

BCLC Climate Change Accountability Report

2024





Who we are

BCLC conducts and manages commercial gambling in a socially responsible manner for the benefit of British Columbians. Through agreements with private-sector service providers, BCLC offers slot machines, table games and bingo at 22 casinos, two racecourse casinos, 12 community gaming centres and one commercial bingo hall. BCLC's lottery and sports betting products are sold at approximately 3,400 retail locations operated by private-sector retailers through Lottery Retailer Agreements. PlayNow is BCLC's secure and regulated online and mobile channel, with a growing portfolio of lottery games, sports betting, slots, table games and bingo entertainment. In FY 2024/25, BCLC delivered \$1.5 billion to the Province of B.C.

BCLC's business strategy is guided by its social purpose "to generate win-wins for the greater good." This purpose guides the organization's decisions so that through its actions, social benefits are created which contribute to a better world. Its social purpose compels BCLC to consider how the organization creates additional value for players, employees, business partners, suppliers, communities, Indigenous rights and title holders, and municipal and provincial governments.

BCLC has a goal to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2026 and 100% by 2030, compared to a 2019 baseline year. The 2024 Climate Change Accountability Report for January 1, 2024, to December 31, 2024, summarizes BCLC's efforts in 2024 to reduce GHG emissions, and plans to continue reducing emissions in 2025 and beyond.

BCLC's Climate Change Accountability Report will be posted to www.bclc.com.





Summary¹

In 2024, BCLC continued to align business operations with the Government of B.C.'s CleanBC² climate plan and its targets and strategies for reducing GHG emissions. Some notable actions in 2024 include:

- Continued purchasing Renewable Natural Gas (RNG) to heat BCLC's Kamloops headquarters.
- Conducted climate risk assessments for 10 assets across British Columbia's geo-climatic zones, including casinos, community gaming centres and BCLC's Kamloops headquarters, to help inform a new Climate Change Strategy to guide BCLC's efforts to build resilient operations, people and communities and value chain over the next four years.
- Achieved a second consecutive year of decreased mobile emissions related to our fleet, despite an increased number of kilometres travelled.

According to B.C. Ministry of Energy and Climate Solutions' 2024 B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions, public sector organizations (PSOs) do not need to offset the CO₂ portion of biogenic emissions resulting from the combustion of ethanol, biodiesel and renewable natural gas. In addition, PSOs may exclude the CO₂ portion of biogenic emissions from their total emissions for the purpose of tracking progress towards their emission reduction targets. As such, all GHG emissions reduction percentages presented in this report exclude the CO₂ portion of biogenic emissions.

In 2024, BCLC reduced its Scope 1 GHG emissions by 86% compared to 2023. BCLC also reduced mobile emissions by 11% compared to 2023 and 65% compared to pre-pandemic numbers (2019). Paper usage went down by 20% compared to 2023.

¹ For more information on reporting requirements, refer to: https://www2.gov.bc.ca/assets/gov/environment/climate-change/cng/methodology/2024_methodology_for_quantifying_greenhouse_gas_emissions.pdf

² For more information on CleanBC, refer to: <https://cleanbc.gov.bc.ca/>

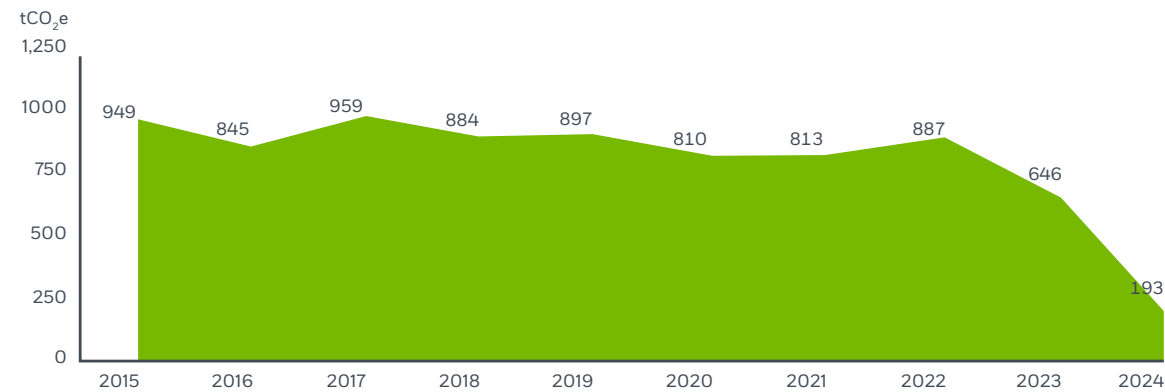
BCLC will continue to leverage the positive post-pandemic climate benefits, including hybrid work option, increased digitization and reduced printing. In addition to enhancing employees' work/life balance, hybrid work option can reduce emissions related to commuting and help optimize existing workspaces.

