do corporate.bclc.com/what-we-do.html	01
	102-3 Location of headquarters	- BCLC at a Glance - BCLC's Corporate Offices corporate.bclc.com/customer-support/contact-us.html	01
	102-4 Location of operations	BCLC only operates in British Columbia, Canada	
	102-5 Ownership and legal form	- Our Social Purpose-Mission and Values - Who We Are corporate.bclc.com/who-we-are/our-history.html - Corporate Governance and Board of Directors corporate.bclc.com/who-we-are/governance-and-oversight/board-of-directors.html	06
	102-6 Markets served	2017/18 Annual Service Plan Report corporate.bclc.com/who-we-are/corporate-reports/reports-disclosures.html	
	102-7 Scale of the organization	- BCLC at a Glance - Community Impact 2017/18 Annual Service Plan Report corporate.bclc.com/who-we-are/corporate-reports/reports-disclosures.html	01 34-37
	102-8 Information on employees and other workers	Appendix 2: Employees by Gender and Location	43
	102-9 Supply chain	- Casino corporate.bclc.com/what-we-do/casinos/about-casinos.html - Lottery corporate.bclc.com/what-we-do/lotto/about-lotto.html - Online Gambling corporate.bclc.com/what-we-do/online-gambling/about-online-gambling.html	

Disclosure	Reference	Page #
102-10 Significant changes to the organization and its supply chain	There have been no significant changes to the organization over the reporting period.	
102-11 Precautionary principle or approach	Carbon Neutral Action-Environmental Remediation Continues at Potential Kamloops Office Site	29
102-12 External initiatives	- Social Responsibility Charter corporate.bclbc.com/social-responsibility/our-approach.html - Carbon Neutral Government Program https://www2.gov.bc.ca/gov/content/environment/climate-change/public-sector/cnar	
102-13 Membership of associations	- Interprovincial Lottery Corporation - World Lottery Association - Canadian Gaming Association - Responsible Gambling Council of Canada - North American Association of State and Provincial Lotteries - Kamloops Chamber of Commerce	
102-14 Statement from senior decision-maker	- Message from the CEO - Message from the Vice-President, Social Responsibility and Communications	04 05
102-16 Values, principles, standards, and norms of behaviour	- Our Social Purpose - Public Trust	06 23
102-18 Governance structure	- Our Social Purpose-Governance and Oversight - Who We Are-Our Team corporate.bclbc.com/who-we-are/our-team/our-senior-executive.html	06
102-40 List of stakeholder groups	- About this Report-Stakeholder Groups - Social Responsibility-Stakeholder Engagement corporate.bclbc.com/social-responsibility/public/stakeholder-engagement.html	41
102-41 Collective bargaining agreements	Zero percent	
102-42 Identifying and selecting stakeholders	- About this Report-Stakeholder Engagement - Social Responsibility-Stakeholder Engagement corporate.bclbc.com/social-responsibility/public/stakeholder-engagement.html	40
102-43 Approach to stakeholder engagement	- About this Report-Stakeholder Engagement - Social Responsibility-Stakeholder Engagement corporate.bclbc.com/social-responsibility/public/stakeholder-engagement.html - Appendix 3: Performance and Disclosure Methodology	40 44

Disclosure	Reference	Page
102-44 Key topics and concerns raised	- About this Report–Stakeholder Engagement - About this Report–Materiality	40 42
102-45 Entities included in the consolidated financial statements	2017/18 Annual Service Plan Report corporate.bclc.com/who-we-are/corporate-reports/reports-disclosures.html	
102-46 Defining report content and topic boundaries	About this Report	38
102-47 List of material topics	About this Report–Materiality	42
102-48 Restatements of information	Not applicable for this year's report	
102-49 Changes in reporting	About this Report–Materiality	42
102-50 Reporting period	This report covers the activities and operations of BCLC during the fiscal year period which commenced on April 1, 2017 and ended on March 31, 2018.	
102-51 Date of most recent report	August 22, 2017 (Social Responsibility Report 2016/17)	
102-52 Reporting cycle	BCLC's reporting cycle is annual	
102-53 Contact point for questions regarding the report	Contact Us corporate.bclc.com/customer-support/contact-us.html	
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
102-55 GRI content index	Appendix 4: GRI Content Index	49
102-56 External assurance	It has not been externally assured.	

