

The Lottery Corporation Limited

Modern Slavery Statement 2023

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.”

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A Message from the Managing Director & CEO



I am pleased to present The Lottery Corporation Limited's (**The Lottery Corporation**) Modern Slavery Statement for the 2022/23 financial year (**FY23**).

FY23 marked The Lottery Corporation's first, full financial year as a new standalone ASX-listed entity, following our demerger from Tabcorp Holdings Limited (**Tabcorp**).

Our purpose as a company is 'to make positive impacts' and as part of that we are committed to playing our part in combatting modern slavery.

The Lottery Corporation expects that the suppliers of our goods and services adopt fair, responsible, and ethical practices.

Even though the nature of The Lottery Corporation's operations means that our supply chain risk is relatively low, we have nonetheless implemented a strong, risk-based approach to managing modern slavery risks.

Initiatives implemented in FY23 include the introduction of a modern slavery tool that enables us to identify suppliers with exposure to high-risk environments, the embedding of a cross-functional modern slavery Working Group to manage modern slavery risks, and modern slavery training for our Procurement, Legal and Risk employees.

I would like to acknowledge the significant efforts of our teams in managing the responsibilities we have when it comes to identifying modern slavery risks.

We will continue to prioritise responsible procurement practices and ethical sourcing across all our operations and supply chain.

A handwritten signature in black ink that reads "Sue van der Merwe". The signature is fluid and cursive.

Sue van der Merwe
Managing Director and Chief Executive Officer

5 December 2023

About this Statement

Reporting Entities

The Lottery Corporation and each of its wholly owned subsidiaries operate as one corporate group with central management and control functions. 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 (ABN: 21 081 925 706)
- Keno (Qld) Pty Ltd (ABN: 89 071 366 446)
- Tattersalls Sweeps Pty Ltd (ABN: 99 081 925 662)
- New South Wales Lotteries Corporation Pty Ltd (ABN: 27 410 374 474)
- Golden Casket Lottery Corporation Limited (ABN: 27 078 785 449)
- Tatts Lotteries SA Pty Ltd (ABN: 41 146 245 007)
- L & K Operations Pty Ltd (ABN: 67 654 297 471)
- Tatts Keno Holdings Pty Ltd (ABN: 48 654 297 828)

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.

Important notice

This statement contains a number of 'forward-looking statements' regarding The Lottery Corporation's intent, belief, objectives, initiatives, commitments and/or current expectations with respect to the Group's business and operations.

While this information has been prepared by The Lottery Corporation in good faith, The Lottery Corporation does not provide any assurance that the relevant forward-looking information will prove to be correct. The forward-looking information contained in this statement is subject to known and unknown risks and uncertainties and, in many cases, is subject to factors outside the control of The Lottery Corporation.

This statement should be read in conjunction with The Lottery Corporation's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, including the Lottery Corporation's 2023 Annual Report.

