

Profile of Societal Contributions



The diagram features a central white circle with three segments removed, each connected by a thin white line to a colored watercolor wash. The top segment is yellow and labeled 'ECONOMIC CONTRIBUTION'. The bottom-left segment is green and labeled 'ENVIRONMENTAL CONTRIBUTION'. The bottom-right segment is orange and labeled 'SOCIAL CONTRIBUTION'.

**ECONOMIC
CONTRIBUTION**

**ENVIRONMENTAL
CONTRIBUTION**

**SOCIAL
CONTRIBUTION**

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Under the banner of its sustainable development policy adopted in 2006, and in line with the principles of the Government's legislation, Loto-Québec assures that each of its business and corporate units integrates the appropriate concrete actions into their operating plans.

SUSTAINABLE DEVELOPMENT COMMITMENTS

1. Optimizing economic benefits for all of Québec society while taking sustainable development considerations into account
2. Favouring the acquisition of goods and services from suppliers, entrepreneurs, organizations and subcontractors that adopt responsible sustainable development practices
3. Promoting responsible gaming behaviour among its clientele and employees and those of its subsidiaries
4. Developing and maintaining harmonious community relations
5. Supporting organizations and events that offer significant spinoffs within their respective regions
6. Acting as a responsible employer
7. Contributing to the promotion and preservation of Québec's cultural heritage
8. Adhering to preventive management practices aimed at reducing the impact of its activities and infrastructures on the environment
9. Promoting the awareness and commitment of its various internal publics to sustainable development
10. Assuring the transparency of its sustainable development initiatives
11. Furthering continuous improvement through the close monitoring of its sustainable development actions

LOTO-QUÉBEC'S MISSION

For close to 40 years now, Loto-Québec's primary mission has been to operate games of chance in Québec in a controlled and effective manner. Created in 1969 to implement a public lottery, the Corporation has diversified its activities over the years in order to carry out new mandates entrusted to it by the Government.

In addition to its public lottery, today, through its subsidiaries, Loto-Québec operates three casinos, related restaurant and hotel services, a video lottery network that includes two gaming halls known as Ludoplex, and network bingo activities. In addition, the Corporation is actively involved in research and the development of new products and marketing and distribution methods. Indeed, the organization's

products are recognized worldwide for their quality and creativity, thus assuring that each business unit is able to meet consumer expectations and reinforce Loto-Québec's position at the forefront of the gaming industry. Finally, the Corporation holds a financial interest in JOA Groupe, the third largest casino operator in France.

Loto-Québec returns the fruits of its commercial activities to the Government and to all of Québec society. In recognition of its social responsibilities, the Corporation is dedicated to combating excessive gambling and to promoting healthy gaming behaviour. Moreover, it manifests its social commitment through the sponsorship of numerous events that bring people together throughout the province.

GAMING: A STATE-CONTROLLED ACTIVITY

In the majority of countries around the world, games of chance must be controlled and managed by State authorities in order to be legal. In Canada, the Criminal Code stipulates (with a few exceptions) that only the provinces may operate games of chance in accordance with their respective legislation. In effect, the State monopoly on the operation of games of chance not only ensures that all profits generated by gaming go into Government coffers and are used for public good, but it also prevents the forces of competition from determining how the industry will evolve. Moreover, the State presence provides greater assurance of the integrity of gaming, the protection of consumers, and the prevention of illegal gambling.

Québec legislation entrusts Loto-Québec with the mandate to operate games of chance and stipulates that the norms and conditions for each category of game it offers be regulated. These regulations must be approved by the Government and are published in the *Gazette officielle du Québec*. Furthermore, the regulations governing casinos and video lotteries must be subject to the scrutiny of the Régie des alcools, des courses et des jeux before their approval by the Government.

The Corporation has always been true to its mission of contributing to the interests of the population, notably by returning the fruits of its activities in their entirety to Québec society.



LOTO-QUÉBEC HAS ALWAYS REMAINED TRUE TO ITS MISSION OF CONTRIBUTING TO THE INTERESTS OF THE PROVINCE'S POPULATION, MOST NOTABLY BY RETURNING THE FRUITS OF ITS ENDEAVOURS IN THEIR ENTIRETY TO QUÉBEC SOCIETY.

IN PURSUING ITS SUSTAINABLE DEVELOPMENT POLICY, LOTO-QUÉBEC RANKS AMONG THE FORERUNNERS PAVING THE WAY IN THIS AREA WITHIN THE PROVINCE'S PUBLIC ADMINISTRATION.

PROFILE OF SOCIETAL CONTRIBUTIONS

MESSAGE FROM THE CHAIRWOMAN OF THE BOARD

Loto-Québec is pleased to be presenting its Profile of Societal Contributions.

This Profile is intended to serve as an update of the previously published Social Responsibility Reviews. Covering the period from April 1, 2007 to March 31, 2008, it presents the various initiatives implemented by the Corporation since the last update in 2007.

The present publication remains structured around our economic, social and environmental contributions. Since 2005, Loto-Québec has been committed to a major sustainable development initiative encompassing the three fundamental dimensions within all of its activity sectors. This initiative, which involves all of the Corporation's business units and subsidiaries, is fuelled by our drive for continuous improvement and is fully aligned with the organization's business objectives and operational realities.

In pursuing its sustainable development policy, Loto-Québec ranks among the forerunners paving the way in this area within the province's public administration. The Corporation's leading role constitutes a genuine source of pride for its employees, its partners, and for Québec society as a whole.

Finally, this document also contains a number of testimonials from people and organizations that have been observers of, or served as partners in, our various economic, social and environmental contributions. As such, we are pleased to be offering a more concrete perspective on the Loto-Québec's diverse interactions with Québec society at large.



Hélène F. Fortin
Chairwoman of the Board

MESSAGE FROM THE PRESIDENT AND CEO

Loto-Québec is proud to be part of a passionate industry dedicated to entertainment. In deciding to draw upon the benefits of operating games of chance some 40 years ago, the State did so, first and foremost, to assure that these games are managed responsibly and with absolute integrity. Loto-Québec has always remained true to its mission of contributing to the interests of the province's population, most notably by returning the fruits of its endeavours in their entirety to Québec society. In the process, the Corporation is constantly committed to maintaining a proper balance between its economic mission and its social responsibility.