Material Topics

Problem Gambling, Responsible Gambling

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	- A Proactive Player Health Strategy - About this Report	07-12 38
	103-2 The management approach and its components	A Proactive Player Health Strategy	07-12
	103-3 Evaluation of the management approach	A Proactive Player Health Strategy	07-12
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	A Proactive Player Health Strategy	07

Disclosure		Reference	Page #
BCLC Specific	Player awareness of Responsible Gambling Activities	• A Proactive Player Health Strategy • Our Performance • Appendix 3: Performance and Disclosure Methodology	07 03 44
	Player interactions at GameSense Info Centres	• A Proactive Player Health Strategy-GameSense • Our Performance • Appendix 3: Performance and Disclosure Methodology	10-11 03 44
Anti-Money Laundering			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• Player Experience-Anti-Money Laundering • About this Report	15 38
	103-2 The management approach and its components	• Player Experience-Anti-Money Laundering • Anti-Money Laundering (http://corporate.bclc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=anti-money%20laundering)	15
	103-3 Evaluation of the management approach	• Player Experience-Anti-Money Laundering • Anti-Money Laundering (http://corporate.bclc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=anti-money%20laundering)	15
GRI 105: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	• Player Experience-Anti-Money Laundering • Anti-Money Laundering (insert link to http://corporate.bclc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=anti-money%20laundering) • All employees receive mandatory AML compliance training as part of their on boarding process and are refreshed on a regular and as needed basis.	15
Broadening Gambling Participation			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• Player Experience-Broadening Gambling Participation • About this Report	13, 38
	103-2 The management approach and its components	Player Experience-Broadening Gambling Participation	13
	103-3 Evaluation of the management approach	The participation in BCLC games and channels are measured and tracked on an ongoing basis and reported internally.	

Disclosure	Reference	Page #
Integrity of Games		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• Player Experience–Integrity of Games • About this Report 16,38
	103-2 The management approach and its components	• Player Experience–Integrity of Games • Information Security Policy (insert link to http://corporate.bclc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy) 16
	103-3 Evaluation of the management approach	• Player Experience–Integrity of Games 16
Privacy and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• Player Experience–Player Privacy • Player Experience–Safety and Security • About this Report
	103-2 The management approach and its components	• Player Experience–Player Privacy • Player Experience–Safety and Security • Privacy Policy (insert link to http://corporate.bclc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy)
	103-3 Evaluation of the management approach	We develop and provide privacy training to all of our employees and key service providers so that each person who may handle personal information understands how to protect that information. We also use appropriate physical, technical and administrative safeguards to protect the personal information we do collect. Furthermore, we conduct regular reviews to make sure that our employees and key service providers have completed the training.
Attracting and Retaining Talent		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	• Employee Experience • About this Report 18-22 38
	103-2 The management approach and its components	• Employee Experience 18-22
	103-3 Evaluation of the management approach	• Employee Experience 18-22
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	• Appendix 1: Additional Disclosures • We do not report details on new employee hires and we do not break down employee turnover by demographics. 43

Disclosure		Reference	Page #
BCLC	Employee engagement score	• Our Performance	03
Specific		• Employee Experience	20
		• Appendix 3: Performance and Disclosure Methodology	45
	Employees who agree BCLC is a good corporate citizen	• Our Performance	03
		• Employee Experience	20
		• Appendix 3: Performance and Disclosure Methodology	45
	Average training spend per employee	• Our Performance	03
		• Employee Experience	20
		• Appendix 3: Performance and Disclosure Methodology	45
Diversity and Inclusion			
GRI 103:	103-1 Explanation of the	• Employee Experience	18-22
Management Approach 2016	material topic and its boundary	• About this Report	38
	103-2 The management approach and its components	Employee Experience	18-22
	103-3 Evaluation of the management approach	Employee Experience	18-22
GRI 405:	405-1 Diversity of governance bodies and employees	• Appendix 2: Employees by Gender & Location	43
Diversity and Equal Opportunity 2016		• Appendix 1: Additional Disclosures	43
Ethical Conduct			
GRI 103:	103-1 Explanation of the	• Public Trust-Ethical Conduct	25
Management Approach 2016	material topic and its Boundary	• About this Report	38
	103-2 The management approach and its components	• Public Trust-Ethical Conduct	25
		• Standards of Ethical Business Conduct for BCLC Employees (SOBEC) (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy)	
		• Whistleblower Policy (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy)	
	103-3 Evaluation of the management approach	• Standards of Ethical Business Conduct for BCLC Employees (SOBEC) (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy)	
		• Whistleblower Policy (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=policy)	

