

British Columbia Lottery Corporation

2024/25 – 2026/27

Service Plan

February 2024



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Board Chair's Accountability Statement



The 2024/25 – 2026/27 BC Lottery Corporation (BCLC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with Government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 8, 2024, have been considered in preparing the plan. The performance measures presented are consistent with the Budget Transparency and Accountability Act, BCLC's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BCLC's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'GM', written over a light grey background.

Greg Moore
Board Chair, BCLC
February 8, 2024

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Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

As a Crown corporation, BCLC is governed by B.C.'s Gaming Control Act and is responsible for the conduct and management of commercial gambling on behalf of the Province, including lottery, casino, bingo, sports betting and online gambling. The net income BCLC generates is delivered to the Province to fund health care, education, and important services and programs across the province. Government shares seven percent of BCLC net income¹ with First Nations through the BC First Nations Gaming Revenue Sharing Limited Partnership. In accordance with the Province's Host Financial Assistance Agreement, local governments and First Nations that host casinos or community gaming centres also typically receive a 10 percent share of net gaming income generated by those facilities.

This 2024/25 service plan outlines how BCLC will support the government's priorities and selected action items identified in the most recent BCLC [Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

BCLC is a social purpose company: "We exist to generate win-wins for the greater good." When a player plays one of our games, regardless of the outcome, there is a "win": the player receives a great experience at the casino, at a lottery retailer or while playing online, and revenues contribute to provincial programs and community services. We seek to make every decision with the intention of positively contributing to the progress of our society. We are continuing to embed this social purpose in our company, including into the employee and player experience and other aspects of our operations. We consider how we might create additional value for players, employees, business partners, suppliers, communities, Indigenous Peoples, and municipal and provincial governments.

BCLC is focused on delivering on our strategic priorities, as established by Government and as outlined in the Mandate Letter. These instructions form part of our strategic context and, along with economic and market trends, inform the business choices we make. Our social purpose assists BCLC in delivering on the foundational principles outlined in the Minister's

¹ BCLC net income as defined in the Long-Term First Nations Gaming Revenue Sharing and Financial Agreement.

Mandate Letter to BCLC: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

We have developed four strategic goals to help drive focus and clarity on the prioritization of our efforts: deliver engaging experiences for our players, generate responsible net income for the benefit of all British Columbians, amplify our social and economic impact across the province, and be a sought-after partner for the shared value we can create together.

Operating Environment

Economic Conditions

The continued high cost of living, ongoing inflationary pressures and high interest rates are affecting consumer spending habits with Canadians increasingly shifting their spending from wants to needs. About half (48 percent) of Canadians are cutting back on dining out and entertainment activities.² The impact of the slowing economy is contributing to general softness in BCLC's casino and iGaming (formerly eGaming) revenue. BCLC has observed that the average spend per player has been declining in casinos. This is notable because, for illustration purposes, a five percent decline in casino revenue represents a \$94-million revenue decline for our business. Uncertainty around the future of interest rates and the possibility of an economic slowdown could accelerate this trend and the impact to consumer spending on gambling entertainment, including BCLC's. Inflation and high interest rates are also creating challenges for our service providers. The commission structure for service providers is fixed within current operational service agreements and, therefore, not responsive to the impacts of inflation.

New Corporate Strategy

BCLC has developed an ambitious new five-year corporate strategy designed to respond to the changing realities and challenges facing the company and the industry and position the organization for future growth and amplified impact in the province. The strategy, launching in fiscal year 2024/25, creates a greater focus on key investments designed to meet player expectations and grow our business. Our social purpose, "we exist to generate win-wins for the greater good," and BCLC's new vision, "to revolutionize gambling entertainment through engaging experiences that build and benefit communities," underpin the decisions and actions we will take in the coming years.

Player Expectations

Consumers are increasingly seeking digital options for entertainment that they can access from home or wherever and whenever they choose. With the rising availability of digital alternatives, consumers are being exposed to a wider variety of entertainment offerings, both gambling and non-gambling, that are competing with BCLC's products. Young adults have different expectations and needs than previous generations and as such, BCLC's online and brick-and-mortar channels need to find new ways to attract and retain younger demographic gamblers while also meeting the needs of existing players.

² Ipsos Despite Softening Inflation, Canadians' Affordability Concerns Remain Acute Report (July 2023).

In addition, personalization is becoming the expectation and offering tailored and seamless omni-channel experiences is critical for businesses to remain competitive. These trends are driving us to accelerate our adoption of digital technologies and establish the data foundation to personalize experiences for our players. This also supports our commitment to completing the Commission of Inquiry into Money Laundering in British Columbia (Cullen Commission) recommendation for 100 percent account-based, known play in casinos, which we are calling “verified play.”

Player Health

BCLC continues to focus on reducing gambling harm and promoting responsible gambling in our business operations, striving for positive player health outcomes in our processes, products and marketing campaigns. In June 2023, new identification requirements were introduced for entry at casinos to support people enrolled in BCLC’s Game Break self-exclusion program. BCLC has also taken strategic measures to reduce our marketing efforts from core casino and online players in favour of focused campaigns and promotions aimed at acquiring and developing casual, light and moderate players. This is intended to expand BCLC’s player base and reduce revenue concentration.

BCLC has developed a new Player Health Strategy to reduce player harm and the stigma associated with seeking support. Recognizing that the gambling environment is quickly evolving, we are expanding the ways in which we reach people in supporting their adoption of safer gambling behaviours. Our move towards verified play will create new opportunities for personalized interactions that support safer gambling behaviours.

Online Gambling Market and Unregulated Operators

BCLC’s rate of return to the Province from iGaming is significant when compared to Canadian counterparts. In 2022/23, total revenue for iGaming operations was \$440 million, of which \$294 million (67 percent) in net income was delivered to the Province. However, our growth in iGaming is slowing while competition is increasing. BCLC has seen a significant increase in illegal operators entering the B.C. market. Through aggressive marketing and acquisition efforts, these illegal operators are attempting to capture greater market share. We continue to work with appropriate authorities to try and address illegal online gambling, and the opportunity to potentially capture additional revenue if illegal operators were kept out of B.C.

