



CORPORATE SOCIAL RESPONSIBILITY REPORT 2006

WOODBINE ENTERTAINMENT GROUP CORPORATE SOCIAL RESPONSIBILITY REPORT 2006

Our Leadership Principles

- Live the company's core values of integrity, respect, excellence and accountability
- Make a positive economic impact by creating jobs and providing a healthy and vibrant workplace
- Comply with all laws and regulations
- Provide clear disclosure of financial results
- Adopt fair and progressive human resources practices
- Protect the health and welfare of our equine athletes
- Promote responsible gaming
- Support environmental initiatives to assist environmental sustainability
- Invest in our community through donations, sponsorship and in-kind contributions of products and services



This Corporate Social Responsibility Report highlights the initiatives that Woodbine Entertainment Group (WEG) has taken to be an integral community partner.

We recognize the realities of today's business environment. It is no longer enough for us to be a leader in the horse racing industry. We must operate our business with integrity and ensure its long term economic sustainability so that we can remain a leader in the community.

I am proud of the leadership of the management team and staff working to elevate horse racing to a new level of greatness.

As a corporation we integrate our social, environmental and economic values into our corporate culture and decision making.

This report reflects our continued successes and progressive initiatives as a socially responsible corporation.

David S. Willmot
Chair and CEO
Woodbine Entertainment Group

Overview

It is Woodbine Entertainment Group's (WEG) corporate social responsibility to conduct business with integrity to sustain our Corporation's long term viability. WEG strives to make a positive economic, social and environmental impact on the community.

WEG is committed to be a leader within the horse racing industry and in the communities in which we live and work.

WEG is concerned about the health and welfare of its employees, its horses and the safety of its facilities. WEG is committed to investing in the communities in which we operate and respecting the environment.

These cannot be achieved without ensuring the economic sustainability of the Corporation.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is consistent with sound business management and excellent business practices and is part of our core values for all employees. It is not managed by a single department. Accountability for policies, programs, performance and reporting of various economic, environmental and community initiatives which fall under the definition of CSR are managed by key individuals and departments throughout WEG. Principally, these include, Corporate Affairs, Finance, Human Resources and Property Services.

Cultivating Economic Prosperity

Woodbine Entertainment Group (WEG) is a not-for-profit corporation operating a multi-dimensional entertainment business, committed to maximizing financial performance in order to achieve the highest quality of horse racing. The Corporation reinvests its cash flow exclusively, after debt repayment, in upgrading its facilities and products as required under its not-for-profit mandate.

WEG's Directors are committed to acting in the best interest of horse racing and firmly believe that a healthy horse racing industry is dependent, first and foremost, on the financial viability of racetracks.

Woodbine is referred to as the "engine that drives horse racing in Ontario" and is therefore integral to the health of this agricultural sector. It has been estimated that without the racing operations of Woodbine Entertainment Group, standardbred racing and breeding would be only 25% of its present size and there would be little or no thoroughbred racing industry in Ontario.

The Corporation's economic prosperity has a direct impact on the 60, 000 jobs generated in the horseracing industry across the province, predominantly in rural communities. This includes purse payments of \$158,746,000, a direct support to the livelihood of horse people racing at WEG's facilities.

Our Core Values

- Integrity – We act in an ethical, honest and trust worthy manner
- Respect – We treat people with respect and dignity
- Excellence – We deliver the best possible customer experience by working together, putting the customer first with everything we do
- Accountability – We are responsible for our actions and decisions



Contributing to the Local Economy

WEG's economic support goes beyond the horse racing industry.

