EL
SUSTAINABILITY
GUIDELINES

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OVERALL INTRODUCTION

The EL Sustainability Guidelines[1] is a comprehensive set of guidelines that allows a Lottery to assess, develop and add value to all its stakeholders, its actions and commitments to Sustainability.

The Lottery engages in a structured approach to continuous improvement in Sustainability inspired by the international standard ISO 26000, which since November 2010 set the new global reference document in the field of Corporate Social Responsibility Organizations, but considering the evolution of the topic since then.

BENEFITS

The development of the Sustainability Guidelines allowed The European Lotteries to fol-low on its paths to innovation and to share best practices among members.

The use of the Sustainability Guidelines can allow Members to:

- Reduce long-term risks/raise reputation

- Increase competitiveness and credibility

- Create additional and shared value

- Attract and retain workers, customers, clients or users

- Improve relationships with stakeholders (e.g. governments, media, suppliers, peers, customers and the community)

WHY a Sustainability Guidance document

The European Lotteries are committed to generate the best for the benefit of society in accordance with national laws and regulations. Among core commitments, The Eu-ropean Lotteries are willing to address illegal gambling and related criminal activities while minimizing any potential harm on society and vulnerable groups. These core com-mitments are covered through several master documents, for instance the Responsible Gaming Standards, related Certification Framework and Guidance documents or the Code of conduct on Sports Betting and related monitoring about abnormal stakes and/or match fixing presumptions .

This present document is a guidance document, meant to broaden and strengthen Lot-teries commitments towards a larger spectrum of responsibility[2].

HOW the Sustainability Guidelines have been developed

The Sustainability/Responsible Gaming working group (whose members have been pointed out by The European Lotteries Executive Committee) in 2013 decided to start this project and as a first step a sub-working group (with those individuals with a proven experience in CSR) has been identified. In 2015 the sub-working group begun its work and by the end of 2016 drew up a final draft that has been submitted for review to an external third party with proven experience in order to match the contents of the guidelines with several documents (GRI standards, ISO 26000, SASB, Carbon Disclosure Project) and provide comments. The Guidelines were published in 2019 following two surveys in 2020 and 2022 to understand Members' needs around related to sustainability topics. The CSR (now Sustainability) Guidelines request a continuous update in order to be compre-hensive and consistent with sustainability trends and standards.

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1 Formerly known as the "EL CSR Guidelines"

2   Up-to-date versions of these documents can be found in the MyEL environment, on the EL website

INTEGRATING SUSTAINABILITY IN THE LOTTERY SECTOR

This section provides a practical guidance on how to consider the Sustainability Guidelines' six sections (and the related issues) and three relevant practices for integrating sustainability for Lottery organizations.

Building sustainability into every aspect of a Lottery involves commitment and understanding at all levels of the organization. In the early stages of an organization's efforts related to sustainability, the focus of awareness building should be on increasing understanding of the aspects of sustainability, including principles, core subjects and issues. Commitment and understanding should start at the top of the organization. Understanding the benefits of sustainability for the organization can play a major role in building the commitment of the organization's leadership. Efforts should therefore be made to provide the organization's leadership with a thorough understanding of the implications and benefits of sustainability.

The description and order of the Sustainability Guidelines' first six sections reported below refers to the most important sustainability topics according to the main sustainability sector standards and to the lotteries internal and external stakeholders' priorities. Furthermore, three relevant practices for integrating sustainability have been identified.

1. **Business ethics**: In the area of social responsibility, fair operating practices concern the way an organization uses its relationships with other organizations to promote positive outcomes.

2. **Labour practices and human rights**: The creation of jobs, as well as wages and other compensation paid for work performed, are among an organization's most important economic and social contributions. Meaningful and productive work is an essential element in human development; standards of living are improved through full and secure employment. Its absence is a primary cause of social problems. Recognition and respect for human rights are widely regarded as essential to the rule of law and to concepts of social justice and fairness and as the basic underpinning of the most essential institutions of society such as the judicial system.

3. **Environment:** Environmental responsibility is a precondition for the survival and prosperity of human beings. It is therefore an important aspect of sustainability. Environmental matters are closely linked to other core subjects and issues.

4. **Supply Chain:** Recognition and respect for human rights are widely regarded as essential to the rule of law and to concepts of social justice and fairness and as the basic underpinning of the most essential institutions of society such as the judicial system.

5. **Consumer issues.** Consumer issues regarding social responsibility are related to, among other matters, fair marketing practices, protection of health and safety, sustainable consumption, dispute resolution and redress, data and privacy protection, access to essential products and services, addressing the needs of vulnerable and disadvantaged consumers, and education.

6. **Community**: Organizations have a relationship with the communities in which they operate. This relationship should be based on community involvement so as to contribute to community development. Community involvement — either individually or through associations seeking to enhance the public good — helps to strengthen civil society. Community development can help to promote higher levels of well-being in the community. Such development, generally understood, is the improvement in the quality of life of a population.

7. **Governance and risk management**: Organizational governance is the most crucial factor in enabling an organization to take responsibility for the impacts of its decisions and activities and to integrate sustainability throughout the organization and its relationships.

8. **Stakeholder engagement**: Lotteries may have many stakeholders. Moreover, different stakeholders have various and sometimes competing interests. Understanding how individuals or groups are or can be affected by a lottery's decisions and activities will make it possible to identify the interests that establish a relationship with the Lottery. Therefore, the organization's evaluation of the impacts of its decisions and activities will facilitate identification of its most important stakeholders. Stakeholder engagement involves dialogue between the Lottery and one or more of its stakeholders. It assists the organization in addressing its sustainability by providing an informed basis for its decisions.

9. **Communication and reporting**: Communication is critical to many different functions in sustainability including: – raising awareness both within and outside the Lottery on its strategies and objectives, plans, performance and challenges for sustainability – helping to engage and create dialogue with stakeholders – showing how the Lottery is meeting its commitments on social responsibility and responding to the interests of stakeholders and expectations of society in general – providing information about the impacts of the Lottery's activities, products and services, including details of how the impacts change over time – helping to engage and motivate employees and others to support the organization's activities in sustainability – facilitating comparison with peer organizations, which can stimulate improvements in performance – enhancing a Lottery's reputation for sustainable action, openness, integrity and accountability, to strengthen stakeholder trust in the organization.

For each core subject a list of commitments, related actions and expectations, example of initiatives, best practices and associated KPIs linked are provided as in the table below.

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
1/ Issue #1	Company principles and values stated by the top of the organization that specify the organization's commitment to the related issue	Decisions that should be put in place to comply with the commitment, taking into account expectations concerning stakeholders' interests	Specific initiatives and best practices able to address the commitment and the related actions and expectations	Qualitative and/or quantitative disclosures to measure and report the effectiveness of the initiatives and best practices implemented. If GRI disclosure are reported, refer to GRI standards for a detailed description of the disclosure.

A Lottery should, at appropriate intervals, report about its performance on sustainability to the stakeholders affected. Reporting to stakeholders can be done in many different ways, including meetings with stakeholders, letters describing the organization's activities related to sustainability for a defined period, website information and periodic sustainability reports. In reporting to its stakeholders, a Lottery should include information about its objectives and performance on the core subjects and relevant issues of sustainability. It should describe how and when stakeholders have been involved in the Lottery's reporting on sustainability. A Lottery should provide a fair and complete picture of its performance on sustainability, including achievements and shortfalls and the ways in which the shortfalls will be addressed.

PRACTICES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
Practice #1	Company principles and values stated by the top of the organization that specify the organization's commitment to the related issue	Decisions that should be put in place to comply with the commitment, taking into account expectations concerning stakeholders' interests	Specific initiatives and best practices able to address the commitment and the related actions and expectations	Qualitative and/or quantitative disclosures to measure and report the effectiveness of the initiatives and best practices implemented.

If GRI disclosure are reported, refer to GRI standards for a detailed description of the disclosure. |

Sustainability Guidelines for The European Lotteries and for lottery organizations

Integrating the Sustainability Guidelines throughout a lottery organization can be undertaken through practical, simple and cost–efficient actions, and does not need to be complex or expensive.

