

Decarbonization – Responsibility in the Supply Chain

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18.09.2026



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Climate change: definition and causes

*“Climate change refers to a change in climate attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is **in addition to natural climate variability observed over comparable time periods**”*

(United Nations Framework Convention on Climate Change, UNFCCC)

Main factor: **the emission of greenhouse gases into the atmosphere as a result of human activities** (in particular, **combustion of fossil fuels** - but not only: farming and **deforestation** have a significant role)



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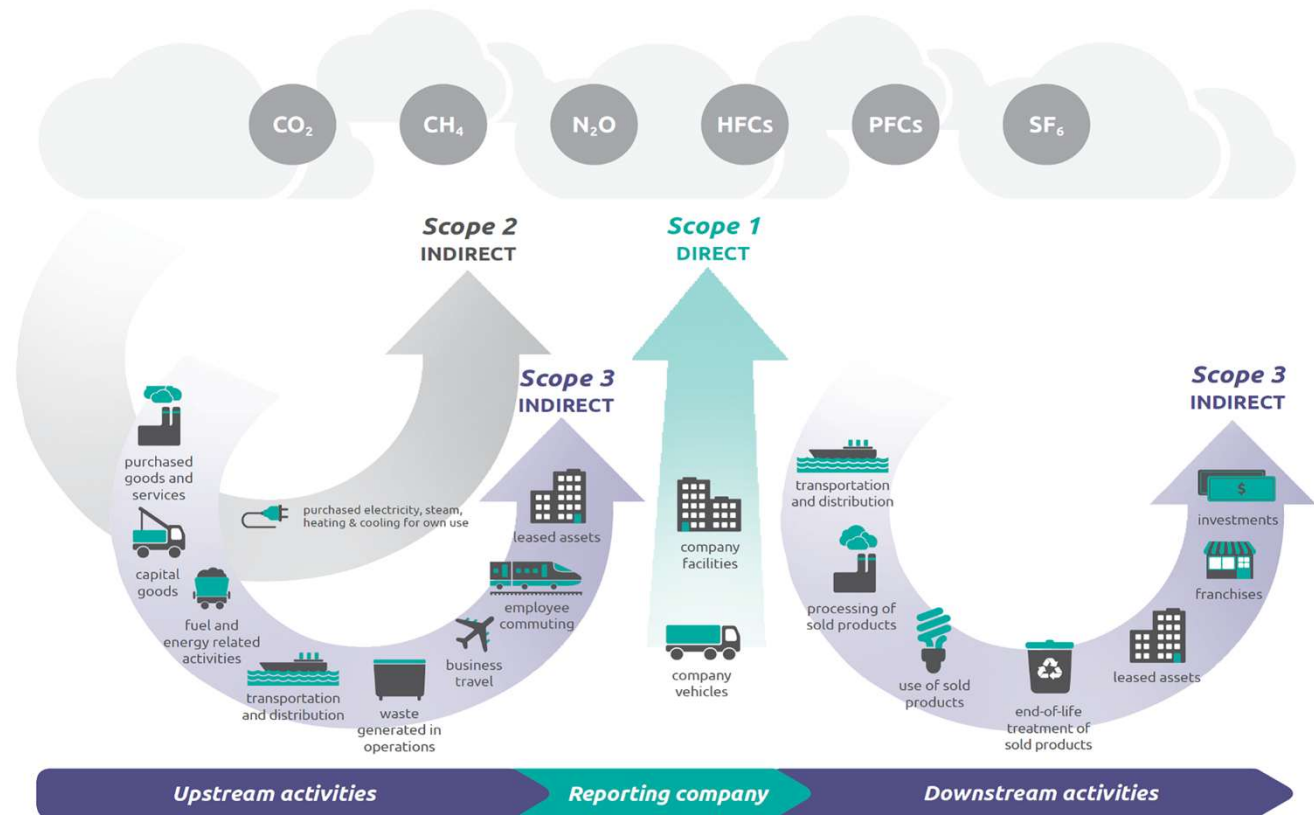


GHG emissions

Types of GHG emissions:

- Scope 1 (direct)
- Scope 2 (indirect)
- Scope 3 (indirect)

Reference: GHG Protocol



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Scope 1 - Direct Emissions

Direct Scope 1 GHG emissions come from **sources owned or controlled by an organization**, such as:

- electricity, heating, cooling, and steam generation
- transportation of materials, products, waste, workers, and passengers
- fugitive emissions
- physical or chemical transformation



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Scope 2 - Indirect Emissions

Indirect Scope 2 GHG emissions from energy consumption may include CO₂ emissions resulting from:

- Electricity
- Heating
- Cooling
- Steam

purchased or acquired and consumed by an organization.

Electricity produced from **renewable sources** (e.g., photovoltaic) **does not contribute** to the calculation of Scope 2 emissions.



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Scope 3 - Indirect Emissions

Scope 3 emissions are GHG emissions that are neither produced by the company nor the result of activities it controls but are emissions for which the company is indirectly responsible along its value chain.

These emissions are calculated by assessing the company's scope of operations, identifying the most significant activities.



