



2023 Modern Slavery Statement

Introduction

Pollard Banknote Limited and its worldwide operating subsidiaries (collectively, “Pollard” or the “Company”) are committed to ensuring that we trade ethically, source responsibly and work to prevent modern slavery and human trafficking throughout our organization and in our supply chains.

Slavery and human trafficking are contrary to Pollard’s Vision and Values. We do not tolerate slavery or human trafficking in our organization or in those of our suppliers or subcontractors. We hold ourselves to the highest standards and expect our employees, contract workers and members of the board of directors of Pollard Banknote Limited and all of our subsidiaries to act with integrity and to comply at all times with the letter and spirit of the laws, regulations and rules that apply to Pollard in the jurisdictions where we operate.

This statement (“Statement”) is made pursuant to section 11 of Canada’s *Modern Slavery Act* and sets out the steps that Pollard has taken during the financial year ending December 31, 2023 to ensure that modern slavery or human trafficking does not take place within our organization or our supply chains.

Our structure

Pollard is a leading lottery partner to more than 60 lotteries worldwide, providing high-quality instant ticket products, licensed games, in-lane ticket options, and sales-driving merchandising solutions from its Schafer Retail Solutions + portfolio. We also offer a full suite of digital offerings, ranging from world-class game apps to comprehensive player engagement and iLottery solutions, including strategic marketing and management services. The Company is a proven innovator and has decades of experience helping lotteries maximize player engagement, sales, and proceeds for good causes. Pollard also provides pull-tab tickets, bingo paper, ticket vending machines, and its Diamond Game and Compliant Gaming electronic games and devices to charitable and other gaming markets in North America. Established in 1907, Pollard is owned approximately 64% by the Pollard family and 36% by public shareholders and is publicly traded on the Toronto Stock Exchange (TSX: PBL).

Pollard has more than 2,300 employees worldwide and operates in Canada, the United States, England, Iceland, Spain and Serbia. Pollard’s head office is located in Winnipeg, Manitoba, Canada.

Our supply chains

Pollard’s supply chain involves purchasing a broad range of goods and services from international, national, regional and local suppliers. Our principal manufacturing supply chain includes suppliers of paper, ink,

equipment, packaging and freight. Our principal digital solutions supply chain includes suppliers of technology, software and other professional services.

Our policies on slavery and human trafficking

Pollard's Social Accountability 8000 ("SA8000") Policy Statement reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chains.

Pollard believes everyone has the right to work in a professional environment where the principles of the SA8000 Standard are in harmony with company values. The SA8000 Standard is the world's leading social certification program which was established by Social Accountability International in 1997. The SA8000 Standard and related certification system provide a framework for organizations of all types, in any industry, and in any country, to demonstrate their adherence to the highest social standards.

Pollard is committed to the establishment and maintenance of the social accountability system and will conform to the principles of the SA8000 standard. Additionally, Pollard and its suppliers and subcontractors will comply with the Company's policies, national and international laws and regulations, and respect the core elements of the SA8000 Standard. Pollard's Ypsilanti plant received its SA8000 certification in 2021 and its Winnipeg plant received its certification in 2023.

Pollard's manufacturing quality control procedures were recognized with the award of the ISO-9001 certification, originally in 1999 and subsequently renewed annually, which evidences that systems and controls ensuring proper documentation and monitoring of manufacturing and other processes have been instituted. In addition, Pollard has been awarded with ISO-14001 certification for environmental management systems, ISO-45001 certification for occupational health and safety risks, and ISO-27001 certification for information security. Pollard is also Forestry Stewardship Council "FSC" certified for chain of custody documentation. In 2023 Pollard started the process to add its three 'Pollard Digital Solutions' locations in Spain, Iceland and Serbia under Pollard's certificates for quality, and information security (ISO9001, ISO27001 and WLA).

Pollard uses nationally accredited independent auditors to regularly assess and audit the effectiveness of our management systems and control processes. To maintain ongoing compliance with these standards, we maintain oversight of our supply chain and ensure our procurement processes are up to date.

