

YEAR in REVIEW
2022-2023

STRENGTHENING **the ALBERTA** **EXPERIENCE**



AGLC
Choices Albertans can trust.

LAND ACKNOWLEDGMENT

AGLC respectfully acknowledges that we operate on the traditional and ancestral territory of many peoples, including the Indigenous peoples of the Treaties 4, 6, 7, 8 and 10 regions, and the Métis Settlements and Six Regions of the Métis Nation of Alberta. We respect the histories, languages and cultures of First Nations, Métis, Inuit and all First Peoples of Canada, whose presence continues to enrich our communities.

Host First Nations policy
book aligned with

74

**Truth and Reconciliation
Calls to Action** with Host
First Nations working group.

MESSAGE from the BOARD CHAIR



For nearly two years, we changed how we socialized, celebrated and conducted business. In our first full year of operations post-pandemic, I was inspired by the commitment to recovery that infused AGLC's work. When the doors opened up to the events, experiences and entertainment that our province is known for, we were ready to serve. AGLC's board, leadership and team members' commitment to customer centricity and collaboration delivered outstanding results. Despite global events beyond our control and rising costs across all industries, we've worked to set the right conditions, so AGLC and our stakeholders were able to show up for Albertans.

The cornerstone of setting up the right regulatory and business conditions is the relationships we build with our stakeholders. Through a shared understanding of working together to keep Albertans safe and to help industry thrive, we have consistently collaborated and addressed the needs of the gaming, liquor and cannabis industries. Our oversight is done through the lens of maximizing economic impact, supporting stakeholder success and promoting social responsibility. Recognizing that as consumer tastes and preferences change, we must adapt to the marketplace by providing the balance, resilience and strength that are the components of a vibrant Alberta.

We worked to prioritize red tape reduction, coming in at 41 per cent reduction for the year and exceeding our target by 8 per cent. Our efforts to reduce red tape go hand in hand with our work to be a modern regulator with a focus on evolving our policies, educating consumers and increasing legal market share, particularly in the growing industries of cannabis and online gambling.

This approach has been fundamental in enhancing AGLC's ability to deliver innovative, customer-centric solutions that result in profitable business growth and job creation for Albertans. This year marks a record high number of liquor products available for Albertans, with almost 12 per cent of those products made in Alberta and an increase of 25 per cent in cannabis products. The gaming industry also celebrated the opening of a fifth racing entertainment centre and has continued to expand the legal online gambling offerings through Play Alberta including adding new gaming vendors and expanding sports betting.

AGLC's remarkable contribution of nearly \$2.4 billion to the general revenue fund, along with our unrivaled charitable gaming model and variety of gaming, liquor and cannabis options, truly exemplify our vital role in Alberta. Empowering our stakeholders to create new products for Albertans to enjoy or seeing charitable groups achieve massive fundraising goals are all a part of the Alberta experience. And within those experiences, AGLC provides the guidance, education and framework that strengthens them.

Our organization will continue to intentionally balance developing a dynamic business landscape and protecting Albertans. We will remain ready and willing to respond to change while delivering benefits to Albertans. AGLC plays a vital role as a catalyst for business growth, a reliable source of revenue and a promoter of community enrichment. We will remain committed to strengthening the Alberta experience by fostering an environment that nurtures the innovation and resilience that sets our province apart.

AGLC is steadfast in balancing access and social responsibility to provide choices Albertans can trust.

Original signed by

Len Rhodes
Board Chair

MESSAGE from the CEO



Over the past year, AGLC has reimagined the way we do business to serve Albertans. The longer-lasting impacts of COVID-19 on our stakeholders, rising interest rates and inflationary pressures challenged AGLC to embrace change and be responsive in new ways. In all facets of our business, we worked to strengthen the Alberta experience, by adding value to the services Albertans rely on, the causes they believe in and the entertainment choices they enjoy.

Our ability to think differently and provide value to Albertans comes down to the wealth of knowledge, expertise and commitment that our AGLC team demonstrates. This year, I am particularly proud of the innovation that guided our team to foster a customer-centric culture. Our intentional conversations and touchpoints with stakeholders have

been the driving force behind our commitment to being a modern regulator. I'd like to thank all our team members who show up for Albertans and whose day-to-day work is the reason why we have so many achievements to celebrate.

