

Fighting Against Forced Labour and Child Labour in Supply Chains 2024-2025 Report

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Land Acknowledgment

Manitoba Liquor & Lotteries (MBLL) benefits from being on the original territories of the of the Anishinaabeg, Anishininewuk, Dakota Oyate, Denesuline, and Nehethowuk Nations, lands now known as Treaties One through Five – and the homeland of the Red River Métis.

We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit.

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 second year MBLL has prepared a report under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) that 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, 2025.

MBLL is proud of our strong commitment to corporate responsibility that 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 that strive to eradicate all forms of modern slavery, which reflects our core values of being caring, committed, collaborative, creative, and customer focused.



This reporting period, MBLL has taken steps to prevent and reduce the risk of forced labour or child labour in our business and supply chain:

- Completed a risk assessment to provide regulatory compliance planning support and to better understand the organization's risks associated with forced labour and child labour in our supply chain.
- Evaluated existing software solutions in the market that could assist in vetting suppliers for labour practices of concern.
- Reviewed Global Reporting Initiative (GRI) 408: Child Labour 2016 and GRI 409: Forced or Compulsory Labour 2016 to align our future goals and commitments with these standards.

- Began providing social procurement training to our procurement staff. It includes identifying and reducing risks of forced labour and child labour in our supply chain.
- Began updating our procurement policy to strengthen related commitments.
- Continued updating our supplier code of conduct to further enhance our expectations for ethical practices for our suppliers and business partners.

Structure, Activities, and Supply Chain

MBLL 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.

MBLL commits 2% of anticipated annual net income to responsible gambling, responsible liquor and cannabis consumption, and research and treatment programs.

Gaming

We operate Club Regent Casino and McPhillips Station Casino, and offer online gaming services through PlayNow.com hosted by the British Columbia Lottery Corporation. Manitoba'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 and draw-based games managed by the Interprovincial Lottery Corporation through a network of privately-owned lottery ticket retailers.

Liquor

We are one of the largest single buyers of liquor in the world as the wholesaler and distributor of liquor for Manitoba. MBLL brings an incredible array of products into our province from more than 50 countries.

MBLL's distribution centre serves approximately 1,700 privately-owned commercial customers across Manitoba including liquor vendors, hotel beer vendors, duty-free stores, specialty wine stores, and restaurants and other licensees that serve liquor. The distribution centre also supplies our own 63 Liquor Mart and Liquor Mart Express stores.

Cannabis

We source and distribute non-medical cannabis from Health Canada licensed producers for the privately-owned licensed retailers in Manitoba. Most cannabis is delivered directly to stores, 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, our environmental, social, and governance report, and our business plan are available at mbll.ca/content/reports.

We are regulated by The Liquor, Gaming and Cannabis Authority of Manitoba (LGCA), which regulates the province's liquor, gaming, cannabis and horse racing industries. Under the authority of The Liquor, Gaming and Cannabis Control Act and the Criminal Code (Canada), the LGCA licenses liquor sales, service and manufacturing; gaming employees, products and operations; retail cannabis stores; and horse racing participants, and ensures compliance with regulations.

Policies and Due Diligence Processes

MBLL 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

MBLL 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 expectation that our suppliers and their employees and subcontractors will follow ethical business practices, such as not using forced labour or child labour. MBLL is updating the supplier code of conduct to further our expectations for ethical practices for our suppliers and business partners.

Procurement Policy

The procurement policy establishes rules to procure goods and services in a responsible manner that considers social, environmental, and accessibility requirements, as well as economic and fair practices. MBLL is updating the procurement policy to strengthen our commitments to reduce forced labour and child labour. The completed policy will be implemented in the next reporting period.

Whistleblower Protection Policy

We have a formal policy that safeguards our 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, contact our designated officer's confidential hotline at (204) 957-2500 ext. 4976 or email corporate.secretary@mbll.ca.

Supplier Agreements and Terms and Conditions

Suppliers have a standard agreement and terms and conditions on all purchase orders. Purchase orders are governed by and enforced in accordance with provincial and federal laws, including those relating to forced labour and child labour.

Assessing and Managing Risk

Since the last reporting period, our team completed a risk assessment to provide regulatory compliance planning support, and to better understand the organization's risks associated with forced labour and child labour in our supply chain.

Our procurement processes proactively inquire where goods are manufactured and where the suppliers to support that manufacturing originate from. Approximately 77% of our most at risk goods and services (excluding goods for resale in our highly regulated business lines of liquor, cannabis, and gaming) are sourced within North America.

We align our social responsibility commitments to the Global Reporting Initiative (GRI) standards, and are working to expand our reporting criteria to include forced labour and child labour risks under GRI 408: Child Labour 2016 and GRI 409: Forced or Compulsory Labour 2016. MBLL will align future goals and commitments with these standards.

Over the last year we have evaluated several software solutions in the market that could assist in vetting suppliers for labour practices of concern. However, none were deemed a good fit for the needs of our organization. We will continue to explore other options for a third-party software solution. In the meantime, our procurement team has introduced processes to mitigate higher risk categories and suppliers.

Remediation Measures

No instances of forced labour or child labour were identified in MBLL's supply chain to date.

Training

MBLL is committed to continuous improvement regarding employees' understanding and compliance to policies and procedures. There is mandatory training that covers our code of conduct and supporting policies for every new employee and regular refresh training.

We are committed to enhancing our organizational development on training for procurement professionals to support the identification and mitigation of supply chain risks. MBLL is a member of Buy Social Canada, a social enterprise that educates and consults on social procurement. During this reporting period, our procurement professionals have started to take specific training on social procurement that includes identifying and reducing risks of forced labour and child labour in our supply chain. One quarter of our procurement staff have completed the training to date, with the goal of training all procurement staff.

Assessing Effectiveness

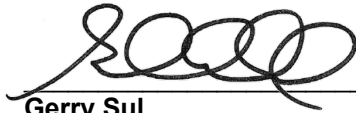
Although we have started to introduce activities to identify and reduce our risks of forced labour and child labour in our business and supply chain, to date no assessment has taken place to determine the effectiveness of these measures.

Introducing GRI 408-409 will give us the opportunity to measure key metrics and this information will be included in the future reporting periods.

Approval

This report was approved for publication by MBL's president and 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 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 and Chief Executive Officer

Date: May 23, 2025

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