Since the Government of Ontario launched the licensing of private-sector online gambling sites in 2022, there has been an influx of advertising for sites which are licensed in Ontario but operating unregulated in other provinces. This blurs the line between those sites and provincially regulated gambling sites, like PlayNow.com, that create revenue and jobs for their respective provinces. Further, illegal gambling operators from outside of Canada continue to target provinces, including B.C. Increased demand for advertising from all of these sites has driven up the cost of advertising and sponsorship opportunities that BCLC uses to enhance the brand’s presence and draw players to the only regulated option in our province.

BCLC has joined with a number of other provincial entities to raise awareness of the implications associated with misleading advertising and operation of unregulated gambling websites, which do not provide employment or financial benefits to the Province and present

risks related to money laundering, gambling addiction and game integrity.

Anti-Money Laundering (AML) and Cullen Commission Recommendations

BCLC continues to make investments in detecting and preventing potential financial crime. This includes investments in new technologies and ongoing collaboration with law enforcement and industry stakeholders. BCLC is also supporting Government's work to respond to the Cullen Commission's four recommendations for the gaming sector from its 2022 report. This includes accepting the recommendation that BCLC move to 100 percent verified play in casinos and leveraging this requirement to be an area of focus in our new corporate strategy.

Gaming Control Act and Regulations

In fall of 2022, Government passed Bill 32, which revised the Gaming Control Act (GCA). Regulations under the new GCA are under development. BCLC is continuing to work with GPEB to prepare to operationalize the new GCA and regulations. Legislative and regulatory changes by the Province will shift how we approach casino facilities development, including obtaining Minister of Finance approval for new facilities, relocations or substantial changes. Also driving changes in our approach is Government's and BCLC's commitment to reconciliation.

Indigenous Reconciliation

Indigenous reconciliation is a priority and commitment that BCLC shares with the Province. We are collaborating with Indigenous rights and title holders, Indigenous governments and Indigenous employees within BCLC to develop an Indigenous reconciliation action plan that aligns our policies and programs with the Declaration on the Rights of Indigenous Peoples Act (Declaration Act), the Declaration Act Action Plan, and the Truth and Reconciliation Commission of Canada Calls to Action. We recognize one of the opportunities for reconciliation is greater engagement with Indigenous title and rights holders in BCLC's casino development process and have been participating in consultations which will inform new policies and processes in this area that are more equitable for Indigenous communities.

Cyber Security

We are continuously investing in and evolving our approach to keep ahead of cybercriminals to secure our systems, safeguard player data and protect impacts to revenue that may come from cyber attacks. Major cyber security attacks pose a threat to the casino industry, with cybercriminals successfully breaching the systems of multiple organizations across North America in 2023. These attacks can have severe impacts including core business downtime, permanent data loss, intellectual property theft, privacy breaches, reputational damage and expensive recovery costs.

Climate Change

In B.C., the likelihood of extreme weather events such as forest fires, heatwaves, flooding, landslides and coastal storm surges in the short term is considered a near certainty. This trend has seen severe effects on lives and health, infrastructure and housing, and communication and supply chains. Events of this nature also present significant risks to BCLC, including interruptions to business if offices, facilities and/or retailers are closed or if essential highways are blocked, disrupting critical supply chains.

BCLC continues to plan for and develop strategies to address the impacts of climate change on our people, our players and our business, and we have identified current and future climate-related risks and opportunities through a third-party assessment. There is a tremendous focus within the organization to advance our social purpose and environmental, social and governance (ESG) agenda to not only keep pace, but to lead the change. By embedding social purpose into our everyday behaviours, we will maintain an unwavering focus on our social and economic impact and broader role in the B.C. community.

Performance Planning

Goal 1: Deliver engaging experiences for our players

Our long-term relevance is tied to keeping pace with emerging player preferences. By accelerating the development of digital capabilities, we will be able to create competitive, personalized and healthy gambling entertainment experiences while preserving the security of BCLC and the industry.

Objective 1.1: Increase the percentage of player base that has a verified enterprise account.

This objective highlights the work BCLC will undertake to move towards 100 percent verified play – beginning with casino players. Increasing verified play in casinos will provide us with access to significant player data that will allow us to personalize player health and gambling experiences.

Key Strategies

- Complete roadmaps for expanding verified play and personalization, including new technology implementation.
- Deliver on our Enterprise Data Strategy, including establishing a data governance operating model and delivering employee training in data literacy and management.
- Integrate a Customer Identity and Access Management (CIAM) solution across all lines of business to centrally manage and verify player identities.
- Implement improvements to the identification-at-entry process in casinos, including a fast-track lane for Encore Rewards members.
- Test enhanced Encore Rewards acquisition promotions that attract, engage and resonate with new members.

Discussion

With 100 percent verified play already in place in our online channel, PlayNow.com, BCLC's focus is on increasing verified play in casinos through the Encore Rewards loyalty program. For players who visit our casinos, Encore Rewards membership is optional, so creating a seamless registration process and offering enhanced membership benefits will be key to attracting new members and encouraging players to voluntarily sign up. We are developing new strategies which will include exploring new rewards and incentives programs that will engage players and support the player acceptance of verified play.

Increasing verified play in casinos will provide BCLC with additional data and will allow us to deepen our knowledge of players and enhance our personalization engines, rewards and incentives, product recommendations, opportunities for surprise and delight and player health experiences. Investments in technology will be critical to establishing the data foundation to unlock these capabilities. We are also implementing a new AML solution that will provide BCLC

with a more complete picture of players and play behaviour. This will enhance BCLC's due-diligence measures to know players better and understand and assess any risks that may be associated with their transactions or activities.

Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1.1] Percentage of player base that has a verified Encore Rewards account	48%	49%	51%	53%

Data sources: BCLC iTrak (an internal software platform used for daily log reporting and incident management) and BCLC Enterprise Data Warehouse

Discussion

BCLC intends to attract more players to register and play using an Encore Rewards account by simplifying the registration process, providing enhanced membership value and improving the awareness of the loyalty program. Through these efforts, we expect a steady increase in the percentage of the player base with verified accounts. This measurement is made possible by the June 2023 introduction of enhanced identification requirements at casinos which require guests and players to present government-issued photo identification for entry. While no player information is stored, a total count of visitors and players is logged, with verified play determined based on the number of players playing with an Encore Rewards card.

Given that this metric is based on the recently implemented enhanced identification requirements at casinos, the targets provided in this service plan are based on data collected during just one fiscal quarter (July to September 2023). Targets may be updated in future service plans to account for any unknown volatility at this stage.

Objective 1.2: Ensure products and experiences offered by BCLC satisfy players' expectations.

We want players to feel satisfied with the products and entertainment choices we offer at our brick-and-mortar and online gambling spaces.

Key Strategies

- Complete the retail transformation project, which introduces a modern lottery experience in retail environments, through the replacement and upgrade of all the equipment hardware that services lottery terminals at over 3,400 lottery retail and hospitality locations.
- Design and build an enhanced PlayNow.com platform to improve the registration and onboarding process, enable enterprise accounts³ and streamline payments.

³ An enterprise account is a single, unified player account for all lines of business. Currently BCLC requires players to have separate accounts to play online on PlayNow.com and in land-based casinos.

- Evaluate and deliver personalized game and player health content and recommendations to PlayNow.com players.
- Enhance sports offerings including launching a new retail sports product and new sports experiences at select casino sites.
- Enhance casino gaming floor offerings with new games and experiences in select casinos and continue to refresh online games and content.

Discussion

BCLC operates in a crowded entertainment market. Competition for entertainment dollars is increasing as more options become available, and ongoing inflationary pressure means that for many consumers, discretionary income for entertainment activities is shrinking.⁴ We are continuing to evolve our operations and approaches to be player-centric so we can provide our players with exceptional entertainment and the best player experience. New research and technologies in the industry create opportunities for BCLC to identify and respond to players' pain points and needs, including defining mobile-enabled experiences and rolling out new products that will be enabled through new lottery terminals that will offer expanded capabilities and possibilities. Additionally, we are developing an integrated brand strategy that will resonate with players, encapsulate our social purpose and organize our marketing efforts to clearly communicate our entertainment offerings and BCLC's positive impact on the province.

Performance Measures

At the time of writing this report, BCLC was in the process of collecting initial baseline data for a new metric, the Player Experience Index. Targets for this new metric will be introduced in the next service plan.

The Player Experience Index was developed to account for the various aspects of a player's experience including both the purchase experience and the product experience as it relates to satisfaction. The aspects evaluated include customer service, product mix, security and privacy, environment/atmosphere, and convenience/ease of purchase. These elements are assessed for relevance, value for money, excitement, if it made the player feel valued, and fairness. Using overall satisfaction as the dependent variable, a driver analysis was conducted to determine the overall weight of each statement of the purchase and product experience. This weight was then applied to the mean score provided for each statement, and then combined to make up the Player Experience Index score. This measure is collected through online surveying through an external market research vendor on a quarterly basis.

The Player Experience Index score will allow BCLC to pinpoint the specific areas of player experience that needs to be addressed and optimized.

⁴ Consumer Economic Pulse: Monitoring Uncertainty, Angus Reid Group, September 2023

Goal 2: Generate responsible net income for the benefit of all British Columbians

BCLC conducts and manages gambling for the benefit of British Columbians. As an organization we must continue to balance the generation of revenue with reducing gambling-related harm and promoting responsible gambling across our business operations.

Objective 2.1: Reduce harms associated with gambling.

Growing responsibly requires a focus on reducing harms associated with gambling. We strive to lower Problem Gambling Severity Index (PGSI) scores among our higher-risk players through various interventions and education programs.

Key Strategies

- Leverage predictive analytics and account-based gambling solutions for personalized approaches to player health and to improve the ability to respond to early warning signs of high-risk play.
- Integrate safer gambling messages within our marketing and promotions of sports to address unique issues facing sports players.
- Continue to improve BCLC's virtual GameSense program and offerings.
- Explore additional initiatives that will support BCLC to meet or exceed the standards set out in GPEB's Responsible Gambling Standards for Internet Gambling Conducted by BCLC.

Discussion

Player health is a critical component of BCLC's strategy, and we continuously seek to understand and encourage safer play behaviour. We have developed a new Player Health Strategy focused on understanding our players and their behaviours to help us to implement strategies to support them in safer play. Recognizing that the potential for problem gambling behaviour is higher for some products and player groups, Keno and sports betting are areas of focus in the new strategy to better understand what drives potential problem gambling behaviours and to develop and implement strategies to mitigate these risks.

Objective 2.2: Reduce the number of incidents related to potential crime in and near facilities, including brick-and-mortar, online and/or related to BCLC-managed gambling products.

Any criminal activity related to gambling and in our business is a concern for British Columbians. BCLC is taking action to eliminate these risks.

Key Strategies

- Increase verified play in casinos to reduce the use of unsourced cash by unknown players, further increase capacity for monitoring transactions, provide insights into player behaviour, and support Cullen Commission recommendations for BCLC.
- Complete implementation of an enhanced and scalable AML transaction monitoring software solution for casinos, which will enable BCLC to continue to meet and potentially exceed reporting and regulatory requirements for AML controls, and to integrate and extend existing reporting capabilities, intelligence and analytics.
- Continue to enhance the account registration process on PlayNow.com and leverage technology to further detect fraud and potential for criminal activity across the business.
- Support Government, through GPEB, in meeting its responsibilities for the overall integrity of gambling by ensuring casino service providers adhere to BCLC's policies, procedures, B.C. liquor policies and regulations, and through ongoing collaboration and participation in the RCMP-led Counter Illicit Finance Alliance.