Disclosure	Reference	Page #
Transparency		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• A Proactive Player Health Strategy 07-12 • Public Trust-Transparency 23 • About this Report 38
	103-2 The management approach and its components	• A Proactive Player Health Strategy 07-12 • Public Trust-Transparency 23
	103-3 Evaluation of the management approach	• A Proactive Player Health Strategy 07-12 • Public Trust-Transparency 23
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	A Proactive Player Health Strategy 08
	417-3 Incidents of non-compliance concerning marketing communications	We are looking at different and more effective ways of measuring performance around our Corporate Social Responsibility Assessment (CSRA) process, which assesses marketing and promotional items and ensures they adhere to CSR requirements.
BCLC Specific	Public perception of BCLC's transparency	• Our Performance 03 • Appendix 3: Performance and Disclosure Methodology 43 • Public Trust 23
	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	We are looking at different and more effective ways of measuring performance around our Corporate Social Responsibility Assessment (CSRA) process, which assesses marketing and promotional items and ensures they adhere to CSR requirements.
Climate Change		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	• Carbon Neutral Action 27 • About this Report 38
	103-2 The management approach and its components	Carbon Neutral Action 27-31
	103-3 Evaluation of the management approach	Carbon Neutral Action 27-31
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon Neutral Action-Natural Gas, Fleet Gas, Diesel (862 tCO ₂ e) 28

Disclosure	Reference	Page #
305-2 Energy indirect (Scope 2) GHG emissions	Carbon Neutral Action Electricity (79 tCO ₂ e)	28
305-3 Other indirect (Scope 3) GHG emissions	Carbon Neutral Action-Office Paper (24 tCO ₂ e)	28
305-4 GHG emissions intensity	Carbon Neutral Action-GHG's per Employee	27
305-5 Reduction of GHG emissions	- Carbon Neutral Action-Building - Carbon Neutral Action-Paper Office	28 30
Sustainable Procurement		
GRI 103:		
Management Approach		
103-1 Explanation of the material topic and its boundary	- Public Trust-Doing Business with Us - About this Report	26 38
103-2 The management approach and its components	As outlined in our Socially Responsible Procurement Guideline, BCLC's social responsibility principles for procurement activities are: - Specifications for goods and services to achieve environmental benefits, such as reduced waste, increased energy efficiency, carbon neutrality, reduced toxicity and pollution, and other environmental attributes, are included as requirements within Vendor selection processes, wherever possible. - Options that reduce the overall consumption of goods and services are chosen where possible. - Opportunities are sought for participation in product stewardship programs that reduce waste and for collaboration with qualified Vendors to provide environmentally sustainable products to BCLC's clients and business partners. - Preference is demonstrated for Vendors who align with the Social Responsibility Standards for Vendors.	
103-3 Evaluation of the management approach	Our Socially Responsible Procurement Guidelines were put in place to promote, support and encourage sustainability and social responsibility, and is not a mandatory requirement for vendors. We are working towards incorporating key performance indicators into our formal Vendor Performance Management program.	
GRI 204:		
Procurement Practices		
204-1 Proportion of spending on local suppliers	- Appendix 1: Additional Disclosures - Appendix 3: Performance and Disclosure Methodology	43 48
2016		

Disclosure	Reference	Page
Waste Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Bboundary	Being a part of British Columbia's public sector positions BCLC to be a catalyst for climate action at both the community and provincial levels. As such, it is incumbent on us to set an example with concrete action to reduce our carbon footprint, including waste management, and run a sustainable business.
	103-2 The management approach and its components	We track our office building waste diversion rates and pay fees on the amount of paper sold as lottery tickets to fulfill environmental stewardship commitments. Our Carbon Neutral Action Report reports on our environmental sustainability activities and performance from the 2017 calendar year.
	103-3 Evaluation of the management approach	Our Carbon Neutral Action Report, which includes reporting on waste management and waste diversion rates, is a required submission for the Government of British Columbia under the <i>Greenhouse Gas Reduction Targets Act</i> . More information can be found on the B.C. Climate Action Secretariat's website.
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	We continue to incorporate recycling and composting programs in both corporate offices to handle multiple waste streams responsibly including landfill garbage, organics, mixed container recyclables, office paper and unsold ticket inventory. In 2017, our waste diversion rates were: 63% in Kamloops; 87% in Vancouver and 81% overall.

