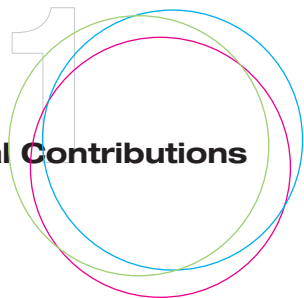


2011

Profile of Societal Contributions



**LOTO
QUÉBEC**

Loto-Québec is pleased to present its *Profile of Societal Contributions* for the April 1, 2010-March 31, 2011 fiscal year. For more than five years now, Loto-Québec has made its economic, social and environmental contributions to society known through this and other publications.

Our mission

Loto-Québec's mission is to **responsibly manage games of chance** in a **controlled** and **measured** fashion, in the **interest of all Quebecers**.

Loto-Québec's primary role is to ensure that games of chance are operated in a controlled and secure environment. Clearly, Loto-Québec remains a business enterprise and as such, it fulfils a mandate received from the Government of Québec, but this mandate must be carried out within a framework that is adapted to market needs.

Our vision

Loto-Québec's vision is to **become a recognized world leader** in the responsible commercialization of games of chance.



Our Priority: Sustainable Development

The Corporation's sustainable development policy involves all of Loto-Québec's operations and the contributions made by its employees and managers. Loto-Québec also progressively draws its business partners into the policy, encouraging them to work with it to reach its sustainable development objectives.

An important threshold was crossed in 2009-2010, when the *2008-2013 Sustainable Development Action Plan* was first implemented for a complete year. This provided an opportunity for Loto-Québec to obtain a clearer picture of its practices in this area, and was followed by **the setting of more aggressive targets** such as using sustainable development criteria in the event sponsorship selection process and the holding of eco-responsible events.

In another major advance, all of Loto-Québec's business units are now required to take into account the 16 principles of the *Sustainable Development Act* when preparing their operational plans. Appropriate tools have been made available to managers to assist them in incorporating these principles into the decision-making process.

2008-2013

Follow-up to the 2008-2013 Sustainable Development Action Plan

Steps were initiated to establish a dialogue with various Loto-Québec stakeholders (essentially, individuals and organizations concerned about the Corporation's activities). These stakeholders could have an impact on or be affected by Loto-Québec operations. The goal here was to **establish long-term relationships** with these stakeholders and **promote mutual understanding** of each party's issues.

The initial stage involved a survey of all Loto-Québec employees to enable the Corporation to grasp their concerns and expectations with respect to sustainable development. It emerged that Loto-Québec staff have a very good understanding of the Corporation's position and support it, while wanting Loto-Québec to place more emphasis on the economic and social components of sustainable development. The Corporation consulted with many partners, suppliers and other stakeholders in the spring of 2010. These meetings enabled Loto-Québec to continue to refine its practices on incorporating sustainable development into its operations and communicating its actions and commitments externally.

Finally, as prescribed by the *Sustainable Development Act*, Loto-Québec reported in its annual statement on actions taken in fiscal 2010-2011 for each of the 14 points in its action plan.



Our Economic Contribution

Loto-Québec's economic contribution to the community is significant, and benefits all Quebecers, from employees to taxpayers, business partners, customers and non-profit organizations (NPOs). Clearly, the premier advantage provided by a state corporation is that its dividends are paid to the government.

Each and every citizen has access to these profits and benefits from them.

Over the last 15 years, more than **21 billion dollars** has been paid into the state treasury.

Economic Commitment (2010-2011)

• Total consolidated revenues	\$3.674 billion
• Net income	\$1.337 billion
• Dividends paid to the Québec Government	\$1.247 billion
• Prizes awarded to winners	\$934.6 million
• Commissions and compensation paid to lottery, video lottery and bingo network partners	\$349.5 million
• Goods and services purchased from suppliers that do business in Québec	\$310.9 million
• Salaries and employee benefits	\$408.6 million
• Taxes paid to governments	\$137.8 million
• Special contributions to governments	\$106.7 million



Major Regional Economic Support

Loto-Québec's economic activities are a motor force in Québec's economy. In addition to employing some **6,700 people** at its various offices and other establishments, Loto-Québec purchases goods and services from **more than 1,500 suppliers that do business in Québec.**

The tourism industry also benefits from the activities of Québec's four casinos. In 2010-2011, casino revenues reached \$891 million. And these millions of dollars remain in Québec.

