

British Columbia Lottery Corporation

2025/26 – 2027/28 Service Plan

March 2025



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Board Chair's Accountability Statement



The 2025/26 – 2027/28 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 18, 2025 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 18, 2025

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Strategic Direction

In 2025/26, public sector organizations will continue to prioritize delivering the services and infrastructure needed for people to build good lives in strong communities.

To support this objective public sector organizations will support Government's focus on growing the economy, responding to the threat of tariffs, creating good paying jobs, improving affordability, strengthening health care and education, and making communities safer.

Public sector organizations will also continue to work as directed to support the implementation of the Declaration on the Rights of Indigenous Peoples Act Action Plan.

This 2025/26 service plan outlines how BCLC will support the government's priorities and selected action items identified in the most recent [BCLC's Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

BCLC conducts and manages commercial gambling in a socially responsible manner for the benefit of British Columbians. Through Operational Services Agreements with private-sector service providers, BCLC offers slot machines, table games and bingo at 22 casinos, two racecourse casinos, 12 community gaming centres (CGCs) 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. BCLC also provides online gambling services and web-based and mobile platforms to the Province of Manitoba through an operating contract with Manitoba Liquor & Lotteries and to Saskatchewan players through an exclusive licensing agreement with the Saskatchewan Indian Gaming Authority (SIGA) and SaskGaming. In addition, BCLC licenses its player health program, GameSense, to partners across North America.

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

BCLC's gambling revenue benefits British Columbians through provincial government investments in programs and services such as education, health care, communities and culture. First Nations receive a seven percent entitlement of BCLC net income through the [BC](#)

[First Nations Gaming Revenue Sharing Limited Partnership](#).¹ Additionally, in accordance with the Province's Host Financial Assistance Agreements, municipal governments and First Nations that host² casinos or CGCs typically receive a 10 percent share of net gaming income generated by those facilities.

As a Crown corporation, BCLC is governed by B.C.'s Gaming Control Act and reports to the Ministry of Finance through the Crown Agencies Secretariat (CAS). The Gaming Policy and Enforcement Branch (GPEB) in the Ministry of Public Safety and Solicitor General has regulatory oversight of all gambling in B.C., including all commercial gambling operated by BCLC. BCLC also adheres to requirements set out in federal anti-money laundering (AML) legislation and is monitored by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) for compliance with those requirements.

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.

Operating Environment

Economic Conditions

Like most businesses, BCLC is experiencing the effects of the current macro-economic conditions. Inflation and interest rates are gradually trending down; however, the cost of essentials such as shelter, food, clothing and transportation remain elevated. It is expected to take some time for consumers to increase discretionary spending to previous levels.

Additionally, the potential for further trade conflict between Canada and the United States could have a significant impact on the Canadian economy and jobs. BCLC will assess the impacts, manage costs and operate our business responsibly in this ever-evolving environment.

Online Gambling Market and Unregulated Operators

BCLC's PlayNow is the only legal option for online gambling in British Columbia and the only site that delivers net income back to the Province to fund important programs and services. In 2023/24, BCLC's total revenue for iGaming operations was \$442 million, of which \$282 million (64 percent) was delivered to the Province of B.C.³ PlayNow.com competes with online gambling sites, including those that operate elsewhere in Canada or illegally. Protecting and growing our online market share is important to BCLC.

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

² "Host" in this context refers to the "Host Local Government" as defined in the *Gaming Control Act*, which is limited to the municipality, regional district, or first nation that has authority over land use planning at the place where a gaming facility is located.

³ Source: [2023/24 BCLC Annual Service Plan Report](#)

Since the Government of Ontario began licensing private-sector online gambling sites in 2022, there has been an influx of advertising across Canada for sites which are only licensed in Ontario. These advertisements drive players outside of Ontario to international-affiliated sites of the same brand, which are not regulated in B.C. and are thus illegal. PlayNow competes with these sites as well as illegal gambling operators from outside of Canada. Increased demand for advertising from 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. Alberta has indicated that it is considering licensing private-sector online gambling sites, which could exacerbate these challenges.