Who We Are

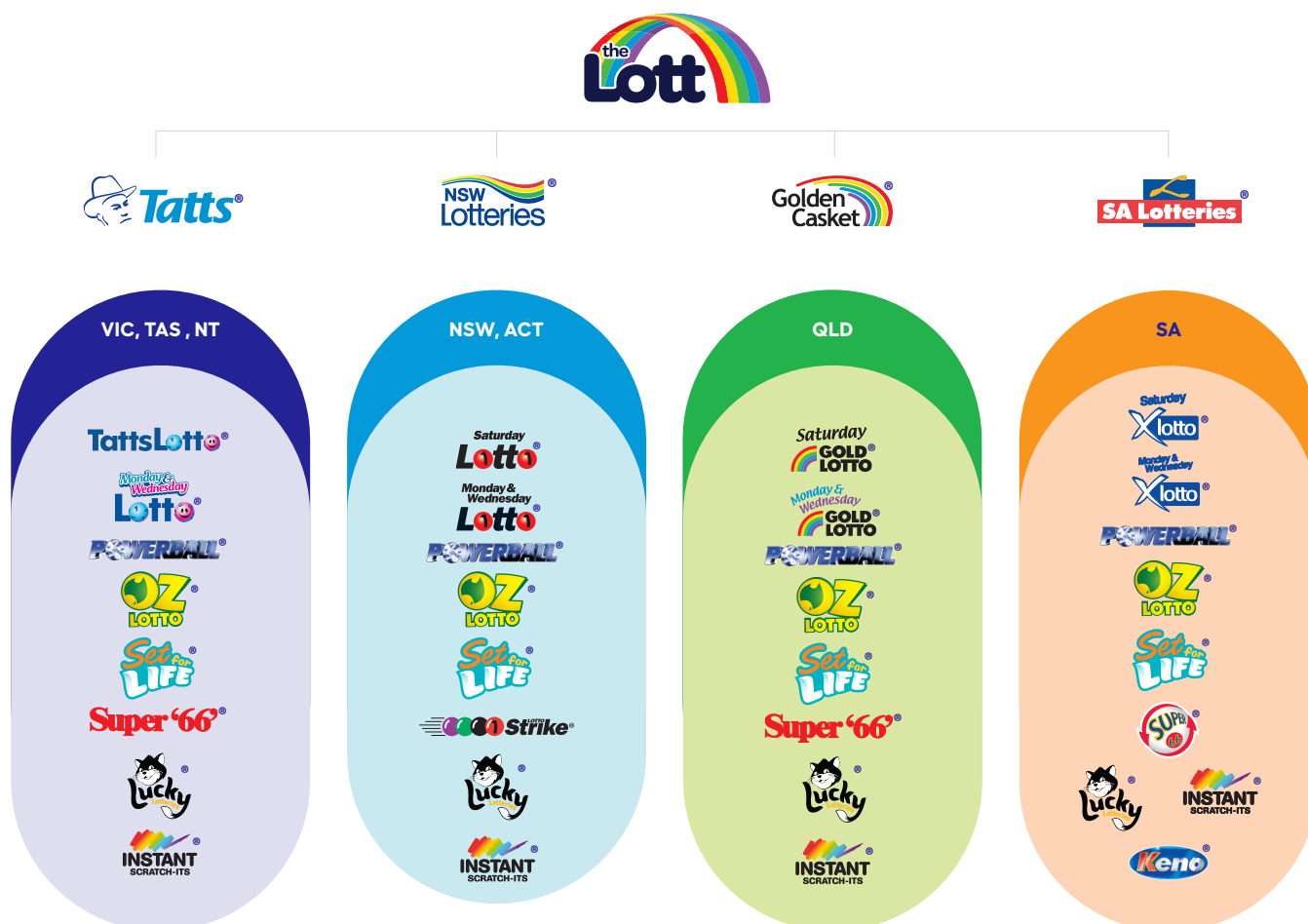
The Lottery Corporation is the driving force behind Australia’s leading lottery and Keno games and one of the best-performing lottery businesses in the world⁽ⁱ⁾.

We operate a diversified and balanced portfolio of high-profile brands under exclusive and/or long-dated licences and approvals. Customer-led convenience is central to our unique omni-channel offering.

We bring Australia’s largest lottery games to an estimated 9.7 million active Lotteries customers⁽ⁱⁱ⁾.

We operate through more than 7,200 retail points of distribution⁽ⁱⁱⁱ⁾, points which are integrated with our well-developed digital channel across web and mobile. We have a proud history of delivering life-changing wins to our customers and making a meaningful difference in our communities.

Figure 1: The Lottery Corporation’s licensed entities operate a portfolio of leading game brands. The portfolio includes 10 lottery games, consisting of core base games and jackpotting games.



(i) The Lottery Corporation has the third-highest draw lottery game sales per capita. Source: La Fleur’s Almanac 2023 (Lotto and spiel).
 (ii) Active customer numbers based on Roy Morgan Gambling Monitor, April 2022 – March 2023. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation’s jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at March 2023, based on Australian Bureau of Statistics monthly estimates.
 (iii) As at 30 June 2023. Comprised of 3,869 Lotteries outlets and 3,377 Keno venues.

Lotteries

The Lott is the official home of Australia's lotteries by Tatts, NSW Lotteries, Golden Casket and SA Lotteries, with operations in Victoria, Tasmania, Northern Territory, New South Wales, Australian Capital Territory, Queensland, and South Australia.

The Lottery Corporation's game portfolio offers a range of top prizes that appeal to an array of consumer purchase motivations. The products range from Instant Scratch-Its® tickets offering players instant wins to Powerball® jackpots, which provides life-changing prizes.

Each game is designed, positioned, and promoted to appeal to different customer segments to ensure broad appeal across the Australian adult population.

The Lottery Corporation offers its Lottery products digitally through its website and app under The Lott® brand, with the digital share of Lotteries turnover growing to 38.4% for FY23.

