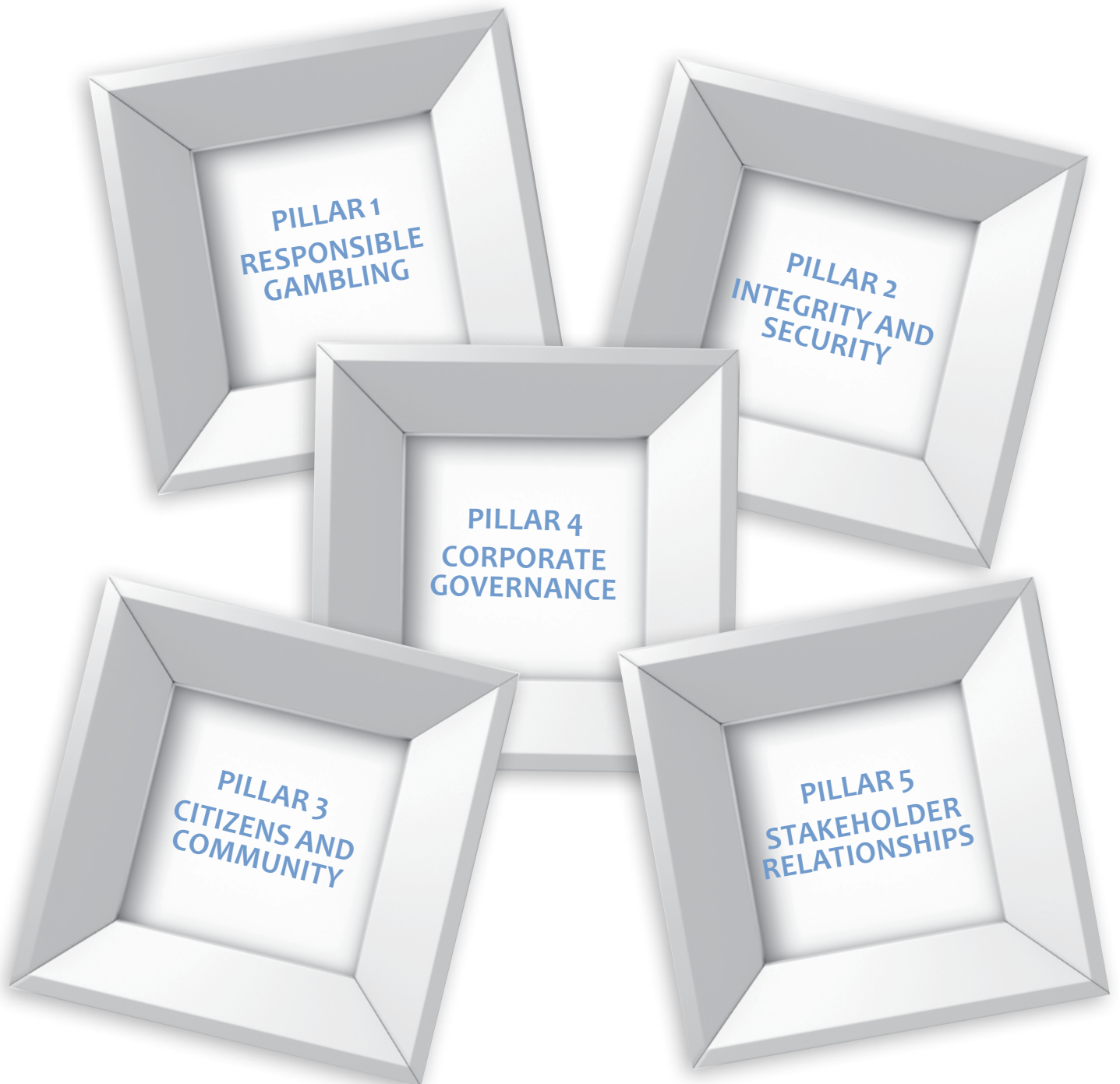


Nova Scotia Gaming Corporation
**2012 SOCIAL RESPONSIBILITY
COMMUNITY REPORT**



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A MESSAGE FROM THE ACTING PRESIDENT & CEO



On behalf of the Nova Scotia Gaming Corporation (NSGC), I am proud to present our sixth annual Social Responsibility Community Report. This year's report outlines 29 commitments that were set and achieved in 2011-12.