This publication has been designed to outline the principal actions taken by Loto-Québec during 2007-2008 in order to achieve this balance and the objectives it has set for itself.

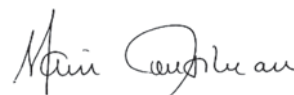
From an economic perspective, we have actively pursued our goals while taking the social and environmental impacts of our activities into account. In so doing, we have remitted a dividend of \$1.361 billion to the Québec Government.

From a social standpoint, we have focused great importance on sensitizing the population to responsible gaming and to promoting healthy gaming behaviour. In fact, Loto-Québec has been at the forefront of the World

Lottery Association's (WLA's) efforts to establish global principles of social responsibility for our industry. In 2006, these endeavours gave birth to the *WLA Responsible Gaming Framework*, to which we adhere in conjunction with and have undertaken an international certification initiative of the highest standards.

For Loto-Québec, the sustainable development drive calls for the conciliation of numerous business and operational objectives with the expectations of Québec society. In line with the 2008-2013 Governmental Sustainable Development Strategy now being implemented, the Corporation has actively embarked on a structured initiative in accordance with the Government's directions.

Within the pages of this document, you will be presented with a thorough review of the Corporation's diverse efforts to positively contribute to the development and prosperity of our society. I hope you find the publication enjoyable and enlightening to read!



Alain Cousineau
President and Chief Executive Officer



**\$1.361 BILLION IN
DIVIDENDS REMITTED
TO THE QUÉBEC
GOVERNMENT**

**\$417.2 MILLION IN
GOODS AND SERVICES
PURCHASED FROM
1,190 SUPPLIERS**

**152 EVENTS AND
ACTIVITIES SPONSORED
ACROSS QUÉBEC**

OUR ECONOMIC CONTRIBUTION

A Significant Impact on the Province's Economy

Loto-Québec's economic contribution to society is significant. In fact, the Corporation's customers, business partners and employees, as well as the Government and provincial taxpayers, have enjoyed the benefits of its activities and operations for some 40 years now.

2007-2008 ECONOMIC HIGHLIGHTS AND IMPACTS	
> Total consolidated revenues	\$3.850 billion
> Net income	\$1.436 billion
> Dividends to the Québec Government	\$1.361 billion
> Prizes awarded to lottery and bingo winners	\$1.051 billion
> Commissions and compensations to lottery, video lottery and bingo network partners	\$377.4 million
> Purchase of goods and services from 1,190 suppliers conducting business in Québec	\$417.2 million
> Salaries and employee benefits	\$376 million
> Taxes to Governments	\$147.4 million
> Special contributions to Governments	\$90.9 million

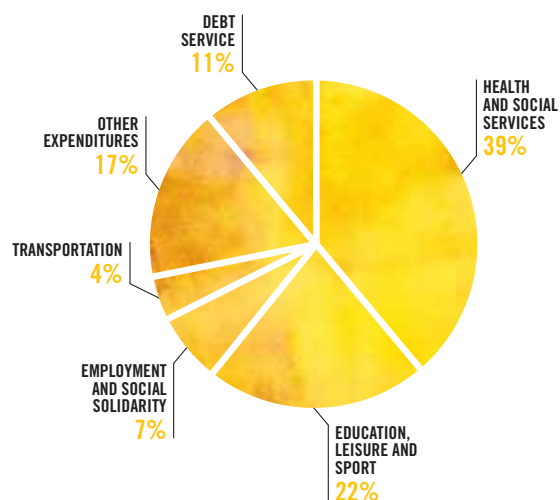


**CLAUDE THIVIERGE,
MANAGER, ATELIER POLY-TECK**

“LOTO-QUÉBEC HAS OFFERED US ORIGINAL IDEAS AND ENABLED US TO DESIGN NEW PRODUCTS. THE DISPLAY UNITS WE CREATE FOR ALL CONVENIENCE STORES IN THE PROVINCE HAVE PROVIDED US WITH EXCEPTIONAL VISIBILITY.”

➤ An adapted work centre established in Sherbrooke in 1961, Atelier Poly-Teck now employs more than 80 people, notably for the production of Loto-Québec's product display units. Specialized in PVC products, the company is preparing to reinforce its environmental commitment through the use of 100% recyclable materials in its production.

During fiscal 2007-2008, Loto-Québec contributed \$1.361 billion in dividends to the Québec Government in order to finance public programs and services.



Source: 2008-2009 Expenditure Budget, Volume IV (Treasury Board Secretariat)

OUR ECONOMIC CONTRIBUTION

Regional Economic Support

Loto-Québec has an active presence across the province by way of its partners, its distribution network, its Ludoplex, and its Casinos. Each year, Québec's three gaming houses record some 10.8 million visits, including two million from individuals originating from outside the province. These establishments make a major contribution to the tourism industry, particularly in the Charlevoix and Outaouais regions. In 2007-2008, Québec casinos posted total revenues of \$790.4 million. At the same time, they accounted for more than 6,000 direct jobs and generated substantial economic benefits for their surrounding regions.



A fourth gaming house is slated to open its doors in 2009 — the Casino de Mont-Tremblant. Perfectly integrated into the hotel resort complex, this establishment will constitute an additional attraction for the thousands of tourists and vacationers who regularly frequent the site. The Casino represents an investment of almost \$61 million and will see the creation of close to 225 jobs.

Among the places Loto-Québec's personnel demonstrate their outstanding competence and expertise is in the Corporation's kitchens. In fact, the Casinos' restaurants are widely recognized and regularly distinguished for their excellent cuisine. For example, the Casino de Montréal's *Nuances* and the Casino du Lac-Leamy's *Le Baccara* are ranked at the top of the *Guide Debeur*'s list with four stars. They have also earned *Wine Spectator* Magazine's Best of Award of Excellence and have retained the CAA/AAA automobile associations' Five Diamond rating respectively for the ninth consecutive and eight year. With that designation, the *Nuances* and *Le Baccara* rank among the three highest rated dining rooms in Québec and the seven top rated in Canada. For its part, the Casino de Charlevoix's *Le Charlevoix* also preserved its Four Diamond rating.