Discussion

To ensure the safety of our operations online, we are continuing our work to enhance our registration process and implement appropriate tools to help detect and deter any fraud on PlayNow.com. BCLC's focus on moving towards 100 percent verified play in casinos will provide us with access to significant player data to monitor and better know the source of funds and source of wealth of our players.

Enhanced identification requirements at casinos ensure individuals under 19 years of age and individuals with links to or who are suspected of criminal activity are prevented from entering our facilities. Since the implementation of the enhancement in June 2023, there has been an overall decrease in incidents of potential crime in our casinos. We will continue to collaborate with law enforcement, regulators, service providers and other stakeholders to further define and implement security controls to mitigate the use of fraudulent identification and to further reduce the potential for criminal activity in or near our business.

Objective 2.3: Optimize net income through investment to sustain the long-term health of the business

BCLC can continually serve the Province by proactively investing in new systems, technology and talent that support the responsible generation of revenue for Government.

Key Strategies

- Leverage the investment in new lottery systems and technology to enhance the way players engage with and experience lottery with improved digital and in-store experiences and greater personalization.
- Build a world-class rewards and incentives program with capabilities that provide curated and personalized incentives for players across our offerings.

- Shift from a product-centric to an experience-centric focus to create new offerings and broaden the player base while encouraging cross-play with other gaming lines of business.
- Continue to invest in BCLC’s iGaming platform and offerings to attract new players that are typically less engaged with land-based delivery channels (casinos).
- Collaborate with local governments, Indigenous title and rights holders, casino service providers and vendors to advance opportunities for new and improved facilities in communities across the province where there continues to be under-served market demand.

Discussion

Government provides seven percent of BCLC net income⁵ to First Nations through the BC First Nations Gaming Revenue Sharing Limited Partnership. In accordance with the Province’s Host Financial Assistance Agreement, First Nations and local governments that host casinos or community gaming centres typically receive a 10 percent share of net gaming income generated by those facilities. The Province uses the remaining funds to help support public services that benefit all British Columbians, such as health care, education, community programs and other essential services.

BCLC is making foundational investments to help retain and grow revenues in the years to come. We are focused on leveraging new technology to enhance our personalization capabilities and player experiences. These investments include building a world-class rewards and incentives program and providing other new offerings that appeal to existing and new players. Through these efforts we will deliver engaging experiences and broaden the player base.

Performance Measures

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2.1] Percentage of BCLC players who score as high risk on the PGSI	10%	11%	9%	8%	7%

Data source: Continuous tracking survey conducted online by a third-party research professional.

Discussion

The PGSI is a self-reported, standardized measure of assessing at-risk gambling behaviours. It is a globally used tool based on research of common signs and consequences of problematic gambling. Players who score eight or higher are considered to be at high risk for problem gambling. Measuring PGSI allows BCLC to monitor the proportion of high-risk players in our player base and to understand how to make safer products and environments. Through the

⁵ BCLC net income as defined in the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement.

implementation of BCLC’s renewed Player Health Strategy, we expected the PGSI score to steadily improve over the next three years.

The PGSI study uses market research industry standard techniques to randomize the sample while retaining gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada’s census. To qualify for these measures, a respondent will need to have played at least one BCLC game in the past year.

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2.2] Number of incidents of reports of potential crime	4,148	4,023	3,822	3,631	3,449

Data Source: BCLC iTrak (an internal software platform used for daily log reporting and incident management) and Salesforce Database

Discussion

Under section 86 of the GCA and section 34 of the Gaming Control Regulation, BCLC and its service providers are required to report to GPEB any conduct or activity that may be contrary to the Criminal Code if it occurs at or near a BCLC gaming facility (both brick-and-mortar and online) or is in connection with a BCLC product. Examples of such incidents include allegations of cheating at play, theft, assault and money laundering. By monitoring the frequency of incidents of potential crime, we can assess the prevalence and impact of potential criminal activity related to gambling in our business and introduce new security measures where necessary.

Forecasting for 2023/24 is higher than in the previous service plan as targets had been set to five percent reduction annually; however, variables such as number of patrons that are in and around facilities and number of active players that are assumed to be constant has impacted 2023/24 year-to-date actuals. With the introduction of enhanced identification at entry, BCLC can track the number of patrons at facilities. This will enable us to determine if the number of incidents of potential crime is not only decreasing overall, but also how it is trending as a ratio to the number of patrons. With our focus on increasing verified play in casinos and leveraging technology and data to detect and mitigate the potential for criminal activity across our business, future targets project a steady five percent annual improvement (decrease) in the years to come.

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2.3] Net Income (\$ millions)	1,636	1,535	1,436	1,450	1,494

Data source: BCLC’s financial plan, see page 21.

Discussion

Funds generated by lottery, casinos and sports betting go to the Province to help support health care, education and community programs all across B.C. The generated net income after investments delivers our financial return to the Province of B.C.

The fiscal year 2023/24 net income forecast reflects a decrease of six percent compared to the prior year due to a slight decrease in revenue and increased investments into the organization. Although there is a decline, the current year net income forecast is higher than pre-pandemic net income (fiscal year 2018/19) by eight percent. B.C. online players are exposed to unregulated and illegal online gambling operators who are advertising and offering lucrative player acquisition incentives, creating an uneven playing field for BCLC. In addition, current challenging economic factors are putting pressure on players' discretionary spending on items such as entertainment costs and this is hindering topline growth for BCLC as average spend per player across all lines of business has declined.

Fiscal year 2024/25 net income is projected at \$1,436 million, with the assumption casino revenue performance sustains at re-baselined fiscal 2023/24 levels and iGaming grows modestly from platform investments, partially offset by a minor disruption in lottery terminal sales during the rollout of the lottery terminal replacement project (approximately 3,400 terminals across the province) which was delayed from the prior fiscal year. The cost structure reflects increased operational costs due to the execution of BCLC's ambitious multi-year corporate strategy and current market conditions. Vendors and suppliers are experiencing the same economic challenges such as persistent high inflation and are passing increased costs to BCLC.