BCLC is a member of the Canadian Lottery Coalition, which includes five provincial operating entities and is focused on raising awareness of the implications associated with misleading advertising and operation of illegal 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.

Player Preferences and Behaviour

With the growing trend towards digital entertainment, consumers are increasingly looking for options they can access from home or wherever and whenever they choose. In addition, personalization is becoming a standard expectation, making it essential to offer tailored and seamless omni-channel experiences to stay competitive. Young adults have different expectations and preferences than previous generations and BCLC's online and brick-and-mortar channels must find new ways to attract and retain younger gamblers while continuing to meet the needs of existing players.

These trends continue to drive us to accelerate our adoption of digital technologies and build a robust data foundation to personalize player experiences. This effort also supports our commitment to complete the Commission of Inquiry into Money Laundering in British Columbia (Cullen Commission) recommendation for 100 percent account-based, known play in casinos.

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 account-based, known play in casinos and making this requirement an area of focus in our new corporate strategy that launched in fiscal 2024/25.

Cyber Security

Cybercrime is an ongoing threat to all businesses. There have been instances of cyber-attacks on the gambling industry in Canada and the United States in the last two years. BCLC's players

have also been specifically targeted through a 2024 credential stuffing attack.⁴ BCLC found no evidence that our systems were compromised and immediately implemented measures to minimize the impacts to targeted players when the suspicious activity was detected. Cyber attacks can have severe impacts including core business downtime, permanent data loss, privacy breaches, reputational damage and expensive recovery costs. Continued investment in cyber security is necessary to secure our systems, safeguard player data and reduce business disruption.

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. BCLC will need to adapt to this legislation.

Indigenous Relations

Indigenous reconciliation is a priority that BCLC shares with the Province. Many First Nations have expressed a desire to have equitable opportunities to participate in the B.C. gambling industry. While we are early in our reconciliation journey, we are focused on building genuine relationships and increasing engagement to better understand Indigenous communities and their unique needs and perspectives. This includes collaborating with Indigenous communities to develop and implement the strategies in our Indigenous Reconciliation Action Plan and to align our policies and programs with the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration), 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.

As part of our reconciliation actions, we are working towards greater engagement with First Nations rights and title holders in BCLC's casino development process and improving relationships with First Nations service providers who are new to the business.

Climate Change

Climate change continues to present significant risks to our operations and value chain. Extreme weather events such as forest fires, floods, landslides and coastal storm surges can interrupt 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.

Our new climate strategy will outline how we treat climate risks and opportunities (e.g., adaptation, mitigation and resilience building) in relation to foreseeable business, customer, employee and stakeholder impacts. This includes everything from mitigating threats from climate change-related events that may impact our business to seizing opportunities that

⁴ Credential stuffing occurs when criminals attempt to access player accounts using email addresses and passwords previously exposed or stolen from other companies. Credential stuffing works on the premise that people often use the same user ID and password across multiple websites.

emerge across the value chain as we decarbonize and support the transition to a low-carbon economy (i.e. an economy that is based on low GHG emission energy sources). We align these efforts with the Province's [CleanBC Roadmap to 2030](#) and net-zero by 2050 ambition.

Player Health

For most adults, gambling serves as entertainment. However, our industry carries the risk that any gambling product can potentially cause harm, and there are players who experience gambling problems. The influx of online gambling advertisements, especially since Ontario's licensing of many private sector gambling sites, has heightened many people's exposure to gambling and the risks associated with it. Additionally, unregulated online gambling sites operating in B.C. are not compelled to provide the same player health supports as PlayNow and other BCLC offerings. While BCLC acknowledges that we cannot control individual behaviour or directly tackle the root personal and emotional issues underlying gambling disorders and harms, inherent in our social purpose is a steadfast commitment to preventing and mitigating the harms that some experience from playing our products. BCLC continues to focus on reducing gambling harm and promoting safer gambling in our business operations, striving for positive player health outcomes in our processes, products and marketing campaigns.

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 player account with BCLC

This objective highlights the work BCLC will undertake to move towards 100 percent account-based known play in our casinos. As PlayNow accounts are already verified, the focus is on casino and CGC players. Increasing account-based and verified play in brick-and-mortar facilities will provide us with data that will allow us to personalize gambling experiences.