Self–diagnosis:

The self–diagnosis determines the "assessment of needs" or gap–analysis in 3 steps:

1. Describe your current situation for each issue of the 9 areas of the Sustainability Guidelines.

2. Identify your desired situation (specific improvements) based on comparison of the actual situation and the contents of the guidelines in terms of commitment, related actions/expectations and initiatives and best practices.

3. identify the most significant issues to identify resources (personnel, time, money, partners, ...) needed to overcome the weaknesses and develop a time–line and actions to bridge the gaps.

1 BUSINESS ETHICS ^{1.1}

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
1.1/ Anti–corruption and anti–money laundering	Avoid corruption in all its forms including bribery fraud, money laundering, embezzlement, concealment and obstruction of justice	Put in place policy, processes, systems, structures, or other mechanisms that make it possible to avoid corruption in all of its form.	Adopt a Code of Conduct and a management system including processes, policies and auditing system to prevent risks of corruption and bribery (including activities and services related with games, sports betting and sports events) that: • Includes awareness, support, training and incentive employees and representatives • Encourages employees, partners, representatives and suppliers to report violations of the organization's policies adopting mechanisms that enable reporting and follow–up action without fear of reprisal (e.g., Whistleblowing policy) • Brings violations of the criminal law to the attention of appropriate law enforcement authorities • Encourages others with which the Lottery has operating relationships to adopt similar anti–corruption practices • Controls of prize pay–outs, betting odds, type of bets according to the regulation • Is compliant with national and international laws and practices (OECD) • Monitors and analyses all the information relating to the sports event also to detect all the unusual behaviours and control the coherence of bets and odds according to the event (for further details see EL Sports Betting code of conduct and the ULIS system) • Integrates anti–money laundering, anti–fraud and anti–corruption into the various stages of product life–cycles • Includes the issue of and anti–terrorism financing–supporting within the anti–corruption policy • Conducts anti–corruption due diligence procedure to ensure the integrity of all third parties with whom it is considering entering into a business relationship in order to avoid engaging in a business relationship that may directly or indirectly put the lottery at risk	– Disclose and explain the monitoring, application and progress of your anti–corruption management system – Describe the risks related to corruption – Number of breaches against conduct/ethics and anti–corruption policy – Percentage of employees and retailers covered by Code of Conduct and anti–corruption policy **GRI 2–23 Policy commitments** **GRI 205–1 Operations assessed for risks related to corruption** **GRI 205–2 Communication and training about anti–corruption policies and procedures** **GRI 205–3 Confirmed incidents of corruption and actions taken** SASB – Description of anti–money laundering policies and practices – Amount of legal and regulatory fines and settlements associated with money laundering

EL SUSTAINABILITY GUIDELINES

1 BUSINESS ETHICS ^{1.2/1.3}

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
1.2/ Responsible political involvement / Fair competition	Ensure integrity and transparency in political involvement and promote fair competition.	Be transparent and in accordance with regulation regarding policies and lobbying activities, political contributions and political involvement. Conduct activities in a manner consistent with competition laws and regulations, and co-operate with the appropriate authorities.	To ensure integrity and transparency in political involvement and promote fair competition: • Comply with domestic and European rules regarding lobbying activities, either in-house or via external professional consultancies, e.g., in case of lobbying the European Commission or the European Parliament, register to the Transparency register and update required information every year • Disclose significant issues that are the focus of the Lottery's participation in public policy development and lobbying • Train employees and representatives and raise awareness regarding responsible political involvement and contributions, and how to deal with conflicts of interest • Establish and implement policies and guidelines to manage the activities of people retained to advocate on the Lottery's behalf • Set procedures to avoid political contributions that amount to an attempt to control or could be perceived as exerting undue influence on politicians or policymakers in favour of specific causes • Establish procedures and other safeguards to prevent engaging in or being complicit in anti-competitive behaviour • Promote employees' awareness of the importance of compliance with competition legislation and fair competition • Organise periodical competition law trainings • Support anti-trust, as well as public policies that encourage competition • Create a culture in which infringements of competition law can be reported to the legal department in all openness	– Provide for an EU and/or domestic ID in the registers of representatives of interests – Update data on those registers – Report on significant topics that are the focus of company's participation in public policy development and lobbying: main actions and resources (spending and persons) – Set rules on the conduct of public affairs **GRI 2-27 Compliance with laws and regulations** **GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** **GRI 415-1 Political contributions**
1.3/ Respect for property rights	Promote respect for property rights.	Implement policies and practices that promote respect for property rights.	• Include in Code of Ethics/Code of Conduct a specific section dedicated to property rights respect • In the development and creation of games or any other original creation bought by the Lottery assess the respect of intellectual properties assets	– Number of complaints or fines for violation of property rights

2 LABOUR PRACTICES AND HUMAN RIGHTS [2.1]

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

2.1/
 	
Respect of human and workers' rights
	Improve standards of living through full and secure employment and decent work.	Ensure fair and equitable treatment for workers consistent with national laws and, generally speaking, with ILO conventions (even if the country where Lottery's employees are based hasn't ratified ILO Conventions).	<u>Fair treatment</u>
			– Adopt a Policy on fair labour and implement a management system to ensure:
			    o Equal employment opportunity, conditions and protection to all workers
			– Avoid as much as possible use of work performed on a casual basis or the excessive use of work performed on a temporary basis
			– Create paths in order to activate fair managerial behaviours
			– Create a contact line that allow employees who feel they have not received fair treatment in the workplace to contact anonymously a company representative. Contact line can be activated by different channels, such as: "Integrity Line", "Ask the Board", Compliance link.
			
			<u>Due Diligence</u>
			– Prepare for the upcoming European Corporate Due Diligence Directive, aimed to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. With respect to human rights within the operations, the proposal will require:
			– Integrate human rights due diligence into all corporate policies and draft a Due Diligence Policy to be updated annually. *
			– With regards to the respect of human rights within the operations, adopt specific activities to include:
			    o Identification of actual and potential negative impacts on human rights resulting from companies' activities
			    o Adoption of appropriate measures to prevent or, where prevention is not possible, adequately mitigate potential adverse impacts
			    o Adoption of appropriate measures to end actual adverse impacts that are, or should have been, identified through the due diligence process
			
			*NB *The Due Diligence Policy should include the following:
			– a description of the company's approach to due diligence
			– a Code of Conduct with requirements for employees and subsidiaries
			– a description of the implementation process, including the measures planned to verify compliance with the Code of Conduct and the application in the context of established business relationships*
			
			<u>Social Protection</u>
			– Public policy or Human Resource statement or in order to grant fair and appropriate work conditions and to ensure social protection beyond respect legal obligations and International Labour Organization (ILO).
				GRI 408–1 Operations and suppliers at significant risk for incidents of child labor
				
				GRI 409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
				
				GRI 2–26 Mechanisms for seeking advice and raising concerns (considered mandatory)

2 LABOUR PRACTICES AND HUMAN RIGHTS 2.1 / 2.2

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
2.1/ Respect of human and workers' rights			– Provide wages and other forms of remuneration in accordance with national laws, regulations or collective agreements take into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups.	
2.2/ Diversity, Equity & Inclusion and Non–Discrimi-nation	Promote respect of diversity and inclusion. Ensure not to discriminate against employees, partners, customers, stakeholders, members, and anyone else with whom the lottery has any contact or on whom the lottery can have an impact.	Put in place processes, systems, structures to promote diversity and inclusion. Put in place processes, systems, structures to prevent episode of discrimination.	Diversity, Equity and Inclusion Implement activities to guarantee the respect of diversity and inclusion among the workforce, such as: • Board–level focus and commitment to diversity and inclusion, including training • Endorsement of the Diversity and Inclusion Strategy from the Executive Council • Adopt a Policy on Diversity in the workforce • Train and/or inform company manager to recruitment from a diversity and inclusion perspective • Set rules to ensure diversity and inclusion in the recruitment process • Adding mandatory diversity and inclusion training for new hires • Availability of additional training, education and awareness activities • Facilities changes, including adding a gender–neutral washroom Implement a structured diversity and inclusion management system (refer to ISO 30415) with monitoring and management indicators. Non–Discrimination Adopt a Policy and implement a management system to ensure: • No discrimination on the basis of race, colour, creed, religion, national origin, age, disability, sex, sexual preference, sexual identity, marital status, military status, veteran status or any other legally protected status in accordance with applicable local, state, and federal law. Manage the issue internally and outside, and assist suppliers, retailers and other business partners to prevent any form of discrimination: • Including the issue of non–discrimination within Code of Conduct, policies and agreement/contract • Assessing operations to determine areas/processes at risk of discrimination • Training, communicating and sharing code of conduct and policies to employees (also to prevent harassment)	**GRI 405–1 Diversity of governance bodies and employees** **GRI 405–2 Ratio of basic salary and remuneration of women to men** **GRI 406–1 Incidents of discrimination and corrective actions taken**