As a direct revenue generator, AGLC worked to be a catalyst for economic growth. We contributed almost \$2.4 billion dollars to the province's general revenue fund, embedding our work into the foundational services Albertans rely on. Achieving a 93 per cent stakeholder satisfaction score, along with positive feedback on AGLC's role in helping businesses achieve their goals, is a testament to how our organizational strength translates to excellent service for our stakeholders. Our responsiveness to industry is the cornerstone of facilitating business growth that ultimately benefits all Albertans.

Achieving a landmark 41 per cent reduction in red tape truly exemplifies our commitment to Alberta businesses and charitable groups. Reducing red tape means that businesses can provide new products and experiences for customers, and that charitable groups can continue providing vital support to our communities. That same commitment has continued to shape our one-of-a-kind charitable gaming model, which supported \$384 million in fundraising for charitable causes, including \$73.3 million earned by Host First Nation communities.

As the only organization of its kind in Canada, AGLC's oversight of the gaming, liquor and cannabis industries positions us to find efficiencies that promote business growth while also balancing public health and safety. Our combined industry perspective not only makes us an incredibly efficient regulator, but also ensures that balancing our responsibilities is in our DNA. Through our GameSense, DrinkSense and CannabisSense programs, we championed moderation and education as a central part of the products and experiences Albertans enjoy, achieving unprecedented public awareness of these programs.

AGLC's goal is to see people succeed, in our organization as employees, in their service to Alberta's communities and in supporting business growth across the province. Looking ahead, investing in our people and building a compelling employee experience will equip AGLC for the continued evolution of our business. This investment in our internal knowledge and technology to support our team is pivotal to achieving our strategic goals to continue providing choices Albertans can trust and service they can rely on. With policy changes that support stakeholders, regulated products for consumers and industry responsiveness, we will remain committed to striking a balance that strengthens the Alberta experience for all.

Original signed by

Kandice Machado
Chief Executive Officer

PURPOSE

AGLC is the Crown commercial enterprise that oversees the gaming, liquor and cannabis industries in Alberta. We uphold a commitment to balancing choice and social responsibility to provide choices Albertans can trust.

Vision

Strengthen Alberta through its leading-edge gaming, liquor and cannabis industries.

Mission

Create an environment for responsible choices to deliver economic and social benefits to Albertans.

Values



Integrity

We hold ourselves to a high standard. That means operating fairly and honourably with colleagues, customers and stakeholders, even when no one is watching.



Respect

We listen and empower. Our culture adapts and ensures all are heard to build a vibrant Alberta. And when we misstep, we take accountability.



Collaboration

We harness the power of multiple minds and ideas. By breaking down internal and external boundaries to work together, we amplify our achievements.



Innovation

We are always reinventing. The first answer is not always the best answer, so we let our curiosity continuously challenge the status quo.



Inclusion

We embrace the power of diversity. Each of our unique talents, experiences and relationships come together to form one stronger AGLC.

Supporting a more vibrant Alberta

Every day the things we do and the choices we make support a more vibrant Alberta. From providing access to a wide variety of products, to giving back to communities, charities and non-profits, our choices give Albertans the support to do the things they enjoy. Through our actions and choices, we're working towards a better future; a stronger, safer and more vibrant province for all Albertans.