Key Strategies

- Implement improvements to the identification-at-entry process in casinos, including a fast-track lane for our current rewards and incentives program members.
- Test enhanced rewards and incentives program acquisition promotions that attract, engage and resonate with new members.
- Execute on roadmaps for verified play and personalization, including new technology implementation.
- Continue to 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 solution across all lines of business to centrally manage and verify player identities.

Discussion

With 100 percent account-based and verified play already in place in our online channel, PlayNow, BCLC's focus is on increasing account-based and verified play in casinos through our rewards and incentives programs. For players who visit casinos, our current Encore Rewards loyalty program 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.

Increasing account-based known play in casinos will provide BCLC with additional data and will allow us to deepen our knowledge of players, be responsive to their needs; offer personalized experiences for play and player health; and provide enhanced rewards and incentives.

Further, BCLC is focused on increasing verified play for Encore Rewards members. This entails verifying Encore players against their government-issued identification. Introducing an

automated verification process for all BCLC player accounts and having greater insight into our players will help to further streamline the player experience and streamline and strengthen our anti-money laundering (AML) program.

Investments in technology will be critical to establishing the data foundation to unlock these capabilities and eventually launch a new rewards and incentives program (see key strategy under Objective 1.2), both of which will help to further engage players and support the acceptance of known and verified play.

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

- Develop plans for a new rewards and incentives program, with a focus on maximizing new digital marketing capabilities, while providing enhanced personalization and player health programming.
- Continue to evaluate and deliver personalized game and player health content and recommendations to PlayNow players.
- Continue to design and build an enhanced PlayNow platform to improve the registration and onboarding process, enable enterprise accounts and streamline payments.⁵
- Evaluate and launch new innovative lottery products into market, including new regional and interactive games and those that advance and involve players in BCLC's social purpose.
- Enhance land-based casino offerings with new games and experiences in select casinos and continue to refresh online games and content as well as sports offerings.

Discussion

BCLC operates in a crowded entertainment market and competition for entertainment dollars is increasing as more options become available. We are continuing to evolve our operations and approaches to be player-centric. Enhancing the player experience on PlayNow is also a key business priority and is crucial for competing against illegal online operators. This includes ensuring a seamless registration and onboarding process, along with offering engaging content and promotions to keep our players entertained.

New research and technologies in the industry create opportunities for BCLC to identify player experience challenges and respond to players' needs, including by designing mobile-enabled experiences and rolling out new products through our new lottery terminals that have expanded capabilities and possibilities. Additionally, we are continuing to develop an

⁵ 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 and in land-based casinos.

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

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[1.1] Percentage of casino player base that has an Encore Rewards account ¹	52%	54%	57%	64%

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

¹ The name of the measure may be updated in the future to reflect the new rewards and incentives program that is expected to launch in 2026/27.

Discussion

Encore Rewards is BCLC’s current casino loyalty program. BCLC intends to attract more players to register and play using the Encore Rewards program by simplifying the registration process, providing enhanced membership value and improving the awareness of the loyalty program. Planning is also underway to launch a new and improved rewards and incentives program, that will replace the current Encore Rewards, with an expected launch date in fiscal 2026/27.

With a full year of enhanced identification data now available and a successful Encore Rewards recruitment program having been completed, the targets for 2025/26 and 2026/27 have been revised and increased from the prior year Service Plan, showing a steady increase in Encore Rewards members. The 2027/28 target shows a larger increase, reflecting a full year since the launch of a new rewards and incentives program. We expect the additional benefits offered by the new program to result in further responsible growth in player base with rewards and incentives 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 the percentage of account-based play determined based on the number of players playing with an Encore Rewards card.

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[1.2] Player Experience Index - Enterprise	76.34	77.20	77.87	78.54

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

Discussion

BCLC aims to provide the best player experience. The Player Experience Index (PXI) is a measure out of 100 and was developed to account for the various aspects of a player's experience such as customer service, atmosphere/environment, information, safety and comfort, wait times, variety of products and amenities, fairness, value for money and how engaged players feel. Each quarter, these aspects of the purchase experience are measured to create the PXI scores for each channel, line of business and overall enterprise level.