Loto-Québec continues to affirm a strong presence outside of our borders. Through its Ingenio subsidiary, the Corporation promotes **Québec creativity and innovation** in the world market for gaming products.

The background features a dynamic, abstract design of flowing, curved lines in various shades of green, ranging from light lime to deep forest green. These lines create a sense of movement and depth. In the upper right quadrant, there is a thin, pink circular outline. The text 'Our Social Contribution' is centered horizontally and partially overlaps the right side of this pink circle.

Our Social Contribution

Loto-Québec fulfills its mission through **direct community participation**, especially in the area of social commitment. In 2010-2011, the Corporation's various contributions totalled **128.3 million dollars**.

Loto-Québec's social commitments are many. In addition to its contributions to the activities of government departments and agencies, the **Corporation supports more than 1,500 NPOs** through direct payments, as well as the Fonds d'aide à l'action communautaire autonome and the Fonds d'aide à l'action humanitaire internationale.

Moreover, all profits stemming from network bingo sales in 2010-2011 were paid to more than 600 NPOs.

Social Commitment (2010-2011)

<ul style="list-style-type: none">• Amounts targeting compulsive gambling Ministère de la Santé et des Services sociaux (\$25 M) Mise sur toi (\$6.1 M)	\$31.1 M
<ul style="list-style-type: none">• Contributions to NPOs	\$17.7 M
<ul style="list-style-type: none">• Fonds d'aide à l'action communautaire autonome	\$14.8 M
<ul style="list-style-type: none">• Fonds d'aide à l'action communautaire autonome – action humanitaire internationale	\$3.0 M
<ul style="list-style-type: none">• Ministère de la Santé et des Services sociaux to assist seniors with reduced autonomy	\$30.0 M
<ul style="list-style-type: none">• Ministère de l'Agriculture, des Pêcheries et de l'Alimentation	\$7.1 M
<ul style="list-style-type: none">• Sponsorships	\$13.9 M
<ul style="list-style-type: none">• Collection Loto-Québec	\$0.4 M
<ul style="list-style-type: none">• Ministère de la Culture, des Communications et de la Condition féminine (OSM)	\$10.0 M
<ul style="list-style-type: none">• Ministère des Finances (online gaming follow-up committee)	\$0.3 M



Our Pledge to aid NPOs

The mandate of the Société des bingos du Québec (SBQ) is to market network bingo products to support NPOs that rely on bingo as their main source of funding. During the last 13 years, the SBQ paid out **over 130 million dollars to more than 1,000 NPOs**.

However, bingo is in decline, and this impacts many non-profits that rely on network bingo revenue to fulfill their social and community missions.

In the fall of 2010, a new collective gaming concept called Kinzo was launched as a pilot project. One of its primary goals is to **come to the aid of NPOs** by maintaining the SBQ's average annual level of contributions at 10 million dollars.

Corporate Volunteerism

Loto-Québec **employees are encouraged to give back to the community** through a corporate volunteer program in which employee involvement with NPOs is supported.

Event Sponsorship



In 2010-2011, Loto-Québec devoted some **13 million dollars to the sponsorship of events** in addition to its support for organizations that work with handicapped athletes. Most of this money goes to the *Rendez-vous Loto-Québec* and *Sorties signées Casino* programs, which support no less than **136 events all across Québec**. These events draw more than 10 million visitors and have major tourism, economic, social and cultural spin-off benefits for their host communities.

The *Rendez-vous Loto-Québec* program mainly sponsors outdoor public events that are free or of minimal cost, and which provide significant economic and social benefits to the community. Recently, sustainable development criteria were added to the event sponsorship selection process.