Goal 3: Amplify our social and economic impact across the province

As a Crown corporation and social purpose-driven organization, we have the opportunity and mandate to amplify our commitment to the greater good.

Objective 3.1: Use our environmental, social and governance (ESG) Framework to embed social purpose into our business.

We are continually seeking ways to further integrate social purpose into all that we do. Aligning ourselves to leading international ESG frameworks helps us manage material environmental, social and governance risks and opportunities, supporting positive outcomes for our employees, stakeholders, rights holders and the community at large.

Key Strategies

- Leverage an enterprise-wide, cross-functional ESG Working Group to oversee the implementation of BCLC's ESG Framework, policy and management system.
- Conduct regular ESG-related risk assessments to identify emerging and material ESG risks and opportunities that will affect our industry sector.
- Build capacity within organizational units, including ensuring resource availability, to implement priority ESG actions.
- Incorporate social purpose into our people processes including recruitment practices, our programs for leadership development and our employee engagement survey.

Discussion

The implementation of BCLC's ESG Framework and ESG policy supports our social purpose while aligning with our mandate and managing ESG-related risks and opportunities. As outlined in [Winning with Purpose: BCLC's Annual Report 2022/23](#), the ESG Framework has three main themes with corresponding goals: circular economy and climate change leadership, creating a positive social impact, and strong ESG governance.

Our ESG Policy sets out how we will integrate ESG principles in the conduct of business and includes engaging and enabling all BCLC employees and contractors to incorporate ESG principles into their work while encouraging BCLC's stakeholders to accelerate their efforts towards positive environmental and social change to garner maximum collective impact.

Objective 3.2: Reduce greenhouse gas (GHG) emissions throughout our value chain.

This objective supports our commitment to ensuring that our business operations align with and exceed the Government of British Columbia's [CleanBC](#) climate plan, highlighting strategies for minimizing GHG emissions and moving towards a low-carbon economy.

Key Strategies

- Develop a climate strategy to reduce Scope 3⁶ emissions and build operational resiliency against climate risks.
- Develop plans to reduce energy and emissions across our value chain based on findings in audits to support the creation of achievable targets.
- Implement our electric vehicle strategy which includes transitioning BCLC's fleet vehicles to electric vehicles, adding the required charging infrastructure, as well as exploring an electric vehicle charging infrastructure strategy with service providers.

Discussion

Developing a climate strategy will help BCLC reduce Scope 3 emissions while considering adaption and resiliency. It will be crucial for managing climate-related risks, sustainability goal attainment, innovation, competitive advantage, regulatory compliance and effective supply chain engagement. Once complete, BCLC's climate strategy will outline how we treat climate risks and opportunities in relation to foreseeable business, customer, employee and stakeholder impacts. We are aligning these efforts with the Province's CleanBC Roadmap to 2030 and "net-zero by 2050" ambition.

Given that plans are established to minimize our Scope 1⁷ and Scope 2⁸ emissions through building renovations at our Kamloops and Vancouver offices and fleet upgrades, we are now

⁶ Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in BCLC's value chain, including both upstream and downstream emissions from the generation of purchased energy.

⁷ Scope 1 emissions are direct emissions from owned or controlled resources.

⁸ Scope 2 emissions are indirect emissions from the generation of purchased energy.

focusing on further evaluating methods to decarbonize our Scope 3 emissions throughout our value chain. BCLC will begin working with service providers to conduct energy audits across the province. These results will be used to develop energy reduction plans that are specific to each casino facility.

Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[4.1] ESG Performance Index score: number (percentage) of ESG actions that are on track or achieved out of 49 key action items	17 (35%)	29 (59%)	36 (73%)	47 (96%)

Data source: BCLC's ESG Scorecard

Discussion

The ESG Performance Index is a new metric that measures the implementation and progress of BCLC's ESG Framework based on the number and percentage of ESG actions that are on track or will be achieved over the next three fiscal years. BCLC has identified 49 key actions that support the ESG Framework's three main goals. These action items were identified as part of BCLC's five-year ESG Framework which launched in fiscal 2022/23. Examples of these actions include: develop and implement a plan to source renewable energy; implement a climate change strategy; foster a culture of diversity, inclusion and belonging; finalize and implement the Indigenous Reconciliation and Relations Plan; and initiate and continue the creation of a national gambling industry ESG standard.

With work currently underway on many of these action items, and a cross-functional ESG Working Group responsible for overseeing the implementation of BCLC's ESG Framework, we expect to see steady progress over the next three years. Our targets show that by fiscal 2026/27, the majority of these action items will be on track or achieved.

Performance Measure	2019 Baseline ¹	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[4.2] Scope 3 emissions (tonnes of CO ₂)	Tier 1 ² : 61,667	Tier 1: 61,667	Tier 1: 61,667	Tier 1: 55,994	Tier 1: 50,842
	Tier 2 ³ : 33,931	Tier 2: 33,931	Tier 2: 33,931	Tier 2: 30,809	Tier 2: 27,975

Data source: There are 15 categories of Scope 3 emissions. Depending on the category, Scope 3 emissions are collected and quantified using either primary data specific to the activity within a company's value chain (including procurement data, transport data, fuel purchases, utility bills provided by service providers) or secondary data such as industry averages, proxy data, or other generic data.

¹The 2019 baseline was selected as it represents operations pre-COVID which we expect to be in line with normalized operations in 2023/24 and 2024/25.

²Tier 1: Emissions related to the products BCLC owns, sells or leases (under BCLC's direct control).

³Tier 2: Emissions from casino operations (BCLC's indirect control).

Discussion

BCLC's Scope 3 emissions are broken down into two tiers. Tier 1 includes Scope 3 emissions from purchased goods and services, capital goods, waste generated in operations, business travel, employee community and use of sold product. Tier 2 includes Scope 3 emissions from casino operations.