In 2006,

- \$27.7 million was paid to Municipalities (\$20.9 million to the City of Toronto and \$6.3 million to the Town of Milton through Mohawk Raceway and \$0.5 million to other locations).
- \$20.4 million was the Municipalities share of slot revenue. \$14.8 million to the City of Toronto. \$5.6 million to Milton.
- \$7.3 million, paid in property taxes. \$6.1 million to the City of Toronto. \$0.74 million to Milton and \$0.5 million for other locations.
- \$205 million, paid out to Local Vendors and Suppliers.
- \$4.9 million, paid out to Utilities.
- \$18.5 million, in annual debt payments (principal and interest)
- \$26.7 million, paid to employee profit sharing
- \$502,912.50 contributed to charitable causes

Transparency – Financial Reporting

WEG consistently reports its financial and business operations in a transparent manner.

The Corporation's Annual Report is available on-line for all stakeholders to review at www.woodbineentertainment.com/corporate/report.html

We value our Employees

It is a priority of the Corporation to operate with principle. Attracting and retaining a talented and highly motivated workforce is crucial to WEG's ongoing success. We endeavor to create an environment that is open and honest – a workplace that is performance driven where people respect each other in their daily activities.

WEG employs over 2,700 full and part-time workers with an annual payroll of almost \$85 million.

As the industry leader, we continue to strengthen our reputation as an employer of choice in all our business areas.

WEG has an annual Service Recognition Program that awards employees for their years of dedicated service with the Corporation.



In 2006, an orientation program for the newest members of the WEG team was launched. Sessions focus on educating new employees about the business operations, corporate goals and values.

Ensuring Safety

Our primary goal is to create a safe and healthy work environment by focusing on accident prevention and reducing the potential for accidents. WEG is proud to be a TSSA Quality Assessed Facility.

Throughout 2006, we continued to place significant emphasis on employee education, training and workplace safety.

Employment Assistance Program (EAP)

EAP is a confidential information counseling and referral service available to all WEG employees and their families. It is designed to provide direct access to experienced professionals to resolve employee problems before they affect their health, life, family or job performance.

EAP services include personal and/or job stress, relationship issues, eldercare, childcare, addictions, harassment, separation and loss, parenting issues, balancing work and life, as well as financial and legal counseling.

The counselors provided by Family Services Employee Programs are experienced psychologists and social workers.

Keeping Employees Informed

WEG established an Internal Communications Department to focus on employee communications. Through vehicles like "Fastracks", the employee newsletter and a new employee e-publication called "Fastracks Newsflash" employees are updated on the strategic initiatives and business objectives, as well as Corporate and employee contributions to the community.

Safeguarding Your Trust

WEG is a highly regulated business that contributes over \$12 million annually in regulation fees to the Federal and Provincial government regulatory agencies to protect the public interest and safeguard your trust.

Integrity

Our Racing Product

Integrity remains one of the Corporation's main priorities.

The Directors believe that the Corporation has the duty and obligation to use whatever legal means to protect the wagering public and honest racing participants from conduct which it considers to be fraudulent or that it suspects may be fraudulent.

Safety and Standards Leadership



WEG is recognized as a Quality Assessed Facility (QAF) program by Ontario's safety regulator TSSA (Technical Standards and Safety Association).

The QAF program improves safety and thereby reduces the risk of accidents, injuries and shut-downs.

“ Within its discretionary service, TSSA's Quality Assessed Facility Program enhanced safety through benchmarking and best practices leading quality assessment, safety education and continual review. Such safety conscious customers as Woodbine Entertainment Group gained safer facilities, reduced downtime, and acquired ongoing updates to further mitigate risk and form the basis for cost-effective maintenance strategies.”

Brad Holland, Business Manager

Technical Standards and Safety Association

Polytrack

During 2006, Woodbine became the first Canadian racetrack and the second in North America to install a Polytrack racing surface at a cost of approximately \$11.4 million.

Woodbine's conversion to Polytrack from a business point of view was an enormous undertaking that has demonstrated immediate benefits.

From a safety point of view the new Polytrack surface has been recognized by the thoroughbred industry as a safer more consistent racing surface for the horses.