The business also has significant retail presence across Australia (excluding WA) through its distribution of Lottery products in 3,869 retail outlets⁽ⁱ⁾ and online.

The Lottery Corporation's retail franchise network includes full-service outlets and instant-only outlets that are installed as a 'store within a store' format to provide identity under The Lott® alongside the respective licensee brands which follow a specific State based identity. Participation across these channels has resulted in the equivalent of 52.9% of the Australian adult population purchasing a lottery product in the last 12 months, which translates to an estimated 9.7 million players⁽ⁱⁱ⁾. Of these players, The

Lottery Corporation has 4.2 million active registered customers in its Lotteries database as at 30 June 2023, which accounted for approximately 60.7% of turnover in FY23. This database enables targeted communications which supports and engages customers across multiple customer touch points.

The Lottery Corporation has also officially authorised Jumbo Interactive (ASX: JIN) and other Lotteries resellers to resell Lottery products.

Keno

Keno is a random number game in which 20 numbers between 1 and 80 are randomly drawn with the chance for customers to win instant prizes and multi-million-dollar jackpots.

Keno is an interactive social game played predominantly in venues such as pubs, clubs, hotels, casinos, and TABs, with games typically running every three minutes. The Lottery Corporation operates a Keno distribution network of 3,377 venues⁽ⁱ⁾ in New South Wales, Victoria, Queensland, and the Australian Capital Territory.

The Lottery Corporation holds licences/approvals to provide Keno products in licensed venues including pubs, clubs, hotels, casinos, and TABs as well as online through its Australian Capital Territory and Victorian approvals.

(i) As at 30 June 2023.

(ii) Source: Roy Morgan Gambling Monitor, April 2022 – March 2023. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at March 2023, based on Australian Bureau of Statistics monthly estimates.

Our Supply Chain

The Lottery Corporation operates in Australia and our business model includes the selling of online and physical copies of Lottery and Keno tickets and Instant Scratch-Its.

In FY23, The Lottery Corporation engaged with 424 suppliers, from 12 countries (including Australia). Approximately 95% of our third-party supplier spend was with suppliers based in Australia, and much of this spend was consultant-based or goods and services from Australian businesses. In FY23, 5% of supplier spend was with suppliers based outside of Australia and all relevant jurisdictions are considered to have a 'low' modern slavery risk classification under the Walk Free Global Slavery Index 2023 report (refer to Table 1 for more details).

Since the significant majority of our supplier spend is conducted domestically, it could be considered that The Lottery Corporation is at low risk of contributing to modern slavery. However, our direct suppliers of services have many suppliers of their own located both in Australia and overseas. Due to the complexity of supply chains, we acknowledge that modern slavery risks can exist beyond the standard definition of "Tier 1", and we intend to work with our suppliers to mitigate any observed risks.