The PXI score is BCLC's core metric to measure player satisfaction and will allow BCLC to pinpoint the specific areas of player experience that needs to be addressed and optimized. By taking action on these areas, BCLC expects to continuously enhance the overall player experience.

As this is a new measure, the targets are based on data collected during just one fiscal quarter (July to September 2024). Targets may be updated in future service plans to account for any unknown volatility at this stage. Research into how players feel about gambling with a social purpose company will also help shape how BCLC advances and measures player experiences moving forward.

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 generating 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

- Continue to 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 sports marketing and promotions to address unique issues facing sports bettors.
- Continue to improve BCLC's virtual GameSense program and offerings.
- Reinforce safer gambling behaviours and raise awareness of the risks associated with frequent unsafe gambling such as chasing losses and borrowing money to gamble.

Discussion

Player health is a critical component of BCLC's strategy, and we continuously seek to understand and encourage safer play behaviour. Our Player Health Strategy is focused on understanding our players and their behaviours to help us to implement strategies to support them in safer play. Sports betting is one of the key areas of concern noted in the Player Health Strategy, and part of our harm minimization efforts. Our move towards account-based and verified play will create new opportunities for personalized interactions and will help to further influence and support safer gambling behaviours.

Objective 2.2: Optimize net income through investment to sustain the long-term health of the business

BCLC serves the Province by operating gambling in a secure and responsible manner, while also 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.
- 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 and CGCs).
- Collaborate with local governments, Indigenous rights and title 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.
- Continue to manage costs and look for ways to operate more efficiently and effectively.

Discussion

First Nations are entitled to seven percent of BCLC net income⁶ through the BC First Nations Gaming Revenue Sharing Limited Partnership. In accordance with the Province's Host Financial Assistance Agreements, local governments, including First Nations, that host casinos or CGCs 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

⁶ BCLC net income as defined in the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement.

capabilities and player experiences. These investments include building a compelling rewards and incentives program and providing other new offerings that appeal to existing and new players. Further, investment in our iGaming platform will enhance the player experience, which will help encourage players to stay within the BCLC ecosystem, rather than registering with illegal sites whose profits do not go back to the Province of B.C. This investment is also critical to providing experiences that will attract players as younger adults move away from traditional/land-based entertainment offerings. Through these efforts we will deliver engaging experiences and broaden the player base.

Performance Measures⁷

Performance Measure	2023/24 Actuals	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[2.1] Percentage of BCLC players who score as high risk on the PGSI	11%	13%	12%	12%	11%

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.

Targets reflect an increase from last year’s Service Plan as recent years have seen an increase in the percentage of BCLC players who score as high risk on the PGSI. National and provincial data shows that other jurisdictions with similar mixes of product offerings to BCLC are also observing similar trends. Factors that increase PGSI scores may include but are not limited to culture, economic status, economic conditions such as the cost of living, gender and age. BCLC has commissioned research to better understand the drivers that are contributing to the higher scores specific to our province as we know that diverse factors such as those mentioned above can influence gambling behaviours to different extents and our efforts need to be tailored to address these drivers. The research findings will help inform strategies to address these drivers and better support players through programming to effectively reduce PGSI scores. Moving forward we will also continue to focus the organization on prioritizing player health and better understanding our players so we can personalize their player health experiences and better support them in adopting safer play. Through these actions, we expect PGSI scores to decrease over time.

⁷ In order to align the service plan with BCLC’s updated corporate strategy introduced in 2024/25, BCLC has removed a prior year service plan measure around the number of incidents of reports of potential crime at or near a BCLC gaming facilities or in connection with a BCLC product. BCLC continues to take these matters seriously and has ongoing actions and measures of this important area of our business.

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	2023/24 Actuals	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[2.2] Net Income (\$ millions)	1,548	1,394	1,388	1,443	1,491

Data source: BCLC’s financial plan, see page 25.