Considering the complexity of Scope 3 GHG data, encompassing both upstream and downstream activities across the entire value chain, primary GHG data from stakeholders (e.g., suppliers, service providers) will be prioritized, where possible. Remaining Scope 3 emission calculations will rely on a combination of spend-based methods and industry-average approaches, while closely following the GHG Protocol's Scope 3 technical guidance. To achieve both 2030 Scope 3 GHG emission reduction targets, BCLC will focus on developing a climate strategy in fiscal 2024/25 and will implement it starting in 2025/26. Our targets indicate that we expect to see a reduction in Scope 3 emissions by 9.2 percent per year starting in 2025/26, with both targets reaching an overall reduction of 46 percent by fiscal 2030/31. Key projects supporting these reduction efforts include setting up supplier GHG targets, implementation of casino energy management, installation of electric vehicle chargers, cloud migration and data centre cooling, and employee travel subsidies.

Goal 4: Be a sought-after partner for the shared value we can create together

Meaningful relationships are critical to our success and our partnerships. As a social purpose company, we can only achieve our vision and purpose by collaborating with rights holders and other partners in mutually reciprocal relationships.

Objective 4.1: Deepen our relationships with partners, stakeholders, and Indigenous title and rights holders.

A focus on win-wins for the greater good requires collaboration with stakeholders and with Indigenous title and rights holders on mutually beneficial strategies that create a positive benefit beyond the partnerships.

Key Strategies

- Develop an Indigenous reconciliation action plan with Indigenous title and rights holders, which includes exploring a plan to achieve the Progressive Aboriginal Relations (PAR) Certification.
- Develop and implement a service provider engagement strategy.
- Maintain community outreach efforts and corporate sponsorships in alignment with the new corporate strategy.

Discussion

The success of our new strategy is predicated on collaboration and relationships, such as with communities, service providers, retailers and Indigenous title and rights holders. We have developed an engagement framework to support meaningful engagement and collaboration so that we can build upon these relationships and create greater value for everyone and the Province.

We will continue our efforts in building strong working relationships with service providers, collaborating in the design process for verified play, and enhancing experiences and value propositions for players. In addition, we have begun to develop an Indigenous reconciliation action plan in collaboration with Indigenous communities to reflect actions we can take throughout our business to support common goals towards reconciliation that align with the Declaration Act, the Declaration Act Action Plan, and the Truth and Reconciliation Commission of Canada Calls to Action. Moving forward, we will seek early engagement of First Nations in the casino development process. Ongoing consultations with individual First Nations and the First Nations Gaming Commission will inform new gaming facility development policies and processes that are more equitable, including incorporating Indigenous perspectives and creating opportunities for Indigenous communities.

Performance Measures

At the time of writing this report, BCLC was developing new metrics to assess and measure the effectiveness of our relationships and activities.

We recognize that measuring Indigenous engagement and impact is a multifaceted and multi-year journey. A key component of the development of our Indigenous reconciliation action plan will include collaborating with Indigenous title and rights holders to develop a metric that will measure the effectiveness of the strategy. Once approved by the Board, metrics measuring the success of this strategy will make up the Indigenous Engagement score. With regards to measuring Indigenous impact, PAR is a recognition and certification program that verifies organizational performance with regards to Indigenous relations.⁹ At present, BCLC is exploring becoming PAR certified. In 2024/25, there will be an assessment to identify gaps and we will focus our efforts on bridging those gaps before pursuing the certification in fiscal 2027/28. Additionally, as BCLC rolls out our new Stakeholder Governance Framework, we will establish a metric to measure our community engagement efforts.

⁹ Certification criteria is one set of questions made up of four comprehensive sections covering each PAR driver (Leadership Actions, Employment, Business Development and Community Relationships). Scheduled and detailed on-site verifications are included (on-site discussions with company personnel and with external Indigenous representatives). A PAR jury (comprised of Indigenous businesspeople) deliberates and awards PAR certification at the Bronze, Silver or Gold level.

Financial Plan

Financial Summary

\$ Millions	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Revenue	2,897	2,891	2,939	3,012
Direct Costs	875	903	918	941
Gaming Support Costs	68	78	80	82
Operating Costs	265	299	310	310
Amortization and Other	78	92	95	97
Total Costs	1,286	1,372	1,403	1,430
Net Income Before Taxes	1,611	1,519	1,536	1,582
Taxes	76	83	86	88
Net Income	1,535	1,436	1,450	1,494
Liabilities	561	565	589	610
Accumulated Deficit	(18)	(18)	(18)	(18)
Accumulated Other Comprehensive Loss	89	89	89	89
Total Equity	71	71	71	71
Capital Expenditures	75	100	105	105

Note: The above financial information was prepared based on International Financial Reporting Standards.

Key Forecast Assumptions, Risks and Sensitivities

Net income targets are established through a forecasting process that analyzes relevant revenue trends for each product category to build a projection of baseline contribution margin (revenues less direct costs). Baseline costs were estimated after a rigorous budgeting process. Incremental revenues and costs from planned strategic initiatives are incorporated into the financial plan.

Fiscal year 2024/25 casino gaming revenue projections are expected to hold steady to fiscal year 2023/24 performance. Recent revenue trends in the current fiscal year are declining; however, they are assumed to improve starting in late fiscal year in line with improved economic conditions and return on investments to enhance customer experience. In June 2023, BCLC implemented enhanced identification at all B.C. casinos that required every individual to present government-issued ID for entry to support the Game Break self-exclusion program. It is assumed that the introduction of this practice will not have a significant impact on casino revenues.

Private sector service providers own and operate gambling facilities under contract with BCLC and some employ unionized staff. Union contract agreement expiry dates vary by facility, with different contracts for sites expiring in the next few years. BCLC revenue targets assume there will be no labour disruptions in fiscal year 2024/25.

In fiscal year 2024/25, lottery revenue is expected to decrease by 6.7 percent from prior year, primarily due to a minor service disruption to lottery retail operations when approximately 3,400 lottery terminals are replaced across the province. Other key assumptions include a replacement product for Sports Action is launched in the retail market shortly following the successful launch of the lottery terminals and Lotto Max and Lotto 6/49 jackpot roll patterns are normal.