MAURICE DUFOUR, VICE-PRESIDENT,
CHARLEVOIX'S WHITE RENDEZVOUS

“IN ORDER TO MOTIVATE PEOPLE TO COME DISCOVER OUR REGION AND EVERYTHING IT HAS TO OFFER, IT WAS NECESSARY TO MOBILIZE ALL THE PARTNERS AND SET THE EXAMPLE.”



Producer of award-winning cheeses and founder of a ripening plant in Baie-Saint-Paul renowned among gourmets, Maurice Dufour is in a perfect position to represent his beloved Charlevoix region and support the promotional initiatives organized. The Casino de Charlevoix is pleased to be associated with the success of Charlevoix's White Rendezvous.

An International Presence

Loto-Québec is increasingly present on the international scene thanks to its research and development subsidiary, Ingenio, which is constantly improving its products, creating innovative new ones, exploring effective new marketing and distribution methods, and renewing the Corporation's long-term gaming offerings. In addition to these concerted efforts, Ingenio is also committed to promoting and supporting Québec talent in the area of innovation within global markets. In so doing, games designed by Québec-based developers can be found in the four corners of the world.



FRANÇOIS SANSREGRET, CHANTAL DEMERS, VINCENT BÉDARD, NATHALIE RAJOTTE (MANAGING DIRECTOR) AND YVON THÉORÈT



DANIEL BERTHIAUME,
GENERAL MANAGER, TRANSIT

“IN ENTRUSTING US WITH THE MAINTENANCE OF ITS GREEN BUILDINGS, LOTO-QUÉBEC GAVE US THE OPPORTUNITY TO ENHANCE OUR OFFERINGS BY TAKING A MAJOR STEP INTO THE ENVIRONMENTAL DOMAIN.”



Transit generates jobs for 175 disabled people in Greater Montréal, having provided them with optimal working conditions for more than 30 years. In order to diversify its activities, Transit has recently undertaken the production of Nelligan fair-trade coffee, which is now being successfully marketed to restaurants and the general public.

Another of the Corporation's subsidiaries, Casino Mondial, is also active beyond provincial borders, working earnestly to develop business opportunities on behalf of the French JOA Groupe in which Loto-Québec has held a 35% interest since March 2006. JOA Groupe is currently endeavouring to gain a firmer foothold in France's gaming market by adopting a fresh approach to entertainment and conviviality within its establishments.



CLOSE TO 13,000
BAR OWNERS AND
EMPLOYEES TRAINED
ABOUT EXCESSIVE
GAMING

\$25 MILLION
DEVOTED TO THE
FIGHT AGAINST
COMPULSIVE
GAMBLING

\$21 MILLION
CONTRIBUTED TO
NON-PROFIT
ORGANIZATIONS

OUR SOCIAL CONTRIBUTION

In working to fulfill its mission, Loto-Québec fully recognizes the importance of lending its social support to society. As such, the Corporation participates directly and significantly in numerous aspects of life within communities across the province. In more concrete terms, the organization devoted \$111 million, or close to 8%, of its net income, to important social initiatives.

SUMS ALLOCATED BETWEEN APRIL 1, 2007 AND MARCH 31, 2008	
Contribution to the fight against excessive gaming	\$25 million
> Ministère de la Santé et des Services sociaux	\$22 million
> Régie des alcools, des courses et des jeux for the control of access to video lottery terminals	\$3 million
Contribution to non-profit organizations	\$21 million
> Société des bingos du Québec	\$10.6 million
> Lotomatique and kiosk sales	\$10.4 million
Fonds d'aide à l'action communautaire autonome (5% of the net income generated by the Société des casinos du Québec)	\$13.4 million
Fonds d'aide à l'action humanitaire internationale (1% of the net income generated by the Société des casinos du Québec)	\$2.7 million
Contribution to the Ministère de la Santé et des Services sociaux in aid of the elderly who have lost their autonomy	\$30 million
Contribution to the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation for agricultural fairs	\$4 million
Sponsorship of readily accessible public events	\$14.6 million
La Collection Loto-Québec	\$0.3 million

A Contribution That Takes Many Forms

Loto-Québec's commitment to social responsibility manifests itself in different ways. For instance, the Corporation contributes directly to the financing of many activities carried out by Government departments and organizations — be they related to the fight against excessive gaming, assisting people who have lost their autonomy, or supporting agricultural fairs.

For their part, lottery product sales through the *Lotomatique* subscription system and via shopping mall kiosks across the province translate into valuable financial support for close to 1,500 non-profit organizations (NPOs). As well, all profits generated through network bingo sales at some 100 participating halls go to benefit more than 1,000 other NPOs.

Furthermore, 5% and 1% of the net profits earned through the operation of the Casinos and related businesses (bars, restaurants, hotels, etc.) are allocated to the Fonds d'aide à l'action communautaire autonome and the Fonds d'aide à l'action humanitaire internationale respectively.



LOTO-QUÉBEC ALLOCATES 0.01% OF ITS REVENUES TO THE ACQUISITION OF NEW WORKS OF ART

Supporting Québec Artists

A vibrant part of the province's artistic heritage, *la Collection Loto-Québec* is comprised of over 4,000 distinctive works by close to 1,000 talented Québec artists. Each year, the Corporation allocates 0.01% of its total revenues to the acquisition of new works of art.

OUR SOCIAL CONTRIBUTION

In 2009, Loto-Québec is proud to be celebrating the 30th anniversary of its Collection by presenting a special exhibition of select works, some of which will be touring several regions of the province.

Preventing Excessive Gaming and Promoting Responsible Behaviour

Over the past six years, Loto-Québec has injected \$20.6 million into the *Fondation Mise sur toi* for the implementation of programs aimed at promoting responsible gaming, as well as for the development and continuous improvement of prevention tools for use within the Corporation's gaming operations. Created in 2002, the *Fondation's* mission is to sensitize and inform the Québec population in order to enable people to make responsible and enlightened decisions to maintain healthy gaming habits.