Discussion

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

The fiscal year 2024/25 net income forecast reflects a decrease of 10 percent compared to the prior year primarily due to decreased revenue from casinos, minor service disruption in lottery sales due to 3,400 lottery terminals being replaced across the province and lower sales for national lottery games (which is a consistent trend across Canada). Additionally, cost pressures have risen due to increased investments into the organization and current market conditions. This includes increased investments for a temporary measure and other actions intended to bolster the player experience in land-based casinos. B.C. online players continue to be exposed to illegal online gambling operators who are advertising and offering lucrative player acquisition incentives. In addition, despite interest rates and inflation trending slightly downwards over fiscal year 2024/25, the cost of living in B.C. remains high which is impacting players’ discretionary spending, and this is hindering topline growth for BCLC.

Fiscal year 2025/26 net income is projected at \$1.388 billion. Although the current economic landscape is still challenging, revenue is expected to increase year over year driven by new initiatives to capitalize on slight optimism in the economy. Additionally, BCLC’s iGaming revenue levels have been sustained and we are shifting from a product-centric company to an experience-centric one. The cost structure reflects increased costs due to the execution of BCLC’s ambitious multi-year corporate strategy to ensure the long-term health of the organization, cost of new technology and costs passed on from vendors and suppliers for running day-to-day operations. It is important to note that at the time of writing this report, the threat of 25 percent tariffs was not incorporated in the projections as the threat was in the initial stage of development.

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

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

Objective 3.1: Integrate our social purpose and Environmental, Social and Governance (ESG) framework into our business to create a positive impact

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 ESG risks and opportunities, supporting positive outcomes for our employees, stakeholders, Indigenous rights and title holders and the community at large.

Key Strategies

- Continue to embed our social purpose into all operations, decisions, behaviours and relationships to increase the positive community and economic impact of gambling entertainment.
- Continue to dedicate strategic focus on social purpose in order to concentrate efforts and maximize opportunity for social purpose impact and deliver on our vision.
- Revise the ESG Framework to address key risks and opportunities and align with BCLC's social purpose and corporate strategy.
- Incorporate social purpose into our people processes including recruitment practices, leadership development programs and 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. The ESG Framework has three goals with corresponding objectives and focus areas. The goals are: become a leader in addressing climate change and the circular economy; create a positive social impact; and govern in the public interest. The ESG Framework is supported by 49 key actions such as: developing and implementing a plan to source renewable energy; implementing a climate strategy; fostering a culture of diversity, inclusion and belonging; finalizing and implementing the Indigenous Reconciliation Action Plan; and initiating and continuing the creation of a national gambling industry ESG standard. The ESG Framework is intended to be updated and revised regularly to address emerging ESG risks and opportunities in fiscal 2026/27 and beyond.

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.

Separate from the ESG Framework and ESG Policy, BCLC has a roadmap to integrate social purpose into every facet of our business. It outlines seven key areas of focus including business model, governance and leadership, people and culture, operations, customer experience and marketing, business ecosystem, and monitoring and reporting. It also includes associated actions for each of the seven areas, such as establishing a process for review of new products and marketing to support alignment with our social purpose.

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

- Complete the development of and implement a climate strategy to reduce Scope 1, 2 and 3 emissions, and incorporate climate adaptation and resiliency strategies into operations.⁸
- Continue to develop and annually update plans to reduce energy and emissions across our operations and value chain, based on energy audit findings to support the creation of energy management plans with achievable targets.
- Continue to 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 casino service providers.

Discussion

BCLC is developing a climate strategy to be completed by the first quarter of 2025/26, aiming to reduce GHG emissions (Scope 1, 2 and 3 emissions) and address climate risks and opportunities. BCLC is required to report on Scope 1 and 2 emissions and has plans to reduce in alignment with the Province's [CleanBC Roadmap to 2030](#) and net-zero by 2050 ambition.

Plans to minimize Scope 1 and Scope 2 emissions include building renovations at our Kamloops head office, purchasing renewable natural gas for both offices, migrating services to the cloud and transitioning to an electrified fleet. We are also developing action plans to decarbonize our Scope 3 emissions throughout our value chain. BCLC will begin working with service providers to conduct energy audits across the province. The work to begin these audits was previously planned to begin in 2024/25, however was delayed by a year as a result of

⁸ Scope 1 emissions are direct emissions from owned or controlled resources. Scope 2 emissions are indirect emissions from the generation of purchased energy. 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. Source: [GHG Protocol](#)

resource constraints. We will use the results to develop energy management plans specific to each casino facility.