EL SUSTAINABILITY GUIDELINES

2 LABOUR PRACTICES AND HUMAN RIGHTS 2.2/2.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
2.2/ Diversity, Equity & Inclusion and Non–Discrimi–nation			• Create a contact line that allow employees, suppliers and retailers who believe to be discriminated in the workplace to contact anonymously a company representative. Contact line can be activated by different channels, such as: "Integrity Line", "Ask the Board", Compliance link. Specific actions for suppliers and retailers: • Assessment of operations within the sphere of influence to determine areas/processes at risk of discrimination • Communication and sharing of company code of conduct and policies • Inclusion of specific contractual clauses (regarding avoidance of discrimination) in contracts	
2.3/ Health and safety at work, employee wellbeing and social protec–tion	Promote and maintain the highest degree of physical, mental and social well–being of all employees, preventing harm to health caused by working conditions.	Develop and implement occupational health and safety policy and management systems. Implement activities in order to foster employees' wellbeing, granting welfare systems and employees' mental health. Provide equal pay for work of equal value and adequate for the needs of workers.	Health and Safety and mental health • Implement a management system for Health and Safety at Work (including specific Policy or statement) and adheres to the international standard ISO 45001, if not specifically foreseen by the applicable laws • Conduct safety inspections: physical and psychosocial • Promote healthy lifestyle: sports facilities, healthy food, massages etc. • Provide free check–up by an accredited practitioner free of charge and anonymously • Provide free trainings on health–related issues: addiction, nutrition, stress management etc. • Provide individualized rehabilitation programs arranged for anyone returning to work after being off work for a long period (sickness, accident, etc) • Implement a programme to detect and prevent gambling problems among the employees and offer help in potential gambling problems (e.g., activation of an annual online course). Wellbeing • Implement annual wellbeing survey, in cooperation with the occupational health care, aimed at making the employees think about and keep track of their wellbeing, as well as to gain a big picture of the personnel's overall wellbeing.	GRI 403–1 Occupational health and safety management system GRI 403–2 Hazard identification, risk assessment, and incident investigation GRI 403–3 Occupational health services GRI 403–4 Worker participation, consultation, and communication on occupational health and safety GRI 403–5 Worker training on occupational health and safety GRI 403–6 Promotion of worker health GRI 403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403–8 Workers covered by an occupational health and safety management system

2 LABOUR PRACTICES AND HUMAN RIGHTS 2.3/2.4

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

2.3/
 	
Health and safety at work, employee wellbeing and social protec-tion
			• Define a welfare model:
			   o Implement a Business Welfare system, in accordance with the applicable laws belonging to an integrated model in order to offer, where possible, additional healthcare programs, through private insurance companies to its employees and their family members (e.g., free flu vaccinations, no-smoking programs, wellness incentives, multiple screenings, and maternity-related benefits)
			   o Promote initiatives to help employees to realize an effective work-life balance
			   o Promote flexible work arrangements where possible: flexible work hours, part-time, flexible work locations, etc.
			
			Build programs and activities to deal with business disruptions and the need for new ways to work and collaborate as teams, due to the Covid-19 pandemic.
				GRI 403-9 Work-related injuries
				
				GRI 403-10 Work-related ill health
				
				GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage
				
				GRI 401-1 New employee hires and employee turnover
				
				GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
				
				GRI 401- 3 Parental leave

2.4/
 	
Human capital development and training
	Provide employees with access to skills development and opportunities for career advancement on an equal and non-discriminatory basis.	Ensure human capital development programs for all employees.
		
		Ensure that workers being made redundant are helped to access assistance for new employment, training and counselling.
			• Plan career and development paths able to create an effective combination between the medium-long term needs of the company and individual aspirations and skills
			• Create a performance Management System consistent with values, strategic and sustainability goals of the Lottery
			• Provide ongoing trainings and courses to improve employees' skills and employability (also with scholarships sabbatical periods and financial participation to medium and long-term education)
			• Coaching programs: early career training, course for preparing for retirement etc
			• Provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.
			Transition program can include:
			   o Pre-retirement planning for intended retirees
			   o Retraining for those intending to continue working
			   o Severance pays, which can take into account employee age and years of service
			   o Job outplacement services
			   o Assistance (such as training, counselling) on transitioning to a non-working life
				GRI 404-1 Average hours of training per year per employee
				
				GRI 404-2 Programs for upgrading employee skills and transition assistance programs
				
				GRI 404-3 Percentage of employees receiving regular performance and career development reviews

EL
SUSTAINABILITY
GUIDELINES

2 LABOUR PRACTICES AND HUMAN RIGHTS 2.4/2.5

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
2.4/ Human capital development and training			• Implement a career and skills development platform, aimed at upskilling and empowering employees and managers, giving them insights into strengths and development areas, allowing them to track growth over time, powering one-on-one conversations with shared data, and most importantly supporting them to grow their careers through a mapped-out progression plan.	
2.5/ Social dialogue	Promote an effective and collaborative social dialogue between employer and employees and their representatives.	Respect at all times right of workers to freedom of association and collective bargaining. Establish participation and dialogue mechanisms in the workplace.	• Create task teams or committee in order to solve conflicts and to give employees the opportunity to provide feedback or complaints • Agreements between trade unions and the Company to offer benefits beyond the law to employees • Provide reasonable notice, timely information and, jointly with worker representatives where they exist, consider how to mitigate adverse impacts to the greatest possible extent when considering changes in its operations	**GRI 2-26 Mechanisms for seeking advice and raising concerns** **GRI 2-30 Collective bargaining agreements (considered mandatory)** **GRI 402-1 Minimum notice periods regarding operational changes**

3 ENVIRONMENT ³·¹

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

3.1/ Climate Change	Reduce emissions to fight climate change.	Implement actions to contrast climate change and to perform climate related risk assessments.	**Management System**
			• Implement a structured environmental management system (refer to ISO 14001 and specific MS like ISO 50001) with monitoring and management indicators, such as an environmental policy with action plans related with:
			  o Energy:
			    • actions to reduce energy consumptions: use the heat of the Data Centre to warm the office; server virtualization; use LED lamps; automatic switch off lights and electronic devices; monitor optimal temperatures in order to reduce gas consumption
			    • actions to reduce energy consumption impacts: use of renewable energy (certificate) or production of renewable energy
			  o Transport: optimize logistics; eco–driving; employees travel policy and electric fleet cars
			  o Travel: use remote communication systems (call, video conferences); on–line training to reduce the need to travel
			
			GHG Inventory
			• Develop an inventory of the company's greenhouse gas emissions, by calculating (the best practice would be according to the GHG Protocol) the current Scope 1 and 2 greenhouse gases (GHG) emissions (directly linked to company's activities)
			• Perform an assessment of the actions that could be implemented to reduce the most relevant emission categories and estimate the emission trajectories resulting from the possible combinations of the actions themselves
			• Define the quantitative targets for reducing company's GHG emissions (the best practice would be setting target aligned with Science Based Target initiative – SBTi)
			• Implement the actions accordingly and evaluate the solutions available to offset/ remove residual emission
			
			Climate–related risks
			• Describe the organization's processes for identifying and assessing climate–related risks.
			• Describe the organization's processes for managing climate–related risks.
			• Describe how processes for identifying, assessing, and managing climate–related risks are integrated into the organization's overall risk management.
				– Environmental Policy publicly available
				
