

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

Annual Report 2024/2025

## Background

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Supply Chains Act”) came into force on January 1, 2024. This is the joint annual report on forced labour and child labour of the British Columbia Lottery Corporation (“BCLC”) and B.C. Lottotech International Inc. (“Lottotech”) for the reporting year April 1, 2024 to March 31, 2025 and is prepared in accordance with Part 2 of the Supply Chains Act.

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

During the reporting year, BCLC took the following steps to prevent and reduce the risk that forced labour and child labour is used in our supply chain:

- Updated our competitive bid process Environmental, Social and Governance (“ESG”) questionnaire to evaluate potential suppliers’ policies and practices related to preventing and reducing the risk of forced labour and child labour in their supply chain.
- Enhanced our Vendor Risk Management program due diligence questionnaire to include questions directly related to the Supply Chains Act.
- Modified our new vendor setup process to assign a forced labour and child labour risk rating based on the category of goods/services being provided.
- Enhanced our contract management system to track suppliers that have signed our Supplier Code of Conduct.
- Created training content and delivered training to all Corporate Procurement employees.
- Developed key performance indicators (“KPIs”) to measure the effectiveness of our efforts.
- Initiated a review of our Supplier Code of Conduct to strengthen protections against forced labour and child labour. BCLC expects to publish a revised code of conduct early in the next reporting period.

- Reviewed all vendors with spend over \$25,000 in the previous reporting year to determine if they filed reports under the Supply Chains Act in 2024. In the next reporting year, BCLC plans to analyze select reports to confirm alignment with BCLC's expectations and survey select vendors that did not file reports to confirm their awareness and compliance with the Supply Chains Act.

## 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 1335 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 Supply Chains 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 labour and child labour

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

- *Supplier Code of Conduct*: Includes prohibitions on forced labour 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 Risk Management Program*: Assesses inherent risk and conducts additional due diligence for medium and high-risk vendors. One element of inherent risk is ESG, including risks related to forced labour and child labour.
- *Vendor Evaluation and Selection Criteria*: BCLC includes a standard ESG questionnaire and evaluation criteria in its competitive bid processes. Where the scope of the goods or services includes high risk categories, BCLC will include specific criteria meant to identify and mitigate the risk of forced labour and child labour.

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

Based on analysis conducted in the previous reporting year, electronics have been identified as a category of risk for BCLC. In the next reporting year, BCLC plans to assess vendors that supply electronics to BCLC to identify areas of potential risk and engage those vendors to determine the steps they take to prevent and reduce forced labour and child labour in their supply chains.

## 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.

BCLC also has an established Vendor Risk Management (VRM) program that applies a systematic approach to identify, assess, and manage risk associated with vendors. Due diligence assessments are conducted for medium to high-risk vendors.

## Measures taken to remediate forced labour and child labour

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

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

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

## Training provided to employees on forced labour and child labour

BCLC developed training content on an introduction to the Supply Chains Act including details of the reporting requirements, what forced labour and child labour are, and the impact and responsibilities for procurement. The training was delivered to all Corporate Procurement employees in January 2025. Ongoing training will be mandatory for all Corporate Procurement employees and attendance will be tracked within BCLC's learning management system.

In the next reporting year, BCLC plans to extend training to employees in other areas of the business that are involved in the procurement process.


## Monitoring the effectiveness of our efforts

BCLC developed the following KPIs that will be used to monitor the effectiveness of our efforts starting in the next reporting year:

- number of vendors that have signed BCLC's Supplier Code of Conduct
- number of competitive bid process screened for risk of forced labour or child labour
- number of vendors assigned a forced labour or child labour risk rating
- number of employees that have completed training on forced labour and child labour

## Attestation

In accordance with the requirements of the Supply Chains Act, and in particular section 11 thereof, I attest that the BCLC 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)(ii). 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 Supply Chains Act, for the reporting year listed above.

<p>Per: </p> <p>Authorized Signatory</p> <p>Name: <u>Pat Davis</u></p> <p>Title: <u>President &amp; CEO</u></p> <p>Date: <u>23 May 2025</u></p>
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I have authority to bind BCLC and Lottotech.