Les entrées en scène Loto-Québec



Over and above its event sponsorship program, Loto-Québec initiated support in February 2008 for the new *Les entrées en scène Loto-Québec* program for funding cultural activities, in partnership with RIDEAU (Réseau indépendant des diffuseurs d'événements artistiques unis).

This program offers **funding and logistical support for emerging artists** in all disciplines and from every region in Québec. It also provides cross-the-board support for all stages of tours.

The very first and highly successful emerging artists tour supported by *Les entrées en scène Loto-Québec* took place in 2009. In 2011, five performing artists were chosen for the second tour of *Les entrées en scène*. At the tour's culmination, 65 shows will have been performed at 58 different venues and festivals in 54 cities and towns across Québec.



The Collection Loto-Québec

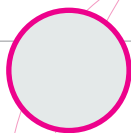
The Collection Loto-Québec celebrated its 30th anniversary in 2009. Since 1979, Loto-Québec has provided support to Québec creators in the visual arts by actively participating in the dissemination of contemporary art throughout Québec and by budgeting one hundredth of one percent of its total sales for the acquisition of works of art. In fiscal 2010-2011, the corporation invested 0.4 million dollars to acquire 154 new works by 37 artists. As of March 31, 2011, the Collection Loto-Québec held **4,363 works by 1,100 Québec creators**.

This year, more than 17,000 people visited the 4 exhibitions presented at Espace Création. The exhibition site, located at Loto-Québec's head office, has welcomed more than 75,000 visitors since it opened in 2005.

What's more, five regional exhibitions and four *Repérages* events (expo-sales events sponsored by the Corporation outside large urban centres) took place. In total, 28,000 people in Montréal and from a variety of regions were able to see works from the Collection.

Finally, the Collection is also present in cyberspace with its own web site: lotoquebec.com/collection.

Promoting Responsible Gaming, Preventing Compulsive Gambling



Social responsibility is a priority at Loto-Québec. This responsibility is incorporated into all of the Corporation's day-to-day activities in a way that maintains a balance with its economic mission.

For example, during the last eight years, Loto-Québec **spent more than 240 million dollars** in this area. *Mise sur toi* alone has received nearly 33 million dollars since it was established in 2002 to promote responsible habits and behaviour on the part of players, retailers and gaming operators.

But Loto-Québec did not stop there. The reconfiguration of the video lottery terminal (VLT) network was not only completed as announced in the *2004-2007 Development Plan*, its objectives were exceeded. As of March 31, 2010, 36.3% of VLT sites had been closed, compared to the initial objective of 31%. Moving forward, Loto-Québec intends to maintain its network at approximately 12,000 gaming positions distributed among close to 2,000 establishments, including the Trois-Rivières and Québec City gaming halls, thus lowering the ratio of VLTs per 1,000 inhabitants to 1.53. This is **the lowest ratio of units and establishments in Canada**, where the average is 3 VLTs per 1,000 inhabitants.

There are also responsible gaming **training programs** for our employees and preventive measures that are promoted to consumers, retailers and retail employees and visitors to all of our gaming establishments.

All of these actions have resulted in Québec's becoming **one of the areas of the world where the most resources are applied to the issue of compulsive gambling**. It is also worthwhile mentioning that a 2010 study by Concordia University researchers found that the rate of **compulsive gamblers among Québec's adult population is 0.7%**. So fewer than 1% of adults in Québec have experienced a gambling problem.

This is the context in which in 2009, the World Lottery Association (WLA) awarded **the highest available international level of certification in responsible gaming to Loto-Québec: Level 4**. This certification was granted by an independent international jury of experts in corporate social responsibility. It confirms the high quality of Loto-Québec's responsible gaming programs and the Corporation's ability to integrate them into its daily workflow.

Many of the measures that were implemented over the years in education, player protection, stakeholder collaboration, research, advertising, promotion of responsible gaming and control of gaming activities played a role in the Corporation's receiving this superior level of certification. As a result, Loto-Québec is now among **the leaders within the WLA**, whose members include 140 lottery corporations worldwide.