In addition, Pollard's 'Code of Business Conduct and Ethics' applies to all employees and recognizes that the Company expects business to be conducted in a socially responsible and ethical manner. Pollard is committed to providing equal opportunities in all aspects of employment and to ensuring our work environments are positive, respectful, and safe and that they honor the well-being and human rights of our employees.

Pollard has adopted robust recruitment processes in line with relevant employment laws and employment policies that protect our employees from unfair treatment and promote a fair and inclusive workplace.



Pollard offers competitive, market-related pay and rewards that are reviewed annually. Our human resource professionals strive to ensure that remuneration and benefits frameworks are compliant with legal obligations in the countries where we operate. All new employees undergo background and criminal record checks to verify the right to work in the applicable jurisdiction based on relevant employment standards, laws, and regulations.

Due diligence processes for slavery and human trafficking

Pollard offers its suite of lottery products to organizations throughout North America and around the world. Most lotteries in North America are directly run by government agencies for the fundamental purpose of maximizing proceeds for good causes. As a supplier to national and state lotteries in North America, Europe, Asia and Central and South America, Pollard will not knowingly enter into relationships with businesses engaged in illegal activities, or relationships that would expose Pollard to inappropriate legal, regulatory or reputational risk.

According to the Responsible Sourcing Tool¹ and the U.S. State Department 2023 Trafficking in Person Report², employees in the lottery and charitable gaming sectors in the countries where we operate are low risk for modern slavery.

We are aware that certain countries where we have operations may pose a higher risk of modern slavery, including Serbia. The nature of our digital solutions business, however, means that our global workforce consists largely of skilled, educated and experienced individuals. In consideration of our skilled workforce, together with robust human resources policies and procedures, we consider the overall risk that our international operations may cause or contribute to modern slavery with respect to our workforce to be low.

Supplier adherence to our values

Pollard is committed to continually improving the ways in which it promotes, communicates and manages its social accountability obligations with its employees, customers, suppliers, subcontractors, and the wider communities in which it operates. Pollard is committed to reviewing its social accountability policy statement periodically and will ensure it is communicated to and accessible by staff, suppliers, subcontractors, and the public. Pollard will not knowingly conduct business with customers, suppliers, or subcontractors that fail to comply with the requirements of SA8000, and hence undermine its standards, damage its reputation and/or threaten its commercial success.

As a supplier to national and state lotteries, Pollard is contractually required, and requires its suppliers and subcontractors, to, among other things, abide by applicable employment standards, labor, non-discrimination and human rights legislation. Where applicable laws do not prohibit discrimination, or

¹ <https://www.responsiblesourcingtool.org/>

² <https://www.state.gov/reports/2023-trafficking-in-persons-report/>

where they allow for differential treatment, we expect suppliers and subcontractors to be committed to non-discrimination principles and not to operate in a way that unfairly differentiates between individuals.

Many of our supplier contracts include terms requiring our suppliers to demonstrate that they have policies and procedures in place to confirm that:

- Child, forced or compulsory labor is not used;
- Discrimination and harassment are prohibited;
- Retaliation for speaking up is prohibited and employees are free to raise concerns and speak up without fear of reprisal;
- Appropriate and reasonable background screenings, including investigations for prior criminal activity to support the integrity and good character of the supplier's employees have been conducted;
- Clear and uniformly applied employment standards are used that meet or exceed legal and regulatory requirements.

In 2024, we will formalize these requirements in a Supplier Code of Conduct and will adopt a comprehensive risk assessment and due diligence program for suppliers including confirmation that suppliers acknowledge acceptance of our Supplier Code of Conduct expectations.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff and require annual acknowledgments of our Code of Business Conduct Ethics as well as our Social Accountability 8000 Policy Statement.

This statement is made pursuant to section 11 of Canada's *Modern Slavery Act* and constitutes Pollard Banknote Limited's slavery and human trafficking statement for the financial year ending December 31, 2023. It was approved by the board of directors on May 8, 2024.



Douglas E. Pollard
Co-Chief Executive Officer, Director
Pollard Banknote Limited



John S. Pollard
Co-Chief Executive Officer, Director
Pollard Banknote Limited

May 8, 2024