GREGORY CHARLES,
PRESIDENT AND ARTISTIC DIRECTOR,
MONDIAL CHORAL LOTO-QUÉBEC

“CHORAL ART IS A
CIVIC ART, BRINGING
CULTURES, REGIONS,
COMMUNITIES
AND GENERATIONS
TOGETHER.”

Within a brief period of four years, the *Mondial choral Loto-Québec* has become a major cultural event unlike any other in the world, having mobilized two million spectators and 800 volunteers while positioning Laval as an important cultural centre. It has also served to bring choral singing to the fore, and rightfully so, as this art form is now enjoying a vibrant resurgence around the world, particularly in North America.

LOTO-QUÉBEC WAS THE RECIPIENT OF THE WLA'S
BEST PLAYER EDUCATION PROGRAM AWARD



NICOLE BEAULIEU, MANAGING DIRECTOR OF THE FONDATION MISE SUR TOI,
ALAIN COUSINEAU, PRESIDENT AND CEO OF LOTO-QUÉBEC, LYNN ROITER,
SECRETARY GENERAL AND VICE-PRESIDENT OF LEGAL AFFAIRS

In 2007, the *Fondation Mise sur toi* enhanced the self-exclusion program in place at the Corporation's gaming establishments by making the support services of an independent psychologist available to players. Moreover, responsible gaming awareness workshops were organized for Casino employees, and special training was provided to nursing personnel at the gaming houses, as well as to managers and others involved in the employee assistance program who are called upon to intervene in situations of crisis and distress.

In all, Loto-Québec has allocated \$155.5 million to combating excessive gaming between April 1, 2002 and March 31, 2008. This ranks Québec among the jurisdictions that devote the most financial resources to curbing the problem of compulsive gambling.

However, the Corporation's actions with respect to the promotion of responsible gaming and the prevention of excessive behaviour go well beyond mere financial contributions. They are firmly integrated into each and every one of Loto-Québec's activity sectors.



DANIEL GÉLINAS, PRESIDENT
AND EXECUTIVE DIRECTOR, QUÉBEC CITY
400TH ANNIVERSARY CORPORATION

**“ALTHOUGH
SPECTACULAR BEFORE,
MONTMORENCY FALLS
ARE NOW A GLITTER
DAY AND NIGHT
YEAR-ROUND. THIS IS
TRULY A LASTING AND
MAGNIFICENT GIFT!”**



As a contribution to Québec City's 400th anniversary, Loto-Québec invested over \$1 million to illuminate Montmorency Falls Basin, where the *Les Grands Feux Loto-Québec* fireworks extravaganza is presented every summer. Loto-Québec is also an active supporter of the street arts component of the Québec City Summer Festival, another event backed by the Corporation that is a public favourite for its colourful array of outstanding entertainment.

Well-Earned Recognition

Loto-Québec's efforts were acknowledged in autumn 2008 with the presentation of an international industry award for outstanding achievement in the area of responsible gaming. An affiliation of 140 lottery corporations around the globe, the World Lottery Association bestowed the Corporation with the Best Player Education Program award. Loto-Québec is the first recipient of this distinguished prize, which confirms its leadership in the area of responsible gaming on a world scale.

Reconfiguration of the VLT Network

Overall game offerings under the control of Loto-Québec have continued to diminish over the past four years, attributable primarily to the measures taken to reduce the number and accessibility of

sites equipped with video lottery terminals (VLTs), as prescribed in the Corporation's 2004-2007 Development Plan. According to the provisions of this Plan, Loto-Québec's target is to cut the number of sites offering VLTs by at least 31% — from a total of 3,663 locations to 2,521.

At March 31, 2008, the network consisted of 2,733 sites, or 172 fewer than at the end of the previous fiscal year and 930 fewer sites than at the inception of the reconfiguration program. The initiative is slated to come to an end by March 31, 2009, with the final results to exceed the original site reduction objective. Ultimately, the network will have been cut back by a total of 1,259 sites, or 34% as opposed to the preliminary target of 31%.

A portion of the VLTs withdrawn from bars located in economically fragile districts and zones have been relocated to the two gaming halls, the Ludoplex, that feature a strictly controlled and secure environment. These establishments in Québec City and Trois-Rivières offer a unique combination of games and animation in an atmosphere that promotes responsible gaming behaviour.

Taking Risks Is No Game Training Program

Designed in collaboration with the *Fondation Mise sur toi* and Université Laval's *Centre québécois d'excellence pour la prévention et le traitement du jeu*, the objectives of the *Taking Risks Is No Game* training program is to enable the proprietors of licensed establishments and their employees to better understand the processes to assist compulsive gamblers.

Between April 1, 2006 and March 31, 2008, 13,000 individuals working in bars, brasseries and taverns that are part of the video lottery network were offered this specialized training, and over the past year, more than 1,750 additional participants completed the program. Moreover, in order to ensure that bar owners and employees can access this training at any time, an online version of the program has been produced and made available to site operators since May 2008. This training is also an integral part of the provisions outlined in the Code of Responsible Commercialization to which all retailers adhere.

Awareness Campaign Week

In 2007 and 2008, the *Fondation Mise sur toi* held a public awareness campaign week on responsible gaming for the general public, as well as for Loto-Québec's 6,800 employees to promote the initiatives put forward by the corporation and its subsidiaries.

OUR SOCIAL CONTRIBUTION

CODE OF RESPONSIBLE COMMERCIALIZATION

The Code of Responsible Commercialization is aimed at promoting the responsible management of video lottery terminals to offer customers a quality entertainment product in a pleasant environment.