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Our Environmental Contribution

With its appropriate management of residual materials, water and energy consumption, the employee workplace environment, purchasing practices and sustainable transport, **Loto-Québec works to reduce the environmental impact of its infrastructure and its operations**, while taking a **long-term perspective** in terms of confirming its leadership role.



Management of Residual Materials

Some years ago, Loto-Québec set up a recovery program in all of its buildings, whereby it recovers paper, cardboard, plastic, glass, metal, numerous types of equipment and other materials.

A major characterization study of Loto-Québec's residual materials was undertaken in 2008-2009 throughout the Corporation's establishments. The study showed that Loto-Québec generates some 2,800 tons of residual materials annually.

The characterization study did however confirm the Corporation's **good performance in the area of recovery**, recovering 77% of recyclable materials it generates. The fibre recovery rate (paper and cardboard) fluctuates around 83%, while the rate for plastics, glass and metal varies to a greater degree from one establishment to another. Several activities and awareness tools have been made available to help employees improve the recovery rate.

Loto-Québec has set a 2013 re-use target rate of 80% in all of its establishments, for products that come from residual materials that are potentially reusable or recyclable.

The main challenge will come from composting perishable materials at the corporate level, where 57% of all Loto-Québec residual materials are generated.

Five establishments now have composting systems: the Québec City regional centre, the Québec City gaming hall, the Casino du Lac-Leamy, the Hilton Lac-Leamy and the Casino de Mont-Tremblant.

Loto-Québec's residual materials management efforts are bearing fruit: nine of its establishments have now been certified by the *ICI ON RECYCLE!* program. The Montréal and Québec City regional centre did particularly well, receiving the highest level, awarded to institutions that re-use 80% of their residual materials.

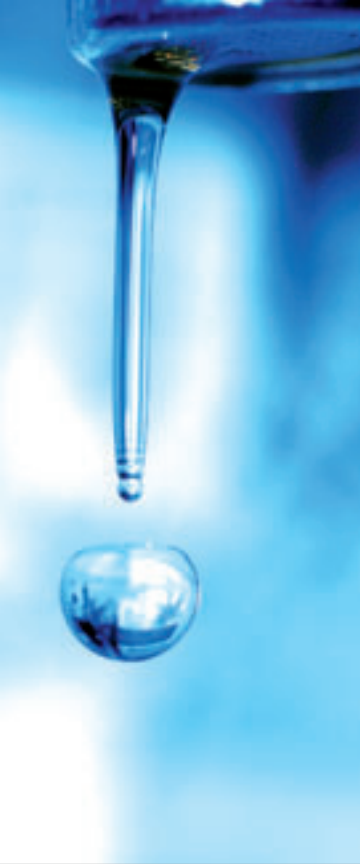
Establishments certified *ICI ON RECYCLE!*

Level 3

- **Montréal and Northwestern Québec regional centre, Laval**
- **Québec City and Eastern Québec regional centre, Québec City**

Level 2

- **Head office, Montréal**
- **Loto-Québec multifunctional complex, Montréal**
- **Pierre-De Coubertin building, Montréal**
- **Québec City gaming hall, Québec City**
- **Trois-Rivières gaming hall, Trois-Rivières**
- **Casino du Lac-Leamy, Gatineau**
- **Hilton Lac-Leamy, Gatineau**



Water Consumption

Water meters were installed in all of the Corporation's establishments in 2009-2010, providing a more precise profile of our water consumption. Once the data has been analyzed, a percentage reduction target will be set. Until that time, Loto-Québec washroom facility and exterior installation practices at the Corporation's establishments continue to be improved.

In order to provide a framework for the resource-saving initiatives in its buildings, Loto-Québec undertook to qualify all of its establishments for **BOMA BEST certification** and maintain their level of performance. Currently, 13 of its establishments have been certified. Loto-Québec's building management teams take part in improving their practices in this field, specifically by participating in BOMA round table commissions.

