

# The Lottery Corporation Limited

Modern Slavery Statement 2022

# Acknowledgement Of Country

The Lottery Corporation would like to acknowledge the Traditional Custodians and First Peoples of Australia. We acknowledge that our offices, retail outlets and venues operate on these lands. As our nation and organisation continues our journey towards reconciliation, it is with great respect we acknowledge all Elders past and present. We acknowledge the inextricable link First Peoples of Australia have with the land past, present and future.



## Artist Acknowledgement:

Johanna Gregory, Stars Foundation past student.

“The River is what is generous for us as people. We are fortunate to be blessed with fresh and saltwater ecosystems. People tending to the land must give back what we take.”

# Contents

|   |           |
|---|-----------|
| <b>Acknowledgement Of Country</b>   | <b>2</b>  |
| <b>CEO Message</b>  | <b>4</b>  |
| <b>About This Statement</b>   | <b>5</b>  |
| <b>About The Lottery Corporation</b>  | <b>6</b>  |
| <b>The Lottery Corporation's Brands</b>   | <b>7</b>  |
| <b>The Lottery Corporation's Group Strategy</b>                                 | <b>8</b>  |
| <b>What Is Modern Slavery?</b>  | <b>10</b> |
| <b>Governance</b>   | <b>10</b> |
| <b>The Risks Of Modern Slavery Practices In Our Operations And Supply Chain</b> | <b>13</b> |
| <b>Fair Work Retail Compliance Program</b>                                      | <b>15</b> |
| <b>Actions To Assess And Address Risks</b>                                      | <b>17</b> |
| <b>How We Assess The Effectiveness Of Our Actions</b>                           | <b>19</b> |
| <b>Looking Ahead</b>  | <b>20</b> |

# CEO Message



**Sue van der Merwe**  
Managing Director and CEO

I'm pleased to present The Lottery Corporation Limited's (**The Lottery Corporation**) inaugural Modern Slavery Statement, which covers the financial year ended 30 June 2022 (**FY22**).

The Lottery Corporation was created as a standalone entity and listed on the Australian Securities Exchange following the successful demerger of the Lotteries and Keno businesses from Tabcorp in June 2022.

Our new purpose of creating positive impacts underpins everything we do. Modern slavery is a significant global issue and The Lottery Corporation takes its responsibilities seriously. We're committed to working to minimise adverse modern slavery risk impacts through our operations and the delivery of our products and services.

A key part of this is embedding ethical, sustainable and transparent procurement practices to support our partners to make fair, responsible and ethical decisions.

We identify three areas where The Lottery Corporation may be exposed to modern slavery practices. These are in our workforce, through our retail network and in our third-party supply chain.

We continue to monitor our business and supply chains to minimise slavery risks and have developed a plan to ensure risks in our operations are addressed to the highest possible standard.

A handwritten signature in black ink that reads "Sue van der Merwe". The signature is written in a cursive, flowing style.

**Sue van der Merwe**  
Managing Director and  
Chief Executive Officer  
7 December 2022

# About This Statement

The Lottery Corporation is pleased to deliver its first Modern Slavery Statement. This statement covers the period 1 July 2021 to 30 June 2022 (**Reporting Period**).

## Tabcorp demerger

The demerger of the Lotteries and Keno business from the Tabcorp Holdings Limited group on 1 June 2022 enabled the creation of The Lottery Corporation as a standalone entity listed on the Australian Securities Exchange.

The Lottery Corporation operated on a standalone basis for one month of the Reporting Period (June 2022) and for the balance of the Reporting Period it formed part of the Tabcorp group. Accordingly, a large number of the disclosures in this statement relate to the period prior to the demerger. This statement should be read in conjunction with Tabcorp's FY22 Modern Slavery Statement.

## Structure and reporting entities

The Lottery Corporation Limited is the ultimate parent company of The Lottery Corporation group, which comprises a number of wholly-owned subsidiaries. The Lottery Corporation and each of its wholly-owned subsidiaries operate as one corporate group with central management and control functions. For more information on The Lottery Corporation's subsidiaries, please refer to our 2022 Annual Report.