As a retailer, I commit to the following:

1. Respecting the laws, rules and directives controlling video lottery terminal operation
2. Never displaying publicity materials such as posters promoting video lottery terminals outside the establishment other than those provided by the Société des loteries vidéo du Québec (SLVQ)
3. Ensuring that no automated teller machine is installed in the vicinity of the area where video lottery terminals are operated
4. Never providing credit or advances to customers, or tolerating loans made by third parties to allow customers to play on the establishment's video lottery terminals
5. Ensuring that only persons of legal age use video lottery terminals
6. Ensuring that customers only play one video lottery terminal at a time
7. Acquiring the training offered as part of the responsible gaming programs administered by the SLVQ, and subsequently training my personnel accordingly
8. Ensuring there is always at least one employee having completed the Taking risks is no game training present at each establishment to direct those customers seeking help towards specialized organizations
9. Ensuring that flyers on responsible gaming are always available in the video lottery terminals' flyer rack
10. Fully paying customers when they present their cash out coupons
11. Never encouraging customers to continue playing
12. Never running promotions prompting customers to play
13. Never allowing a customer whose faculties seem to be impaired to play on video lottery terminals
14. Never providing information on prior or anticipated results of a given terminal, such as "this terminal is about to pay the jackpot", as game outcomes are always random
15. Never personally using or allowing my staff to use the establishment's video lottery terminals
16. Assisting customers when they have questions on game play and ensuring my staff does the same
17. Maintaining a clean gaming environment and cleaning the video lottery terminals daily
18. Arranging the area where video lottery terminals are operated in order to avoid isolating players, while respecting the criteria set forth by the Régie des alcools, des courses et des jeux
19. Ensuring that my staff is aware of the present Code of Responsible Commercialization and complies with it
20. Displaying this Code of Responsible Commercialization next to video lottery terminals so that it is visible at all times to the satisfaction of the SLVQ

I understand that, in accordance with the agreement binding me with the Société des loteries vidéo du Québec inc. (SLVQ), I must comply with the present directive or else, the SLVQ will take the measures I was informed about.

RETAILER'S SIGNATURE

8/8, Your Player Profile in 8 Questions Pamphlet

This pamphlet helps players adopt healthy gaming habits by enabling them to determine their playing profile by answering eight simple questions. The publication is made available at all Loto-Québec service points and in electronic form at 8sur8.com.



Au Centre du hasard Information and Awareness Centre

In June 2007, the *Fondation Mise sur toi* established its second *Au Centre du hasard* information and awareness centre dedicated to promoting responsible gaming at the Casino du Lac-Leamy. The first of these centres was set up in 2006 at the Casino de Montréal, and since their creation, the two facilities have been visited by more than 57,000 players.

Preventive Measures

Over the years, Loto-Québec has instituted a broad range of preventive measures within its various spheres of activity in order to foster the adoption of healthy gaming behaviour. In addition to restricting access and sales to individuals aged 18 and over, these initiatives include the following:

At Lottery Product Retailers

- > The *Ici, on carte / Here, we card* program reinforcing the legislation prohibiting lottery sales to minors
- > Preventive messages about responsible gaming on game terminal screens
- > Indication of the odds of winning on the back of tickets, selection slips and paper rolls used in game terminals
- > The *8/8, Your Player Profile in 8 Questions* pamphlet available at all service points
- > Reference to the 1 866 SOS-JEUX help hotline number on all products
- > Prize structures of all lotteries available for consultation in *Loto-hebdo* (upon product launch), a free publication offered at all service points, as well as on the corporate Web site
- > The number of prizes in excess of \$1,000 claimed for instant games available for consultation on the corporate Web site
- > Specific measures among wholesalers, retailers and consumers to assure compliance with the legislation prohibiting the sale of lottery products to minors
- > An Advertising Code of Ethics prohibiting any form of product promotion targeting youth and specific ethnic communities

In the Casinos

- > The self-exclusion program, which approximately 1,500 players take advantage of each year, and which has now been enhanced to offer players the support services of an independent psychologist throughout the duration of the self-exclusion period, as well as an assessment and information session at the end of the program; at March 31, 2008, 3,289 self-exclusion contracts were in effect
- > A new generation of self-evaluation consoles to complement the *8/8, Take a Break and Leave a Winner* pamphlet that allow players to determine their gaming profile
- > The *Au Centre du hasard* information and awareness centre dedicated to promoting responsible gaming at the Casino de Montréal and Casino du Lac-Leamy
- > Prominent display of moderation messages and the 1 866 SOS-JEUX help hotline number
- > An awareness program designed to enable employees to detect players in a state of distress; at March 31, 2008, some 4,300 employees had undergone this training

OUR SOCIAL CONTRIBUTION

- > A crisis and distress intervention service at all three establishments for patrons in need of help
- > Prohibition of alcohol consumption in gaming areas
- > No credit offered to patrons on-site (the only policy of its kind within the North American Casino sector)

At the Ludoplex Gaming Halls

- > Use of a payment card that enables players to set a limit on the amount they wish to spend during their visit
- > Prohibition of alcohol consumption in gaming areas
- > No bank wickets in gaming areas
- > No cashing of personal cheques or credit card withdrawals at the cashier's cage
- > No advertising or promotion of gaming outside the Ludoplex
- > No loyalty programs related to gaming
- > All individuals appearing to be under the age of 25 required to present a photo ID at the entrance

THE LUDOPLEX CARD: A TOOL FOR PROMOTING RESPONSIBLE GAMING



STÉPHANE BOUCARD OF THE CANADA RESEARCH CHAIR IN CLINICAL CYBERPSYCHOLOGY, UQO

“IN THE PREVENTION OF COMPULSIVE GAMBLING, WE MUST WORK TO BETTER UNDERSTAND THE PLAYER’S THOUGHTS, EMOTIONS AND MOTIVATIONS.”

Thanks to the partnership established between the Fondation Mise sur toi and Université du Québec in the Outaouais (UQO), the Cyberpsychology Laboratory is working on the creation of a virtual environment for research and the prevention of compulsive gambling. As part of this project, a three-dimensional Immersive Vault will simulate the stimulations of gaming, representing a world-class innovation in the area of mental health research.