Performance Measures

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[3.1 a] Social purpose progress measure.	127 (58%)	167 (75%)	173 (78%)	189 (85%)

Data Source: [United Way Social Purpose Institute Purpose Assessment Scorecard](#).

Discussion

BCLC has adopted an assessment framework, originally developed by the United Way Social Purpose Institute, as a method to measure its social purpose progress. In alignment with the assessment framework, BCLC is actively integrating social purpose across seven key areas. Within the seven areas there are 44 outcomes that support the assessment framework and identified associated actions. Examples of these outcomes include: our company leaders visibly demonstrate support for our purpose; our internal communications reinforce our purpose with employees; and our office practices and physical premises visibly demonstrate our purpose ethic. The 44 outcomes are ranked on a scale of one to five to indicate progress with five representing the outcome has been consistently implemented/completion. A top score of 220 would indicate all indicators have been met. Through continued implementation of our social purpose, BCLC expects to see a gradual increase in this measure over the next three years.

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[3.1 b] ESG Performance Index score: number (percentage) of ESG actions that are on track or achieved out of 49 key action items	29 (59%)	42 (86%)	TBD	TBD

Data source: BCLC’s ESG Scorecard.

Discussion

The ESG Performance Index 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.

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 continue to see progress on the key action items in 2025/26. Targets for 2026/27 and

2027/28 are to be determined as we will be shifting our focus to updated performance metrics that will be introduced when the ESG framework is updated. BCLC will introduce these metrics in future service plans.

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[3.2 a] Scope 1 emissions (tonnes of CO2)	390	195	98	49
[3.2 b] Scope 2 emissions (tonnes of CO2)	72	72	50	35
[3.2 c] Scope 3 emissions (tonnes of CO2) ^{1,2}	Tier 1: 61,667	Tier 1: 61,667	Tier 1: 55,994	Tier 1: 50,842
	Tier 2: 33,931	Tier 2: 33,931	Tier 2: 30,809	Tier 2: 27,975

Data sources: Scope 1 emissions are collected and quantified using natural gas bills from Fortis BC, fleet vehicle fuel usage report, and internal records of refrigerant use and diesel consumption. Scope 2 emissions are collected and quantified using electricity bills from BC Hydro. By entering the Scope 1 and 2 primary data into the Climate Action Secretariat’s government portal, the equivalent tonnes of CO₂ emissions are calculated according to the GHG Protocol. 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.

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

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

Discussion

BCLC is on track to meet or exceed provincial Scope 1 and 2 emissions reduction targets and has introduced Scope 1 and 2 emissions in the Service Plan to provide a more complete representation of GHG emissions reductions across our operations. BCLC is committed to reducing Scope 1 and 2 GHG emissions by 50 percent by 2026/27 and 100 percent by 2030/2031, from a 2019 base year. As part of these efforts, we are renovating the Kamloops head office, including updating the building envelope and replacing existing HVAC equipment with low carbon electric solutions. We are presently purchasing renewable gas for the Kamloops head office and will also purchase renewable gas for the Vancouver office starting in fiscal 2025/26. Additionally, we plan to further reduce Scope 2 emissions by upgrading lighting in our Kamloops office, migrating our services to the cloud, and transitioning to a fully electrified fleet.

BCLC’s Scope 3 emissions are categorized 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.

The climate strategy includes detailed action plans for our operations, service providers and suppliers. Supporting service providers and suppliers to have sufficient resources to implement the energy conservation measures is imperative and takes time. Correspondingly, the Scope 3 reduction target, initially set for 2025/26, has been moved to 2026/27. We aim for a 9.2 percent annual reduction in Scope 3 emissions starting in 2026/27, with both Tier 1 and 2 targets combining for a 46 percent reduction by fiscal 2030/31. Key projects supporting these reduction efforts include setting up supplier GHG targets, reducing energy and GHG emissions in gaming facilities, installing electric vehicle chargers, cloud migration, data centre cooling and introducing incentives to encourage employees to choose more sustainable business travel and commuting options.