This statement is a joint statement covering the following entities (together referred to as **we, us, our, The Lottery Corporation**) which are each considered reporting entities for the purposes of the Modern Slavery Act 2018 (Cth):

- The Lottery Corporation Limited
- Keno (Qld) Pty Ltd
- Tattersalls Sweeps Pty Ltd
- New South Wales Lotteries Corporation Pty Ltd
- Golden Casket Lottery Corporation Limited
- Tatts Lotteries SA Pty Ltd

## Consultation and approval process

This statement has been approved by the Board of The Lottery Corporation and has been approved by the Boards of all relevant reporting entities. This statement has been prepared in consultation with relevant members of management of The Lottery Corporation group.

# About The Lottery Corporation

Tabcorp's Lotteries and Keno businesses demerged into a separate ASX-listed company called The Lottery Corporation Limited on 1 June 2022. The Lottery Corporation is Australia's largest lottery company with exclusive and/or long-dated licences and approvals to operate in each Australian state and territory, except Western Australia.

Our iconic brands include The Lott and Keno, which offer exciting games of chance that deliver life-changing wins to our customers and make a meaningful difference to our community.

The Lott is the official home of Australia's lotteries by Tatts, NSW Lotteries, Golden Casket, and SA Lotteries. It offers well-known lottery games, including Powerball, Oz Lotto, TattsLotto, Lotto, Gold Lotto, X Lotto, Instant Scratch-Its, Set for Life and Lucky Lotteries.

We sell lottery and Instant Scratch-Its tickets through our network of newsagencies, convenience stores and other retail outlets,

while lottery tickets are also available online at theLott.com and through The Lott mobile app.

Keno is a fun, lottery-style game drawn every three minutes, giving customers a chance to win multi-million-dollar jackpots. Keno is played in clubs and hotels in Victoria, Queensland, South Australia, ACT and New South Wales. Keno is also available online in ACT.

For more than a century, Australia's official lotteries have supported Australian communities through lottery taxes, donations and partnerships.

We're proud to be one of the highest-performing lottery businesses in the world.<sup>1</sup> We're committed to making a better future by delivering winning moments every day to our people, customers, retailers, partners and community.

<sup>1</sup>The Lottery Corporation has the third-highest draw lottery game sales per capita worldwide. Source: La Fleur's Almanac 2021 (Lotto and spiel).

# The Lottery Corporation's Brands



# The Lottery Corporation's Group Strategy

## Our Vision

What is our aspiration?

To be the world's best lottery operator

## Our Purpose

Why do we exist?

To create positive impacts

**Strategic Priorities** - What we need to do to realise our Vision?

Be the first choice partner

Make a positive difference  
in our communities



### Drive

Growth through **game** portfolio innovation and seamless **customer** experiences across all **channels**



### Develop

Excellence and capability across our operations, technology that is fit for the future and alliances with trusted partners



### Discover

Complementary new markets and earnings possibilities

**Our Principles** - How do we want to operate?



Create joyful moments



Dare to find a better way



Be accountable and transparent



Nurture the uniqueness of our people

The Lottery Corporation's group strategy highlights our vision, purpose and principles, and reflects our ambition to be the world's best lottery operator. One of the ways we aim to create positive impacts is by mitigating any modern slavery risks in our operations and supply chain. Our group strategy provides the framework for us to be accountable and transparent when it comes to addressing modern slavery practices.

When developing our group strategy, we considered our capabilities, the expectations of our shareholders, consumers and other stakeholders, our position in the global lotteries market, and ultimately what we wanted our company to achieve.

To become the world's best lottery operator, we have identified our strategic priorities as drive, develop and discover. We'll target growth through game portfolio innovation and seamless customer experiences across all channels. We'll focus on developing excellence and capability across our operations, technology that is future-fit, and alliances with trusted partners. Finally,

we'll seek to discover complementary new markets and earnings possibilities.

Our purpose is to create positive impacts. We are a socially responsible business dedicated to maximising shareholder value while benefitting our community.