- > Limited operating hours
- > Availability of *The Winning Combination* self-evaluation consoles and the *Take a Break and Leave a Winner* pamphlet
- > Availability of a self-exclusion program
- > Availability of an intervention service for patrons in crisis and distress
- > Training on responsible gaming offered to all personnel
- > Security and surveillance at all times
- > Dress code in effect at all times
- > No form of privileged access granted

On Video Lottery Terminals

- > Integration of innovative moderation mechanisms and awareness tools
- > Preservation of prevention characteristics
- > Preservation of \$2.50 wager limit
- > No progressive prize pool
- > Prominent display of the 1 866 SOS-JEUX help hotline number
- > Explanatory menu pertaining to chance on each unit designed to dispel false perceptions often held by players
- > Player's bank displayed in dollars or credits to provide a clear indication of the actual value of wagers, wins and losses
- > Moderation messages, a clock displayed on the screen, and a module to determine playing duration in order to prevent players from losing track of time
- > No longer possible to stop the game symbols by touching the screen
- > Maximum wagers per playing session per terminal reduced from \$100 to \$60
- > Maximum win of \$500 per wager, with a money download on the Ludoplex Card or payment coupons issued as soon as the limit is reached in order to create an obligatory pause in play
- > Automatic deactivation of terminals outside of operating hours authorized by the liquor permit

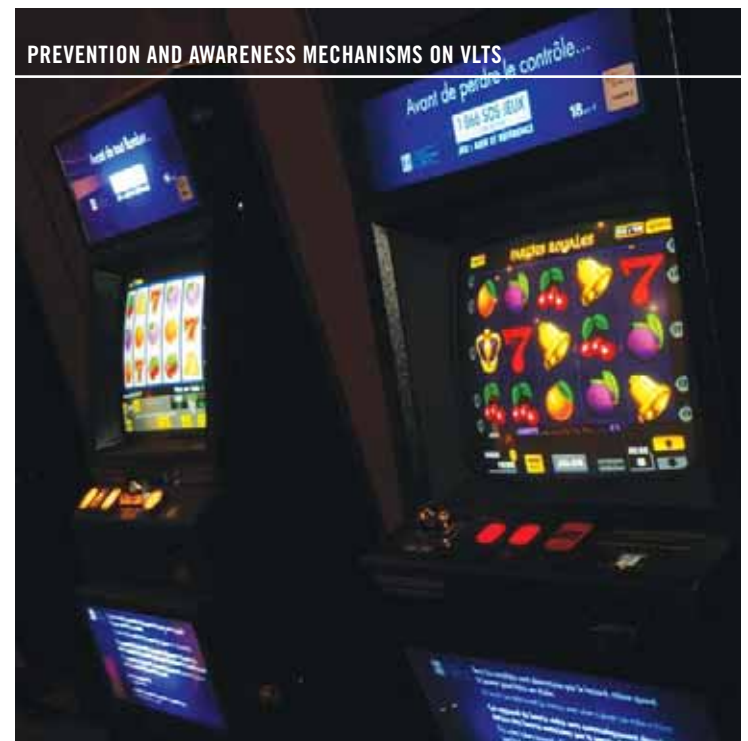
At VLT Sites

- > Application of a Code of Responsible Commercialization requiring VLT operators to respect 20 obligations
- > The *Taking Risks Is No Game* training program offered to owners and employees within the bar, brasserie and tavern network

- > Availability of the *8/8, Your Player Profile in 8 Questions* pamphlet
- > A pilot self-exclusion project offered at certain bars

At Network Bingo Halls

- > Prominent display of the 1 866 SOS-JEUX help hotline number and the 18 + visual
- > Availability of the *8/8, Your Player Profile in 8 Questions* pamphlet



OUR SOCIAL CONTRIBUTION

A Responsible Employer

GOOD GOVERNANCE

Loto-Québec's Board of Directors is comprised of nine members who are all independent, with the exception of the President and Chief Executive Officer. Each Director is appointed by the Government.

In the wake of the adoption of the Act Respecting the Governance of State-Owned Enterprises in 2006, Loto-Québec implemented a number of changes with respect to its governance, including separating the functions of the Board Chair and the President and CEO. As well, three new members have joined the Board, bringing the total number of Directors to nine. The Board's male/female ratio continues to be in compliance with the Government's parity objective.

LOTO-QUÉBEC'S EMPLOYEE TRAINING SESSION



DR. LOUIS GAGNON,
CO-PRESIDENT, ACTI-MENU

“SHOWING A GENUINE CONCERN FOR THE WELL-BEING OF HUMAN RESOURCES AND SENSITIZING MANAGEMENT ARE TWO OF THE MOST FUNDAMENTAL PRIORITIES FOR ORGANIZATIONS COMMITTED TO ASSURING THE HEALTH OF THEIR EMPLOYEES AND THE QUALITY OF THEIR DIET.”



Acti-Menu is dedicated to providing quality, practical and accessible health information in order to help people take action. In 2006, the organization became associated with the prevention branch of the Montréal Heart Institute, recognized worldwide as a leading authority in its field.

This new, more modern and rigorous model of governance is characterized by a significantly broadened range of responsibilities for the Directors. The Board also adopted new codes of ethics and professional conduct applicable to Loto-Québec and its subsidiaries' management personnel, and a new Human Resources Committee was created. Finally, an orientation program was launched, and various ongoing training initiatives were implemented for Directors.

EMPLOYEE DIVERSITY

Loto-Québec's workforce is made up of approximately 6,800 employees. It is a truly diverse workforce, with 54.3% of employees being female, and 7.4% originating from various visible and ethnic minorities.

The Corporation operates within a unionized framework. Close to 5,000 employees are affiliated with 17 different bargaining units, and their working conditions are governed by as many collective agreements.

EMPLOYEE PARTICIPATION

Loto-Québec employs a number of different means to inform its workforce of some 6,800 employees who occupy more than 100 different job types. Employee mobilization is of prime importance when it comes to changing and improving the workplace.

In that regard, the Corporation took part in a comprehensive survey focused on mobilization in autumn 2007. Loto-Québec is convinced that the opinions and involvement of its personnel are critical factors in assuring the success of continuous improvement processes.