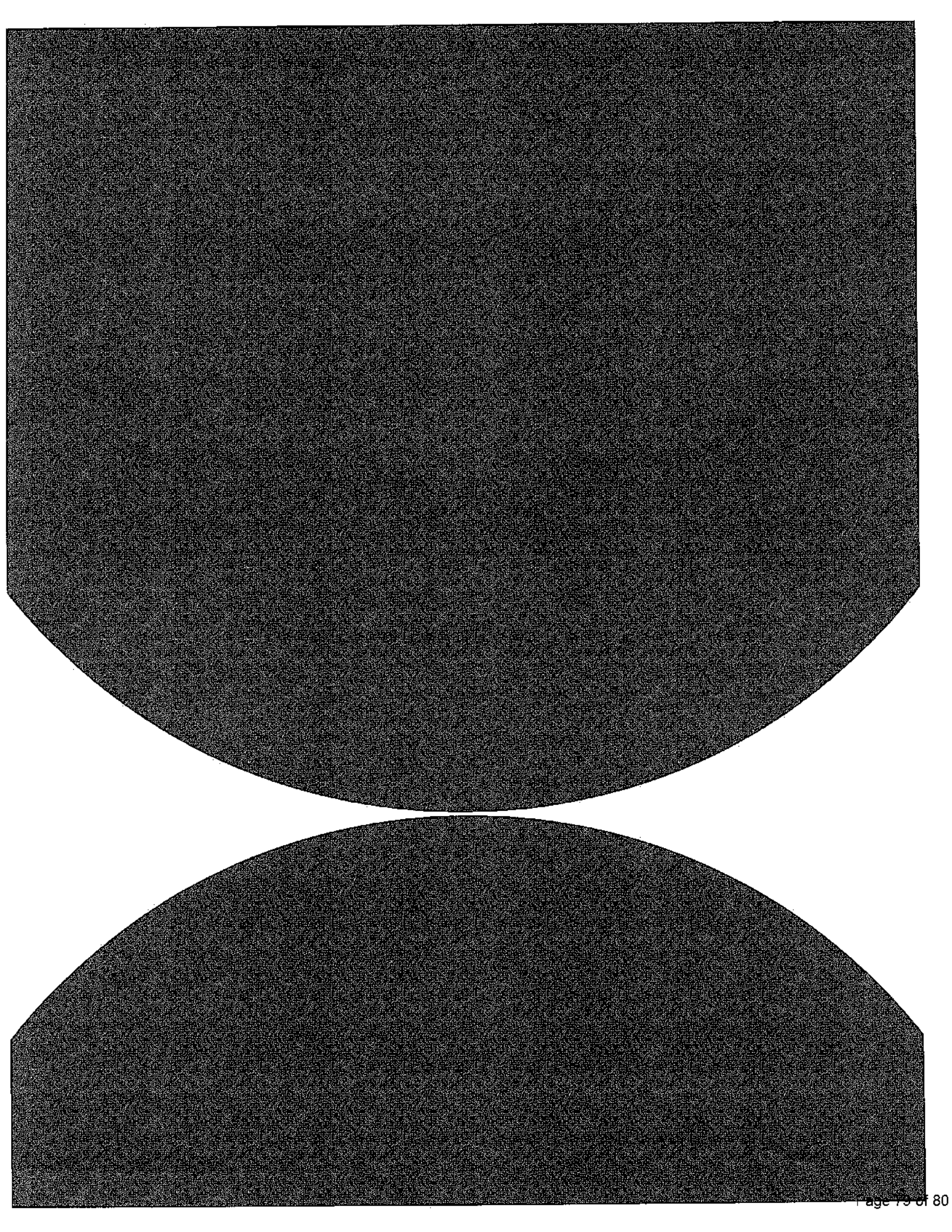
Disclosure		Reference	Page #
Direct Community Benefits			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	- Community Impact - About this Report	32 38
	103-2 The management approach and its components	- Community Impact - Community Impact Report 2017/18 (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=community%20benefits)	32-37
	103-3 Evaluation of the management approach	- Community Impact - Community Impact Report 2017/18 (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=community%20benefits)	32-37
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	- Community Impact - Community Impact Report 2017/18 (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/corporate-reports-search.html?filter_category=community%20benefits)	32-37
"GRI 203: Indirect Economic Impacts 2016"	203-2 Significant indirect economic impacts	- Community Impact - Community Impact-Community Benefits 2017/18 Annual Service Plan Report (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/reports-disclosures.html)	32 33
	BCLC Specific Public recognition of positive contributions	- Our Performance - Appendix 3: Performance and Disclosure Methodology - Public Trust	03 43 23
Financial Contributions to the Province			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	- Community Impact - About this Report	32 38
	103-2 The management approach and its components	- Community Impact 2017/18 Annual Service Plan Report (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/reports-disclosures.html)	32-37
	103-3 Evaluation of the management approach	- Community Impact 2017/18 Annual Service Plan Report (insert link to http://corporate.bcllc.com/who-we-are/corporate-reports/reports-disclosures.html)	32-37