Social responsibility is integrated into every aspect of the gaming business through the five pillars of our Social Responsibility Charter: *Responsible Gambling, Integrity and Security, Citizens and Communities, Corporate Governance and Stakeholder Relationships*.

It is my hope that after reviewing this information you will have better insight into the gaming industry in Nova Scotia, and understand how we have worked to serve our communities; it is a job we take very seriously. I would also like to take this opportunity to thank our operators, Atlantic Lottery and Casino Nova Scotia, our many retailers and the entire team at NSGC for the commitment and dedication they have shown to running a socially responsible business in Nova Scotia.

Our commitment today remains the same for the future – maintaining a responsible, sustainable and accountable gaming industry for the benefit of all Nova Scotians.

Yours very truly,

A handwritten signature in black ink that reads "Robert MacKinnon". The signature is written in a cursive, flowing style.

Robert A. MacKinnon MBA CA
Acting President & CEO



RESPONSIBLE GAMBLING

2011-12 COMMITMENT

OUTCOME

1. Deliver responsible gambling programming at Casino Nova Scotia.

Complete ✓

- The Mobile Access to Responsible Gambling Information (M.A.R.G.I.), developed by the Responsible Gambling Council, is a stand-alone kiosk that provides players with interactive tools and information to assist them in making informed decisions. The kiosk has been incorporated as a key responsible gambling initiative at both Casino Nova Scotia locations.
 - More than 3,350 casino visitors utilized M.A.R.G.I. to learn about responsible gambling in 2011-12.
- Responsible Gambling Resource Centres continued to operate within Casino Nova Scotia Halifax and Sydney.
 - In 2011-12, the Centres welcomed over 2,716 visitors and distributed more than 15,900 pieces of information through the Responsible Gambling Information Program.
- Player's Edge, a DVD that explains odds and randomness of casino games, is available to Casino Nova Scotia patrons through the Responsible Gambling Resource Centres.

2. Sponsor and promote Responsible Gambling Awareness Week.

Complete ✓

- October 2 to 8, 2011 marked the tenth annual Responsible Gambling Awareness Week (RGAW) in Nova Scotia. The primary goals of the week are to increase public awareness about the importance of gambling responsibly as well as contribute to increasing industry knowledge about responsible gambling.
 - In 2011, activities and events were focused in the following communities: Cape Breton, Halifax Regional Municipality, Amherst, Antigonish, New Minas and Yarmouth.
 - In 2011, NSGC introduced a new method of engaging communities. Street teams were used to reach highly-populated areas, by providing RGAW handouts and interacting with people. Using this method, NSGC reached 3,110 Nova Scotians.
 - The centerpiece of the week was the annual Responsible Gambling Conference held October 3 and 4. The Conference attracted approximately 200 people and featured 15 world-renowned industry experts.
 - A survey was completed in October 2011, where 89% of respondents in Nova Scotia supported RGAW.
 - Planning for RGAW 2012 began in January.



RESPONSIBLE GAMBLING

2011-12 COMMITMENT

OUTCOME

3. Build gambling-related expertise and capacity by supporting key initiatives.

Complete ✓

- NSGC continued to support the Dalhousie Gambling Lab in 2011-12.
- A multi-year longitudinal study to assess the impact of the My-Play System on the video-lottery business line and player behaviour began in 2007 and is ongoing.
- NSGC has continued to participate in multi-jurisdictional initiatives with national and provincial organizations, including the Responsible Gambling Council (RGC), Interprovincial Lottery Corporation (ILC), and the Canadian Partnership for Responsible Gambling (CPRG). In 2011-12, NSGC participated in RGC's Insight Forum on Best Practices for Responding to Patrons with Gambling Related Concerns.

