

FIGHTING AGAINST MODERN SLAVERY

— 2023-25 REPORT —



LGS Lotteries
and Gaming
Saskatchewan 

INTRODUCTION

This document is Lotteries and Gaming Saskatchewan's (LGS) report (the "Report") responding to the *Fighting Against Forced Labour in Supply Chains Act* (the "Act"). As LGS is a new Crown corporation this report covers our fiscal years April 1, 2023 to March 31, 2024 and April 1, 2024 to March 31, 2025 (the "Reporting Period").

The Report outlines LGS's approach and efforts to detect, mitigate and prevent the risk of modern slavery in our supply chains. LGS files this report because it supports the Act's goals of preventing and reducing the risk of forced or child labour in supply chains. By filing this report LGS is not conceding that the Act applies to it, nor is LGS conceding that the federal government has jurisdiction over LGS or any provincial agencies or provincial Crown corporations respecting any of the matters addressed by the Act. This filing is without prejudice to any legal rights, defenses, powers, rights, immunities or exemptions that LGS may have under any law. This filing does not set a precedent for this or any other similar matter in the future, and LGS reserves the right to decline to file future reports.

IDENTIFYING INFORMATION

- Reporting entity's legal name: Lotteries and Gaming Saskatchewan Corporation ("LGS")
- Financial Reporting Year(s): Fiscal Year 2023-24 (April 1, 2023 to March 31, 2024) and Fiscal Year 2024-25 (April 1, 2024 to March 31, 2025)
- Identification of a revised Report: N/A
- Business number(s), if applicable: Sask. Corporate Registry Entity Number 102170897
- Identification of a joint report: N/A
- Identification of reporting obligation in other jurisdictions: N/A
- Entity categorization according to the Act: Entity
- Sector/industry: Gaming
- Location: LGS is based in Regina, Saskatchewan

OUR ORGANIZATION

Lotteries and Gaming Saskatchewan is a new provincial Crown corporation, established pursuant to *The Lotteries and Gaming Saskatchewan Corporation Act* on May 17, 2023. LGS has two wholly owned business corporation subsidiaries, the Saskatchewan Gaming Corporation (“SaskGaming”) and LGS Holdings Inc. (which holds LGS’s capital assets consisting mainly of slot machines and Video Lottery Terminals). SaskGaming operates two casinos in Saskatchewan: Casino Regina located in Regina, Saskatchewan; and Casino Moose Jaw located in Moose Jaw, Saskatchewan.

LGS has approximately 30 full-time equivalent employees (FTEs). SaskGaming has approximately 535 FTEs. The purpose of LGS is, *inter alia*, to oversee, measure, monitor and report on the gaming industry as a whole in Saskatchewan and to conduct and manage lottery schemes in the province, including lottery, casino, video lottery terminals (VLTs), and online gaming.

CORPORATE STRUCTURE

LGS (the “Corporation”) is a provincial Crown corporation governed by *The Lotteries and Gaming Saskatchewan Corporation Act* (the “LGS Act”), subject also to *The Crown Corporations Act, 1993* of Saskatchewan (the “CIC Act”). The Crown Investments Corporation of Saskatchewan (CIC) is the holding company for Saskatchewan’s commercial Crown corporations and has authority to establish direction for LGS related to certain matters set out in legislation. Through the Chair, the LGS Board of Directors is accountable to the Minister Responsible for LGS. The Minister Responsible is a key communications link between LGS, CIC, Cabinet, the Legislature and the public.

The Lieutenant Governor in Council appoints members of the LGS Board and designates the Chair and Vice-Chair. Subject to applicable legislation, directors are appointed for a fixed term and the Board consists of up to nine members. The Board is responsible for supervising the management and affairs of the Corporation. While focusing on the strategic leadership of the Corporation, the Board delegates day-to-day operations to management and holds them accountable for the Corporation’s performance.

As a designated subsidiary Crown corporation under the CIC Act, LGS officers and directors must apply a duty of care in exercising powers and performing duties for the corporation that include acting honestly and in good faith with a view to the best interests of the Crown corporation and exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

LGS SUPPLY CHAIN

Neither LGS nor its affiliates manufacture the products used in our business. Products are purchased from suppliers, some of whom may purchase components from their own suppliers. LGS also buys services. The LGS supply chain consists of office and Information and Technology (IT) equipment in addition to VLT machines for the province and Saskatchewan Indian Gaming Authority (SIGA) slot machines. VLT's are sourced in North America and Europe.