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 purpose and vision by collaborating with stakeholders, Indigenous rights and title holders and other partners in mutually reciprocal relationships.

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

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

Key Strategies

- Develop and implement the Indigenous Reconciliation Action Plan in consultation with Indigenous rights and title holders.
- Continue to implement service provider and municipal government engagement plans.
- Advance our community efforts and corporate sponsorships to further BCLC's purpose, vision and strategy.

Discussion

The success of our strategy is predicated on collaboration and relationships, such as with communities, service providers, retailers and Indigenous rights and title 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, gathering their feedback on the design of the new rewards and incentives program and enhancing experiences and value propositions for players. In addition, we will begin implementing the strategies in our Indigenous Reconciliation Action Plan 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. We will implement these strategies in collaboration with Indigenous communities to maximize positive outcomes and generate win-wins for the greater good. Moving forward, we will continue to develop a process for supporting early engagement with 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

BCLC is developing new metrics to assess and measure the effectiveness of our relationships and activities, which will be introduced in future reports.

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 rights and title holders to develop metrics that will measure the effectiveness of the plan. Additionally, as BCLC continues to roll out our Stakeholder Governance Framework, we will establish a metric to measure community engagement efforts.

Financial Plan

Financial Summary

\$ Millions	2024/25 Forecast	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenue	2,795	2,884	2,979	3,067
Direct Costs	868	906	928	960
Gaming Support Costs	76	94	94	96
Operating Costs	290	310	323	322
Amortization and Other	88	99	103	107
Total Costs	1,322	1,409	1,448	1,485
Net Income Before Taxes	1,473	1,475	1,531	1,582
Taxes	79	87	88	91
Net Income	1,394	1,388	1,443	1,491
Liabilities	604	626	645	630
Accumulated Deficit	(18)	(18)	(18)	(18)
Accumulated Other Comprehensive Loss	82	82	82	82
Total Equity	64	64	64	64
Capital Expenditures	100	105	105	100

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 2025/26 casino gaming revenue projections are expected to show modest growth versus fiscal year 2024/25 reflecting initiatives aimed to retain and drive traffic of core and moderate players as well as offering new engaging slot content.

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 2025/26.

In fiscal year 2025/26, lottery revenue is expected to increase by 4.9 percent from prior year, despite softness of Lotto Max and Lotto 6/49 sales being observed nationally and expectation of normalized jackpot roll patterns.⁹ These risks are being mitigated through the annualization of new initiatives launched in fiscal year 2024/25 such as the new Proline Sportsbook at B.C. retail locations and Lotto Max enhancement, whereby the Lotto Max jackpot cap was increased to \$80 million from \$70 million, as well as new growth initiatives planned to launch in 2026/27.

Fiscal year 2025/26 iGaming revenue is expected to grow by 8.5 percent from prior year. After more than doubling revenue in fiscal 2021/22 and reaching a record-breaking year in fiscal 2022/23, 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 2025/26 began in fiscal year 2024/25. They include adding new apps such as the PlayNow Live Casino app and Lotto Mobile on Android (previously only available on IOS).

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.

⁹ A jackpot roll refers to a situation in lotteries where the jackpot prize is not won, and the prize money is carried or “rolled” over to the next draw. This increases the jackpot amount for the subsequent draw, making it larger.

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 platform to remain competitive in the online gambling industry and deliver best in technology, infrastructure, entertainment, social purpose and player experiences. 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 fiscal year FY2025/26 revenue is projected to be \$2.9 billion, small percentage changes in the underlying revenue assumptions can result in large dollar value changes to revenue. 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, current economic conditions remain challenging which could cause a significant impact on revenue and resulting net income projections.

The forecast risks and sensitivities on fiscal year 2025/26 BCLC revenue are estimated as follows:

- A modest growth is assumed in the fiscal year 2025/26 casino revenue projections. A five percent change in casino revenue projections represents a revenue impact of \$92 million on an annual basis.
- Lottery revenue is expected to increase with the annualization of new initiatives launched in the previous fiscal year and planned to launch in the current 2025/26 fiscal year. The rate of market adoption and launch timing of these initiatives can impact revenue. A five percent change to overall lottery revenue represents a revenue impact of \$28 million on an annual basis.