				GRI 302–1 Energy consumption within the organization
				
				GRI 302–3 Energy intensity
				
				GRI 302–4 Reduction of energy consumption
				
				GRI 302–5 Reductions in energy requirements of products and services
				
				GRI 305–1 Direct (Scope 1) GHG emissions
				
				GRI 305–2 Energy indirect (Scope 2) GHG emissions
				
				GRI 305–4 GHG emissions intensity
				
				GRI 305–5 Reduction of GHG emissions
				
				GRI 302–5 Reductions in energy requirements of products and services
				
				GRI 2–27 Compliance with laws and regulations

3 ENVIRONMENT 3.1/3.2

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

3.1/
 	
Climate Change
			Due Diligence
			• Prepare for the upcoming European Corporate Due Diligence Directive, aimed to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. With respect to environmental impacts within the operations and along the supply chain, the proposal will require:
			   o Integrate environmental due diligence into all corporate policies and draft a Due Diligence Policy to be updated annually.*
			• With regards to the respect of environmental impacts within the operations, adopt specific activities to include:
			   o Identification of actual and potential negative impacts on environment resulting from companies' activities
			   o Adoption of appropriate measures to prevent or, where prevention is not possible, adequately mitigate potential adverse impacts
			   o Adoption of appropriate measures to end actual adverse impacts that are, or should have been, identified through the due diligence process
			
			N.B. *The Due Diligence Policy should include the following:
			– a description of the company's approach to due diligence
			– a Code of Conduct with requirements for employees and subsidiaries
			– a description of the implementation process, including the measures planned to verify compliance with the Code of Conduct and the application in the context of established business relationships
			Please refer to Task Force on Climate Related Financial Disclosures (TCDF), further analysed within issue 9.1 Reporting. Be sure to verify the applicability depending on your local legal requirements.	

3.2/
 	
Circular Economy
	Promote circularity, fostering resource efficiency and economic growth.
	
	Reduce environmental impacts related to water on business activities.
		Identify, measure, record and report on significant impacts within the lifecycle of products.
		
		Offer consumers environmentally beneficial products and services considering the full life cycle.
			• Monitor/assess Environmental impacts within the lifecycle of the products:
			   o Lifecycle assessment for eco-conception
			   o Optimize logistics and shipment (e.g., customize the delivery of promotion and marketing materials according to the varying sizes of POS)
				GRI 301-3 Materials used by weight or volume
				
				GRI 306-2 Management of significant waste-related impacts
				
				GRI 306-3 Waste generated
				
				GRI 306-4 Waste diverted from disposal

3 ENVIRONMENT 3.2/3.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

3.2/
Circular Economy
		Identify, measure, record and report on significant environmental impacts related to water and implement measures to progressively reduce them.	• Implement a structured environmental management system (refer to ISO 14001 and specific MS like ISO 50001, ISO 20121) with monitoring and management indicators related with:
			   o Materials: re-use materials and furniture; work on product lifecycle analysis; use recycled materials where possible (e.g., for office paper 100% recycled paper or default printing on both sides, black and white)
			   o Waste: reduce and recycle all possible waste
			
			• Implement initiatives to reduce the company footprint (e.g., eco-design projects for scratch cards)
			• Define and implement a strategy on circular economy
			• Implement efficiency measures to reduce use of water
			• Training and awareness: promote appropriate learning to support the environmental efforts within the organization (employees and executives) and its sphere of influence
				GRI 306-5 Waste directed to disposal
				
				GRI 303-1 Interactions with water as a shared resource
				
				GRI 303-2 Management of water discharge-related impacts
				
				GRI 303-3 Water withdrawal

3.3/
Biodiversity
	Reduce environmental impacts on biodiversity.	Foster sustainable operations to ensure the survival of plant and animal species, preserve the natural ecosystems and safeguard life on-land and under-sea.	Biodiversity
			– Implement actions to preserve biodiversity, such as:
			   o Minimize the use of paper (less weight, minimize the size, conduct R&D on e-tickets to minimize paper printing and usage)
			   o Use FSC or recycled paper, recyclable products and sustainable inks
			   o Elimination of single-use plastics
			– Partner with organizations to join biodiversity projects (e.g., reforestation projects or protection and preservation of trees projects)
				GRI 304-2 Significant impacts of activities, products and services on biodiversity
				
				GRI 304-3 Habitats protected or restored

4 SUPPLY CHAIN 4.1

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

4.1/
 	
Human Rights due diligence along the supply chain
	Promote respect of human rights in the supply chain.	Exercise due diligence to identify, prevent and address actual or potential human rights risks and impacts resulting from activities or the activities of those with which lotteries have relationships.	**Promotion of human rights**
			
			– Identify basic human rights principles that guide operations. This decision must be taken at a senior level to be able to permeate the entire Lottery (e.g., Human Rights in Code of Conduct or specific Human Rights policy). This should refer to external sources (United Nations Principles for Human Rights or European Convention for human rights and the charter of fundamental principles for European Lotteries and its implementation and regularly follow up)
			
			– Develop internal systems to pursue the principles (including training activities for employees and business partners also engaging external stakeholders)
			
			– Set achievable goals for measuring progress
			
			– Adopt specific activities (also with suppliers and business partners) to include:
			
			  o Human rights screening in the supplier qualification process (SA8000 certification taken into consideration in the qualification scorecard for both new suppliers and regular suppliers)
			
			  o Human right clauses included in contracts with suppliers and business partner with penalties ranging from warning to termination of agreements (request suppliers' certification or commitment for social responsibility and human rights)
			
			  o Audit and follow up conducted to verify progress of suppliers and business partners
			
			  o If applicable, set/adopt guidelines for sponsorship recipients of human rights. Ensure that sponsor agreements are signed with a letter concerning human rights together with suppliers' Code of Conduct
			
			Due Diligence
			
			Prepare for the upcoming European Corporate Due Diligence Directive, aimed to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. With respect to human rights along the value chain, the proposal will require:
			
			  o Integration of human rights due diligence into all corporate policies and draft a Due Diligence Policy to be updated annually. *
			
			  o With regards to the respect of human rights along the supply chain, adopt specific activities to include:
			    • Identification of actual and potential negative impacts on human rights along the supply chain
			    • Adoption of appropriate measures to prevent or, where prevention is not possible, adequately mitigate potential adverse impacts
			    • Adoption of appropriate measures to end actual adverse impacts that are, or should have been, identified through the due diligence process
			
			*NB *The Due Diligence Policy should include the following:*
			– a description of the company's approach to due diligence
			– a Code of Conduct with requirements for employees and subsidiaries
			– a description of the implementation process, including the measures planned to verify compliance with the Code of Conduct and the application in the context of established business relationships
				Publicly available code of conduct or specific policies on Human Rights principles
				
				GRI 414–2 Negative social impacts in the supply chain and actions taken
				
				GRI 414–1 New suppliers that were screened using social criteria

4 SUPPLY CHAIN 4.2/4.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

4.2/
 	
Environmental due diligence along the supply chain
	Promote respect of the environment in the supply chain.	Exercise due diligence to identify, prevent and address actual or potential environmental risks and impacts resulting from activities or the activities of those with which lotteries have relationships.	**Due Diligence**
			• Prepare for the upcoming European Corporate Due Diligence Directive, aimed to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. With respect to environmental impacts along the value chain, the proposal will require:
			  o Integrate environmental due diligence into all corporate policies and draft a Due Diligence Policy to be updated annually. *
			  o With regards to the respect of environmental impacts within the supply chain, adopt specific activities to include:
			    • Identification of actual and potential negative impacts on environment along the supply chain
			    • Adoption of appropriate measures to prevent or, where prevention is not possible, adequately mitigate potential adverse impacts
			    • Adoption of appropriate measures to end actual adverse impacts that are, or should have been, identified through the due diligence process
			
			*NB *The Due Diligence Policy should include the following:*
			– a description of the company's approach to due diligence
			– a Code of Conduct with requirements for employees and subsidiaries
			– a description of the implementation process, including the measures planned to verify compliance with the Code of Conduct and the application in the context of established business relationships
			
			• Develop an inventory of the company's greenhouse gas emissions, by calculating (the best practice would be according to the GHG Protocol) the current Scope 3 emissions (generated by upstream and downstream activities in the value chain).
			