Our history dates back to 1881 when George Adams organised the first Tattersalls public sweep on the Sydney Cup. Over the last 140 years, our business has continued to grow and develop into one of the highest-performing lottery businesses globally while continuing to support the Australian community. We strive to create positive impacts for our partners, stakeholders, customers, communities and people.

Our principles are what matters most to us. Together, we:

- Create joyful moments
- Dare to find a better way
- Are accountable and transparent
- Nurture the uniqueness of our people.



# What Is Modern Slavery?

Modern slavery is when an individual is exploited by others, for personal or commercial gain. Whether tricked, coerced, or forced, they lose their freedom. This includes but is not limited to human trafficking, forced labour and debt bondage.

## Governance

The Lottery Corporation's governance framework plays an important role in managing risk, including risks related to modern slavery.

The Lottery Corporation Board is responsible for providing governance, strategic guidance and oversight of the management and the performance of our operations. The Lottery Corporation's Chief Executive Officer, together with the Executive Leadership Team, formulate and implement our strategy and support our organisation's day-to-day management and performance.

In addition to general Board oversight, The Board Risk and Compliance Committee assists The Lottery Corporation Board in overseeing activities relating to the identification and management of risk and the management of the organisation's regulatory and legal compliance obligations.



Governance at The Lottery Corporation is managed through various frameworks, policies, procedures and practices. These set out the basic standards governing our business and provide a framework for us to address modern slavery risks. As appropriate, these policies are reviewed and updated regularly with oversight from the Policy Committee, Executive Leadership Team and the Board of Directors.

Key policies at The Lottery Corporation are summarised in the table below. Prior to the demerger, equivalent Tabcorp policies applied.

| Policy   | Description  |
|--|--|
| The Lottery Corporation Code of Conduct          | Defines our expected standards of behaviour, including acting ethically and with integrity, treating people with dignity and respect, and calling out dishonest and unethical behaviour. It includes practical guidance for team members on how to access support and make an official report if they experience or witness behaviour not aligned with the Code. |
| The Lottery Corporation Supplier Code of Conduct | <p>Outlines the expectations we have of our suppliers across six areas:</p> <ul style="list-style-type: none"> <li>• Integrity, ethics and corporate conduct</li> <li>• Corporate governance</li> <li>• Labour and human rights</li> <li>• Privacy and cyber security</li> <li>• Health, safety and wellbeing</li> <li>• Environmental management.</li> </ul>    |
| The Lottery Corporation Procurement Policy       | Sets out our approach to procuring goods and services, including an individual's accountability for their procurement decisions. It also outlines team members' obligations before selecting new suppliers, such as performing appropriate due diligence in line with our procurement guidelines.  |
| The Lottery Corporation Human Rights Policy      | Formalises our commitment to respecting the rights of the people we interact with and those who are impacted by our business operations and relationships.   |

|   |   |
|---|---|
| The Lottery Corporation Whistleblower Policy                        | Describes the process for making and investigating a disclosure in line with applicable whistleblower protection legislation. It applies to current and former team members, Directors, contractors and suppliers, including employees of contractors and suppliers.                                    |
| The Lottery Corporation Inclusion & Diversity Policy                | Sets out our commitment to a culture of inclusion and the creation of a bias-free workplace where all are welcomed and respected.   |
| The Lottery Corporation Workplace Health, Safety & Wellbeing policy | Outlines our commitment to eliminating or reducing health and safety risks, demonstrating leadership in, and commitment to, all areas of health, safety and wellbeing and fostering a culture of wellbeing by providing resources that reinforce healthy lifestyle choices.                             |
| The Lottery Corporation Talent Acquisition policy                   | Defines our approach to the selection and recruitment of team members in order to maintain a framework that's lawful, rigorous, transparent, and aligns with our inclusion and diversity objectives.  |
| The Lottery Corporation Anti-Bribery and Corruption policy          | Sets out our commitment to the highest levels of ethical behaviour, including zero tolerance of bribery, corruption and fraudulent or dishonest conduct by team members in any form.  |
| The Lottery Corporation Sanctions Policy                            | Outlines our sanctions management principles and team members' obligations and expected conduct to manage and comply with sanctions laws. Sanctions may be used in cases where, for example, a country or regime is violating human rights, waging war or endangering international peace and security. |