- iGaming revenue is projected to continue to increase with investments into the PlayNow platform. Initiatives to drive revenue will need to mitigate continued competition from illegal competitors. A five percent change to the overall PlayNow revenue represents a revenue impact of \$25 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.

Although inflation is trending downwards and the Bank of Canada decreased interest rates in fiscal 2024/25, the cost of living and basic essentials in B.C. continues to be high and it will take some time for consumers to increase discretionary spend to previous levels.

BCLC's two major channels (lottery and casino) are mature and face market growth challenges in the outgoing years. Revenue increases are modest in the upcoming fiscal year 2025/26, 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 and whose interactions tend to skew higher online.

The iGaming channel, which delivers products on PlayNow, more than doubled its revenue over the pandemic-impacted years and revenue levels have been sustained despite increased advertising and lucrative player acquisition incentives offered from illegal sites which 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 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.

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 2023/24 Annual Service Plan Report](#).

Financial Summary

	2024/25	2025/26	2026/27	2027/28
\$ Millions	Forecast	Budget	Plan	Plan
Total Revenues	80.0	89.7	93.5	97.4
Total Expenses	79.8	89.5	93.3	97.2
Income from Operations	0.2	0.2	0.2	0.2
Other Expenses	(0.6)	(0.9)	(0.9)	(0.9)
Net Income (Loss)	(0.4)	(0.7)	(0.7)	(0.7)

Business Units' Income Statement ¹

	<u>2024/25</u> Forecast	<u>2025/26</u> Budget	<u>2026/27</u> Plan	<u>2027/28</u> Plan
Lottery				
Revenue	529	555	582	590
Less: direct expenses	<u>111</u>	<u>119</u>	<u>125</u>	<u>128</u>
	<u>418</u>	<u>436</u>	<u>457</u>	<u>462</u>
Operating expenses:				
General Operating	74	79	80	79
Gaming Support	27	33	31	31
Amortization	20	23	24	25
Other	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>122</u>	<u>136</u>	<u>136</u>	<u>136</u>
Net Income Before Taxes	296	300	321	326
Taxes	<u>17</u>	<u>20</u>	<u>21</u>	<u>21</u>
Net income	<u>279</u>	<u>280</u>	<u>300</u>	<u>305</u>
iGaming				
Revenue	460	499	527	551
Less: direct expenses	<u>94</u>	<u>102</u>	<u>114</u>	<u>120</u>
	<u>366</u>	<u>397</u>	<u>413</u>	<u>431</u>
Operating expenses:				
General Operating	62	66	70	70
Gaming Support	15	19	20	21
Amortization	3	4	4	4
Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>82</u>	<u>91</u>	<u>96</u>	<u>97</u>
Net Income Before Taxes	284	306	317	334
Taxes	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>
Net income	<u>271</u>	<u>292</u>	<u>302</u>	<u>318</u>
Casino & Community Gaming				
Revenue	1,806	1,830	1,870	1,926
Less: direct expenses	<u>663</u>	<u>685</u>	<u>689</u>	<u>712</u>
	<u>1,143</u>	<u>1,145</u>	<u>1,181</u>	<u>1,214</u>
Operating expenses:				
General Operating	154	165	173	173
Gaming Support	34	42	43	44
Amortization	59	65	68	71
Other	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>
	<u>250</u>	<u>276</u>	<u>288</u>	<u>292</u>
Net Income Before Taxes	893	869	893	922
Taxes	<u>49</u>	<u>53</u>	<u>52</u>	<u>54</u>
Net income	<u>844</u>	<u>816</u>	<u>841</u>	<u>868</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:

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





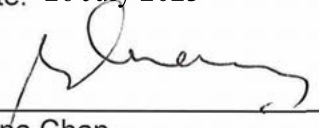
Greg Moore
Chair, BC Lottery Corporation
Date: 26 July 2023




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