This synthetic all-weather track has a specially designed top layer that works with a vertical drainage structure below. The top layer is comprised of silica sand, fibres and recycled materials which provide a soft cushion for the horse and rider.

The entire mixture is covered with a wax coating which allows water to flow through the top layer to the drainage system below and helps prevent the track from freezing or being inconsistent, even in inclement weather, making it safer for horse and rider.

The results to date have demonstrated that Polytrack is safer for the horses and jockeys than the old dirt track.

The Corporation is committed to taking a zero tolerance position with trainers and their associated owners who use illegal substances to improve race performance.

WEG works closely with the Ontario Racing Commissions (ORC) and Canadian Pari-Mutuel Agency (CPMA) to improve testing for illegal drugs.

Integrity of the racing product is key to maintaining the confidence of wagering customers, particularly when customers have so many convenient, attractive, legal and illegal gaming alternatives.

Protecting Our Equine Athletes

All of WEG's barns contain state-of-the-art fire and safety equipment to protect the horses and workers in the Backstretch.

Trainers are responsible for ensuring that Fire Prevention Procedures are followed and that their employees, contractors and agents are familiar with the barn safety equipment rules including the Fire Safety Plan evacuation procedures.

It is mandatory that all 'Backstretch' workers (trainers, jockeys, grooms, and attendants) are trained on current fire prevention procedures.

Any conduct determined by WEG, in its sole and absolute discretion, to be injurious to the sport of horse racing or not to be in the best interests of the sport of horse racing may result in the imposition of a penalty in accordance with the Corporation's Rules and Regulations.



Commitment to our Customers

Service Excellence

WEG has developed a corporate culture of commitment to service excellence and strives to exceed the customers' expectations by anticipating their needs and by providing world class service at all contact points.

We're Listening

In keeping with our commitment to Service Excellence, WEG has developed a Customer Feedback System (CFS). With CFS, WEG is able to respond to and evaluate the experiences and opinions of our customers to ensure the highest level of customer satisfaction.

Listening to our customers ensures that we are providing a positive entertainment experience and enhances customer relations by guaranteeing customers' comments and queries are responded to in a professional and timely manner.

Your Privacy Matters

WEG maintains a firm commitment to the privacy of our customers.

The Internet and other information technologies have revolutionized the way we do business, enabling us to interact and do business with customers, employees and other third parties from the convenience of their home or office.

We recognize concerns about security of Personal Information and have processes and procedures to keep it confidential, safe and secure. A dedicated team of security professionals have specific responsibility to ensure that our systems and customer information are protected against unauthorized access and use.

Providing a Positive Gaming Experience

While most of our customers enjoy pari-mutuel wagering as a form of entertainment, a small percentage may experience gambling problems.

To assist our customers, WEG provides employees with training in prevention policies and procedures.

WEG's comprehensive responsible gaming policy is based on:

- Complying with all laws and regulations
- Providing a safe and secure gaming environment
- Providing information to customers on responsible gaming
- Respecting our customers and providing assistance to the customer who may be experiencing problems
- Promoting responsible gaming policies, practices and procedures within the horse racing industry.

WEG is also committed to preventing the use of its operations for money laundering or terrorist financing purposes and has appropriate policies and procedures in place.



Caring For Our Environment

WEG is committed to reducing our environmental footprint and conducting its business and operational activities in a manner that minimizes environmental risk, maximizes energy conservation and water management.

WEG recognizes that our long-term economic success is dependent on a sound environment and healthy communities.

Reducing Our Environmental Footprint

Climate change isn't a problem confined to car manufacturers and large industrial polluters. It is a problem we all share – one whose solution is largely in our hands.

Combating climate change is about taking personal responsibility and changing behavior. That insight has led WEG to consider its own energy consumption. As a result, WEG now employs procedures and protocols to reduce greenhouse gas emissions. By reducing energy consumption and diverting waste from landfill sites, WEG is committed to having a positive impact on the environment and the communities it serves.