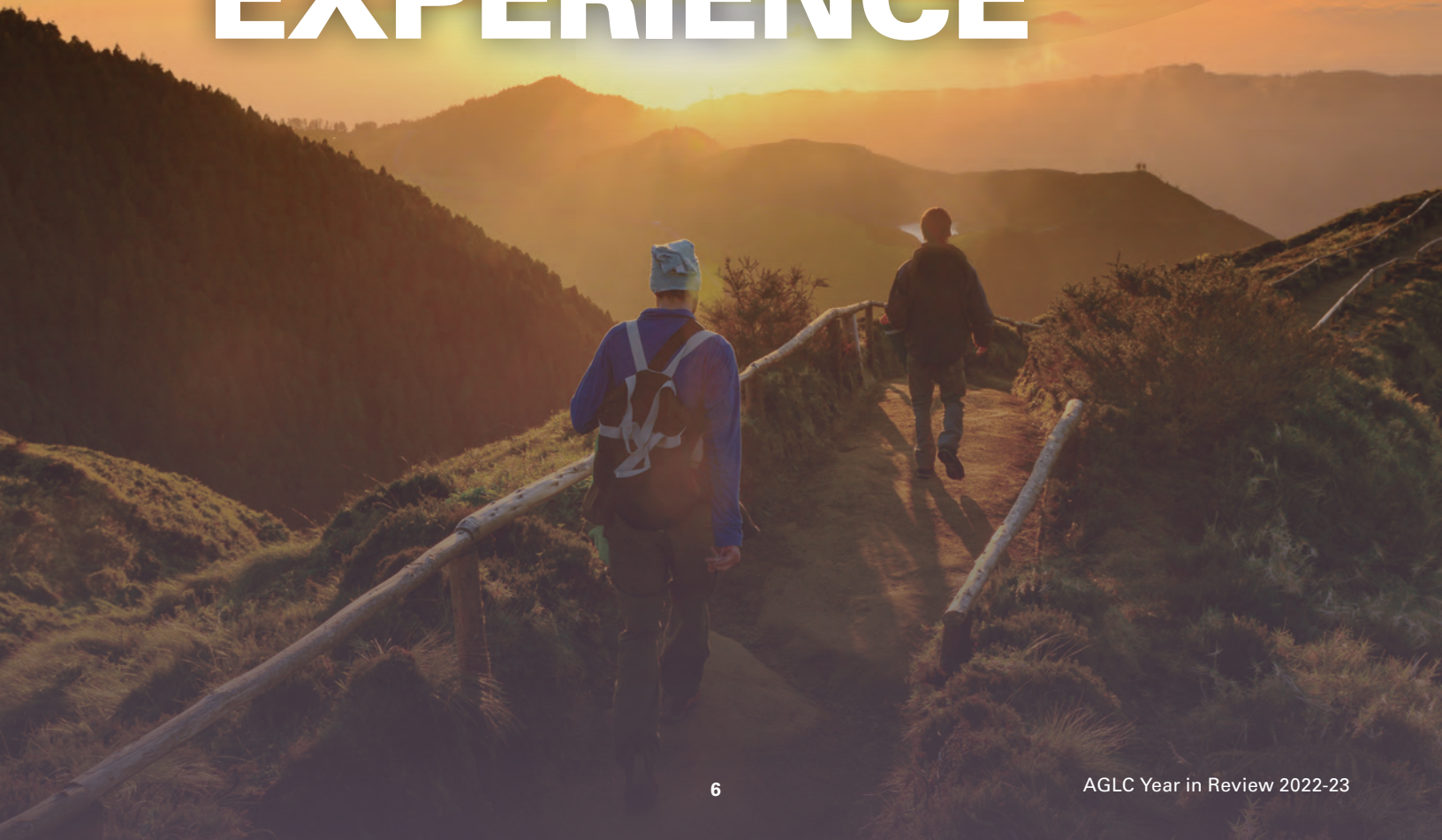
**Empowering
Business
Development**

**Delivering
Consumer
Choice**

**Promoting Safe
and Responsible
Experiences**

**Enriching
Communities**

STRENGTHENING **the ALBERTA** **EXPERIENCE**



STRENGTHENING the ALBERTA EXPERIENCE

The Alberta experience is unlike any other. Our province is infused with a deep sense of pride, community spirit and resilience that sets us apart. Cultivating our province's strength and ensuring that Albertans have access to the best experiences possible are part of everything we do at AGLC. This means delivering ***Choices Albertans can trust.***

As both a regulator and facilitator for the private sector, we've created a framework that supports economic growth and positions businesses to deliver innovative gaming, liquor and cannabis products and entertainment options. We believe in promoting moderation and educating Albertans on how to enjoy responsibly. Our goal is to empower Albertans to make informed choices when they're placing a bet on the big game, stopping by their local liquor store, or stepping into a cannabis retailer.

At the heart of the Alberta experience is a strong sense of community. It's as familiar as the sound of cheering after your team scores and then buying a 50/50 ticket to support a local charity. Our unique charitable gaming model and flexible fundraising options ensure that the causes that matter to our communities receive support to make a difference.