Fiscal year 2024/25 iGaming revenue is expected to grow by 7.0 percent from prior year. After more than doubling revenue in fiscal 2021/22 and reaching a record-breaking year in fiscal 2022/23, prior year revenue growth began to plateau due to intensifying competition from illegal operators. Many initiatives to better compete with the illegal operators and to support revenue growth in fiscal year 2024/25 began in fiscal year 2023/24 including adding new game content, enhancing the player registration process, and investments in sports. The new PlayNow Casino app along with Lotto Mobile on Android will be launched in early fiscal year 2024/25.

Direct costs include private sector service provider and retailer commissions, lottery ticket and bingo paper printing, supplies and leases. Commissions have been forecasted using rates in current operating agreements. Direct costs are driven by revenue projections of each product category and the cost ratios per category have remained relatively steady. Direct costs are forecasted to increase in line with revenue by product category.

Gaming support costs are expenses that support revenue generation, including systems support and maintenance, data transmission, equipment installation, product delivery, internet-based software license and service fees, and upgrading gambling equipment. Costs in

this area are forecasted to increase in line with industry trends as BCLC continues to make investments in technology to sustain and enhance core systems that support player experiences.

Changes in technology delivery have driven a market shift from on-premises owned and constructed assets to cloud-based services (cloud). Business technology industry leaders are continuing to drive a fundamental shift from capital intensive upgrade project costs to annual operating costs. Higher post-implementation costs on newly completed projects are expected to continue.

Operating costs include advertising and marketing, staffing costs, professional fees, rent, equipment, communications and financial costs. Operating costs support the operationalization of revenue generating initiatives and maintaining base operations in BCLC's environment. Resources continue to be invested to modernize the PlayNow.com platform to remain competitive in the online gambling industry and deliver best in technology, infrastructure, entertainment, social purpose and player experience. Adequate workforce resources are incorporated into the operating costs to address capacity, enhance enterprise functions, and support corporate strategic initiatives. Salaries and benefits (including pension costs) have increased which are reflective of current market conditions.

Initiatives underway to update obsolete technology and to implement the corporate strategy require significant resources from a work effort, capital and operating perspective, and are essential to ensure the long-term health of our players and the organization. The financial implications of these initiatives continue to be refined and resources rationalized as necessary to respond to risks and opportunities as they arise during the fiscal year.

Sensitivity Analysis

As indicated above, the business planning process involves a thorough analysis of relevant revenue trends by product category to determine the year-over-year baseline growth assumptions. Given BCLC's revenue is projected to be \$2.9 billion, it is highly sensitive to small percentage changes in certain assumptions. At the same time, our revenue is generated from games of chance and the outcomes of these games are inherently unpredictable. Incremental revenue driven by new and strategic initiatives is added to baseline operations. In addition to usual forecasting sensitivities, there are unknown impacts to BCLC's operations at this time, such as ongoing inflationary pressures and high interest rates which could cause a significant impact on revenue and resulting net income projections.

The forecast risks and sensitivities on fiscal year 2024/25 BCLC revenue are estimated as follows:

- The assumption related to casino revenue sustaining to fiscal year 2023/24 levels will impact projections. A five percent change in casino revenue projections represents a revenue impact of \$94 million on an annual basis.
- Revenue from the lottery channel is expected to be negatively impacted by the temporary service disruptions that will take place with the lottery terminal replacement

project. Although these factors have been accounted for in the projections, the complex nature of the system implementation can impact revenue. A five percent change to overall lottery revenue represents a revenue impact of \$26 million on an annual basis.

- iGaming revenue is projected to continue to increase with investments into the PlayNow.com platform. Initiatives to drive revenue will need to mitigate continued competition from illegal competitors. A five percent change to the overall PlayNow.com revenue represents a revenue impact of \$24 million on an annual basis.

Management's Perspective on Financial Outlook

Delivering on BCLC's net income commitments to Government continues to be challenging given current economic conditions and trends. The overall gambling industry in B.C. is at a mature stage with a modest growth outlook. BCLC's net income forecasts continue to be subject to several risks and uncertainties over the fiscal plan period.

Specifically, there are many economic factors such as continued high cost of living, ongoing inflationary pressures and high interest rates impacting consumer spending habits. Uncertainty around the future of interest rates and the possibility of an economic slowdown could accelerate the recently observed decline in average spend per player in all channels.

BCLC's two major channels (lottery and casino) are mature and face market growth challenges in the outgoing years. Revenue increases are flattening, and margins are sensitive to shifts in product mix. Lottery revenues are heavily dependent on the national games' jackpot rolls, resulting in lottery revenue volatility. As well, revenues from these channels are from a core, aging player base. BCLC has recognized that further investment is required to address high revenue concentration in a relatively small player segment by appealing to younger demographics that typically make up light and casual players.

The iGaming channel, which delivers products on BCLC's online gambling platform, PlayNow.com, more than doubled its revenue over the pandemic-impacted years and record level of revenue has been sustained with modest investment growth expected. Increased advertising and lucrative player acquisition incentives offered from illegal sites continue to threaten BCLC's market share.

BCLC is continually tapping into a younger demographic as we shift from a product-centric company to an experience-centric one. BCLC will address this shift by expanding its sports book offerings and creating new offerings to attract new players.

The projections presented position BCLC to maintain operational efficiency and make the necessary strategic investments to ensure the long-term health of the business. We continue to focus on innovation to grow the player base, retain existing intended players and provide opportunities to increase their frequency of play and the number of different games played by supporting and enhancing existing products (e.g., replacing lottery legacy systems) and developing new content and experiences.

We are committed to managing our business responsibly in this ever-evolving environment. Investment decisions which enable future business growth and competitiveness are balanced with cost management to deliver net income commitments to Government. We are continually managing costs and looking for ways to operate our business more efficiently and effectively.

Capital Expenditures

Currently there are no major capital projects (over \$50 million) approved through BCLC’s business planning process.