WEG has implemented regular waste audits and a recycling program throughout its operations, including the offices, restaurants, gaming facility, backstretch and barn areas. Recycled materials include paper, wood, fluorescent lighting tubes, metal, used tires, used straw, manure, plastics, grease, organics, cardboard and glass.

Exhibit I reflects our success to date. We have attained 100% success in some areas and admit there is more work to do in others, something that we are working to achieve.

Other environmental highlights include:

- A number of environmental practices have been implemented to accommodate the volume of recyclable paper trash
- Manure and used straw are removed and used in compost by Rolland Farms, a mushroom farming operation
- Approximately 25,200 cubic metres of used wood shavings are removed and used for compost and soil enrichment
- Metal, used tires, wood and fluorescent lighting tubes are collected and recycled

Energy management conservation projects have recently been introduced at Woodbine Racetrack, including a building automation system, heat-wheel technology for mechanical units, high efficiency boilers, light motion sensors, and others.

An open space tradition has been developed at the site with the cultivation of the Walking Circle, landscaped gardens, trees and ponds on the infield and green perimeter. Trees are supplemented on the site from Woodbine's on-site nursery.

WEG continuously adopts environmentally friendly measures and works to develop plans that meet both operational and regulatory demands.

Environmental Scorecard	
ALLOWS FOR 5% CONTAMINATED MATERIAL	
Cardboard	100%
Cooking Oil and Greases	100%
Kitchen Organic Waste	100%
Waste Paper from Printing	100%
Mixed Office Paper	25%
Plastic bottles and metal cans	60%
Glass Bottles	100%
Metal	90%
Mixed Plastic Products	50%
Fluorescent Bulbs	80%

Exhibit 1

Water Management

Approximately 43.2 litres (11.4 million gallons) of water are recycled from Woodbine's five storm water ponds annually, reducing the demands on the municipal water system.

Woodbine has removed approximately 25,000 cubic metres of sediment from the north storm pond, resulting in an increase in the storage capacity of the pond. This work will also improve water quality and make more water available for reuse in irrigation. Improvements in building design include low flow fixtures and electronic faucets.

Polytrack

A new state of the art Polytrack racing surface has been installed which is estimated to reduce water consumption by 66.2 million litres (17.5 million gallons) annually. Reduced maintenance requirements of Polytrack have also greatly reduced greenhouse gas emissions through a 40% reduction of diesel fuel consumption for maintenance equipment.

Caring for our Environment and our Community—a WEG Partnership

Phones for Food

WEG supports the Phones-for-Food project by donating its old cell phones and accessories to "think FOOD" – a Phones-for-Food project. The mission of this project is to alleviate hunger and divert waste from landfill sites by raising funds for local food banks through the process of recycling used printer cartridges and cell phones.

To date almost 265,000 ink cartridges and over 53,000 cell phones have been collected and saved from landfills which in return have been able to provide 150,000 pounds of food to Canada's food banks.

Earth Day

Every year WEG employees volunteer for local initiatives in their communities and at Woodbine and Mohawk. WEG applauds its employees for taking the time to help make a difference.



Roadside Clean Up

Every Spring, WEG's Mohawk Raceway sponsors and employees volunteer their time for the Nasagaweya Rural Roadside Clean-Up in Milton, Ontario. Large industrial bins are filled with everything from roadside trash, such as beer bottles and general waste to tires and hazardous materials.

“Mohawk Raceway does a marvelous job. They put a huge crew out on the roads and took in extra garbage to their own bins. Mohawk personnel also drove around and delivered water to the many volunteers.”

*Jean Woods, Organizer,
Nasagaweya Rural
Roadside Clean-Up*

Investing in our Communities

WEG not only provides financial support to the community but more importantly maintains on-going relationships to ensure long-term success of its partnerships.



A Canadian Leader

WEG is a national leader when it comes to its philanthropic activities.

