

2017/2018

Carbon Neutral Action Report



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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,

A handwritten signature in black ink, appearing to read 'Susan Dolinski', written in a cursive style.

Susan Dolinski

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.bclc.com.

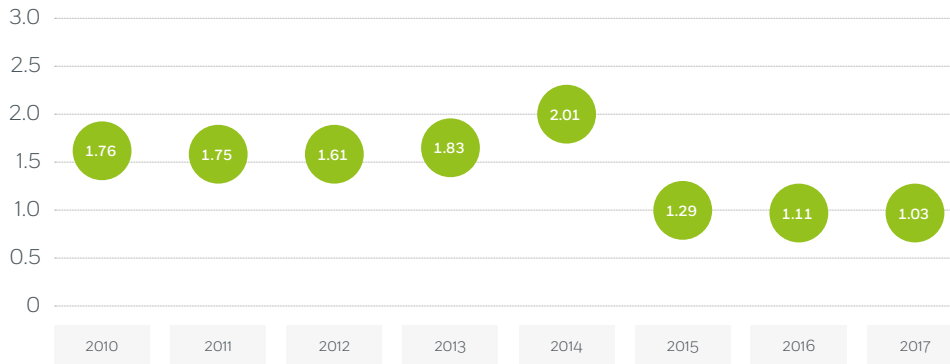
OVERVIEW

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.

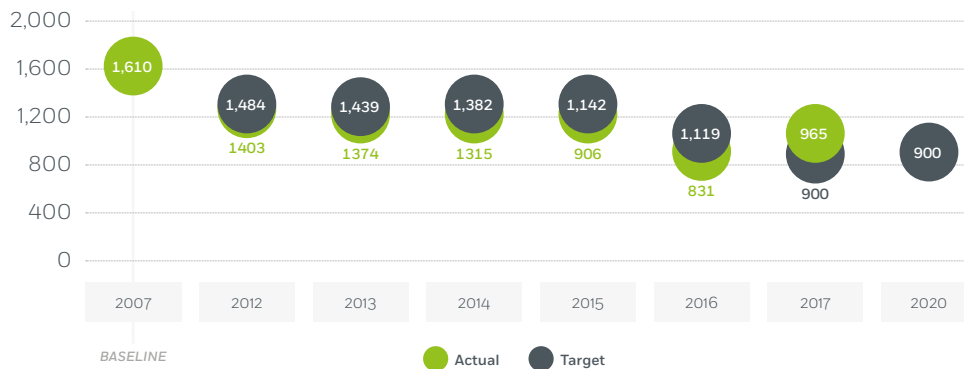
BCLC will be retiring 962 tCO₂e of offset credits from 2017 emissions by purchasing 961 tCO₂e, as an adjustment of -1 CO₂e was applied from the previous year’s report. Three tonnes of our carbon footprint is deemed biogenic and part of the natural carbon cycle, so it is not accounted for offset credits.

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 LEDs are about ¼ 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.



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

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.





HEAD OFFICE

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CONSUMER SERVICES

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consumerservices@bclc.com

BCLC's Annual Service Plan Report
is available at bclc.com/service-plan

Use your GameSense
GameSense.ca



Part 1: CNAR Survey

1. General Information

Name: Doug Cheng

Contact Email: dcheng@bclc.com

Organization Name: BCLC

Sector: Crown

2. Stationary Sources (eg. Buildings, Power Generators): Fuel Combustion, Electricity use, Fugitive Emissions.

During 2017, did your organization take any of the following actions to support emissions reductions from buildings? (please select all that apply)

None of the above

2. Stationary Sources - Other? Please specify: Our current head office in Kamloops is over 50 years old and the significant costs associated with renovation and maintenance of its current head office have required BCLC to examine the condition of its whole facility and consider a long-term solution. If we decide to pursue a new purpose built facility in Kamloops, the design would create a high performance building that promotes energy efficiency, the reduction of greenhouse gas emissions, high building functionality and ultimately seeks to minimize life cycle costing.

As well, employee awareness initiatives keep our power demands low, which include decals in all meeting rooms to remind staff to turn off the lights, drawing blinds in the summer months to help keep buildings cool at night and over weekends, as well as reminders on hallway monitors for staff to turn off computers when leaving work.