The following table provides a summary of BCLC's activity data associated with its main emission sources in the last 7 years.

Table 1: Activity data for significant emission sources

| Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|
| Natural Gas (GJ) | 14,354 | 14,484 | 14,194 | 14,496 | 15,350 | 15,795 | 13,929 |
| Electricity (GJ) | 25,827 | 25,163 | 23,655 | 23,373 | 22,500 | 22,916 | 21,752 |
| Fleet Gas (L) | 29,361 | 39,132 | 11,081 | 7,678 | 16,874 | 15,677 | 14,016 |
| Office Paper (PKG) | 3,548 | 3,012 | 1,234 | 1,609 | 1,990 | 1,387 | 1,111 |

Figure 1³: Greenhouse Gase Emissions Trend (2015-2025)⁴



³ GHG emissions presented in this figure exclude the CO₂ portion of biogenic emissions.

⁴ 2023's GHG emissions have been revised from 640 tCO₂e to 646 tCO₂e following an update in 2023's ethanol blend percentage and emissions related to mobile energy use.

Actions taken in 2024

BCLC is like many other organizations in B.C. in that 80-90% of Scope 1 emissions are attributed to the combustion of natural gas for space heating. BCLC aims to reduce emissions by transitioning Heating, Ventilation and Air Conditioning (HVAC) systems to an electric Air Source Heat Pump (ASHP) solution in the Kamloops headquarters.

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



STATIONARY FUEL COMBUSTION– NATURAL GAS FOR HEATING

In 2024, BCLC reduced its natural gas use by 11% compared to 2023. The reduction of natural gas consumption and continued purchasing of RNG in the Kamloops office combined for an 86% reduction in direct fuel combustion-related GHG emissions compared to 2023.

STATIONARY FUEL COMBUSTION– DIESEL FOR GENERATOR

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

AIR CONDITIONING AND REFRIGERATION

Consumption of refrigerant gas occurs largely due to leaks in the stationary air-conditioning system. BCLC conducts visual checks and tests equipment regularly. An independent third party also tests the equipment to identify and address leaks in a timely manner. Refrigerant, especially R-410a, has a high GHG warming potential (1,725 times greater than CO₂)⁵. In 2024, BCLC reduced its fugitive emissions from stationary air conditioning equipment by 35% compared to 2023.

OFFICE PAPER

In 2024, BCLC's consumption of office paper decreased by 20% compared to 2023.

⁵ Calculating hydrofluorocarbon (HFC) and perfluorocarbon (PFC) Emissions from the Manufacturing, Installation, Operation and Disposal of Refrigeration & Air-conditioning Equipment (Version 1.0) Guide to calculation worksheets (January 2005)