We are committed to making a difference by investing in our industry and through it, the agricultural economy, our customers, our employees and the communities in which we operate.

In 2006, WEG invested \$502,191.50 in charitable donations. This included a \$25,000 contribution by our thoroughbred horsemen. This Horsemen's Benevolent and Protective Association contribution is used in partnership with WEG for local community initiatives.

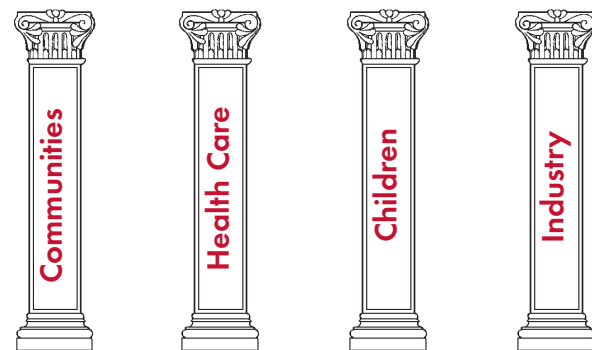
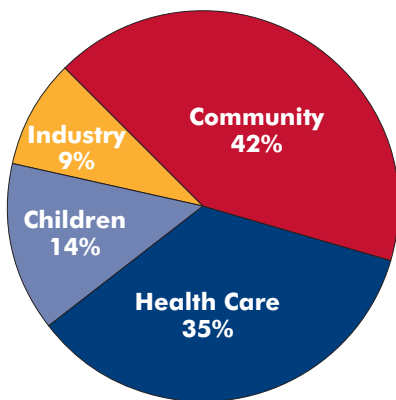
WEG is the only not-for-profit corporation that is a member of Imagine Canada and recognized by the Imagine Canada Group as a "caring company" whose benchmark for contributions is 1% of pre-tax profit to charity.

WEG exceeds this requirement by donating 3% of its net revenues to charity.

WEG's Four Pillars

WEG has established a "Corporate Community Investment Program" that is based on Four Pillars.

We focus our charitable contributions in four key areas – health care, children, communities and our industry to ensure we make a lasting positive impact.



WEG welcomes the opportunity to assist charitable organizations and community programs through donations, sponsorships and in-kind contributions.

Last year, in-kind contributions helped close to 200 charities. As well, almost 50 charities hosted fundraisers at our facilities.

Health Care

WEG believes that health care is the number one issue for our society.

WEG has joined with nearly 20 different health-related organizations to support research and a stronger health care network.

In 2006, WEG fulfilled its \$150,000 commitment to the Dorothy Ley Hospice in Etobicoke for their capital campaign. The Dorothy Ley Hospice provides compassionate and personalized end-of-life care. Through its capital campaign it will build a new facility.

In recognition of this contribution, a new Woodbine Entertainment Group Family Room is being dedicated to serve families in times of need and support.

Children

WEG supports programs that foster the values of our society that develop our youth into healthy contributing citizens for the future.

Woodbine Homework Club

Woodbine partnered with Toronto Police Service 23 Division, Microsoft, and the Ontario Property Management Group to establish an after school Homework Club in the Maurice Coulter Housing Co-operative in North Etobicoke. The Woodbine Homework Club gives students the opportunity to work in a safe environment that allows them to concentrate on their studies and gives them access to personal computers, adult supervision and tutoring.

Children's Breakfast Club

WEG is an active partner of the Toronto Children's Breakfast Clubs. As sole sponsor of the Woodbine Children's Breakfast Club, one of the Children's Breakfast Clubs, 70-80 children are fed a nutritious breakfast before they go to school each morning. The Woodbine Children's Breakfast Club is located in the community centre across from Woodbine Racetrack.

Our partnership with the Toronto Children's Breakfast Club also includes two new programs – The Holiday Season Toy Drive and The New and Used Sports Equipment Drive to support more children throughout our community.

Woodbine is one of the key drop off locations for both programs in the Toronto area.