4. Research, test and support initiatives that foster evidence-based decision-making around responsible gambling.

Complete ✓

- NSGC's My-Play System is a preventative tool designed to provide players with access to valuable information and tools that can be used as part of their video lottery play. Players can set time and spending limits as well as access their play history, providing accurate and up-to-date information they can use. Research shows that once players use the system regularly, they see the benefits of the tools and make more informed decisions about their play.
 - In 2010, Nova Scotia initiated and integrated a new card-based player system for VLT's in the province, the My-Play System.
 - Province-wide roll out was completed in summer 2010.
 - Per the 2011 Responsible Gaming Strategy, government announced enrolment in the My-Play System would transition to mandatory on April 1, 2012 to ensure Nova Scotians are able to optimally use the full range of positive features on the My-Play card.
 - An RG information tool was added to the My-Play System in February 2012. Players can now access information related to Video Lottery Terminal (VLT) play, myths and facts and tips to help them play responsibly.
 - A "light enrolment" option was introduced on February 1, 2012, in response to players privacy concerns related to the system. Players can now enrol without providing any personal information.
- Know the Score 2 (KTS2), created by the Responsible Gambling Council, is an interactive peer-led program offered through community colleges and universities. It is designed to give people between the ages of 19 and 24 the facts about games of chance and to provide them with information on local resources to help them prevent or address gambling problems.
 - KTS2 visited 14 campuses and reached more than 3,200 students in 2011-12.
 - 92.9% of students thought campus programs like KTS2 were a good way to get problem gambling information to students.



RESPONSIBLE GAMBLING

2011-12 COMMITMENT

OUTCOME

5. Conduct Social Responsibility Assessments for every new project, program and initiative.

Complete ✓

- In 2006, NSGC created the first Social Responsibility Assessment (SRA) model in the world.
 - The SRA Program is used to measure the social responsibility of all initiatives put forth by NSGC, Atlantic Lottery and Casino Nova Scotia. If a product, project or program does not pass the assessment, it is not introduced into the market.
 - As part of the SRA Program, and NSGC's commitment to continuous improvement, a Code of Advertising Standards was developed and is used when evaluating each SRA. The Code is independently reviewed by Advertising Standards Canada.
- In 2011-12, NSGC completed 498 Social Responsibility Assessments, of which 446 were approved, 51 were approved with modifications and one was declined.



RESPONSIBLE GAMBLING

2011-12 COMMITMENT

OUTCOME

6. Support youth prevention programming initiatives to raise awareness about the risks of gambling.

Complete ✓

- In 2009-10, NSGC launched *BetStopper*, a world-first Internet content-blocking software for Nova Scotia families to prevent children from accessing gambling websites.
 - *BetStopper* is free to Nova Scotia families and caregivers and can be downloaded from NSGC's corporate website.
 - Through a competitive process in 2010-11, *BetStopper* also became the provincial gambling content-blocking software for British Columbia.
 - In 2011-12, NSGC continued to offer this software to Nova Scotians.
- 82%, a drama created by the Responsible Gambling Council, was performed for high school students to convey messages about the risks of gambling as well as information about problem gambling.
 - 82% was performed at 11 schools, reaching more than 2,911 students in 2011-12.
 - 92% of students and educators agreed that 82% was a good way to increase awareness of problem gambling.
- NSGC continued its support of YMCA's Youth Gambling Awareness Program (YGAP) which is delivered to youth aged 8 – 24 in schools and community organizations as well as to some teacher and parent groups.
 - In 2011-12, more than 11,000 people participated in the program which addresses attitudes and behaviours of youth gambling and helps participants understand the risk involved.
 - The impact of the program has been excellent to date with 98% of participants able to identify 1 to 2 risks related to gambling.