Chart 1: Percentage of Spend Amount per High Level Category

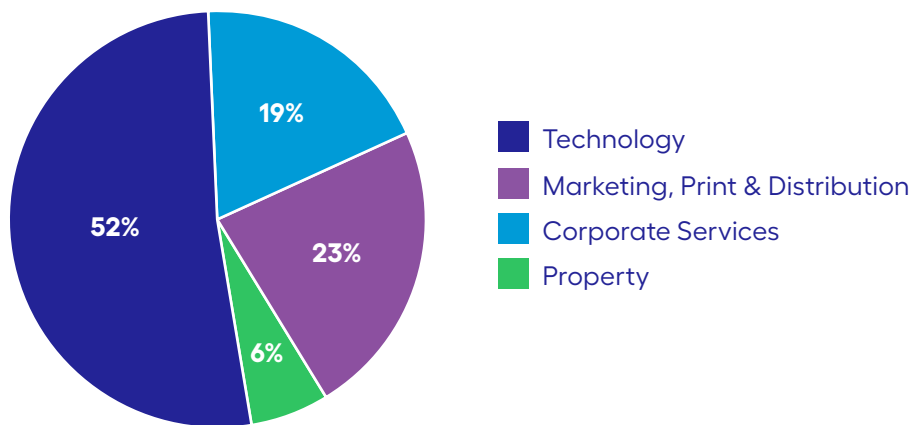


Chart 2: Amount of Suppliers per High Level Category

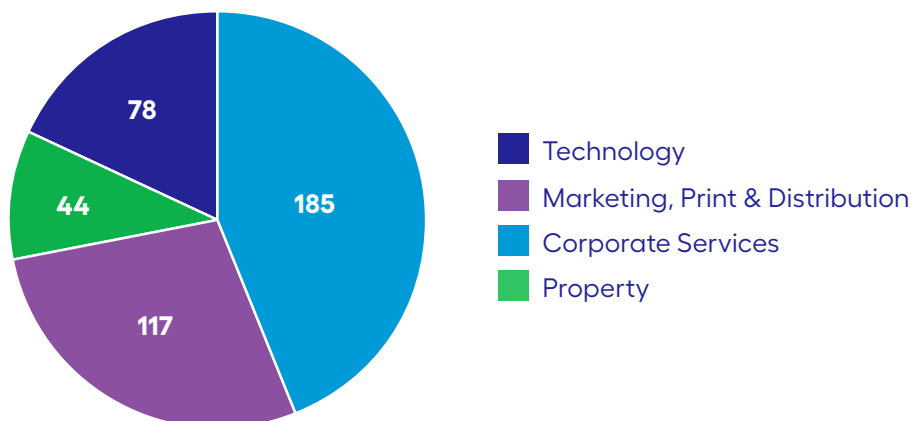
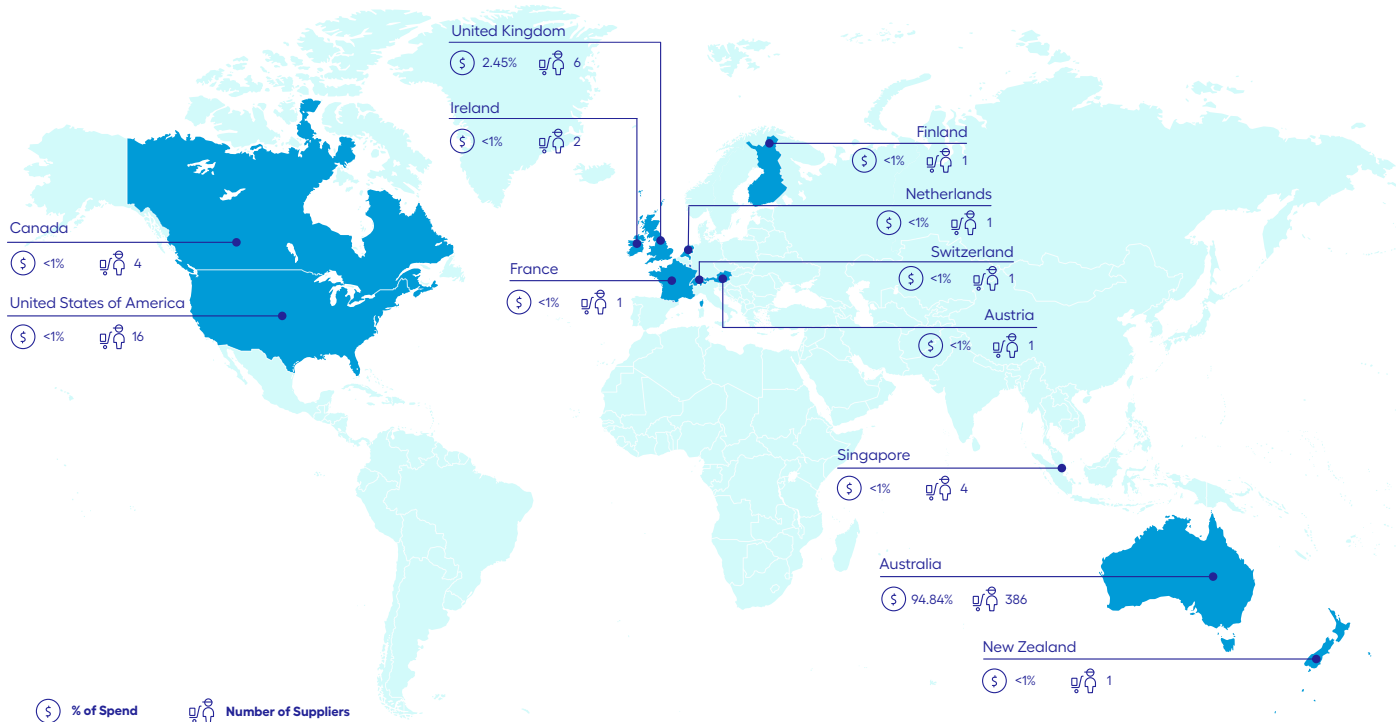


Figure 2: Summary of International Suppliers:



During FY23, The Lottery Corporation continued to utilise certain transitional services from Tabcorp and through these arrangements, The Lottery Corporation is reliant on certain services provided by suppliers engaged directly by Tabcorp. Suppliers directly contracted by Tabcorp are not included in the data shown in Figure 2.