“The Dorothy Ley Hospice relies heavily on the community for support. When we launched our \$5 million capital campaign to build a freestanding residential centre, Woodbine Entertainment Group was one of the first organizations to step forward and make a significant contribution. Its support not only helped to kick-off the campaign, it also encouraged other groups in Etobicoke to support us. Thank you Woodbine Entertainment Group.”

Fran McBride
Director, Resource Development
Dorothy Ley Hospice





Horizons for Youth

WEG was proud to be named Donor of the Year in 2006.

WEG's Speaker Series Fundraising Event for Horizons for Youth features prominent horse industry, sports and community leaders speaking about their own personal experiences of adversity and how they overcame them.

This program provides shelter to homeless youth in our community and other services including individual case management, day program/drop in, housing help, community support and aftercare along with food and shelter 365 days of the year.

WEG, through the support of its suppliers and expertise of its food and beverage staff, prepare a culinary feast for this major fundraiser as well as for the Horizons for Youth Annual General Meeting.

Communities

WEG has partnered with many charitable organizations that positively impact community life.

Humber College

WEG is a strategic partner with Humber College's "Tourism, Recreation and Hospitality Program." Sponsoring the Humber Dining Room and new Demonstration Cooking Lab.

WEG provides a Hire-Employment Program to students enrolled in that program, offering participants the opportunity to work directly in their chosen profession at Woodbine.

In 2006, WEG contributed \$16,950.00 in charitable donations to Humber College and the Humber College Awards of Excellence.

Arts Etobicoke

WEG is a community partner and provides core funding for administration, cultural and arts programming.

Arts Etobicoke provides programs and services to engage all people in West Toronto with the arts and artists in their community.

Ernestine's Women's Shelter

WEG hosted – Feminisque – a ladies day at Woodbine. More than 300 women attended raising almost \$7, 000 for the shelter.

“Horizons for Youth is a wonderful organization. Somebody has to help the kids that are living on the streets. It is a very worthy cause. I am proud to cook for royalty that attend the Queen's Plate, but I am equally proud to cook for people from more humble beginnings.”

*Joseph Lesch
WEG Executive Chef*

“Your support makes a big difference in the lives of women and children who find a haven at Ernestine's. When a woman and her children come to Ernestine's they often have little more than hope and the promise of a new beginning. With your help, we are able to work with our clients to help them rebuild their lives.”

*Sharlene Tygesen
Director of Community and Staff Relations
Ernestine's Women's Shelter*

Our Employees

WEG is proud of the community minded spirit of its employees, either through their direct financial donations or their volunteerism.

Employee Charity Drives

To support our employees' efforts, WEG matches dollar for dollar all donations raised by our employees in corporate-wide campaigns. In 2006 our employees held charitable drives for –

- The United Way
- Trillium Health Centre
- Canadian Cancer Society
- Toy Mountain
- Parkinson's Tulip Campaign
- Daily Bread Food Bank

In addition, Employee Teams represented the organization at a number of charitable sporting events such as Rick Hansen "Wheels in Motion", the Community Association for Riding Disabled (CARD) and IceWave, a volleyball tournament in support of Sick Kids Foundation.

Canadian Association for the Riding Disabled (CARD)

WEG's employees are proud sponsors of CARD whose Mission is to improve the lives of children and adults with disabilities through quality therapeutic riding programs.

Under the supervision of specifically trained physiotherapists, skilled equestrian staff and dedicated volunteers, riders gain greater skills, are introduced to lifelong benefits as well as improved balance and co-ordination all with the goal of improving the riders' quality of life.





Woodbine Family Area

The Woodbine Family Area provides free family entertainment while educating families about horses and is open every weekend throughout the summer.

This area also features guided shuttle tours of the backstretch, providing visitors with a rare behind the scenes look at the world of thoroughbred horseracing.

