

ONTARIO LOTTERY AND GAMING CORPORATION

REPORT UNDER THE *FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT*

This Report is made by Ontario Lottery and Gaming Corporation (“**OLG**”, the “**Corporation**”, “**our**” or “**we**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report relates to actions and activities during OLG’s financial year ending March 31, 2024 (the “**Reporting Period**”) and is the first report prepared by the Corporation under the Act.

A. Structure, Activities, and Supply Chains

OLG is a corporation without share capital established under the *Ontario Lottery and Gaming Corporation Act, 1999* (the “**OLG Act**”). It is headquartered in Sault Ste. Marie, Ontario and maintains additional Ontario offices in Toronto, Mississauga and Oakville. OLG is for all its purposes an agent of the Crown in right of Ontario pursuant to the OLG Act, and reports through its Board of Directors (the “**Board**”) to the Minister of Finance of Ontario.

Pursuant to the OLG Act, OLG’s purpose includes enhancing Ontario’s economic development; generate revenues for the province; and promoting Responsible Gambling.

OLG advances its purpose by pursuing the following objects enumerated under the OLG Act:

- To develop, undertake, organize, conduct and manage lottery schemes on behalf of the Crown in right of Ontario.
- To provide for the operation of gaming sites.
- To ensure that the lottery schemes and gaming sites are conducted, managed and operated in accordance with the *Criminal Code* (Canada), the OLG Act and the *Gaming Control Act, 1992* and the regulations made thereunder.
- To provide for the operation of any business that the Corporation considers to be reasonably related to operating a gaming site or lottery scheme, including any business that offers goods and services to persons who play lottery schemes in a gaming site.
- If authorized by the Lieutenant Governor in Council, to enter into agreements to develop, undertake, organize, conduct and manage lottery schemes on behalf of, or in conjunction with, the government of one or more provinces of Canada.
- To undertake activities with respect to the support of live horse racing in Ontario.
- To do such other things as the Lieutenant Governor in Council may by order direct.

During the Reporting Period, only 4.9% of OLG’s vendor spend involved Goods, and were purchased from 51 vendors for: Lottery products, IT technology, Security Surveillance, Office Products, and Facilities (food/beverage, signage, cleaning, and uniforms).

OLG's lottery and gaming activities in Ontario are subject to the oversight of the Alcohol and Gaming Commission of Ontario ("AGCO") which regulates lottery and gaming operators, including OLG and gaming and non-gaming related suppliers/vendors. With respect to OLG's suppliers and vendors, we note the following: Suppliers are registered and regulated by the AGCO.

As part of the AGCO's regulatory responsibilities, the AGCO conducts eligibility assessments on those looking to supply goods or services to Ontario's gaming industry to determine if applicants are suitable for registration under the Gaming Control Act. One of the requirements for registrations is that applicants comply with applicable law.

- Suppliers who provide, install, test, maintain or repair gaming equipment or who provide consulting or similar services directly related to the operation of a gaming site are required to hold a gaming-related supplier registration with the AGCO.
- Suppliers who provide goods or services that relate to the construction, furnishing, repair, maintenance or business but that are not directly related to the operation of a gaming site, are required to hold a non-gaming related supplier registration with the AGCO.

As a Crown agency, the acquisition of Goods by OLG is governed by procurement related legislation, regulations, government directives and internal governance requirements. The Government of Ontario is a party to certain domestic and international trade agreements for which OLG is considered a covered entity (the "Trade Agreements"). Where applicable, OLG must also conduct its procurements in a manner which adheres to the Trade Agreements.

B. Policies and Due Diligence processes that address risk of Forced Labour and Child Labour

New Supplier Code of Conduct

In the Reporting Period, OLG drafted a new Supplier Code of Conduct which was internally approved on March 25, 2024, was translated into French, and both language portions published on April 26, 2024. OLG's PO T&C's were also updated on April 26, 2024 to include the appropriate references.

The Code of Conduct includes the following provisions in the Requirements section that address the risk of Forced Labour and Child Labour:

- **I. Compliance with Laws:** Suppliers must comply with all applicable laws, statutes and regulations of the jurisdictions in which they and OLG operates, including the Fighting against Forced Labour and Child Labour in Supply Chains Act S.C. 2023, c.9.
- **IV. Forced Labour and Child Labour**

a) Forced Labour

Suppliers shall only utilize workers whose labour or services is provided, or offered to be provided, voluntarily and is not forced, compulsory, extracted under the menace of

penalty, or could reasonably cause the worker to believe their safety, or the safety of a person known to them, would be threatened if they fail to provide such labour or services.

b) **Child Labour**

All workers of Suppliers must be of, at least, the legal minimum employment age of the applicable jurisdiction. Notwithstanding the foregoing, Suppliers shall not utilize workers under the age of eighteen (18) whose labour or services provided, or offered to be provided, would:

- a) be contrary to the laws applicable in Canada, where such labour or services is provided, or offered to be provided, in Canada;
 - b) be under circumstances that are mentally, physically, socially or morally dangerous to them;
 - c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
 - d) constitute the Worst Forms of Child Labour.¹
- d) **Importation of Goods Produced by Forced or Child Labour:** Suppliers will not import, or attempt to import, goods into Canada that are mined, manufactured, or produced, in whole or in part, by forced or child labour regardless of the country of origin.