# The Risks Of Modern Slavery Practices In Our Operations And Supply Chain

There are three main areas where The Lottery Corporation may be exposed to modern slavery practices:

1. Within our workforce;
2. In our third party supply chain; and
3. Through our retail network.

## **Workforce risk**

The Lottery Corporation is committed to complying with all applicable laws and regulations with respect to wages, working hours, leave entitlements, superannuation and workers' compensation insurance.

As part of Tabcorp, we undertook annual minimum wage reviews across all our operations to confirm our team members were compensated fairly and in accordance with relevant awards or enterprise/collective agreements, where applicable. We continue this practice now that we are a separate company.

The Lottery Corporation does not employ people who are below the legal working age in Australia. Our enterprise resource planning system has been set with an age "flag" to prevent the accidental onboarding of individuals who are under the legal working age, while our recruitment system also "flags" underage applicants.

The majority of our workforce are professionals working in skilled roles at our corporate offices, call centres, warehouses or data centres. When required, we hire contractors through our supplier partner, who verifies compliance with relevant state labour hire licencing schemes that are designed to keep vulnerable workers safe from exploitation.

## **Supplier risk**

As at the date of this report, The Lottery Corporation continues to rely on key infrastructure and third-party commercial arrangements for the operation of its business. This includes a reliance on Tabcorp for technology systems and other services under a Transitional Services Agreement entered in connection with The Lottery Corporation's demerger from Tabcorp.

There is a detailed governance framework in place between The Lottery Corporation and Tabcorp to deliver and manage the services under the Transitional Services Agreement. Given the fact that we continue to share certain systems, the relevant supplier data is co-mingled.

The Lottery Corporation has a large and geographically diverse group of suppliers. We acknowledge and continue to assess the

risks linked to modern slavery directly and indirectly. Supplier partners are screened carefully, supported by our procurement team and policies.

The majority of third-party suppliers are based in Australia. Approximately 9% of suppliers are international suppliers based in countries that are considered low risk and medium risk for modern slavery according to the Global Slavery Index. The graphic below illustrates the locations of our international suppliers.