			Please refer to issue 3.1 Climate Change for further details about the GHG inventory.
				GRI 308–1 New suppliers that were screened using environmental criteria
				
				GRI 305–3 Other indirect (Scope 3) GHG emissions

4.3/ Promoting social and environmental responsibility in the supply chain	Spread social and environmental responsibility best practices in the value chain.	Integrate ethical, social, environmental, human rights, gender equality, non–discrimination, and health and safety criteria in Company's purchasing, distribution and contracting policies and practices.	To spread social and environmental responsibility best practices in the value chain specific activities can be addressed to suppliers/partners and retailers. **Suppliers and Partners:** Standard/Policy/Code of Conduct for suppliers and partners that include social, environmental, human rights, gender equality, non–discrimination, and health and safety.	**GRI 308–2 Negative environmental impacts in the supply chain and actions taken** **GRI 414–2 Negative social impacts in the supply chain and actions taken** **GRI 407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**

4 SUPPLY CHAIN 4.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

4.3/
 	
Promoting social and environmental responsibility in the supply chain
		Treat suppliers fairly and equally.	Implement a supply chain management system in order to:
			– Integrate ESG (Environmental, Social and Governance) factors into supplier selection (environmental standards, human rights, working conditions, health and safety, business ethics)
			– Process of purchasing has to include ESG criteria (also with incentives for procurement staff to integrate ESG factors in everyday decisions)
			– Conduct independent audit and/or inspections
			– Implement corrective action plans for suppliers
			– Treat suppliers fairly and equally including payment of bills according to contractors' agreements
			– Examine the value chain/supply chain and be sure payments are enough to enable suppliers to fulfil their own social responsibilities
			Capacity–building initiatives, incentives and activities (also in collaboration with other companies and/or industry collaborations) such as training & development activities, supplier awards, conferences, forums etc.
			Activities addressed to retailers can include:
			– Code of conduct included in agreements with Retailers (including clauses of obligations and Company's commitment) or specific guidelines
			– Education activities for retailers (highlighting Lottery commitments)
			– Retailers must respect anti–fraud and anti–money laundering laws and policies and Responsible Gaming requirements (prevention of underage and excessive gaming):
			    o Lottery can conduct periodic POS verification to assess the respect of laws and policies
			    o Incentives reward for retailers who demonstrate strong commitment on these topics can be defined
			    o Responsible gaming rules and other non– compliance can constitute a reason for imposing penalties, ranging from warning, to termination of agreements
			Retailers can be involved in Sustainability initiatives (e.g., fund raising, engagement with local NGOs)
				GRI 414–1 New suppliers that were screened using social criteria
				
				GRI 308–1 New suppliers that were screened using environmental criteria
				
				GRI 204–1 Proportion of spending on local suppliers
				
				Sustainability initiatives with retailers (% of retailers involved, main targets achieved)

EL SUSTAINABILITY GUIDELINES

5 CONSUMER ISSUES 5.1/5.2

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

5.1/ Fair and responsible communica–tion/ advertising	Minimize risk practices and ensure appropriate and transparent communication.	Adopt a code of conduct or communication and advertising guidelines to not engage in any practice that is deceptive, misleading, fraudulent or unfair, unclear or ambiguous, including omission of critical information. Give primary consideration in advertising and marketing to the best interests of vulnerable groups (creating Responsible Gaming messages against underage and excessive gaming).	– Define a specific Lottery's code of conduct/code of ethics/guidelines using EL Responsible Gaming Standards as a template. This document shall lay down a framework and benchmark for marketing, publicity and advertising campaigns themselves It shall guarantee that promotional and advertising materials are drafted and broadcasted in compliance with strict, transparent, ethical and socially responsible rules. Ensure that marketing guidelines includes no discrimination instructions and no stigmatization.
			
			– Specific Responsible Gaming communication actions:
			  a. Messages included in all communication, for example: game itself, commercial communication, tickets, play slips, print advertising, TV and radio advertising, website, Facebook, Twitter, YouTube, all retail signage, and any other in the future
			  b. Prevention campaigns against underage and excessive gaming
			  c. Testing effectiveness/efficiency of a campaign before launching it on mass–media
			
			– Third party certification of the compliance of advertising with externally developed advertising code of conduct (e.g., national communication/advertising code of conduct)
			
			– Report on Responsible Gaming program to key internal and external stakeholders. The reporting should, as a minimum, include a description of the Associate Members' Responsible Gaming Program areas, related policies and initiatives, targets for future improvements, supported by a number of key performance indicators that are measured and communicated on a regular basis to inform internal decision–making.
				Report on:
				– Process to assess risks and take actions (for example RG certification framework – Game Design)
				– Results and evolution of customers' understanding and knowledge about Responsible Gaming (e.g.: results of prevalence studies) and explain the company's actions to continually improve (e.g., review the tools)
				– An advertising and marketing code (for example, RG certification framework – Advertising and Marketing)
				– Total number or % of customers reached with the RG campaign – TV and other media, especially digital media
				– Number of received complaints about marketing messages
				– Number of campaigns being withdrawn after release
				
				GRI 417–2 Incidents of non–compliance concerning product and service information and labeling
				
				GRI 417–3 Incidents of non–compliance concerning marketing communications

5.2/ Consumers' health and safety	Pay attention to players who may not have the ability to recognize and assess the potential hazards of the product.	Implement Responsible Gaming policies.	– Responsible Gaming activities process, from design phase to sales and marketing of the games (for further details please consider the EL Responsible Gaming framework):
			  o Analysis of the social risk of games before their launch in the market, using a risk assessment tool designed by experts, according to the quality procedure adopted
			  o Support for problem gambling research in collaboration with research organizations, non–governmental organizations, academics, problem gambling experts and treatment providers.
				– Report on impact and breadth of Responsible Gaming programs to stakeholders
				– Number of players assisted through help line services or other tools
				– Results of surveys or main statistics of gambling problems in Countries of operations
				– Number and type of problem gambling institutions/organisation/professionals the Company works with

5 CONSUMER ISSUES 5.2/5.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

5.2/
 	
Consumers' health and safety
			o Tools to address problem gambling (such as helpline)
			o Tools to protect players embedded in Company's lottery, gaming, interactive, and betting platforms (e.g., age control, Customer Relationship Management, player tracking, limits and analytics features)
			o Carry out customer survey to monitor gambling problems
			o Set short- and medium-term target on responsible gaming
			o Responsible Gaming Policies and Programs are publicly available
			
			– Assess health and safety risks other than gaming-related problems in products and reduce impacts of products on consumers' health and safety (e.g., biphenyl free, non-toxic inks, non-toxic scratch zone/surface)
			
			– Disclose information about:
			  o Type of services offered to contain gaming-related pathologies
			  o Method of access for players to the services offered by the institutions/organisations the Company works with to provide assistance/management for gaming-related pathologies
			  o Method of informing PoS staff about the assistance/management services offered by the Company for gaming-related pathologies
			  o Methods of distributing information about responsible gaming
			  o Responsible gaming certifications obtained by the Company
				GRI 416-1 Assessment of the health and safety impacts of product and service categories
				
				GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

5.3/ Sustainable consumption	Promote sustainable consumption of products.	Provide effective education empowering retailers and consumers to understand the impacts of their choices of products and services on the environment.	– Develop environmental programs/activities with retailers to reduce environmental impact of products – Provide labelling to customers for the correct end of life of products *NB: The social impact of product and services is reported in Consumers' Health and Safety and Fair and Responsible Communication/ Advertising issues*	– Impact and breadth of environmental programs/activities on end of life of products (with retailers and customers)