Energy Consumption

Loto-Québec **improved the energy efficiency of its buildings by more than 9% between 2006-2007 and 2010-2011**. These gains stemmed from, among other things, improving the heating and cooling systems in several of the Corporation's establishments. The increased energy efficiency of the new buildings contributed to this improved level of performance.

Several Loto-Québec establishments have achieved noteworthy gains in energy consumption reduction: 27% for the Québec City regional centre, 19% for the Hilton Lac-Leamy and 14% for the Loto-Québec multifunctional complex.

Finally, the major Casino de Montréal renovation that began in 2009 will enable part of the energy infrastructure of that establishment to be replaced by new, higher-performance fixtures and equipment that consumes less energy.



Quality of the Workplace Environment

Loto-Québec is committed to providing its employees with a **healthy and high-performance workplace environment**.

Design, renovation and management practices used in the Corporation's buildings aim at maximizing their positive impact and at reducing any detrimental effects. This approach finds expression in the use of **ecological materials**, maximizing the use of natural lighting and lowering noise at the workspace level.

Efforts have also been made to improve building air quality and to optimize ventilation systems. These measures improve the workplace environment while **reducing energy consumption**.

LEED (Leadership in Energy and Environmental Design) certification from the Canada Green Building Council is pending for the Québec City and Trois-Rivières gaming halls. The Casino de Mont-Tremblant will be applying for the same certification.

Four years ago, Loto-Québec also began a major program to **reduce its photocopier and printer paper consumption**. By introducing equipment capable of two-sided printing and educating its employees, the Corporation lowered its use of fine papers by 16% more than 17.9 tons of paper. Nearly 3.6 million sheets of paper were saved due to these measures.

Awareness and Training

As part of its sustainable development efforts, Loto-Québec holds **information campaigns for its personnel**. These campaigns touch on themes such as sustainable development, paper and energy consumption and the appropriate management of residual materials, both at work and at home.

Loto-Québec also participates in a variety of **sustainable development awareness events**, including Earth Hour, Earth Day and the In Town Without My Car! car-free day in Montréal.

Similarly, Loto-Québec makes the *Ma santé, je m'en occupe* program available to all of its employees in order to help participants acquire **healthy living habits**. The program covers themes such as stress management, healthy eating and the benefits of exercise.

Training programs on how to incorporate the principles of sustainable development into the decision-taking process, the optimal use of fine papers and responsible event planning are provided to specific employee categories.

Finally, all Loto-Québec employees take **training sessions on responsible gaming**. Complete information on our responsible gaming measures can be found at the address below.

lotoquebec.com/corporatif/nav/en/responsible-gaming



Eco-responsible Events

Responsible event management seeks to make use of the principles of sustainable development, from event planning stage to wrap-up statement. The goal is to minimize the negative impacts of events, especially with respect to the environment, and to increase their positive repercussions (local or fair trade, utilizing locally-minded businesses, event accessibility, etc.).

Responsible management includes environmental, social, ethical and governance objectives.

Loto-Québec thus works to incorporate **eco-responsible management practices** into its internal workflow and into the public events the Corporation sponsors each year.

Since 2006, Loto-Québec's sponsorship program has included sustainable development awareness activities for event organizers. The Corporation also includes questions about sustainable development in its event sponsorship application form.

Residual materials management, active transportation, local purchasing and healthy food are also assessed when considering applications, with the resulting scores used in the event sponsorship selection process.

Moreover, this initiative was **recognized in 2010 at the Gala de reconnaissance en environnement et développement durable de Montréal**, organized by the Conseil régional de l'environnement de Montréal, the Conférence régionale des élus de Montréal and the Ville de Montréal.

Loto-Québec also shared its experience in this area by participating in the Bureau de normalisation du Québec's 2010 creation of responsible event management standards.