Table 1: Modern Slavery Risk Classification by Country

Country Name	Modern Slavery Risk
Australia	Low
New Zealand	Low
Singapore	Low
USA	Low
Canada	Low
Austria	Low
Finland	Low
France	Low
Ireland	Low
Netherlands	Low
Switzerland	Low
UK	Low

Note: Classification obtained from the Global Slavery Index 2023 report.

The Risks of Modern Slavery Practices in Our Operations and Supply Chain

According to relevant guidance⁽ⁱ⁾, there are three main ways in which a company can be involved with modern slavery. This is summarised in the table below along with the identified ways in which the risk of modern slavery could arise in The Lottery Corporation.

	Cause	Contribute to	Directly Linked
Description	'Cause' modern slavery directly through our operations	'Contribute to' modern slavery through acts or omissions that facilitate or incentivise it	'Directly linked' to modern slavery through our business relationships
Identified areas where modern slavery could arise:	Being an employer		
	Through our retailer network		
	Using suppliers		

These identified areas of risk are explained further below, and this is followed by a summary of actions taken that aim to address these risks.

Employer risks

We recognise that the risk of modern slavery has the potential to arise within our workforce through labour exploitation. Our workforce is mainly Australian based with most of our workforce comprised of roles at our corporate offices, call centres, and warehouses. The potential for modern slavery risk is elevated where we have lower-skilled workers or indirect employment arrangements in place. We do not have any permanent operations in other countries, though as part of supporting flexibility for our employees, there are temporary instances of employees working from overseas. In these instances, The Lottery Corporation's enterprise policies and processes still apply.

Retailer network risks

We recognise there is a potential for modern slavery risk in our network of Lotteries and Keno retail partners, including newsagents, licensed venues and other retailers, by means of forced labour, debt bondage and deceptive recruiting practices. The workforce in our retailer network is made up of individuals hired by our franchisees and other retail partners including venue operators. Due to the nature of the retailer network operations, the makeup of the workforce is typically lower skilled and casual with indirect employment arrangements in place, which can increase modern slavery risk. The retailer network is Australian based and is not directly exposed to countries that have a higher risk of modern slavery.

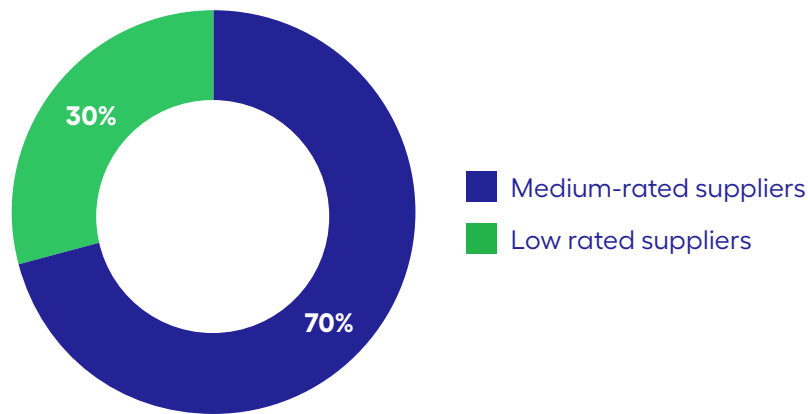
(i) Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities (May 2023 Update).

Supplier risks

We recognise that the risk of modern slavery has the potential to arise through our suppliers. As of 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 as part of The Lottery Corporation's demerger from Tabcorp. As a part of the ongoing demerger contract separation process, modern slavery due diligence is being conducted on relevant suppliers.

To assist us to manage, identify and assess modern slavery risks for each of our suppliers we have implemented a specialist Environmental and Social Performance provider third-party tool. As part of this third-party assessment tool, approximately two-thirds of our suppliers have been assigned a modern slavery risk index rating, with industry risk and country risk forming part of this determination. Of our suppliers, approximately 95% are based in Australia and there are no suppliers with a rating of high or very high. The Lottery Corporation has 71% medium-rated and 29% low-rated suppliers. The proportion of medium-rated suppliers is predominantly driven by the industry risk. This includes industries in technology hardware & equipment, commercial and professional services, and retail.