5 CONSUMER ISSUES 5.4

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
5.4/ Consumers' health and safety	Protect personal data and respect consumer privacy.	Document all data processing activities . Implement (internal and consumer–facing) data protection policies and procedures. Conclude the necessary data processing agreements. Implement procedure to timely respond to data subject request. Take measures to ensure the security of personal data and to be able to timely report data breaches. Designate a data protection officer.	Implement management systems (e.g., according to ISO 27001) and procedures relating to customer privacy protection in order to: • Limit the processing of personal data to information that is either essential for the provision of products and services, necessary to comply with a legal obligation or provided with the prior, informed and voluntary consent of the consumer • Only collect data by lawful and fair means • Specify the purpose for which personal data are collected, and be transparent about how data are gathered, used, and secured (cfr. consumer–facing privacy policy) • Disclose the identity and contact information of the person accountable for data protection in the organization • Communicate any changes in data protection policies or measures to customers directly • Not disclose or use personal customer information for any purposes other than those agreed upon • Keep personal data accurate and up–to–date • Implement a data retention and deletion policy in accordance with legal data retention requirements and avoid unlimited storage of personal data • Provide consumers with the right to access, rectify or delete their personal data when the legal conditions for exercising these rights are satisfied • Implement and follow–up compliance with policies and procedures and take all legally required steps to ensure compliance with such procedures and applicable law • Detect and bring data breaches to the attention of the data protection authorities within 72 hrs of discovering them • Not send direct electronic marketing messages to consumers without having obtained their prior, informed or voluntary consent • Respect the wishes of the consumer to no longer receive any marketing messages from you Whenever suppliers or other data processors have access to personal data, they should agree to apply the same data protection standards as the lottery itself, especially when the information is about lottery customers. Such standards should be recorded in a data processing agreement. Ensure all data transfers to countries outside the EEA are properly accompanied by safeguarding measures that guarantee that the same data protection standards are also followed by the receiving organization.	– Disclose and explain the monitoring, application and progress of your data protection management systems **GRI 418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data**

5 CONSUMER ISSUES 5.5

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
5.5/ Education and awareness	Create awareness on Responsible Gaming, and risks related to excessive and underage gambling.	Implement training and information programs for employees and retailers to create awareness on Responsible Gaming and risks related to excessive and underage gambling in order to create a safer game.	In order to create awareness on Responsible Gaming and risks related to excessive and underage gambling specific training activities can be implemented for Employees and Retailers while specific information/communication activities can be addressed to Players. Training programs and awareness campaigns for Employees: • Ensure that employees are educated and informed about responsible gaming and provided with insight into what might lead to problem gaming • Relevant employees (including temporary staff and contract staff) shall, based on roles and consumer interaction, receive training on responsible gaming programs and features, including (where applicable) training on treatment referral for potential problem players Training programs and awareness campaigns for Retailers: • Where a legal age of gaming exists, people that sell lottery products shall receive training that enables them to request validation of a person's age through appropriate means • Retailers have to be provided with insight into what might lead to problem gaming and information about counselling and treatment opportunities, if playing is turning into a problem Preference should be given to specialist training providers for the provision of these trainings. The training programs should be regularly reviewed with experts so that they remain up to date with effective content. Players In order to make players aware on the relevant information about the rules of the games, about the risks related to gambling and the related services, the following features shall be included in information designed for players (including on remote channels): • Games rules should be available to the consumer all times • Where gaming is available in multiple languages, the rules and responsible gaming information must be available in the same languages • Detailed information on the odds of winning on each game which allows people to assess the risks and benefits of playing • The game prize structures must be available to the player • Information concerning responsible gaming, age-limit and consumer protection and information on where to get help (national helpline) in cases of problem gaming shall be provided • If the above information is not clearly available in printed form in gaming venues (e.g., retail stores), the Company shall ensure that details of how to obtain such information is clearly available to players and retailers (e.g., company website) Implement a systematic process to support and/or conduct, integrate and disseminate responsible gaming related research.	– Number of RG awareness programs – Results of a survey about how the RG program is understood by employees, retailers and customers – % of employees trained – % of retailers trained

6 COMMUNITY 6.1 /6.2/6.3

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
6.1/ Community involvement	Contribute to the public good and the development goals of local communities.	Ensure community needs and interests are taken into consideration both in business activities and in specific corporate citizenship initiatives.	– Define a community engagement Policy or guidelines: Lottery should integrate business development with a concern for its social repercussions, also in consideration of the special nature of the sector in which it operates – Identify community relevant stakeholders and their needs and interests – Assess main needs in the community of operations – Define a community sustainability strategy characterized by the importance given to listening and dialogue – Define and implement a long–term program (project, initiatives, partnership, contribution etc) to pursue policy/guidelines and strategy – Adopt program/initiatives impact evaluation towards community with periodical public reporting – Promote volunteering scheme for all employees and third parties (retailers, suppliers) allowing to spend working time for a good cause The program depends on the interaction and engagement with the various stakeholders and the commitment from the regulatory agencies of the sector that determine each Lottery model.	– Community Policy or guidelines publicly available – Report focus pillars of intervention in the community (including % of spending of each pillar) **GRI 413–1 Operations with local community engagement, impact assessments, and development Programs** **GRI 201–1 Direct economic value generated and distributed**
6.2/ Education, Culture and Health	Promote cultural, educational and health activities where appropriate, recognize and value the local cultures.	Develop Sustainability programs and initiatives planned and shared with the State and relevant stakeholders to promote education, culture and health.	According to the State mandate, corporate policy/guidelines and community needs, focus on the following key topics: – "Heritage roots" donation to monuments, keep national art heritage inside the Country – Education and talents: planning new frameworks, access to education opportunities and training methods for developing talent – Art and culture projects and events offering opportunities for social integration – Support scientific research and solidarity campaigns – Sport activities that promote the positive values of sport for all and promote a healthy lifestyle	– Report on education, culture and health initiatives and value of the projects (amount, benefits generated for the community) – Report impact indicators of the project (such as number of people provided with access to education, health and culture)
6.3/ Employment creation and skills develop–ment	Promote economic and social growth to local community by employment creation.	Take into consideration employment and wealth creation in business development and investments.	– Support the local economy fostering local suppliers: in case of equality on other criteria, local suppliers can be favoured according to rules in law applicable to the jurisdiction and the Lottery – Support Retailer activities encouraging public service – Participate in local and national skills development programs, including apprenticeship programs, programs focused on particular disadvantaged groups, lifelong learning programs and skills recognition and certification schemes	**GRI 204–1 Proportion of spending on local suppliers** **GRI 202–2 Proportion of senior management hired from the local community**

6 COMMUNITY 6.4 / 6.5

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
6.4/ Technology development and innovation	Improve access to technology through training, partnerships and other actions.	Contribute to the development of innovative technologies that can help solve social and environmental issues in local communities.	– Educational program contributions to higher education and skills development related to STEM (Science, technology, engineering, and mathematics) – Partnerships with organizations, such as universities or research laboratories, to enhance scientific and technological development with partners from the community – IT and device investments to improve services quality in local community (retailers as a local contact point not only for gaming collection). For example: • using the lottery terminal to spread services and to contribute to social causes • offer free Wi-Fi at the retailers point of sales	– Disclosure of services provided through the device used for lotteries for other purposes useful for the community and benefit related to (for example amount of money and explanation of innovative developments donated to good causes through lottery terminals or online platform) – Description of the partnerships with the organizations to enhance scientific technological development and the results achieved (included investments)
6.5/ Social investment	Promote the community development in planning social investment.	Assess the benefit of the investment in community and avoid actions that perpetuate a community's dependence in the organization's philanthropy and on–going presence.	– Where applicable in the State gaming model, Company defines and implements SRI on a voluntary basis aimed at improving social aspects of community life which seeks to consider both financial return and social good – Take into account the promotion of community development in planning social investment projects. All actions should broaden opportunities for citizens. (see section "Community") – Assessment of the impacts of the Social Investment (e.g. through the Social Return on Investment – SROI) – Define and implement a Responsible Investment policy	– Percentage of investments done with SRI criteria – Disclose SR criteria used to evaluate investments – Disclose SROI results

7 GOVERNANCE AND RISK MANAGEMENT 7.1

ISSUES	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

7.1/
 	
Sustainable Governance and Risk Management
	Have a sustainable governance that reflects the Lottery's commitment to social responsibility and that considers ESG risks within its activities and decisions.	Put in place processes, systems, structures, or other mechanisms that make possible to apply principles and sustainability practices within the Lottery governance–decisions making.
		