If you selected "*Performed energy retrofits of the organization's building(s)*":

How many buildings were retrofitted?:

If you selected "*Built, or are building new LEED Gold or other "Green" buildings*":

How many new "Green" buildings?:

Did your Organization perform any retrofits during 2017? Please describe briefly:

No

2a. Stationary Sources (eg. Buildings, Power Generators): Fuel Combustion, Electricity use, Fugitive Emissions.

Please briefly describe your organization's plans to continue reducing emissions from its stationary sources:

a) Over the next 1-5 years

There is an ongoing initiative aimed at reducing electricity demand through the transition to halide LED lights in our Vancouver warehouse. Regarding fugitive emissions, BCLC has a preventive maintenance program for our data centre's air conditioners. The program entails a refrigeration contractor performing a full service and compliance leak checks every six months. We are also looking at reducing the number of servers on site by exploring using cloud services.

b) Over the following 6-10 years

BCLC's objective is to continually evaluate our stationary sources and will make necessary changes to reduce emissions from these sources. For example, if we go through with building a new office in Kamloops, we will consider energy efficient materials and designs. Additionally, we will convert legacy equipment to higher density and more efficient options as the need arises in order to reduce power consumption.

3. Mobile Sources (Vehicles, Off-road/portable Equipment): Fuel Combustion:

During 2017, did your organization take any of the following actions to support emission reductions from its mobile sources? (please select all that apply)

Replaced existing vehicles with more fuel efficient vehicles (gas/diesel)

3) Mobile Sources - Other? Please specify:: In 2017, the BCLC fleet changed its composition by replacing two hybrid cars and adding an additional one (all three run on gas). 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.

When travel between our offices in Kamloops and Vancouver is necessary, employees are encouraged to drive with co-workers rather than fly, due to cost containment measures. Carpooling is encouraged and both of our offices are equipped with video-conferencing equipment to avoid travel as much as possible.

If you selected "*Replaced existing vehicles with more fuel efficient vehicles (gas/diesel)*":

How many vehicles?: 2

If you selected "*Replaced existing vehicles with hybrid or electric vehicles*":

How many vehicles?:

3a. Mobile Sources (Vehicles, Off-road/portable Equipment): Fuel Combustion:

Please briefly describe your organization's plans to continue reducing emissions from its mobile sources:

a) Over the next 1-5 years

Fleet usage and performance will be continually monitored, and maintenance will be regularly performed. BCLC also encourages carpooling and has video-conferencing capabilities in both our offices to reduce the need to travel as much as possible.

b) Over the following 6-10 years

Fleet usage and performance will be continually monitored, and maintenance will be regularly performed.

4. Supplies (Paper): Indicate which actions your PSO took in 2017:

During 2017, did your organization take any of the following actions to support emissions reductions from paper supplies? (please select all the apply)

4) Supplies (Paper): Indicate which actions your PSO took in 2017: - Other? Please describe briefly: Our corporate reports are posted online, and a reduced number of Annual Report and Social Responsibility Report hard copies were printed on recycled paper in 2017. Email signatures include a reminder to only print emails when necessary, and employees are encouraged to present on-screen in meetings instead of using print-outs. When hard copies are necessary, default settings on printers are set to double-sided printing. Our employee driven Green Committee also conducts awareness activities leading up to Earth Day every year, sharing how employees can make more sustainable choices.

If you selected "*Had a policy requiring the purchase of recycled content paper*":

State the required recycled content here (30%, 50%, 100%):

If you selected "*Had a policy requiring the purchase of alternate source paper (bamboo, hemp, wheat, etc)*", which type of alternate source paper did you use?

Please briefly describe your organization's plans to continue reducing emissions associated with its office paper use in future years.

We will continue to encourage the use of digital communication as a way to reduce paper usage. In 2017, this tactic led to an 11 per cent decrease of paper consumption. We will also continue to default our printer settings to double-sided to reduce the amount of paper used.

5. Other Sustainability Actions

a) Business Travel

During 2017, did your organization take any of the following actions to support emissions reductions from business travel? (please select all that apply)

Encouraged alternative travel for business (e.g. bicycles, public transit, walking); Encouraged or allowed teleworking or working from home

b) Education/Awareness

During 2017, did your organization have any of the following programs or initiatives to support sustainability education and awareness? (please select all that apply)

None of the above

c) Other Sustainability Actions

During 2017, did your organization have any of the following programs or initiatives to support sustainability? (please select all that apply)

An operations policy or program to facilitate the reduction and diversion of building occupant waste (e.g., composting, collection of plastics, batteries) from landfills or incineration facilities