Chart 3: Modern Slavery Risk Rating of Suppliers Using Third-Party Tool



Actions Taken to Assess and Address Modern Slavery Risk within Our Operations and Supply Chain

Risk Management Framework

The Lottery Corporation has adopted a framework to support effective risk and compliance management across the Group and is based on concepts and principles identified in the Australian/New Zealand Standard on Risk Management (AS/NZS ISO 31000:2018). The framework is illustrated below.



The Board Risk & Compliance Committee oversees the adequacy and effectiveness of the framework. Modern slavery risks are factored into the Board-endorsed Risk Taxonomy which is subjected to Board-endorsed management and reporting. This includes assessment of risk exposure levels and factoring in the effectiveness of our control environment.

Employer risks

The Lottery Corporation has established recruitment practices, employment arrangements and policies and procedures which help it to manage employer-related modern slavery risks. This includes, and is not limited to, the following:

- Eligibility to work checks are performed during recruitment, including validating individuals are of legal working age.
- Employment contracts are in place which comply with relevant Australian laws and regulations.
- Employee-related policies govern our workplace such as the Code of Conduct, Health Safety and Wellbeing Policy, and Workplace Behaviours Policy.
- Annual remuneration reviews help us to monitor whether our team members have been compensated fairly when compared with market data maintained by third-party remuneration experts and, for our contact centre employees, whether they are being compensated in accordance with our enterprise agreement as approved by the Fair Work Commission.
- Processes are in place to raise workplace employee concerns such as the whistleblower 'Speak Up' hotline (for certain allegations such as misconduct), grievance procedures in industrial instruments, an internal complaint handling process and investigation framework.
- When additional capacity is required, we engage labour hire workers through labour supply contracts. Our supplier partner is responsible for verifying compliance with relevant state labour hire licencing schemes that are designed to keep vulnerable workers safe from exploitation.

Retailer network

The Lottery Corporation works closely with its Lottery retail franchise network with the aim of ensuring the employment practices of these retailers are consistent with our own standards, including in relation to the effective management of modern slavery risk.

The Lottery Corporation's Fair Work Retail Compliance Program is integral to the management of these risks and is comprised of:

- Setting expectations – through our contractual arrangements with Lottery 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 relevant workplace laws, including modern slavery requirements.
- Education and training – training, templates, guidance materials and regular communications are provided to our Lottery retail partners to assist with awareness and operationalisation of relevant workplace laws. We have dedicated business development managers in relevant States and Territories to provide support on this.
- Monitoring compliance – The Lottery Corporation conducts an annual survey of all Lottery retail partners and facilitates online self-audits to enable The Lottery Corporation to monitor the effectiveness of our program and identify potential non-compliance. There is also a hotline for the Lotteries retail network to anonymously report potential non-compliance and workplace concerns.
- Taking further action – there are processes in place to effectively respond to any potential non-compliance and The Lottery Corporation works collaboratively with Lottery retail partners to resolve any matters that may arise.

The Lottery Corporation also looks for ways to update and improve its Fair Work Retail Compliance Program. In FY23 we expanded the online self-audits, allowing our franchisees to submit any concerns and provide feedback. This has enhanced the transparency between The Lottery Corporation and its retail network.

Suppliers

In terms of suppliers, The Lottery Corporation has the following measures:

- A centralised process for supplier pre-qualification, onboarding, contracting, monitoring and relationship management, managed by a dedicated team of procurement specialists.
- Due diligence and risk assessments are undertaken as part of pre-qualification for all potential suppliers. This process includes assessments for sanctions, adverse media monitoring and labour licence status.
- A specialist third-party supplier provides information to help The Lottery Corporation comply with regulations and identify potential financial crime. This provider forms 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 identified risks.
- As part of our onboarding process, all suppliers are required to abide by our Supplier Code of Conduct which sets out our expectations for supplier compliance and governance. Our suppliers are expected to comply with all laws and regulations pertaining to their operations in connection with the products and services they provide to us.
- The Lottery Corporation's supplier contract templates include modern slavery clauses that outline requirements to comply with relevant modern slavery laws and human rights obligations.
- 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. Whistleblowers can report things that seem improper, including breaches of Commonwealth laws. Reports can be submitted anonymously via email, website, phone, fax or free post.



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 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 proactively build on these actions during FY24.