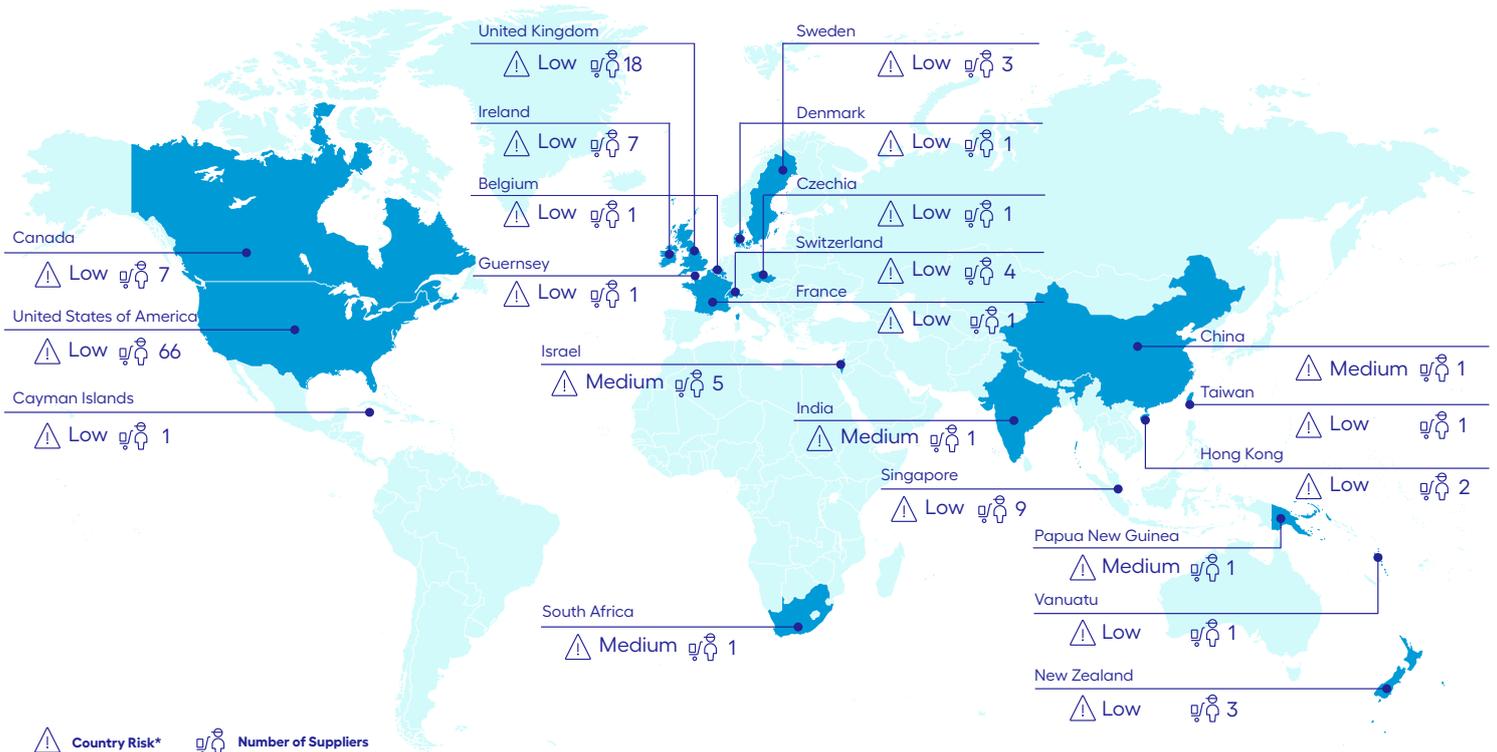
The Lottery Corporation formed part of the Tabcorp group for the majority of FY22. During this period, Tabcorp engaged directly with more than 1,800 suppliers and contractors. Approximately 85% of the total procurement spend was with 6% of these suppliers. Just under 30% of the spend was on information technology, and the remaining 70% of procurement spend was on activities such as property, recruitment, professional services and travel.

We have identified that nine suppliers to The Lottery Corporation pursuant to the Transitional Services Agreement are providing outsourced or offshored services. As part of the ongoing demerger contract separation process, modern slavery due diligence will be conducted on these suppliers and if any issues are discovered, remedial actions will be built into our future action plans. We note that all nine of these suppliers meet the criteria to report under modern slavery legislation. These suppliers have provided modern slavery reports, and we have not identified any associated risks.

**Network risk**

Our Fair Work Retail Compliance Program continues the plan developed and implemented in our retail networks prior to demerger to promote compliance with the Fair Work Act regarding minimum rates of pay, awards and enterprise agreements to our retail partners. This program mitigates risks in our retail network and is described in detail in the next section.

**Summary of international suppliers**



# Fair Work Retail Compliance Program

We sell our products online and through a network of retail partners across Australia.

We have undertaken significant work to protect vulnerable workers and prevent potential contraventions of the Fair Work Act 2009 (Cth) (**Fair Work Act**) in our retail networks.

Following the introduction of changes to the Fair Work Act to protect vulnerable workers, in 2018, while a part of Tabcorp, we developed and implemented a program to promote compliance with the Fair Work Act regarding minimum rates of pay, awards and enterprise agreements to our retail partners. This program remains a key part of The Lottery Corporation's operations and comprises the four steps detailed on the next page.

During FY22, The Lottery Corporation worked with a small amount of retailers selling our products (less than 1% of the network) in relation to non-compliances which were rectified with retailers on an individual basis.



## Program To Promote Compliance With The Fair Work Act

1

### Set Expectations

Through our contractual arrangements with retail partners, together with key framework documents such as our Operations Manual, we set clear expectations with our retail partners in relation to compliance with workplace laws.