7. Ensure responsible gambling training is delivered industry-wide.

Complete ✓

- 100% of NSGC employees received responsible gambling training in 2011-12.
- In 2011-12, 983 ticket lottery retailers and 342 video lottery retailers completed the Responsible Gambling Retailer Training Program. The annual training is designed to give retailers the tools they need to be effective and responsible retailers, and to provide customers with excellent service and accurate information.
 - Retention review of the training showed that 100% of retailers were able to pass the post-training quiz.



RESPONSIBLE GAMBLING

2011-12 COMMITMENT

OUTCOME

8. Provide funding to the Nova Scotia Department of Health and Wellness and Gambling Awareness Nova Scotia (formerly the Nova Scotia Gaming Foundation).

Complete ✓

- NSGC provided over \$4.1 million in funding to the Nova Scotia Department of Health and Wellness to fund problem gambling programs; ensuring that help is there when someone does experience a problem.
- NSGC provided \$0.6 million to Gambling Awareness Nova Scotia to help fund research and other community grants.

9. Maintain and update key responsible gambling touch-points for players.

Complete ✓

- NSGC's responsible gambling website (yourbestbet.ca) received approximately 3,300 unique visitors in 2011-12. The website includes facts about gambling and knowing the odds.
- In 2011-12, NSGC continued to provide information about the gaming industry and its role to Nova Scotians through its corporate website.



INTEGRITY AND SECURITY

2011-12 COMMITMENT

OUTCOME

1. Ensure that operators adhere to regulatory requirements and provide a secure environment.

Complete ✓

- NSGC, along with the Alcohol and Gaming Division of the Department of Service Nova Scotia and Municipal Relations and the Atlantic Lottery Corporation, coordinated the development of amended regulatory Retailer Operating Procedures and additional Technical Standards to ensure ticket lottery retailers and Atlantic Lottery remained compliant with the updated ticket lottery regulations introduced in October 2009.
- Two independent reviews of the prize claim and investigations process concluded that controls implemented by Atlantic Lottery in 2007 align with industry best practices.
- NSGC reported 267 incidents related to Section 24(1)(e) of the *Gaming Control Act*; 263 were resolved through prescribed procedures and four are being reviewed.
- There were 87 retailer wins and 13 customer complaints that were reviewed in 2011-12. All complaints and retailer wins over \$1,000 were investigated by Atlantic Lottery and no issues were found.

2. Adhere to and ensure full compliance of operators with *Freedom of Information and Protection of Privacy (FOIPOP)* guidelines established by the province of Nova Scotia.

Complete ✓

- NSGC responded to all FOIPOP requests, and wherever legislation allowed, information was released to the requestor.
 - One FOIPOP request was received by NSGC in 2011-12 but was later withdrawn as the information was publicly available.
 - Additionally, NSGC provided regular updates to stakeholders and members of the public and responded to routine information requests.
- In 2011-12, NSGC responded to 99 inquiries made through its corporate website.



CITIZENS AND COMMUNITY

2011-12 COMMITMENT

OUTCOME

1. Actively seek the feedback of Nova Scotians on gaming issues.

Complete ✓

- NSGC conducted various focus groups, evaluations and surveys throughout 2011-12 in order to ensure it maintains a responsible, sustainable and accountable approach to gaming.
- NSGC also actively consulted 22 bingo licenses throughout the province to help inform the retirement of SuperStar Bingo. In addition, Community Fundraising seminars were held in Dartmouth and Sydney to engage with local community leaders.

2. Purchase goods and services locally.

Complete ✓

- NSGC continued to purchase goods and services locally whenever possible and purchased goods and services from 211 different Nova Scotian vendors.

3. Explore opportunities to provide world-class entertainment.

Complete ✓

- 2011-12 was another successful year of attracting world-class entertainers to Casino Nova Scotia.
 - 61 acts including the Crash Test Dummies, Boys II Men, Gordie Sampson, Kool and the Gang and April Wine entertained crowds at the Halifax and Sydney casinos in 2011-12.
 - Casino Nova Scotia Halifax launched the Games!Room to provide a hip and vibrant area designated for new and fresh types of entertainment.