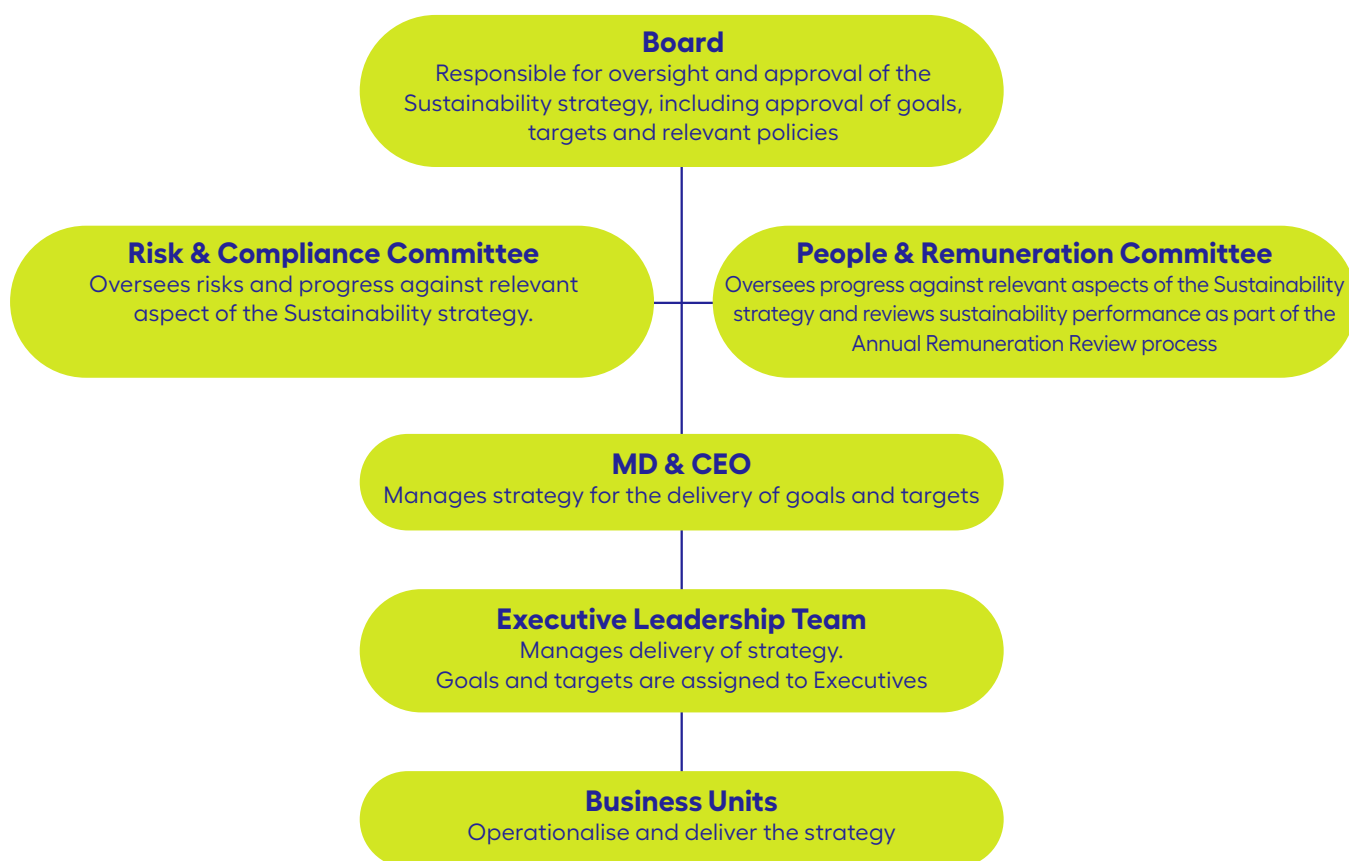
Governance and Policies

The Lottery Corporation is guided by key governance practices and policies that inform the way we work and aim to ensure that we operate ethically and responsibly. The Company continues to review and refine its corporate governance practices and policies to help ensure they remain aligned with developments in good corporate governance, its strategic priorities and shareholders' expectations.

Governance

Governance oversight in relation to human rights risk (including modern slavery) across The Lottery Corporation is undertaken by the Board, the Executive Leadership Team, Committees, and ESG working groups.

Our Sustainability Governance Framework



Policies

Modern slavery governance at The Lottery Corporation is managed through various frameworks, policies, procedures, and practices. The Lottery Corporation has several policies that incorporate requirements to manage human rights risk (including modern slavery risk). Key policies include:

- Code of Conduct
- Supplier Code of Conduct
- Procurement Policy
- Human Rights Policy
- Whistleblower Policy
- Anti-Bribery & Corruption Policy
- Sanction Policy
- Health Safety and Wellbeing Policy

Our policies are reviewed and updated periodically with oversight from the Policy Committee, Executive Leadership Team and, where relevant, the Board of Directors.