EMPLOYEE TRAINING

Numerous training programs are offered to employees in order to enhance their professional skills. In addition, the Corporation has a specific policy in place pertaining to professional and academic training, enabling employees to pursue their education and be reimbursed for pertinent fees. Finally, an identification and preparation program has been established to assure the continuity of the organization's strategic affairs through the effective development of new employees' competencies.

Loto-Québec's expenditures related to applying the provisions of the Act to Foster the Development of Manpower Training exceed the stated requirements. In fact, spending by the Corporation and its subsidiaries in this regard represented 2.77% of its total payroll, or \$6,652,922 during 2007-2008.

OTHER SERVICES

A varied range of other services are also offered to Loto-Québec personnel, including:

- > an orientation program for new personnel
- > a program recognizing every five years of service
- > retirement planning sessions
- > a personal assistance program for employees and their immediate family members
- > the *Ma santé, je m'en occupe* (health in the workplace) program
- > three daycare centres in Montréal and Gatineau accommodating a total of 232 children
- > a summer day camp in Montréal



THREE DAYCARE CENTRES



10 BOMA
BEST-CERTIFIED
BUILDINGS

SUSTAINABLE
PARTNERSHIPS

87% OF
TARGETS
REACHED

OUR ENVIRONMENTAL CONTRIBUTION

Acting responsibly. Developing sustainably.

Loto-Québec is highly sensitive to the environmental impact of its activities, and the numerous commitments and measures the Corporation has undertaken place it among the leaders in the province. In 2006, the organization adopted a formal policy encompassing 11 specific obligations and 27 strategic orientations allowing for the integration of concrete actions that promote sustainable development into all its spheres of activity. This policy is fully aligned with the 2008-2013 Government Sustainable Development Strategy.



COMMITTED TO REDUCING ENVIRONMENTAL IMPACT

A Systematic Approach

In order to ensure a systematic and rigorous approach and the constant monitoring of its initiative, Loto-Québec has created a Social Responsibility and Sustainable Development Committee. This group is made up of some 20 individuals representing the Corporation's subsidiaries and various operating units.

Since the adoption of the sustainable development policy in 2006, the Board of Directors is regularly apprised of how efforts are evolving. Moreover, an annual evaluation is conducted to measure the progress

being made. During fiscal 2007-2008, 87% of the established objectives were attained, representing excellent performance for the first year of the policy's implementation.



FRÉDÉRIC BACK, PRESIDENT,
ATELIER FRÉDÉRIC BACK

"IT IS A GIFT TO BE ABLE TO SHARE MY LOVE OF NATURE AND ANIMALS WITH THE PUBLIC, AS WELL AS MY CONCERNS ABOUT THE FUTURE OF OUR PLANET."



The Frédéric Back : l'œuvre et les gestes exhibition organized in 2007 by Loto-Québec's Espace Création gallery provided 7,000 people with the opportunity to get to know this artist better. During the same year, the International Rendezvous on Sustainable Development Applications in Sherbrooke marked the premiere showcase of the entire collection of posters on environmental protection and animal rights produced by Frédéric Back. The major event was sponsored by Loto-Québec, which also acquired nine works selected by a jury of employees for inclusion in its permanent collection.

Environmental Conservation

Committed to reducing its environmental footprint, Loto-Québec has initiated several programs and measures related to the management of residual materials, energy consumption, drinking water, as well as the environmental quality of the workplace. Furthermore, awareness campaigns and training sessions have also been organized for employees to familiarize them with the organization's initiatives and, thus, mobilize them around the effort.

OUR ENVIRONMENTAL CONTRIBUTION

Management of Residual Materials and Waste Reduction

Loto-Québec has implemented a comprehensive recovery program for all of its buildings that encompasses paper, cardboard, plastic, glass, metal, as well as various types of equipment and other materials. Clearly identified recovery bins and islands have been installed in order to facilitate the collection of recyclable materials, and the Corporation has also set up warehouses to store potentially reusable items of furniture.



MICHEL MONTPETIT, DIRECTOR
OF THE UNIVERSITY CENTRE FOR
ENVIRONMENTAL TRAINING,
UNIVERSITÉ DE SHERBROOKE

"TODAY, IT IS NOT ENOUGH TO MERELY TALK ABOUT ENVIRONMENTAL PROTECTION. WE NEED TO BE IMMEDIATELY PAYING BACK THIS ENORMOUS DEBT THAT WE HAVE TOWARD THE PRESENT AND FUTURE GENERATIONS THAT WILL HAVE TO REPAIR THE DAMAGE WE HAVE CAUSED TO THE ENVIRONMENT THROUGH OUR IGNORANCE AND NEGLIGENCE."



A key environmental advocate in Québec, Michel Montpetit was an important contributor to the formulation of Loto-Québec's sustainable development policy. According to him, the Corporation's approach to establishing reliable and recognized performance indicators makes all the difference because they allow for the measurement of progress being made.



Recovery Program

During 2007-2008, recovery activities at the Corporation's various establishments freed landfill sites of more than:

- > 383,105 kg of paper and cardboard
- > 56,716 kg of plastic, glass and metal containers
- > 1,119 kg of batteries
- > 836 kg of metal

Energy Consumption

Loto-Québec has set an objective of reducing total energy consumption in all of its buildings by 10% between now and 2010. Several concrete measures have been put into place to meet that target, and the results to date are very encouraging. For example, thanks to modifications carried out during 2007-2008 at the Corporation's Multifunctional Complex, energy consumption was down by 19.5% as compared to the previous year. For its part, the Québec City Regional Centre achieved a reduction of 22.6%, and efforts are underway at other establishments to be able to achieve the overall objective that has been set.

Water Consumption

Loto-Québec has also set a reduction target of 20% over three years with respect to water consumption at all of its buildings vis-à-vis consumption levels during fiscal 2006-2007. In order to achieve that objective, a variety of projects are in progress to improve practices and update equipment at the Corporation's establishments. These projects involve both interior washrooms and exterior installations.