4. Ensure that employees' outstanding volunteer work is celebrated and supported by all staff.

Complete ✓

- Under its Social Responsibility Ambassador Program, NSGC employees were acknowledged quarterly for outstanding volunteer contributions in their communities.

5. Support community initiatives.

Complete ✓

- Through Community Casino Nights, NSGC and its employees worked with community organizations such as the Cape Breton Regional Hospital Foundation, Health Services Foundation of the South Shore, Festival Antigonish and the Yarmouth County Historical Society to help raise more than \$109,000.
- In 2011-12, NSGC provided the Harness Racing industry in Nova Scotia with \$1 million to assist in maintaining this longstanding and traditional sporting industry with roots in gaming as directed by government.
- The *Support4Health* Program continued to sponsor various health related organizations such as the Nova Scotia Hearing and Speech Foundation, Crosbie House Society and the Marguerite Centre.



CITIZENS AND COMMUNITY

2011-12 COMMITMENT

OUTCOME

6. Provide dedicated revenues from product sales to important causes.

Complete ✓

- NSGC established the *Support4Sport* Program in 2006, which provides critical funding to amateur sport across the province. These funds are used to purchase equipment, create and enhance recreation and participation programming for all ages, support performance training for competitive athletes as well as hire coaches and officials at all levels.
 - In 2011-12, *Support4Sport* generated \$4.0 million, totaling more than \$17.6 million to date.
 - Funding helped 149 athletes, hired 14 full-time coaches, assisted 52 coaches and officials with training and funded 87 community and provincial sport organizations in 2011-12.
 - 377 funding allocations were made through Sport Nova Scotia.

7. Seek opportunities to participate in community events that benefit communities and citizens.

Complete ✓

- NSGC's *Support4Communities* Program includes its Charitable Sector Support Program which includes the Community Casino Nights and Community Fundraising Seminars.
 - \$109,000 was raised from 12 Community Casino Nights, supporting various charitable organizations in 2011-12, bringing the total raised for Nova Scotia charities to \$426,000 since its inception in 2006.
 - NSGC held its annual Community Fundraising Seminars in Sydney and Dartmouth. This year the seminars were focused on Monte Carlo fundraisers. The seminars were attended by 40 community volunteers, representing Museums, Royal Canadian Legions, service clubs and other community organizations from across Nova Scotia. Surveys were completed by the attendees: 100% of attendees gave an excellent or good rating to the helpfulness of the information presented, 97% of attendees said they would recommend the seminar to another charity and 100% agreed that offering seminars is an effective way for NSGC to support the charitable sector.

8. Adhere to the principles outlined in NSGC's Environmental Policy.

Complete ✓

- NSGC continued many of the practices instituted as part of the Re-Think Greener Choices at Work Program. This included encouraging employees to:
 - Power down office equipment such as computers, monitors and printers when not in use;
 - Turn off lights in boardroom and offices when leaving; and,
 - Print documents in black and white and double-sided by setting this as the printer default.



CORPORATE GOVERNANCE

2011-12 COMMITMENT

OUTCOME

1. Report publicly on social responsibility performance every year.

Complete ✓

- In July 2011, NSGC released its 2010-11 Annual Report on its website and in print to approximately 1,800 stakeholders.
- NSGC released its 2010-11 Social Responsibility Community Report in October 2011.
- On a quarterly basis, NSGC updated its Fact Sheets, which are available on its website. These include information on:
 - A History of Firsts in Social Responsibility;
 - Gambling in Nova Scotia;
 - Internet Gambling;
 - My-Play System;
 - Overview of the Gaming Industry;
 - Responsible Gambling Programs;
 - *Support4Sport* Program;
 - Who does What in the Gaming Industry;
 - Youth Prevention Programs; and,
 - 2011 Responsible Gaming Strategy.

2. Provide Board of Directors with social responsibility update twice a year.

Complete ✓

- NSGC's Board of Director's received social responsibility updates in September of 2011 and in March 2012.