More information on the policies can be found at www.thelotterycorporation.com/corporate-governance.

Whistleblower Policy

The Lottery Corporation takes its whistleblowing obligations seriously and has put in place policies, systems and processes designed to ensure that eligible whistleblowers can report wrongdoing confidentially and without fear of reprisal. Eligible whistleblowers are able to raise concerns via a number of channels, including The Lottery Corporation's 'Speak Up' service, an independent, anonymous, and secure whistleblower service delivered by Deloitte.

How We Assess the Effectiveness of Our Actions

The Lottery Corporation acknowledges that monitoring the effectiveness of our actions is an integral part of modern slavery risk management. In FY23, we deployed quantitative and qualitative measures to evaluate the effectiveness of the actions taken to address modern slavery risk.

Raising Awareness

To help track the effectiveness of our actions, we consider the completion rates of, and feedback received from, The Lottery Corporation's online learning modules, including our specific modern slavery training module. Feedback from relevant participating employees in relation to our modern slavery module was generally positive. This module not only raised awareness of potential modern slavery indicators, but it also provided employees with information on our internal grievance channels and encouraged responsible decision-making relating to supplier selection and engagement.

Strengthening our Due Diligence

Utilising its sophisticated algorithms and data analysis capability, our third-party Environmental and Social Performance provider tool, enables us to assess the inherent risk associated with our suppliers based on their geographical location and industry. In this reporting period, The Lottery Corporation assessed approximately two-thirds of its suppliers.

A bespoke supplier risk tiering solution was rolled out across the Company which allows for the classification of supplier categories into low, medium, high-risk and regulatory segments. This resulted in prioritised assessment of suppliers, providing further visibility into our highest risk suppliers requiring the most resource and effort allocation, especially when or where it concerns modern slavery risk management.

Collaborative Discussions:

A cross-functional modern slavery working group meets regularly to discuss modern slavery-related matters pertaining to The Lottery Corporation. This enables meaningful engagement between different business units, the learning and sharing of good modern slavery practices, as well discussion around identification and risk mitigation strategies. The group will continue to assess any modern slavery risks to identify gaps and opportunities for improvement.

Looking Ahead

In FY24, The Lottery Corporation intends to:

- Further strengthen employee awareness and training by expanding the relevant online learning module for all employees and contractors and embedding it as a mandatory training obligation. By establishing mechanisms for collecting feedback and suggestions for improvement from employees, it is intended that updates to the training module will be made over time to help ensure it remains up to date, relevant and effective.
- Continue to refine our modern slavery and human rights contract clauses in our template supplier contracts so that they remain aligned to best practice benchmarking relating to modern slavery risk management.
- Host a biannual knowledge sharing session with our industry peers and engage in a 'Share and Learn' session pertaining to modern slavery identification, risk management and remediation strategy.
- Extend assessment of modern slavery risks via a supplier assessment questionnaire or survey through our third-party modern slavery assessment platform.
- Request all Tier 0⁽ⁱ⁾ suppliers to complete a supplier survey and sustainability assessment.
- Continue the development of a detailed modern slavery roadmap.
- Initiate the development of a modern slavery remediation framework to provide guidance and support to our stakeholders.

(i) Tier 0 means a category of supplier that requires regulatory approval given the highly regulated nature of the Group's business. They are considered to be among the Company's most important engagements.

Appendix: Mandatory Reporting Criteria

The table below sets out the key modern slavery reporting criteria contained in the Modern Slavery Act 2018 (Cth), together with page references as to where this information is located in this statement.

Modern Slavery Act 2018 requirements	Page
Mandatory Criterion 1: identify the reporting entity.	5
Mandatory Criterion 2: describe the structure, operations, and supply chains of the reporting entity.	6
Mandatory Criterion 3: describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	10
Mandatory Criterion 4: describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	12
Mandatory Criterion 5: describe how the reporting entity assesses the effectiveness of such actions.	17
Mandatory Criterion 6: describe the process of consultation with: <ul style="list-style-type: none"> (i) any entities that the reporting entity owns or controls and (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement. 	5
Mandatory Criterion 7: include any other information that the reporting entity, or the entity giving the statement, considers relevant.	18



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