OLG intends to socialize the Code with our suppliers to ensure they understand our expectations, and compliance with the Code will be made a term of all new contracts with OLG.

Beginning in Fiscal Year 2026, on an annual basis, OLG will require suppliers to provide us with an attestation of their compliance with the Code.

Updates to OLG Procurement Policy and Procedures

In the Reporting Period, OLG reviewed its Procurement Policy and Procedures to identify areas which could be updated to ensure that those that wish to do business with OLG meet certain requirements related to the prevention of Forced Labour and Child Labour. In particular, to ensure that all procurements within OLG comply with requirements under “*applicable legislation, regulations, directives and Trade Agreements*”, the following changes to OLG’s Procurement Policies and Procedures [#FRA-02-01] were made effective on April 1, 2024.

¹ As defined in Article 3 of the Worst Forms of Child Labour Convention, 1999.

- Adding a specific reference the Modern Slavery Act, as amended, to the list of applicable Legislation, Regulations, Directives and Internal Governance Documents at Appendix “A” at a new subsection (k).
- Adding a new subsection under Section 6 - Other Considerations as follows:

6.13 Modern Slavery Act Obligations

- (i) OLG must also comply with the Modern Slavery Act.
- (ii) Where a Vendor will be providing services to OLG, or on OLG’s behalf, the procurement documents should specify the requirements and Vendor’s obligation to strictly comply with any Modern Slavery Act requirements.

Subsequent to April 1, 2024, any acquisition of goods and services by OLG that is subject to the Procurement Policy and Procedures will be governed by the above new requirements. The requirement to comply with the Code will also be added to relevant OLG procurement templates, i.e. RFPs for acquisition of goods.

C. Parts of its activities and supply chains that carry a risk of Forced Labour or Child Labour being used and the steps taken to assess and manage the risk

Section 11 of the Act requires reporting on the steps taken by OLG during the reporting period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by OLG or of goods imported into Canada by OLG. During the reporting period, **OLG did not produce any goods in Canada, nor did it import (based on the reasonable meaning of the term) any goods into Canada. Accordingly, OLG does not have information to report that is responsive to Section 11.**

While OLG did not produce or import goods, it did undertake efforts in the Reporting Period to prevent and reduce the risk of Forced Labour and Child Labour in its business and supply chains. Please see the steps outlined in Part B above. Going forward, OLG is committed to reviewing and considering what further controls can be effectively implemented in this regard.

Imports by Caesars Windsor

Ambiguity as to what entity is “importing” for the purposes of the Act

- Pursuant to an operating agreement, OLG currently conducts and manages the Caesars Windsor Hotel and Casino through its operator, Caesars Entertainment Windsor Limited (“Caesars”). Caesars is a private company incorporated under the Business Corporations Act (Ontario) and is an indirectly-wholly owned subsidiary of Caesars Entertainment, Inc. (“Caesars Entertainment”). Caesars also wholly owns Windsor Casino Limited, which is the employer for all employees at Caesars.
- Caesars is responsible for the day-to-day operations of the Hotel and Casino, including the importation into Canada of all goods necessary to support its operations. Caesars enters into contracts with suppliers for these goods, as agent for the OLG. This is because pursuant

to the operating agreement, the goods imported are indirectly paid for by OLG and are ultimately owned by OLG. OLG has elected to describe in this report the due diligence we understand Caesars has undertaken to address the risk of Forced Labour or Child Labour in the imported goods.

Caesars Due Diligence, Policies, and Assessment of Risk

Caesars has advised us that:

- Caesars has reviewed and considered the risk of child and forced labour within its operations and believe the risk to be negligible. This is due to their almost exclusively Canadian workforce, extensive policies, and the procedures that govern the recruitment, working conditions and ethical treatment of their employees. Within Caesars, 73% of the workforce is covered by a collective agreement that ensures compliance with working conditions negotiated by the union, thus further minimizing the risk of forced/child labour.
- During the Reporting Period, Caesars contracted with approximately 696 suppliers who supplied them with a variety of goods and services related to Entertainment, Food and Beverage, Gaming and General Equipment, Engineering and Facilities, Operating Supplies and Retail.
- The majority of Caesars suppliers, approximately 99%, are based in North America. Specifically, 78% are based in Canada and 21% are based in the United States. Given that 100% of Caesar's first-level suppliers are based in jurisdictions with a low prevalence of forced/child labour and that the gaming industry is highly regulated, and many employees and Suppliers must hold a registration with the AGCO, we have assessed the risk as being minimal.
- Caesars is committed to conducting business legally, ethically, and professionally worldwide. They comply with all laws, rules and regulations of the federal, provincial and local governments, and also applicable foreign anti-corruption laws. All casino operators in Ontario including Caesars are regulated by the AGCO.
- The following policies guide Caesars business activities and ensure they are carried out in an ethical, legal and responsible manner and in accordance with AGCO standards:
 - ***Employee Code of Conduct.*** *Our Code of Conduct (the "Code") was prepared and adopted by our Executive Committee to ensure that all employees practice honesty and integrity in their dealings on our behalf, make principled business decisions to safeguard our reputation, and conduct business in the most ethical manner. Employees are expected to have knowledge of and abide by any applicable standards and requirements issued by the AGCO, and with all applicable laws including all applicable anti-corruption laws and regulations at all times and are expected to avoid activities that involve Caesars in a violation of the Code, so as to demonstrate to the general public a conscientious dedication to the highest ethical standards. Employees are required to report anything that violates, or could appear to violate, the Code, any law or regulation or anything that might adversely*

affect the ethical and business reputation of persons with whom we conduct business. Failure to abide by the Code is cause for disciplinary action up to and including termination.

- **Supplier Code of Conduct.** *We strive to work with Suppliers who operate legally, ethically and responsibly in an effort to minimize legal and reputational risks. Our prequalification assessment of Suppliers includes consideration of health, safety, environmental, compliance and financial considerations, among other supply chain management metrics.*
- **Whistleblowing Policy.** *This policy is embedded within our Code and requires employees to report violations or potential violations of federal, provincial, local or foreign laws and/or gaming regulations, the compliance program and the Code. Employees can report these violations to our Compliance Officer or through the Caesars Entertainment Hotline (the “Hotline”). This Hotline provides employees with an avenue for reporting concerns regarding ethical business conduct or any violations as set out herein. Caesars recognizes that its employees are its best asset to ensure compliance objectives are met. In support of this, we prohibit retaliation against any employee for reporting compliance-related issues.*
- In addition to the preceding, Caesars and OLG have exchanged information regarding the due diligence efforts undertaken by both organizations to assess the risk of forced/child labour in their respective activities and supply chains. This includes OLG sharing with Caesars the initiatives described in Part B above, i.e. Supplier Code of Conduct etc. Caesars has agreed to consider these initiatives and to adopt them where practicable. As is the case for OLG, Caesars has advised us that it is committed to reviewing and considering what further controls can be effectively implemented.

Imminent Modernization of Windsor Gaming Bundle and New Operating Agreement

- Ontario’s Cabinet and the Ministry of Finance approved OLG’s Modernization plan in 2012 to secure private-sector operators for gaming zones, who will be responsible for all funding, building and operation of all casino gaming facilities.
- Due to delays associated with the CV19 pandemic, the Windsor casino is the only site remaining that has not completed the Modernization procurement process. However, during the Reporting Period, OLG released the Request for Proposal (RFP) documents to pre-qualified proponents to bid on the Windsor casino.
- Once the RFP is completed and an operator selected, a new operating agreement will be in place. Under the new operating agreement, imports of goods into Canada will clearly be the responsibility of the new operator.

D. Measures taken to remediate any Forced Labour or Child Labour

Not Applicable as OLG did not produce any goods in Canada, nor did it import any goods into Canada. In the Reporting Period, Caesars has advised us that it also did not identify any instances

of forced/child labour in their supply chains, and therefore, no remedial measures were taken, including those related to remediating the economic impact on the most vulnerable families.

E. Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of Forced Labour or Child Labour in its activities and supply chains.

Not Applicable as OLG did not produce any goods in Canada, nor did it import any goods into Canada. In the Reporting Period, Caesars has advised us that it did not identify any instances of forced/child labour in their supply chains, and therefore, no remedial measures were taken, including those related to remediating the economic impact on the most vulnerable families.

F. Training provided to employees on Forced Labour and Child Labour

Not Applicable during the Reporting Period. Although OLG did not produce any goods in Canada, nor did it import any goods into Canada, we will continue to evaluate our future training requirements.

G. How the government institution assesses its effectiveness in ensuring that Forced Labour and Child Labour are not being used in its activities and supply chains.

Not Applicable as OLG did not produce any goods in Canada, nor did it import any goods into Canada.

Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act on [date of written resolution] by the Board of Directors of OLG.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for OLG. 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 financial year ended March 31, 2024.

Dated: May 29, 2024

**ONTARIO LOTTERY AND GAMING
CORPORATION**


Name: Jim Warren
Title: Chair

I have the authority to bind the OLG

