

Fighting Against Forced Labour and Child Labour in Supply Chains 2023-2024 Annual Report

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contact us at <https://www.mbl.ca/content/contact-us>.

Land Acknowledgment

Manitoba Liquor & Lotteries benefits from being on the original territories of the Anishinaabe, Cree, Oji-Cree, Dakota, Lakota, and Dene peoples, lands now known as Treaties One through Five – and the homeland of the Red River Métis. We commit to respecting the treaties made on these territories while acknowledging the harms of the past and moving forward in partnership with Indigenous communities and a spirit of reconciliation. While we acknowledge that territorial acknowledgements are only one step in cultivating greater respect for and inclusion of Indigenous Peoples, these words will accompany actions invested in building a future and community better for all.

Introduction

This is the first report prepared by Manitoba Liquor and Lotteries Corporation (Manitoba Liquor & Lotteries) to address Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) which requires certain entities doing business in Canada to disclose their efforts to eradicate forced labour and child labour in their supply chains. This report covers the financial year ending March 31, 2024.

Manitoba Liquor & Lotteries is proud of our strong commitment to corporate responsibility, which drives everything we do – from how we run our business to how we serve our customers and communities. Reporting under the Act gives us an opportunity to demonstrate that we continue to be a leader in responsible business practices, which reflects our core values: Caring; Committed; Collaborative; Creative; and Customer Focused.



Structure, Activities and Supply Chain

Manitoba Liquor & Lotteries is a Crown corporation of the Province of Manitoba. We distribute and sell liquor, provide gaming and entertainment experiences, and source and distribute non-medical cannabis to retailers in the province, all in a socially responsible manner.

Our profits go to the Province of Manitoba's general revenue and support priority programming in areas like health care, education, social and community services.

Two per cent of anticipated annual net income is committed towards responsible gambling, responsible liquor and cannabis consumption, and research and treatment programs.

Gaming

We operate Club Regent Casino, McPhillips Station Casino and offer online gaming services through PlayNow.com which is hosted by the British Columbia Lottery Corporation. The province's Video Lottery Terminal (VLT) network, managed through our Morris office, supports

the province's commercial, veteran and First Nation VLT site operators through a commission and contribution structure. We distribute and sell Western Canada Lottery Corporation products through our network of privately-owned lottery ticket retailers which includes draw-based games managed by the Interprovincial Lottery Corporation.

Liquor

We are one of the largest single buyers of beverage alcohol in the world. Manitoba Liquor & Lotteries brings an incredible array of products into our province from over 50 different countries.

As a retailer, we operate 63 Liquor Mart and Liquor Mart Express stores throughout the province. As the wholesaler and distributor of liquor for the province, the corporation's distribution centre serves approximately 1,700 commercial customers across Manitoba including privately-owned liquor vendors, hotel beer vendors, duty-free stores, and specialty wine stores.

Cannabis

We source and distribute non-medical cannabis from Health Canada licensed producers for the privately-owned licensed retailers in Manitoba. The majority of cannabis is delivered directly to the licensed retailer network, but cannabis is also distributed through locally owned limited distribution facilities located in Manitoba.

Governance and Oversight

We report to the Province of Manitoba through an appointed [board of directors](#).

Our annual report, corporate responsibility report, and business plans are available on our web page at <https://www.mbl.ca/content/reports>.

We are regulated by The Liquor, Gaming and Cannabis Authority of Manitoba (LGCA). The LGCA licenses gaming activities, ensures the technical integrity of games and equipment, monitors compliance, and performs other activities required of the regulator. Our gaming suppliers must be licensed by the LGCA and are bound to be compliant with all laws of Canada.

Policies and Due Diligence Processes

Manitoba Liquor & Lotteries respects and supports the fundamental human rights principles set forth in the United Nations Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights and acknowledges the risks of forced labour and child labour in the global supply chain. We are committed to continuous improvement in our due diligence processes, and to conduct assessments to investigate, evaluate and mitigate potential human rights issues.

Code of Conduct

Manitoba Liquor & Lotteries strives to adhere to the highest standards while delivering our products and services in an ethical and socially responsible manner. Our Code of Conduct serves as a reliable compass for employees to follow, which helps to mitigate the risk of damaging

valued relationships or harming our corporate reputation. All employees must read, understand, and comply with the Code of Conduct and supporting policies.

Supplier Code of Conduct

Our supplier code of conduct sets the expectations that our suppliers and their employees and subcontractors will follow ethical business practices, such as not using forced labour or child labour.

Procurement Policy

The Procure to Pay policy establishes rules to be followed to procure goods and services in a responsible manner that considers social, environmental, accessibility requirements, economic and fair practices.

Whistleblower Protection Policy

We have a formal policy that safeguards the high standards of professional values and ethics to provide a clear process for disclosing concerns about significant and serious wrongdoings. The policy is communicated to employees annually. We have a designated officer who is responsible for managing, tracking, and reporting disclosures:

To report concerns, or disclose potential wrongdoings or misconduct, including instances of forced labour or child labour please contact our designated officer's confidential hotline at (204) 957-2500 ext. 4976 or email corporate.secretary@mbl.ca.

Supplier Agreements and Terms & Conditions

Suppliers have a standard agreement/terms and conditions on all purchase orders. Purchase orders are governed by and enforced in accordance with provincial and federal laws.

Gaming Suppliers Licence

Gaming suppliers that provide services or equipment must be licensed by the provincial regulator, the LGCA, and are bound to be compliant with provincial and federal laws.

Assessing and Managing Risk

Our procurement processes proactively inquire as to where goods are manufactured and where the suppliers to support that manufacturing come from.

We currently align our social responsibility commitments to the Global Reporting Initiative (GRI) and are in the process of expanding our reporting criteria for future reporting periods to include forced labour and child labour risks under GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016.

We are also currently exploring software solutions to facilitate third-party risk management assessments for suppliers which will be included in future reporting periods.

Remediation Measures

No instances of forced labour or child labour have been identified in Manitoba Liquor & Lotteries supply chain at this time.

Training

Manitoba Liquor & Lotteries has mandatory Code of Conduct and supporting policies training for every new employee and regular refresh training. We are committed to continuous improvement regarding employees' understanding and compliance to policies and procedures, including identifying and reducing risks of forced labour and child labour in our supply chain.

We are committed to enhancing our organizational development on training for procurement professionals to support the identification and mitigation of supply chain risks.

Assessing Effectiveness

Once the process of expanding our reporting criteria to include forced labour and child labour risks under GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016 is in place, the results will be formally measured.

Additionally, once we have software for third-party risk management assessments for suppliers in place, we will formally measure our effectiveness.

Approval

This report was approved for publication by the President & Chief Executive Officer.

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 the entity or entities listed above. 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.



Gerry Sul
President & Chief Executive Officer

Date: May 29, 2024

I have the authority to bind the Manitoba Liquor and Lotteries Corporation.