Making a difference doesn't stop with our support for businesses and charities. We are committed to constant innovation and refining our operations to ensure we maximize revenue for the province to support valued programs and services that Albertans rely on every day. Strengthening the Alberta experience, in every way possible, is part of every decision we make and every idea we pursue to support a more vibrant Alberta.




EMPOWERING BUSINESS DEVELOPMENT

AGLC supports the Government of Alberta’s commitment to diversifying our provincial economy by creating, business-friendly policies that continue to attract job-creating investments.

Economic activity is generated in communities across Alberta through independent operators and retailers who serve their local communities as gaming providers, liquor store operators and cannabis retailers. Through business-friendly policies, AGLC supports the gaming, liquor and cannabis industries so businesses can thrive and continue to invest in Alberta.

41% of red tape reduced (GOA target 33%).

At the end of 2023, **10,216** pieces of red tape have been removed since inception of the Red Tape Reduction initiative.

8,867	1,174	118	59
Gaming	Liquor	Cannabis	multiple business lines/not categorized
			

Two policy changes alone generated an additional **\$3.0M+** of new revenue in the province.

Number of businesses positively impacted: **12,800+**



Industry satisfaction



92%
Liquor Licensees and Agencies



96%
Charitable Gaming Licensees



95%
Gaming Retailers and Operators



84%
Cannabis Licensees



93%
Overall Stakeholder Satisfaction

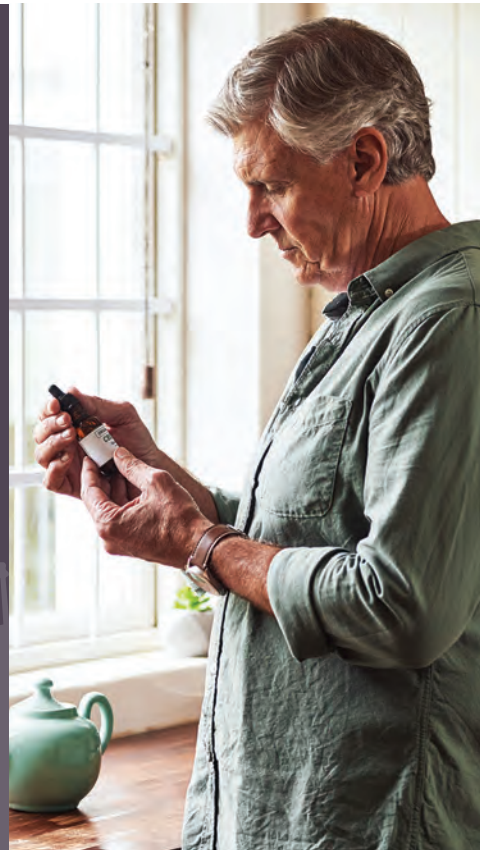
AGLC remains dedicated to reducing barriers for our industry stakeholders to support economic growth and a more vibrant Alberta.



Liquor

Ongoing expansion of Alberta's liquor manufacturing industry reflects the recurring investments made in the province.

- The number of Alberta-made liquor manufacturers reached record highs.
- 11.9% increase in Alberta-made liquor products.
- 70% of Albertans feel it is important to find Alberta-made liquor products.



Gaming

Fostering growth in the gaming industry for stakeholders by expanding reach and accessibility for players.

- Alberta's fifth racing entertainment centre, Track on 2, opened in Lacombe County, Alberta.
- Two Calgary casinos relocated.
- 14 VLTS launched in Edmonton's International Airport.
- Play Alberta added 2 gaming providers and 125 new games.



Cannabis

Increasing access to quality products through legitimate channels continues to grow the legal market share.

- Alberta has achieved the highest number of retail stores per person in Canada.
- 7% of licensed cannabis producers are Alberta based.
- 25.3% growth in cannabis products available.
- Legal market share experienced year-over-year growth.

DELIVERING CONSUMER CHOICE

As the gaming, liquor and cannabis industries continue to expand, so do consumer choices. AGLC focuses on providing and facilitating access to a wide range of safe products and experiences, which empowers consumers in communities across Alberta to make purchasing decisions based on their preferences.