Significant IT Projects (over \$20 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Lottery Terminals and Systems Replacement	2024/25	\$41M	\$7M	\$48M
This project involves the replacement of legacy equipment, including retail lottery equipment and supporting systems. This equipment is nearing end-of-life and supports the majority of lottery revenue. While the overall capital costs have remained the same, the targeted year of completion has moved to fiscal year 2024/25.				

Appendix A: Additional Information

Corporate Governance

[Governance and Oversight](#)

[BCLC Senior Executive](#)

Organizational Overview

For an organizational overview of BCLC, please visit <https://corporate.bclc.com/>

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

B.C. Lottotech International Inc.

The consolidated financial statements of BCLC include B.C. Lottotech International Inc. (“Lottotech”), a wholly owned subsidiary of BCLC. The primary purpose of Lottotech is to optimize sales taxes through the purchase of capital assets for leasing to BCLC. The main operating activities are revenue from the lease of assets to BCLC and the depreciation associated with capital acquisitions. The management and oversight of Lottotech is consolidated within BCLC operations and the Board reviews and approves capital purchases through BCLC’s annual business planning and budget process.

The majority of BCLC capital expenditures (refer to Financial Plan) are planned to be purchased through Lottotech.

Lottotech’s business activities are in alignment with BCLC’s mandate, strategic priorities, and fiscal plan. Lottotech’s publicly available financial statements can be found in [BCLC’s 2022/23 Annual Service Plan Report](#).

Financial Summary

\$ Millions	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Total Revenues	74.3	83.5	87.7	89.9
Total Expenses	74.1	83.3	87.5	89.7
Income from Operations	0.2	0.2	0.2	0.2
Other Expenses	(1.0)	(0.6)	(0.6)	(0.6)
Net Income (Loss)	(0.8)	(0.4)	(0.4)	(0.4)

Business Units' Income Statement ¹

\$ millions	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Lottery				
Revenue	567	529	566	571
Less: direct expenses	<u>116</u>	<u>113</u>	<u>124</u>	<u>126</u>
	451	416	442	445
Operating expenses:				
General Operating	70	74	74	73
Gaming Support	25	26	25	25
Amortization	13	19	21	20
Other	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>
	108	121	122	120
Net Income Before Taxes	343	295	320	325
Taxes	<u>15</u>	<u>17</u>	<u>18</u>	<u>18</u>
Net income	<u><u>328</u></u>	<u><u>278</u></u>	<u><u>302</u></u>	<u><u>307</u></u>
iGaming				
Revenue	445	476	488	519
Less: direct expenses	<u>83</u>	<u>95</u>	<u>99</u>	<u>105</u>
	362	381	389	414
Operating expenses:				
General Operating	55	62	64	66
Gaming Support	12	16	17	18
Amortization	3	3	3	4
Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	72	83	86	90
Net Income Before Taxes	290	298	303	324
Taxes	<u>11</u>	<u>14</u>	<u>14</u>	<u>15</u>
Net income	<u><u>279</u></u>	<u><u>284</u></u>	<u><u>289</u></u>	<u><u>309</u></u>
Casino & Community Gaming				
Revenue	1,885	1,886	1,885	1,922
Less: direct expenses	<u>676</u>	<u>695</u>	<u>695</u>	<u>710</u>
	1,209	1,191	1,190	1,212
Operating expenses:				
General Operating	140	163	172	171
Gaming Support	31	36	38	39
Amortization	59	63	65	67
Other	<u>1</u>	<u>3</u>	<u>2</u>	<u>2</u>
	231	265	277	279
Net Income Before Taxes	978	926	913	933
Taxes	<u>50</u>	<u>52</u>	<u>54</u>	<u>55</u>
Net income	<u><u>928</u></u>	<u><u>874</u></u>	<u><u>859</u></u>	<u><u>878</u></u>

¹ Figures in the above table may not tie due to rounding.

Operating Segments

BCLC's operating segments consist of casino and community gaming, lottery, and iGaming. BCLC's casino and community gaming operations are results from land-based gaming facilities offering slots, tables and bingo games. Lottery operations are results from brick-and-mortar retail sales of lottery draw-based games, lottery instant tickets and sports betting. iGaming operations are results of BCLC's website PlayNow.com, which extends all BCLC's product offerings for play online. Operating costs for any departments that are not directly dedicated to supporting one of these areas of operations are allocated proportionally across these areas based on their revenues.

Appendix C: Mandate Letter from the Minister Responsible



Date: 2023

Mr. Greg Moore
Chair of the Board of Directors
BC Lottery Corporation
74 West Seymour Street
Kamloops, BC V2C 1E2

Dear Mr. Moore,

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations – including Crowns, Health Authorities and Post Secondary Institution Boards – support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home – in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for the BC Lottery Corporation, sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are



building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office



(CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well as ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy, and planning.

In addition to continuing to make progress on your 2021 mandate letter, I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following continuing priority within your approved budget:

- Working with government to operationalize the new *Gaming Control Act*.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,

Honourable Katrine Conroy
Minister of Finance

Date: June 29, 2023


cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance





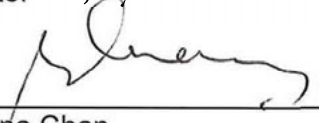
Greg Moore
Chair, BC Lottery Corporation
Date: 26 July 2023



Joan Axford
Director, BC Lottery Corporation
Date: 26 July 2023



Hilary Cassady
Director, BC Lottery Corporation
Date: 26 July 2023




Fiona Chan
Director, BC Lottery Corporation
Date: 26 July 2023



Lisa Ethans
Director, BC Lottery Corporation
Date: 26 July 2023




Leah George-Wilson
Director, BC Lottery Corporation
Date: 26 July 2023



Nejeed Kassam
Director, BC Lottery Corporation
Date: 26 July 2023



Teresa (Dusty) Kelly
Director, BC Lottery Corporation
Date: 26 July 2023



Mario Lee
Director, BC Lottery Corporation
Date: 26 July 2023



Gillain Malfair
Director, BC Lottery Corporation
Date: 26 July 2023



Coro Strandberg
Director, BC Lottery Corporation
Date: 26 July 2023