2

### Educate and Train

We offer training, templates and guidance materials to our retail partners to ensure they're aware of their obligations and the consequences of non-compliance with workplace laws. We train our business development managers to reinforce to our partners their workplace obligations and The Lottery Corporation's role in monitoring their compliance. We also distribute regular educational communications to our retail network on key obligations and trends identified through our monitoring activities.

3

### Monitor Compliance

In certain circumstances, we require our retail partners to complete online self-audits on their key obligations as employers. These surveys enable us to better monitor the effectiveness of our program by capturing potential non-compliance or information gaps. We have established a dedicated Retail Workers Hotline, managed independently by Deloitte, to enable our retail partners and their employees to anonymously report suspected non-compliance or concerns regarding their workplace entitlements.

4

### Take Further Action

We have developed a process and governance framework to respond to known or suspected non-compliance in our retail network. Our approach is to work collaboratively with retail partners to confirm understanding of our requirements and promote compliance with the Fair Work Act.

# Actions To Assess And Address Risks

## Due diligence

Our approach to performing due diligence on our suppliers is illustrated in the process below:



Tabcorp has a centralised process for supplier pre-qualification, onboarding, contracting, monitoring and relationship management. The Lottery Corporation still relies on Tabcorp to manage this process under the current Transitional Services Agreement.

Due diligence and risk assessments are undertaken as part of pre-qualification for all potential suppliers. This process includes assessment for anti-money laundering, sanctions lists, adverse media monitoring and labour licence status.

A specialist third party provider delivers trusted information to help The Lottery Corporation comply with regulations and identify potential financial crime. We use this provider as part of our due diligence process for third-party screening, simplifying day-to-

day onboarding and monitoring decisions and to help us assess and respond to money laundering risks.

The Lottery Corporation must also meet obligations within our prize administration function and, as part of this, conducts sanction screen checks on specific individuals or companies when paying a prize. Sanction screening for selected prize payments was mandatory as of 1 October 2019 and is now part of our standard procedures.

As part of the onboarding process, all suppliers are required to assess their compliance with our Supplier Code of Conduct and report on any deficiencies or breaches. Our procurement team is working with the relevant business units to manage suppliers that are in this group.

The Lottery Corporation's legal agreement templates include modern slavery clauses. The Lottery Corporation's Supplier Code of Conduct has been published, setting out our expectations of suppliers.

In April 2020, Tabcorp engaged an external consultant to undertake a modern slavery risk assessment and segmentation of their supply chain. This assessment prioritised their direct suppliers, based on four risk levels:

- 1. High Risk Locations** (Relevant guidance from Trafficking in Persons Report (TIP) 2019, Global Slavery Index (GSI) 2018)
- 2. High Risk Categories** (Relevant guidance from US Department of Labour List of Goods Produced by Child or Forced Labour 2018, and the Know the Chain Information and Communication Technology Benchmark Findings 2018)
- 3. High Risk Modules** e.g franchising, licensing outsourcing etc. (Relevant guidance from Australian Fair Work Ombudsman)
- 4. Vulnerable People** (Relevant guidance from Trafficking in Persons Report (TIP) 2019).

The findings indicated that 0.2% of Tabcorp's supplier base was located in countries that were exposed to modern slavery risks.

In 2022 this assessment was recreated internally using a similar framework and considering the impacts of the COVID-19 pandemic for a more current view. It included an analysis of the 10 countries with the highest prevalence of human rights violations and indicated a connection between modern slavery, highly oppressive governments and conflict.

During FY22, both Tabcorp and The Lottery Corporation did not engage with these high-risk countries. About 0.2% of our supplier base was exposed to medium-risk countries. Our procurement team is working with the relevant business units to manage suppliers that represent medium to higher risks.

The Lottery Corporation's Whistleblower Policy is designed to make employees and suppliers feel empowered and supported to speak up when they see something that doesn't sit right. Eligible whistleblowers can report things that seem improper, including breaches of Commonwealth Laws, such as modern slavery. Reports can be submitted anonymously via email, website, phone, fax or freepost.