The SaskGaming supply chain consists of office and IT supplies, slot machines, casino gaming equipment, and services related to casino operation (*inter alia*: advertising, insurance, janitorial, armored car, cybersecurity, accounting, show lounge ticketing, upholstery, Human Resources consultant, laundry). A high percentage (> 80 per cent) of its supply chain is obtained through Saskatchewan vendors. Many of its contracts are for multiple years and with parties to whom SaskGaming has long standing and positive relationships.

PROCUREMENT POLICIES

The LGS Code of Conduct directs that business practices are governed by good corporate, ethical and moral principles. As a Saskatchewan Crown corporation, LGS is under constant public scrutiny and the behavior of LGS employees must be beyond reproach. It is imperative that the image of LGS exhibit integrity, professionalism, impartiality and fairness in its business dealings.

LGS adheres to and develops its policies in accordance with CIC's subsidiary Crown policy on procurement. LGS and its affiliates must procure goods, services and construction in a manner that achieves best value for the corporation whether by purchase, contract or lease and will ensure compliance with applicable trade agreements, e.g. New West Partnership Trade Agreement (NWPTA), Canadian Free Trade Agreement (CFTA), Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

Procurement processes must be transparent, fair and competitive. Procurement of gaming goods and services includes confirmation of gaming supplier registration. Manufacturers / distributors of slot machines and related gaming equipment must apply for registration as a gaming supplier with the Saskatchewan Liquor and Gaming Authority (SLGA) and be approved prior to LGS purchasing or obtaining any slot machines. Procurement of VLT's is done via an Operating Agreement with Western Canadian Lottery Corporation (WCLC), which also includes gaming supplier registration through SLGA.

STEPS TAKEN TO PREVENT AND REDUCE RISK

LGS and its affiliates ensure that employees are aware of and adhere to its Code of Conduct. LGS understands the importance of reducing forced or child labour in its supply chains and continues to work with suppliers to monitor and address risks as they arise. As a new Crown corporation in the province LGS works collaboratively with other Crown corporations to share practices and identify areas of improvement in policy development and procurement practices.

RISK AREAS

The gaming industry is heavily regulated, and procurement of gaming equipment does not represent a significant risk of forced or child labour. A potential risk area is in labour or procurement of services at SaskGaming casinos, though LGS considers this risk to be very low as a significant proportion of labour services are unionized. The labour unions with which SaskGaming casinos engage are expected to follow applicable employment legislation including *The Saskatchewan Employment Act* as well as any applicable international conventions.

MEASURES TAKEN TO REMEDIATE FORCED AND CHILD LABOUR

The International Labour Organization (the “ILO”) Convention 182 is a labour standard on child labour that Canada ratified in June 2000. The Forced Labour Convention 105 addresses forced labour and was ratified by Canada in June 2011. LGS has no information or indication that any of the goods or service providers it engages are not guided by these conventions or adhering to legislation applicable to fighting against forced or child labour, nor is it aware of any instances of forced or child labour during the reporting period. As such no remediation measures have been taken for the reporting period.

MEASURES TAKEN TO REMEDIATE LOSS OF INCOME RESULTING FROM ACTIONS

N/A

TRAINING

Understanding and complying with the Code of Conduct is a condition of employment at LGS and employees must complete Code of Conduct training annually. LGS is committed to continuous improvement and enhancing its policies and training initiatives.

ASSESSMENT

As a Crown corporation LGS's policies and procedures are regularly audited by its parent company CIC.

LGS acknowledges that reducing the risk of forced and child labour requires an ongoing commitment to sustaining its efforts and taking further steps to improve processes and policies with respect to this important issue.

LGS will continue to work with suppliers to ensure that procurement practices are meeting high ethical standards to discharge its duty of care obligations under *The Crown Corporations Act*.

APPROVAL AND ATTESTATION

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(s) listed above.



Susan Flett
President and CEO
Lotteries and Gaming Saskatchewan
February 3, 2025