Gaming

19
traditional casinos

5
Host First Nation casinos

5
racing entertainment centres

2,849
lottery ticket centres

754
VLT locations

1
online gaming platform (Play Alberta)

Liquor

5,539
licensed restaurants, bars, lounges

2,418
licensed liquor retailers

33,628
liquor products available

8,227
liquor products made in Alberta

Cannabis

2,085
cannabis products available

756
licensed cannabis stores

143
contracts with licensed producers of cannabis (38 contracts with Alberta-based licensed producers)

91%
of Albertans are **satisfied with lottery products.**

81%
of Albertans are **satisfied with products in casinos.**

108%
increase in Albertans signing up for the **Winner's Edge program** compared to last year.

90%
of Albertans who purchased liquor at a restaurant, lounge or bar are **satisfied with the hours of service.**

92%
of Albertans are **satisfied with the selection of products in liquor stores.**

89%
of Albertans who purchase cannabis are **satisfied with product variety.**

86%
of Albertans are **satisfied with the accessibility to purchase cannabis.**

PROMOTING SAFE and RESPONSIBLE EXPERIENCES






AGLC strives to create a safe and regulated environment for Albertans to enjoy gaming, liquor and cannabis products and experiences. This is achieved through:

- A dedicated regulatory and policy environment that maintains our commitment to industry compliance.
- Fostering a responsible use approach with an emphasis on public awareness and education to reduce related harms and to promote a culture of moderation.

83%

of Albertans trust AGLC to manage gaming, liquor and cannabis activities in Alberta. We are proud to offer choices Albertans can trust.

	 Gaming	 Liquor	 Cannabis
ACTIONS:	4,662 inspections conducted resulting in	20,643 inspections conducted resulting in	4,944 inspections conducted resulting in
RESULTS:	99% compliance rate	99% compliance rate	98% compliance rate

AGLC’s Due Diligence unit conducts investigations to determine eligibility of an applicant to hold or continue to hold a registration, licence or approval.

In 2023, AGLC received **1,417¹** due diligence disclosures which were processed.



Note:

1. 268 gaming, 194 cannabis retail stores and 955 cannabis representatives.

AGLC offers a range of social responsibility programs aimed at empowering both Albertans and industry.

In 2023, **AGLC** spent

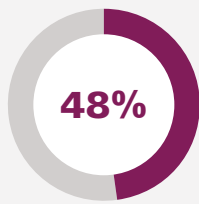
\$9.6 million

on **social responsibly programs and initiatives.**

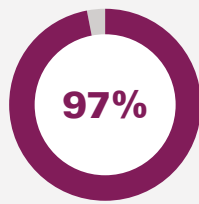
GameSense™

GameSenseAB.ca

GameSense provides players with information on responsible gambling so they have the knowledge they need to make informed decisions.



of Albertans **are aware** of GameSense.

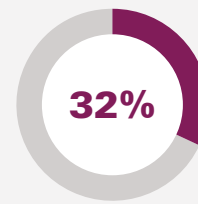


of Albertans who gamble, **gamble responsibly.**

CannabisSense

CannabisSense.ca

CannabisSense educates Albertans on how to understand cannabis, identify legal products and how to consume in moderation.

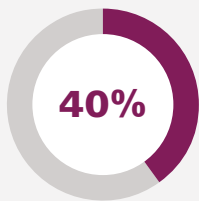


of Albertans **are aware** of CannabisSense.

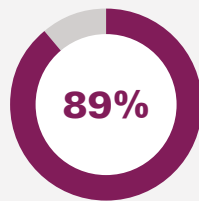
DrinkSense

DrinkSenseAB.ca

DrinkSense provides facts about liquor to help Albertans make informed choices about alcohol.



of Albertans **are aware** of DrinkSense.



of Albertans who drink, **drink responsibly.**

DRY9

Dry 9 aims to support pregnant people and supporters in their decision to not drink any alcohol throughout their pregnancy.

A record breaking
1,381
people signed-up to do a **Dry9**
(936 pregnancy sign-ups and 445 supporter sign-ups).

Dry9 celebrated 5 years and **5,000+** sign-ups.