Disclosure	Reference	Page #
Service Partner and Retailer Success		
GRI103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Our retailers are a vital part of our business. BCLC depends on our retailers to understand our products, provide excellent customer service, follow our standards, policies and procedures and maintain security and integrity.
	103-2 The management approach and its components	To ensure the success of our lottery retailers, we provide our retailers training, sales support and resources. BCLC works with Casino Service Providers to offer facilities that feature entertainment amenities, such as restaurants and live event space, in addition to gambling.
	103-3 Evaluation of the management approach	BCLC has implemented a Lottery Retailer Revenue Review Program which establishes critical success factors for its lottery retailers in order to evaluate performance to report on financial results.
As the Crown corporation responsible for managing gambling in British Columbia, BCLC determines where casinos and community gaming centres are located, and contracts with private-sector companies to build and operate the facility. These private sector service providers earn commissions similar to revenue-sharing as a financial incentive for their investments in operating and growing the business. In November 2017, BCLC updated its operational services agreement (OSA) for casino and community gaming services, setting the course for greater accountability, long-term private-sector investment and sustained revenues to the Province and communities. The new OSA is a 20 year agreement, and BCLC has begun signing the 20 year OSA agreements with service providers, and will continue to in due course. The terms of the OSA require service providers to submit annual business plans, including commitments to capital and operating investments in properties over the term of their contract to support growth and new amenities. A critical component includes a commitment to responsible gambling practices. In addition, the OSA contains enhanced accountability measures that strengthen BCLC's oversight in the areas of compliance and security, including escalation mechanisms and progressive disciplinary measures.		

APPENDIX 5: FISCAL 2017/18 SPONSORSHIPS

The following is a list of organizations we sponsored in fiscal 2017/18:

Archiact Interactive Ltd –2017 CVR Conference	JA British Columbia Juvenile Diabetes Research Foundation	Surrey Board of Trade –Police Officer of the Year Awards
BC Amateur Hockey Association	Kamloops Art Gallery	Surrey Fire Fighters' Charitable Society
BC & Yukon Community Newspaper Association (BCYCNA)	Kamloops Bike to Work Week	The Association of Kootenay and Boundary Local Governments (AKBLG)
BC Ferries Charity Classic	Kamloops Blazers	The Association of Vancouver Island Coastal Communities (AVICC)
BC Lions Fan Fest	Kamloops Chamber of Commerce	The Children's Wish Foundation
BC Sports Hall of Fame	Kamloops Food Bank	The Kamloops Film Festival
BC Winter Games	Kamloops Innovation	The North Central Local Government Association (NCLGA)
Business in Vancouver Top 40 Under 40	Kamloops Pride	The Southern Interior Local Government Association (SILGA)
Campbell River Salmon Festival Society	Kamloops Symphony Orchestra	Thompson Rivers University
Canada Rugby Sevens	Kelowna Chamber of Commerce	Thompson Rivers University Foundation
Canadian Gaming Association –2017 Gaming Summit	Kelowna Rockets	Tri-Cities Chamber of Commerce
Christmas Charities Group	KidSport BC	Union of BC Municipalities
City of Kamloops	Langley Chamber of Commerce	United Way BC
Dawson Creek Exhibition and Stampede	LINX Marketing	United Way of the Lower Mainland
Delta Chamber of Commerce	Lower Mainland Local Government Association (LMLGA)	Vancouver Food Bank
Delta Hospital Foundation	Metro Vancouver Crime Stoppers	Vancouver Symphony Orchestra
Digital Media Association of BC –DigiBC Gala	Minerva Foundation	Victoria HarbourCats Baseball Club
Downtown Langley Business Association	Moose FM Block Party	Victoria Hospital Foundation
Forum for Women Entrepreneurs	North Shore Business Association	Victoria Open Golf Society
Full Indie Society Summit	Prince George Folk Festival Society	Victoria Symphony Splash
Gaming Security Professionals of Canada	Project X Theatre Production Society	VU: Defy Reality
Greater Vancouver Board of Trade	Raise a Reader	Western Canada Theatre
Hockey Canada	RCMP Musical Ride Kamloops	
Honour House	Riverboat Days Society	
IndoCan Links	Royal Inland Hospital Foundation	
	Scotties Tournament of Hearts	
	Special Olympics BC	
	Sport BC Athlete of the Year Awards	
	Startup Weekend Kamloops	



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