A unique partnership was developed by WEG to

showcase equine related charities, such as Equine Guelph, who provide the educational displays about the horse, its anatomy, health and care, the Canadian Association for the Riding Disabled (CARD) and the LongRun Thoroughbred Retirement Society.

Our Industry

WEG supports organizations that help the interests of the horse racing sector, including both its equine and human participants.

WEG works with industry partners such as LongRun Thoroughbred Society and Ontario Standardbred Adoption Society to find homes for retired race horses.

LongRun Thoroughbred Retirement Society

WEG supports LongRun's aim to help horses that are no longer able to compete by fostering, rehabilitating and finding these racehorses permanent adoptive homes and alternative careers as pleasure horses or companion animals.

In addition to our annual donation, WEG supports a LongRun Day at Woodbine Racetrack to raise awareness of the program and adoption opportunities.



Ontario Standardbred Adoption Society (OSAS)

The Ontario Standardbred Adoption Society (OSAS) assists in the adoption and reschooling of retired and non-racing Standardbred horses within Ontario. Follow-up on each horse after adoption adds to the strength of this worthwhile program.

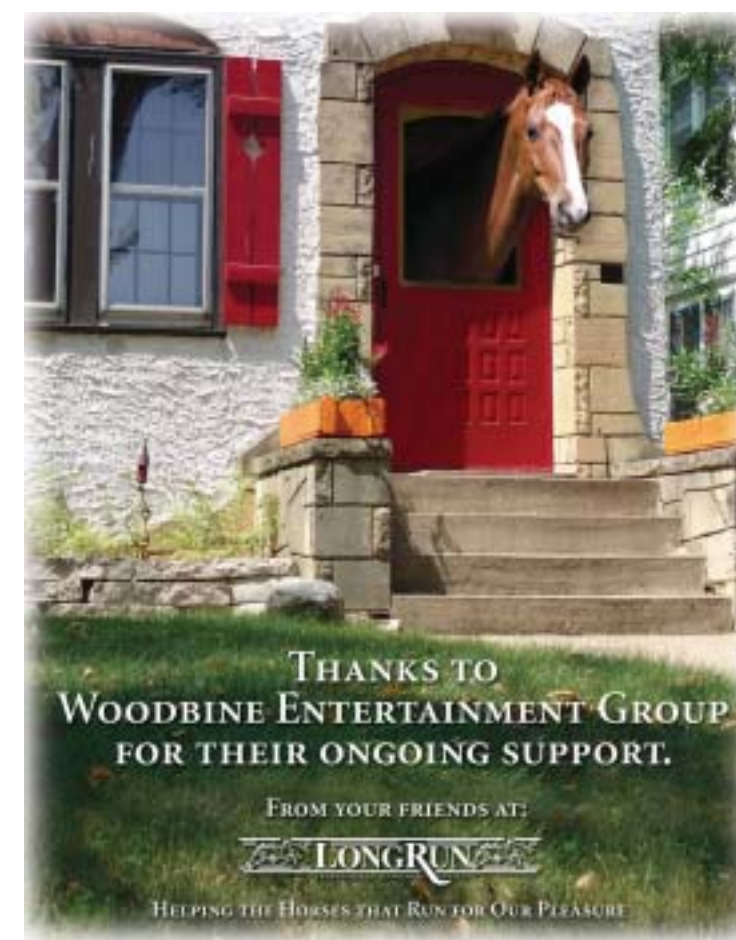
Equine Guelph

WEG is a supporter of Equine Guelph's Youth Initiatives Programs to raise awareness about horses to today's youth.

Equine Guelph promotes the health and welfare of horses in Ontario by conducting research into diseases and common problems in horses and by communicating effectively the findings to the scientific communities and equine industry.

WEG also sponsors 'Equimania' that educates and informs students about horses.

For more information on WEG's charitable initiatives view www.woodbineentertainment.com/corporate/charity.html





WOODBINE ENTERTAINMENT GROUP

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