BOMA BEST Certification by Establishment

Level 4

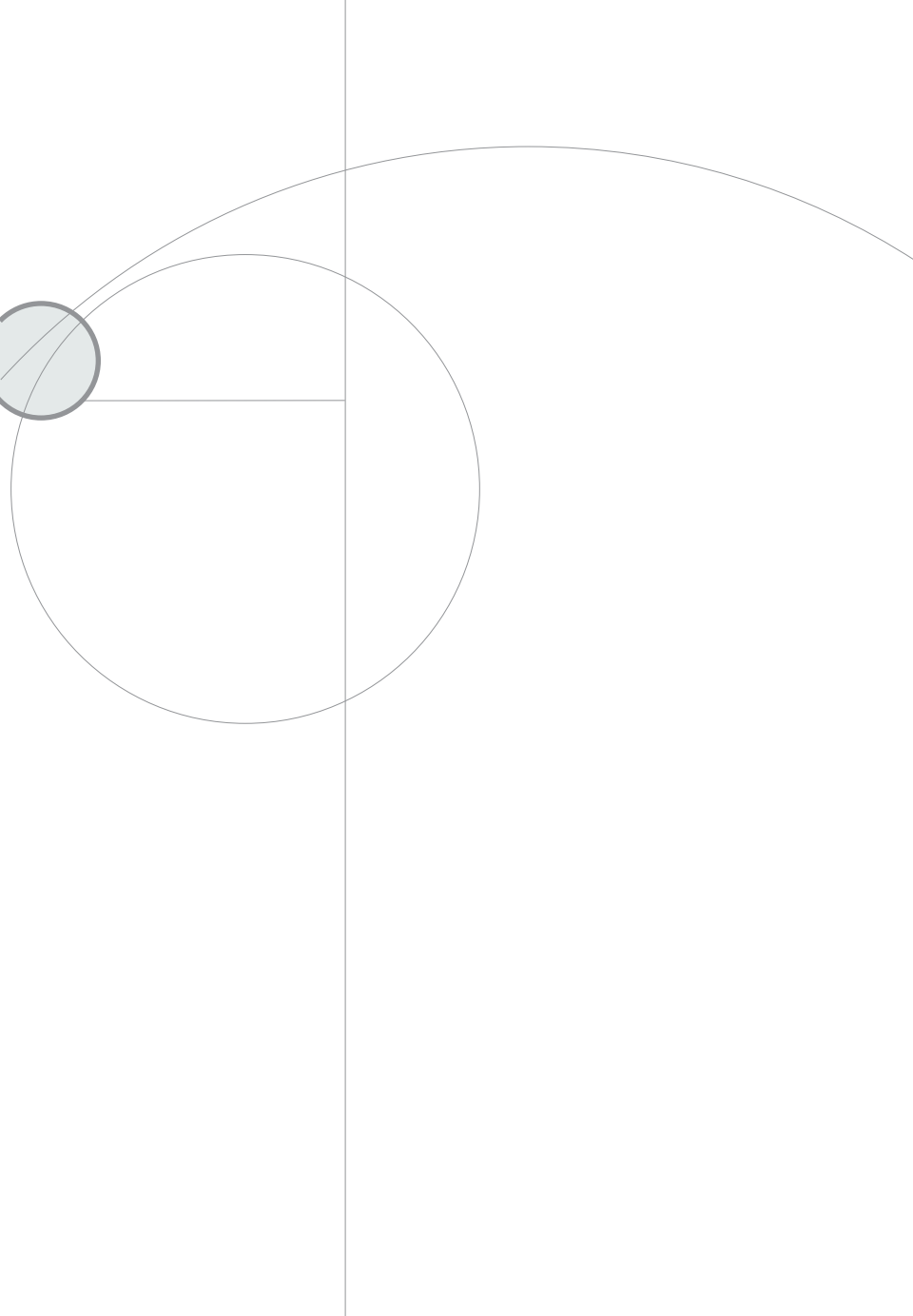
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- **Casino du Lac-Leamy, Gatineau**
- **Casino de Mont-Tremblant, Mont-Tremblant**

Level 2

- **Casino de Montréal, Montréal**
- **Casino de Charlevoix, La Malbaie**
- **Fairmont le Manoir Richelieu hotel, La Malbaie**
- **Hilton Lac-Leamy hotel, Gatineau**



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