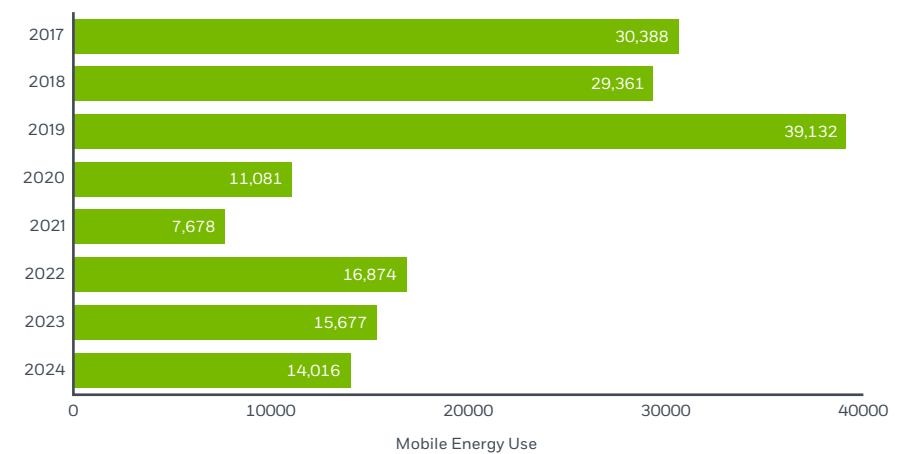


MOBILE SOURCES—TRANSPORTATION

BCLC's fleet vehicles are used by employees for travel between Kamloops and Vancouver or for managers and technicians travelling to gambling facilities. In 2024, BCLC reduced its fleet-related emissions (mobile combustion) by approximately 11 % compared to 2023, despite the fleet vehicles travelling 12% more kilometres. The fleet emissions are down 65% compared to 2019 pre-pandemic numbers due to the transition to hybrid and electric vehicles (EVs), increased virtual meeting options and reduced discretionary business travel.

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

Figure 2: Mobile Energy Use Trend 2017–2024 (in litres)



Supporting departments and initiatives

GREEN COMMITTEE

BCLC's Green Committee is a grassroots, employee-led initiative that promotes environmental sustainability within the organization. The committee organizes engagement activities such as Go by Bike Week and Sustainable Holiday Decoration Contest.



SOCIAL PURPOSE AND SUSTAINABILITY TEAMS

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

The ESG Framework was approved by the Board of Directors in January 2023. It has three goals, nine objectives and 49 action items. An ESG Scorecard is used to track progress of the 49 action items and provides quarterly updates to the Executive team and Board. Implementing the ESG Framework is a major focus of the Sustainability team. In 2025, BCLC intends to update the ESG Framework, which will include key performance indicators and supporting metrics for priority areas, to manage emerging ESG risks and opportunities.

Plans and actions for FY 2025/26

BCLC intends to continue to implement energy reduction strategies.

In FY 2025/26, BCLC plans to:

- Finalize and begin implementation of the Climate Change Strategy to reduce emissions while integrating climate adaptation and resiliency measures to help manage climate-related risks.
- Continue to source renewable energy for the Kamloops office while the HVAC system is being upgraded to a Low Carbon Electrification (LCE) solution.
- Conduct energy audits in select gambling facilities to identify opportunities to reduce emissions across their operations.
- Continue to plan for the major renovation of BCLC headquarters with high-performance sustainability components and an ASHP low carbon heating/cooling solution.



Emissions and Offset Summary Table

BCLC 2024 GHG EMISSIONS AND OFFSETS SUMMARY

GHG EMISSIONS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2024

| | |
|--------------------------------------|-----|
| Total BioCO ₂ | 636 |
| Total Emissions (tCO ₂ e) | 829 |
| Total Offsets (tCO ₂ e) | 193 |

ADJUSTMENTS TO OFFSET REQUIRED GHG EMISSIONS REPORTED IN PRIOR YEARS

| | |
|---|---|
| Total offsets adjustment (tCO ₂ e) | 6 |
|---|---|

GRAND TOTAL OFFSETS FOR THE 2024 REPORTING YEAR

| | |
|--|------|
| Grand Total Offsets to be Retired for 2024 Reporting Year (tCO ₂ e) [must round to a whole number (no decimal places)] | 199 |
| Offset Investment (\$) [Grand Total Offsets to be Retired for 2024 Reporting Year x \$25 per tCO ₂ e] | 4975 |





RETIREMENT OF OFFSETS

In accordance with the requirements of the Climate Change Accountability Act and Carbon Neutral Government Regulation, BCLC (**the Organization**) is responsible for arranging for the retirement of the offsets obligation reported above for the 2024 calendar year, together with any adjustments reported for past calendar years (if applicable). BCLC has agreed with the Ministry of Energy and Climate Solutions (**the Ministry**) to have these offsets retired on the Organization's behalf.

Executive sign-off



NATASHA QUESTEL

Chief Social Purpose Officer and Vice President, Marketing

May 31, 2025



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