



# Fighting Against Forced Labour and Child Labour in Supply Chains Act

Annual Report 2023/2024  
("Fighting Modern Slavery Report")

## Background

Bill S-211, *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) came into force on January 1, 2024. This is the joint annual report on forced and child labour of the British Columbia Lottery Corporation (“BCLC”) and B.C. Lottotech International Inc. (“Lottotech”) for the reporting year April 1, 2023 to March 31, 2024 and is prepared in accordance with Part 2 of the Act.

## Steps taken to prevent and reduce the risk that forced and child labour is used in supply chain

To prevent and reduce the risk of forced and child labour in supply chain, BCLC’s Supplier Code of Conduct incorporates the core principles of the International Labour Organization (ILO) and the Fair Labour Association (FLA) and directly supports the Universal Declaration of Human Rights. In 2023, BCLC included the requirement for suppliers to agree to “meet or exceed” the standards of BCLC’s Supplier Code of Conduct, in the request for proposals process as well as its new contracts.

## Company structure, activities, and supply chains

BCLC is a Crown corporation of British Columbia which conducts and manages provincial gambling on behalf of the Provincial government. Gambling activities include lottery, casino, bingo, and internet gambling. BCLC has approximately 1350 employees.

Lottotech is a wholly owned subsidiary of BCLC. The primary business of Lottotech is the purchase of capital assets for lease to BCLC. The financial operations, management and oversight of Lottotech are consolidated within BCLC operations. References to BCLC in this report also include Lottotech.

BCLC’s primary categories of goods subject to the Act are listed in the table below.

Category of Goods	Tier 1 Supplier Location
Lottery Terminals	United States
Lottery Ticket Slips and Rolls	Canada
Scratch Tickets and Pull Tabs	Canada
Bingo Paper	Canada

Electronic Gaming Devices	Canada, United States
Ticket Redemption Machines	Canada
Casino Signage	Canada, United States
IT Server, Storage and Network Infrastructure	Canada
Desktop Computing Equipment	Canada

### Policies and Due Diligence relating to forced and child labour

BCLC has several policies and processes relating to the risks of forced and child labour. These include:

- *Supplier Code of Conduct*: Includes prohibitions on forced and child labour in suppliers' supply chains.
- *Standards of Ethical Business Conduct*: Requires all BCLC employees and contractors to conduct business with professionalism, honesty and integrity, adhering to all applicable laws and the Human Rights Code of BC.
- *Social Purpose and Sustainable Procurement Policy*: Requires employees and contractors to consider social impacts and ethical compliance when undertaking procurement activities.
- *Environmental, Social and Governance (ESG) Policy*: Requires that BCLC manage its operations in ways that are environmentally, socially, and economically sustainable and integrate ESG considerations into procurement activities.
- *Enterprise Risk Management Policy*: Requires comprehensive risk assessments for all significant business decisions that might materially impact BCLC's purpose, financials, stakeholder relations, or reputation.
- *Vendor Evaluation and Selection criteria*: BCLC includes a standard questionnaire regarding social and sustainable evaluation criteria in its competitive bid processes. Where the scope of the goods or services under a competitive bid process includes high risk categories, BCLC will include specific criteria meant to identify and mitigate the risk of forced and child labour.

- *Vendor Risk Management Program*: BCLC is currently implementing a Vendor Risk Management (VRM) program. Under the VRM program, BCLC will assess the inherent risk of vendors and based on the level of inherent risk, conduct further due diligence. One element of inherent risk is ESG, including risks related to forced and child labour.

## Business and supply chain areas that carry a risk of forced and child labour

BCLC has reviewed the list published by the United States Bureau of International Labor Affairs of goods and their source countries which it has reason to believe may be produced by forced or child labor in violation of international standards. Electronics are included in the list and have been identified as a category of risk for BCLC.

## Steps used to manage business and supply chain risks

BCLC has an established Enterprise Risk Management program that applies an enterprise-wide integrated approach for the management of risk. Risk assessments must be conducted on significant new ventures and activities including programs, projects, processes, systems, and commercial activities.

In 2023, BCLC established a Vendor Governance team. The Vendor Governance team is currently conducting a comprehensive review of BCLC's direct suppliers. Part of the review will be to identify areas of potential risk, including the risk of forced and child labour. The VRM program will facilitate the ongoing identification and management of risk, including the risk of forced and child labour.

## Measures taken to remediate forced and child labour

BCLC has not identified forced and child labour within its supply chain and thus have not taken actions to remediate.

## Measures taken to remediate the loss of income to the most vulnerable families

BCLC has not identified forced and child labour within its supply chain and thus have not taken actions to remediate.

## Training provided to employees on forced and child labour

Procurement and Legal personnel have received training on the risk of forced and child labour in supply chain and the Act. In the coming year, BCLC expects to provide additional training on areas of BCLC's activities and supply chains that carry a risk of forced and child labour.

## Monitoring the effectiveness of our efforts

BCLC is developing metrics to assess the effectiveness of the VRM program. BCLC anticipates inclusion of metrics related to identification and management of risk, including the risk of forced and child labour in the supply chain.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that the Board of Directors has reviewed the information contained in the report for the entity or entities listed above and approved the report pursuant to section 11(4)(b)(i). Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

<p>Per:  _____ BCLC Authorized Signatory</p> <p>Name: <u>Greg Moore</u></p> <p>Title: <u>Chair, Board of Directors</u></p> <p>Date: <u>22 May 2024</u></p>	<p>Per:  _____ Lottotech Authorized Signatory</p> <p>Name: <u>Pat Davis</u></p> <p>Title: <u>President &amp; CEO</u></p> <p>Date: <u>22 May 2024</u></p>
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I have the authority to bind BCLC.

I have the authority to bind Lottotech.