3. Adhere to regulations established by the Alcohol and Gaming Division of the Department of Service Nova Scotia and Municipal Relations.

Complete ✓

- All games and facilities met the required regulatory provisions.
 - 100% of all slot machines at both Casino Nova Scotia locations are tested to ensure compliance with provincial casino regulations.
 - The Alcohol and Gaming Division randomly tested slot machines and associated gaming equipment at the casinos to ensure each machine was compliant with the legislated minimum payout percentage, as well as other requirements.
 - Atlantic Lottery's testing and approval of all video lottery terminals met or exceeded the requirements in Section 6(2) of the *Video Lottery Regulations*.
 - Atlantic Lottery continued to conduct regulatory compliance testing at all locations to ensure compliance with regulatory requirements.
 - Atlantic Lottery continued to adhere to Technical Standards to ensure equipment and products complied with *Atlantic Lottery Regulations*.



CORPORATE GOVERNANCE

2011-12 COMMITMENT

OUTCOME

4. Monitor trends in the gaming industry and provide evaluations and information to the shareholder.

Complete ✓

- NSGC provided government with regular briefings on issues, initiatives and programs within the gaming industry.

5. Rigorously test, evaluate and monitor new games to ensure standards and regulations are met.

Complete ✓

- New video lottery and ticket lottery games continued to be assessed following the prescribed process and standards. All regulatory requirements were met.

6. Empower employees to promote the social responsibility agenda by being social responsibility ambassadors.

Complete ✓

- NSGC continued its Social Responsibility Ambassador Program and Volunteer Support Program for employees.
 - NSGC staff volunteered with 21 non-profit and charitable organizations in 2011-12 including childrens sports teams and local business organizations.
- In September 2011, NSGC staff took part in the Great Canadian Shoreline Cleanup and volunteered at Africville (Seaview Memorial Park) for an afternoon.
- NSGC staff volunteered at Feed Nova Scotia in December 2011 as part of NSGC's Community Impact Day.

7. Review Corporate Governance Policy.

Complete ✓

- NSGC reviewed its Corporate Governance Policy in 2011-12 to ensure it reflected best-practices in board governance.



STAKEHOLDER RELATIONSHIPS

2011-12 COMMITMENT

OUTCOME

1. Seek opportunities to engage stakeholders, business partners, municipalities, service agencies, community organizations and individuals.

Complete ✓

- The My-Play Ambassador Program launched in March of 2012. Ambassadors visited video lottery locations to familiarize players and staff with the system and encouraged full enrolment.
 - Video lottery retailers were engaged on gaming related issues through meetings and other communications.
 - NSGC's Community Casino Nights program provides in-kind support and capacity-building opportunities to approximately 10 licensed Monte Carlo fundraisers each year, while building relationships with stakeholders at the grassroots level. Since its inception, the program has helped grassroots organizations raise more than \$426,000 in support of local causes. Surveys were completed at four of the larger events in 2011-12 and 97% of attendees agreed that NSGC's support of the event is an effective way to support the charitable sector.
-

2. Work to identify areas of improvement in relationships with stakeholders.

Complete ✓

- NSGC continues to develop and strengthen relationships with key stakeholders.
 - In 2011-12, regular meetings were held with the Department of Communities, Culture and Heritage, the Department of Health and Wellness, as well as the Atlantic Lottery Corporation, Casino Nova Scotia, the Alcohol and Gaming Division of the Department of Service Nova Scotia and Municipal Relations and retailer groups.
 - NSGC provided support to the Nova Scotia government in relation to the 2011 Responsible Gaming Strategy.
-

3. Engage key stakeholders and incorporate their feedback into all new major initiatives.

Complete ✓

- In 2011-12, as part of the Retailer Responsible Gambling Training Program, all ticket and video lottery retailers were asked to provide feedback which will be incorporated into the refresher training program for 2012-13.
 - NSGC requested feedback from responsible gambling and problem gambling experts and considered their views on all major initiatives.
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