# How We Assess The Effectiveness Of Our Actions

As The Lottery Corporation continues its ongoing separation program, we will continue to monitor risks, provide relevant training, and work closely with Tabcorp while relevant transitional services are still being provided to The Lottery Corporation. Given the comparatively low risk nature of our supply chain, we believe we can and will manage any risks related to modern slavery.

The Lottery Corporation acknowledges that monitoring the effectiveness of our actions is integral to assessing our modern slavery risks.

We regularly engage in internal and external reviews and audits across our operations and processes, and this, coupled with our Fair Work Compliance Program, Whistleblower Policy and associated “Speak Up” hotline, enables concerns to be raised and for any compliance issues to be captured. Our Supplier Code of Conduct, due diligence and modern slavery focused contractual clauses all support The Lottery Corporation’s ongoing commitment in this area. The Lottery Corporation will continue to build on these actions during FY23.



# Looking Ahead

The Lottery Corporation has established a cross-functional Modern Slavery Working Group with representatives from the Procurement, Finance, Marketing, People and Culture, Risk, Legal and Technology business units.

During FY23, this team will aim to deliver the following three objectives:

**Objective 1:** Assemble a cross-functional working group and determine accountabilities

1. Educate: Facilitate online training, webinars and similar with Board, Executive Leadership Team and the key teams that engage third parties, including Legal, Risk and Procurement.
2. Review: Deep dive into current policies, documents and contracts.
3. Engage: Evaluate and, if appropriate, invest in modern slavery risk assessment technology and third-party assistance for the facilitation of a three-year plan and effective measurement framework.

**Objective 2:** Develop a roadmap

1. Strategy: Develop a three-year plan outlining The Lottery Corporation’s strategy to manage modern slavery risk.
2. Process: Embed The Lottery Corporation’s new policies and processes internally.
3. Exposure: Train team members about new processes and activities, including using risk assessment technology.

**Objective 3:** Monitoring effectiveness

1. Measure: Measure the effectiveness of The Lottery Corporation’s modern slavery due diligence.
2. Report: Internal reporting of the delivery of action plan, including training, risk assessments, findings and actions.
3. Ongoing: Continuous improvement and ongoing monitoring and improvement of the identification and elimination of modern slavery risk.

## Planning for reporting: Indicative timeline outline

**Objective 1:**

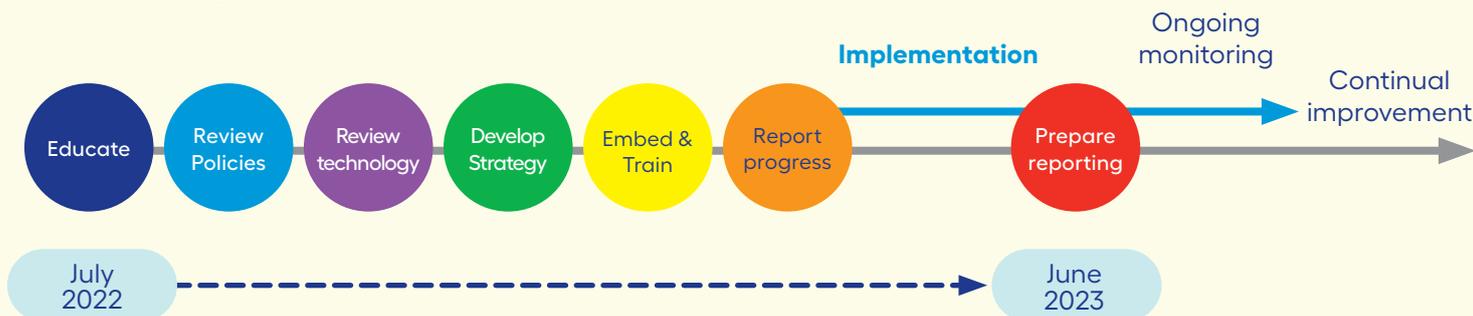
Assemble a cross-functional working group and agree on accountabilities

**Objective 2:**

Develop a roadmap

**Objective 3:**

Monitor effectiveness





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