Environmental Quality Within the Workplace

With a particular focus on using ecological materials, Loto-Québec is committed to ensuring that its buildings are designed, renovated and managed with environmental and sustainability considerations taken into account. For instance, the gaming halls in Québec City and Trois-Rivières were designed and built in accordance with Leadership in Energy and Environmental Design (LEED) norms, and the Casino du Lac-Leamy offers paperless meeting facilities.

Solid Partnerships

Fiscal 2007-2008 saw Loto-Québec renew its association with a number of organizations and its participation in several initiatives so as to consolidate its commitment to sustainable development. Some of the collaborative affiliations pursued over the course of the past year include the following:

- > Partnership with UQAM's Social Responsibility and Sustainable Development Chair

- > Espace de concertation (Consultation Roundtable)

A group of companies and organizations dedicated to harmonizing responsible procurement practices.

- > GP2S (Groupe de promotion pour la prevention en santé)

Loto-Québec's contribution is aimed at supporting the organization's efforts in furthering the norm related to "promotion, prevention and organizational practices favouring health in the workplace". This norm was developed in collaboration with the Bureau de normalisation du Québec (Québec Standards Bureau).

- > City of Montréal

In conjunction with the second phase of the 2007-2009 Montréal Sustainable Development Strategic Plan, 150 organizations, including Loto-Québec, undertook the implementation of at least five of the 36 actions proposed by the City of Montréal. The Corporation established a total of 21 specific actions that are related to the realization of its own measures.

OUR ENVIRONMENTAL CONTRIBUTION

Awareness and Information Activities for Employees

As part of its global sustainable development effort, Loto-Québec has organized a number of information and sensitization campaigns for its personnel. These campaigns, which are based on the 4RV-E principle (rethink, reduce at the source, reuse, recycle, valorize and eliminate), are designed around the themes of water, paper, residual materials and energy.

Moreover, Loto-Québec participated in numerous sustainable development awareness events. These included Canadian Environment Week, Earth Day, Car-Free Day and Québec Waste Reduction Week.



Eco-Responsible Events

Making events eco-responsible is among Loto-Québec's top environment-related priorities. Since 2006, the Corporation has promoted a global approach that includes the development of effective tools in order to steer internal users towards the integration of responsible practices.

Loto-Québec has also implemented measures to minimize its environmental footprint on the sites of public events it sponsors, as well as to promote a similar approach among festival and event organizers. At the same time, a partnership was established with the Écho-Logique Consortium specialized in the ecological management of residual materials.

Ultimately, however, the most fundamental contribution related to eco-responsible event management remains the development and reinforcement of eco-citizenship.

PIERRE LUSSIER,
DIRECTOR, QUÉBEC EARTH DAY

"AN EVENT THAT HAS GROWN INCREASINGLY POPULAR OVER THE YEARS, EARTH DAY OFFERS CONSIDERABLE MOMENTUM FOR THE PROMOTION OF NEW APPROACHES TO SUSTAINABLE DEVELOPMENT. BY PLACING ITS EMPLOYEES AT THE HEART OF ITS AMBITIONS, LOTO-QUÉBEC IS CLEARLY DEMONSTRATING ITS LEADERSHIP IN THIS AREA."



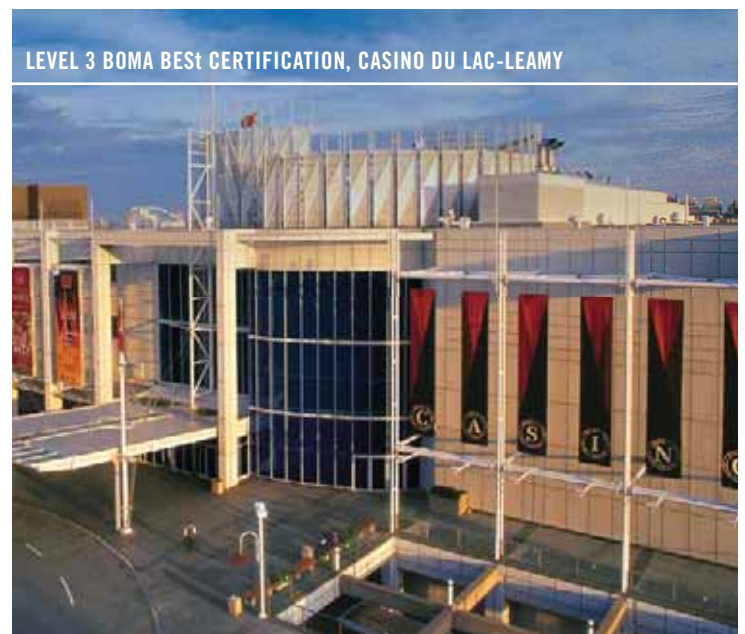
Created 38 years ago, Earth Day has become a planet-wide event that mobilizes 200 million people in 141 countries and plays a pivotal role in focusing global attention on environmental issues. In fact, Earth Day is undeniably the most participative environmental event in the world.



Awards and Certifications

- > 2007-2008 BOMA Québec Building of the Year Award in the 100,000 – 249,999 ft² category for the Multifunctional Complex
- > 2007-2008 BOMA Québec Environment Award for the Québec City office
- > 2007 and 2008 *Pilier d'Or* Awards in the Management Merit category presented by the *Association des gestionnaires de parcs immobiliers institutionnels* recognizing excellence in building management
- > Award received at the *Gala de reconnaissance en environnement et en développement durable de Montréal* in the Companies and Industries category for the “Organize Events That Respect the Principles of Eco-Responsibility” project

- > Level 1 BOMA BEST certification for the Casino de Montréal, Casino de Charlevoix and Fairmont Le Manoir Richelieu Hotel
- > Level 2 BOMA BEST certification for the Head Office, the Pierre-de-Coubertin Computer Centre, the Laval Regional Centre, the Multifunctional Complex, the Québec City Regional Centre, and the Hilton Lac-Leamy Hotel
- > Level 3 BOMA BEST certification for the Casino du Lac-Leamy



- > Loto-Québec is currently aiming to also obtain the Leadership in Energy and Environmental Design (LEED) certification at the silver level from the Canada Green Building Council for its Québec City and Trois-Rivières Ludoplex.

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