		Implement processes to identify and integrate ESG risks within the Enterprise Risk Management (ERM) framework.
			– Considering Sustainability issues in:
			   o Mission statement
			   o Common Values
			   o Vision
			
			– Integration of stakeholder's interests in decision process
			– Sustainability Strategy clearly approved by the top management and the Board with objectives and targets
			– A Sustainability Committee to assist and advise the Board of Directors and to review sustainability governance processes
			– Create a system of economic and non–economic incentives related to performances on sustainability
			
			Integrate ESG risks with the Enterprise Risk Management framework, which should carry out the following operations:
			   o Definition and updating of the risk management process activities. In particular, companies need to identify the principal material ESG risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should include those related to climate change.
			
			   o Identification of roles and responsibilities
			
			   o Definition of methodologies and tools for risk assessment and priority
			
			   o Coordination with other relevant functions, for the integration of risk management models, in particular for the purpose of updating methodologies and metrics
			
			N.B Climate–related risks are further addressed in Issue 3.1 Climate Change
				Disclose and explain mission, values and vision of the Lottery and a long–term management approach (e.g., 5 years) with the results reached, via the set objectives and the strategic choices (evaluated challenges, stakeholders considered)
				
				GRI 2–12 Role of the highest governance body in overseeing the management of impacts.
				
				GRI 2–17 Collective knowledge of the highest governance body
				
				GRI 2–18 Evaluation of the performance of the highest governance body
				
				GRI 2–19 Remuneration policies
				
				Percentage of the board members from under–represented social groups Member of the Board with ESG competencies, in particular related to climate change

8 STAKEHOLDER ENGAGEMENT [8.1]

	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
8.1/ Stakeholder engagement	Ensure stakeholder inclusiveness.	Identify and engage stakeholders to respond their legal rights, interest, expectations and to collaborate together to create win–win opportunities.	**Stakeholder identification:** – Implement a stakeholder identification process to determine to whom Lottery has legal obligations and who might be positively or negatively affected by Lottery's decisions or activities and is likely to express concerns, or has an interest, legitimacy in the relation or has the capacity to influence Lottery objectives. – Analyse and take into account: 　– relative ability of stakeholders to contact, engage with and influence the Lotteries 　– relation of stakeholders' interests to the broader expectations of society and to sustainable development 　– views of stakeholders whose interests are likely to be affected by a decision or activity even if they have no formal role in the governance of the Lottery or are unaware of these interests **Stakeholder engagement*:** – A Policy or procedure to ensure that the corporate stakeholder engagement is applied consistently across all operations strategy – Create a fair and proper process based on engaging the most relevant stakeholders (not giving preference to an organized group because it is more "friendly" or supports the organization's objectives more than another group) – Provide a grievance mechanism for local stakeholders to directly report to the department responsible for stakeholder engagement at group level in case the local communication channels do not function (e.g. hotline, dedicated email) – Stakeholder profiles and a stakeholder maps are used as tools on the local level and responsibility to oversee the relationship with different categories of stakeholder are formalized within the organization – Stakeholder engagement policy/procedure is part of the annual performance review of the local operations' top managers – Top local managers receive training on capacity building and methods of engagement as specified in the stakeholder engagement policy/procedure – Direct or indirect process for consultation between stakeholders and the highest governance body on economic, environmental, and social topics – Lessons learnt from good and bad stakeholder engagement experiences systematically are disseminated across the organization (e.g. intranet site, standardized debriefing process, development of training modules, Internal conference or road shows)	**GRI 2–12 Role of the highest governance body in overseeing the management of impacts** **GRI 2–29 Approach to stakeholder engagement**

* N.B. Stakeholder engagement is more likely to be meaningful when the following elements are present:

– Clear purpose for the engagement. Stakeholder's interests have been identified; the relationship that these interests establish between the organization and the stakeholder is direct or important; the interests of stakeholders are relevant and significant to sustainable development; and the stakeholders have the necessary information and understanding to make their decisions

– Informal or formal meetings with a wide variety of formats such as individual meetings, conferences, workshops, public hearings, round–table discussions, advisory committees, regular and structured information and consultation procedures, collective bargaining and web–based forums

– Being interactive and is intended to provide opportunities for stakeholders' views to be heard. Its essential feature is that it involves two–way communication

9 COMMUNICATION AND REPORTING 9.1 / 9.2

	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs
9.1/ Communication	Show how the Lottery is meeting its commitments on Social Responsibility and responding to the interests of stakeholders and expectations of society in general. Be sincere and transparent in every action in order to avoid being accused of greenwashing.	Raise awareness both within and outside the organization on its strategies and objectives, performance and challenges for social responsibility.	– Use internal communication tools, training and activities (events, intranet, mailing, house organ, other) to provide information to employees about social responsibility impacts and to rise internal awareness and engagement and to encourage Company activities – Use external communication tools and activities (such as events, advertising, press release, brochure, websites, LinkedIn) to provide information to stakeholder about social responsibility impacts of the organization's activities, products and services – Sustainability Media coverage – monitoring the sustainability items/articles/ messages in the corporate communication	– Report data on social responsibility internal and external communication activities such as: • Sustainability meeting • Events • Stakeholders' meetings – Impact of Sustainability communication: • Evolution of the corporate brand perception and company reputation and advocacy
9.2/ Reporting	Report about performance on social responsibility to the stakeholders affected.	Provide a fair and complete picture of the performance on social responsibility.	– Produce a Sustainability report in line with internationally recognized directives/ guidelines/standards (e.g., GRI): 　o Determining the organization material topics based on its most significant impacts on the economy, environment, and people, including impacts on their human rights and how the organization manages these impacts. 　o Using KPIs that are aligned with recognized standards/guidelines (e.g., GRI) as much as possible 　o Assured by an independent third party 　o Compliant with national transposition measures of the Directive 2014/95/EU on disclosure of non–financial information – Report on specific social responsibility issues (e.g., Responsible Gaming) with information, commitments, objectives and indicators/KPI's (quantitative and qualitative) – Use KPIs to compare current performance with the previous years and the commitments for future years – Allow stakeholders to give feedback on reporting Prepare for the following directives and framework. Be sure to verify if they are mandatory, according to your local legal requirements. Corporate Sustainability Reporting Directive – Prepare for the upcoming European Directive « Corporate Sustainability Reporting Directive », which will amend the current Directive 2014/95/EU. The CSRD aligns sustainability reporting with financial reporting and extends reporting requirements to even more companies.	– Public Sustainability report – Publicly report on goals/ target (even in other specific documents other than Sustainability report)

9 COMMUNICATION AND REPORTING

	Commitment	Related actions and expectations	Initiatives / best practice examples for the Lotteries sector	Suggested KPIs

9.2/
 	
Reporting
			– The Directive will require more sustainability information, including sensitive information about their business models, strategy and supply chains, and reported sustainability information will be assured by a third party. In order to be prepared companies will have to implement a robust data collecting and reporting process, and an internal control system to oversee the same.
			
			– Moreover, companies will have to describe their due diligence process, actual or potential adverse impacts connected to the company's own operations and within its value chain. and actions taken to prevent, mitigate, remediate or bring to an end those impacts.
			
			– The CSRD is also supplemented by the EU Taxonomy Regulation and its respective Delegated Acts.
			
			Task Force on Climate Related Financial Disclosures
			
			– Prepare to include climate–related financial disclosures inspired to TCFD recommendations on the company annual report.
			
			– Companies that disclose climate–related risks and opportunities according to TCFD guidelines can expect several benefits including:
			   o Improved decision–making to inform investments and business decisions
			   o Increased transparency to build trust with stakeholder
			   o Better risk management
			   o Competitive advantage becoming leaders in the transition to a low–carbon economy
			
			Access to capital attracting investment from a growing number of investors.	