AGLC **SMART**

Training Programs

AGLC's **SMART Training Programs** are designed to help gaming, liquor and cannabis industry workers understand their social responsibilities and duty of care obligations so they can provide safe, responsible service at Alberta's licensed premises. AGLC requires all workers in licensed premises to have SMART Training certification for the work they do.

72,486

SMART Training **certificates**
were issued in 2022-23.

BEST BAR NONE



A good night out starts here

Best Bar None (BBN) aims to reduce alcohol-related harms by raising the safety standards of operations in licensed premises.

181

venues **accredited.**

ENRICHING COMMUNITIES

AGLC is dedicated to making a positive impact and contributing to communities. Through various initiatives and partnerships, AGLC is committed to building resilient communities that thrive and provide Albertans with support and opportunities to succeed.



Education



Housing



Social Services



Healthcare



Community Development



Infrastructure

\$2.4 billion

to **Alberta's General Revenue Fund** that supports projects and initiatives Albertans rely on.

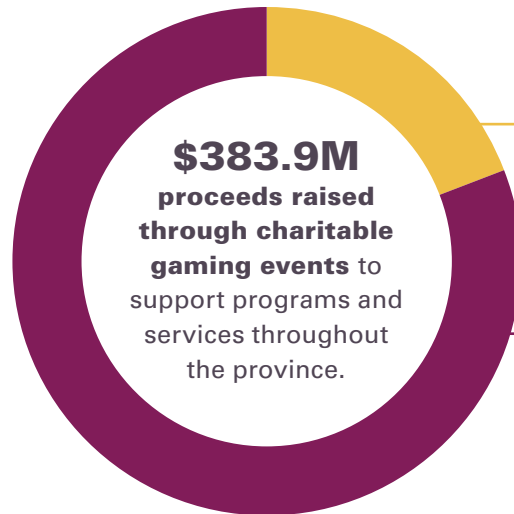
\$137.9 million

allocated from Alberta's General Revenue Fund to the **First Nations Development Fund**.

Did you know?

Alberta is the only province that licenses charities to conduct and manage casino events which supports

19,193
charitable organizations.



\$73.3M

funds raised by Host First Nation charities.

\$310.6M

funds raised by charitable organizations.

Programs and services that support:



Youth and older adults



Social and community development programs



Sports



Donations



Cultural



Business, employment, research



Training/education

In 2023, AGLC collaborated with stakeholders to reduce redundancy by ensuring the Charitable Gaming Policy Handbook reflects current processes and updated eligibility policies to provide charities with expanded flexibility to spend charitable gaming proceeds.



AGLC conducts information sessions with charitable organizations in Alberta, specifically tailored to enhance their comprehension of charitable gaming policies, regulations and guidelines while enabling them to navigate the process effectively.

118 webinars held with representatives from **647 organizations.**



United Way
Alberta Capital Region

AGLC and United Way collaborate to address poverty and support programs that benefit children, families and seniors. Since 1982, AGLC staff have raised

\$968,406.47

Our goal is to reach \$1,000,000 by the end of the 2023 campaign.

PERFORMANCE MEASURES UPDATE

The following table summarizes AGLC's performance against the 2022-25 Business Plan.

Performance measures	Target	Actual
Gaming net operating income (in thousands of dollars)	\$1,468,048	\$1,553,562
Liquor net operating income (in thousands of dollars)	\$849,907	\$825,104
Cannabis net operating income ¹ (in thousands of dollars)	\$6,848	\$18,032
Stakeholder satisfaction	93%	93%
Compliance charitable gaming activities ²	98%	99%
Compliance liquor licensees ²	99%	99%
Compliance cannabis licensees ²	98%	98%
Responsible gamblers	96%	97%
Responsible drinkers	89%	89%
GameSense awareness	34%	48%
DrinkSense awareness	32%	40%
CannabisSense awareness	— ³	32%
Reputation index ⁴	84%	77%

Notes:

- Does not include cannabis excise tax revenue collected by the Government of Alberta.
- Calculated by total inspections during the fiscal year, minus incidents resulting in penalties, divided by total inspections during the fiscal year.
- CannabisSense targets will be set once a baseline has been established with at least two full years of results. 2023 was the second year of baseline collection.
- The Reputation Index is calculated by averaging six separate dimensions (emotional appeal, financial performance, vision and leadership, workplace, social responsibility, and products and services).