10 GLOSSARY

Anti–competitive behaviour	Actions of the organization or employees that may result in collusion with potential competitors to fix prices; coordinate bids; create market or output restrictions; impose geographic quotas; or allocate customers, suppliers, geographic areas, and product lines, with the purpose of limiting the effects of market competition.
Co–firing	Co–firing is a near term, low–cost option for efficiency and cleanly converting biomass to electricity by adding biomass as a partial substitute fuel in high–efficiency boilers.
Community development program	Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.
Corruption	Corruption is a criminal misconduct by which a person (the corrupt) solicits, accepts or approves a gift, offer or promise gifts or benefits of any kind in order to accomplish, delaying or omitting perform any act falling directly or indirectly within the scope of his duties.
Customer privacy	The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end–customers (consumer) as well as business–to–business customers.
Discrimination	The act and the result of treating people unequally by imposing unequal burdens or denying benefits rather than treating each person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.
Economic impact	A change in the productive potential of the economy that has an influence on a community's or stakeholder's well–being and longer–term prospects for development.
Employee	An individual who is, according to national law or practices, recognized as an employee of the organization.
Energy reduction	The amount of energy no longer used or needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.
Environmental laws and reg–ulations	Refers to regulations related to all types of environmental issues (that is, emissions, effluents, and waste, as well as material use and circularity, energy, water, and biodiversity) applicable to the organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation. Voluntary agreements can be applicable if the organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.
ESG Factors	ESG (environmental, social and governance) is a term used in capital markets and used by investors to evaluate corporate behaviour and to determine the future financial performance of companies. ESG factors are a subset of non–financial performance indicators which include sustainable, ethical and corporate governance issues such as managing the company's carbon footprint and ensuring there are systems in place to ensure fair working conditions and human rights in the supply chain.
Fraud	An act that uses unfair means to gain an advantage, material or moral, undue or made with the intention to evade the execution of laws.

10 GLOSSARY

Governance bodies	The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.
GRI	Performance Measurement system for Social Responsibility: the Global Reporting Initiative (GRI) is a non-profit, independent, international organization involving companies, NGs and other stakeholders. Its mission is to promote sustainable development. The GRI was established in 1997 in partnership with the United Nations Environment Program (UNEP). GRI has developed guidelines for sustainable development reporting that provides companies with a global framework to report on their economic, environmental and social performance and is widely used.
Human rights clauses	Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.
ILO	The International Labour Organization is the only tripartite U.N. agency. Since 1919 the ILO brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
Indicators of diversity	Indicators of diversity for which the organization gathers data may include citizenship, ancestry and ethnic origin, creed, and disability.
Indirect economic impact	An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.
Indirect political contributions	Any financial or in-kind support to political parties, their representatives, or candidates for office made through intermediary organizations such as lobbyists or charities or support given to organizations such as think tanks or trade associations linked to or supporting particular political parties or causes.
ISO 26000 Standard	Published since 1 November 2010, ISO 26000 is an ISO standard on the social responsibility of organizations. It defines how organizations can contribute to sustainable development. The ISO 26000 standard cannot lead to certification; It is voluntary and not certifiable. The objectives of ISO 26000 are: – Guiding organizations in taking responsibility for societal responsibilities – Identify and dialogue with stakeholders – Promote a unique terminology on social responsibility – Ensure consistency with existing documents and other ISO standards The two absolutely fundamental practices of social responsibility are: – Identifying the impacts of the organization's decisions and activities in relation to the core issues of ISO 26000 – Stakeholder identification and dialogue with stakeholders The 7 central questions: – governance of the organization; – human rights; – working relationships and conditions; – the environment; – loyalty of practices; – consumer issues; – communities and local development.
ISO 14001	ISO 14001:2015 sets out the criteria for an environmental management system and can be certified to. The ISO 14000 family of standards provides practical tools for companies and organizations of all kinds looking to manage their environmental responsibilities. ISO 14001:2015 and its supporting standards such as ISO 14006:2011 focus on environmental systems to achieve this. The other standards in the family focus on specific approaches such as audits, communications, labelling and life cycle analysis, as well as environmental challenges such as climate change.

10 GLOSSARY

ISO 50001	ISO 50001 supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS). ISO 50001 is based on the management system model of continual improvement also used for other well-known standards such as ISO 9001 or ISO 14001. This makes it easier for organizations to integrate energy management into their overall efforts to improve quality and environmental management.
ISO 20121	ISO 20121:2012 specifies requirements for an event sustainability management system for any type of event or event-related activity, and provides guidance on conforming to those requirements
Local community	Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations through to isolated settlements at a distance from operations that may experience the impacts of these operations.
Local supplier	Organization or person that provides a product or service to the reporting organization and that it is based in the same geographical market as the reporting organization (that is, no trans-national payments to the supplier are made). The geographical definition of 'local' may include the community surrounding operations, a region within a country or a country.
Marketing communications	The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.
Money laundering	The facilitation by any means, false justification of the origin of the assets or income of the perpetrator of a crime or offense that has provided it to the direct or indirect benefit. Is also a money laundering, the fact of providing support to an investment transaction, of concealing or converting the direct or indirect product of a crime or misdemeanour.
Nonrenewable energy sources	Energy sources that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles. Non-renewable energy sources include: – Fuel distilled from petroleum or crude oil (such as gasoline, diesel fuel, jet fuel, heating oil) – Natural gas (such as compressed natural gas (CNG), liquefied natural gas (LNG)) – Fuels extracted from natural gas processing and petroleum refining (such as butane, propane, liquefied petroleum gas (LPG)) – Coal – Nuclear power
OECD	Organization for Economic Cooperation and Development. Its mission is to promote policies that will improve the economic and social well-being of people around the world.
OHSAS 18001	OHSAS 18001, Occupational Health and Safety Assessment Series, (BS OHSAS 18001) is an internationally applied British Standard for occupational health and safety management systems. It exists to help all kinds of organizations put in place demonstrably sound occupational health and safety performance. It is a widely recognized and popular occupational health and safety management system.
Product	Article or substance that is offered for sale or is part of a service delivered by an organization.
Public utilities	Part or all of revenues of lotteries are dedicated to public beneficiaries: it can be the state itself, local communities, sports, culture, … depending on the Lottery status. All these beneficiaries are here "addressed" by utilities. Other good causes can be included in that definition.

10 GLOSSARY

Renewable energy sources	Energy sources that are capable of being replenished in a short time through ecological cycles. Renewable energy sources include: Geothermal, Wind, Solar, Hydro, Biomass, but no co-firing
Reporting period	Reporting period is the specific time span covered by the information reported.
SASB	The Sustainability Accounting Standards Board (SASB) is an independent non-profit organization. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors
Security personnel	Individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables.
Skills management	Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization or the industry.
Social Responsibility (SR)	Concept in which companies integrate social, environmental, and economic concerns in their activities and in their interactions with their stakeholders on a voluntary basis. It is the contribution of companies to the challenges of sustainable development. The SR must be integrated in all the activities of the organization and implemented in its relations and must involve all the stakeholders. The contributions of the SR : – Anticipating constraints and preventing risks related to the organization's activities; – Reduce costs associated with resource consumption or waste generation; – Continuously innovating through increased quality, service and added value; – Enhance competition in the marketplace and increase the value of the brand – Improve the reputation and retention of all stakeholders – Increase economic and financial performance
Social Return on Investement (SROI)	Concept to account for social value when evaluating investments. It goes beyond traditional economic evaluation tools, by considering value produced for multiple stakeholders in all three pillars of sustainable development; economic, social and environmental.
Socially Responsible Investement (SRI)	Investment considered socially responsible because of the nature of the business the company conducts, for instance social justice, environmental sustainability and clean/ alternative technology. SRI considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.
Stakeholders	Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization. Stakeholders can include those who are invested in the organization (such as employees, shareholders, suppliers) as well as those who have other relationships to the organization (such as vulnerable groups within local communities, civil society).
Supplier	Organization or person that provides a product or service used in the supply chain of the reporting organization. The supplier can have a direct or indirect relationship with the organization.

10 GLOSSARY

Supply chain	Sequence of activities or parties that provides products or services to the organization.
Sustainable procurement	Procurements which take into account and try to achieve the appropriate balance between the three pillars of sustainable development; economic, social and environmental.
Training	Refers to: – All types of vocational training and instruction – Paid educational leave provided by the organization's for its employees – Training or education pursued externally and paid for in whole or in part by the organization – Training on specific topics such as health and safety – Training does not include on–site coaching by supervisors.
Transportation	The act of transferring resources and goods from one location to another (between suppliers, production plants, warehouses, and the customer), using different modes of transport, including passenger transportation (such as employees commuting and business traveling).
Vulnerable groups	A vulnerable group is a set or subset of people with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of an organization's operations. Vulnerable groups may include children and youth, the elderly, people with disabilities, ex–combatants, the internally displaced, refugees or returning refugees, HIV/AIDS–affected households, indigenous peoples, and ethnic cultural minorities. Vulnerabilities and impacts may differ by gender.