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Scope 3 emissions - Categories

The GHG Protocol identifies 15 categories of activities along the value chain that can result in Scope 3 emissions.

Upstream or downstream	Scope 3 category
Upstream scope 3 emissions	1. Purchased goods and services 2. Capital goods 3. Fuel- and energy-related activities (not included in scope 1 or scope 2) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 7. Employee commuting 8. Upstream leased assets
Downstream scope 3 emissions	9. Downstream transportation and distribution 10. Processing of sold products 11. Use of sold products 12. End-of-life treatment of sold products 13. Downstream leased assets 14. Franchises 15. Investments



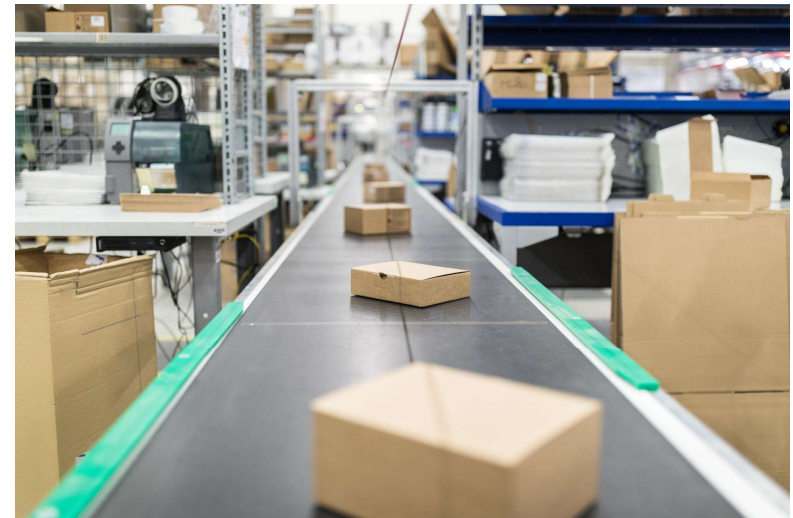
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Category 1 - Purchased goods and services

This category includes all upstream emissions (“cradle to gate”) from the production of products purchased or acquired by the company.

Products include both goods (tangible products) and services (intangible products).



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Category 1 - Purchased goods and services

Calculation methodology

Supplier specific method: obtaining overall emissions data directly from the supplier (primary data).

Average-data method: collection of data relating to the quantity (kg, units sold, metres, hours) of goods or services purchased for the emission factor specific to the good/service.

CO₂e emissions for purchased goods and services =

sum across purchased goods and services:

Σ scope 1 and scope 2 emissions of tier 1 supplier relating to purchased good or service (kg CO₂e)

+

sum across material inputs of the purchased goods and services:

Σ (mass or quantity of material inputs used by tier 1 supplier relating to purchased good or service (kg or unit)

× cradle-to-gate emission factor for the material (kg CO₂e/kg or kg CO₂e/unit))

+

sum across transport of material inputs to tier 1 supplier:

Σ (distance of transport of material inputs to tier 1 supplier (km)

× mass or volume of material input (tonnes or TEUs)

× cradle-to-gate emission factor for the vehicle type (kg CO₂e/tonne or TEU/km))

+

sum across waste outputs by tier 1 supplier relating to purchased goods and services:

Σ (mass of waste from tier 1 supplier relating to the purchased good or service (kg)

× emission factor for waste activity (kg CO₂e/kg))

+

other emissions emitted in provision of the good or service as applicable



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Veikkaus Sustainability Report 2025

Scope 1-3 emission calculation

Total GHG emissions	2022 (Base year)	2023	2024	2025	Change %
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (tCO ₂ e)	459	282	225	40	-82 %
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0 %	0 %	0 %	0 %	-
Scope 2 GHG emissions					
Gross location-based scope 2 GHG emissions (tCO ₂ e)	1,923	1,446	1,291	623	-52 %
Gross market-based scope 2 GHG emissions (tCO ₂ e)	1,801	1,998	1,089	912	-16 %
Significant scope 3 GHG emissions					
Total Gross value chain scope 3 GHG emissions (tCO ₂ e)	46,346	41,843	53,313	41,781	-15 %
1 Purchased goods and services	42,948	38,621	47,942	41,781	-13 %
2 Capital goods	-	-	-	209	-
3 Fuel and energy-related activities	-	-	961	1,717	79 %
4 Upstream transportation and distribution	953	893	661	408	-38 %
5 Waste generated in operations	69	104	49	41	-17 %
6 Business travels	11	4	2,040	35	-98 %
7 Employee commuting	360	499	531	341	-36 %
8 Upstream leased assets	996	925	586	581	-1 %
9 Downstream transportation and distribution	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-
11 Use of sold products	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-
13 Downstream leased assets	77	60	33	26	-22 %
14 Franchising	933	737	509	289	-43 %
15 Financial investments	-	-	-	-	-
Total GHG Emissions					
Total GHG emissions (location-based) (tCO ₂ e)	48,729	43,571	54,829	46,091	-16 %
Total GHG emissions (market-based) (tCO ₂ e)	48,606	44,124	54,627	46,380	-15 %



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Deforestation: a major impact on the gambling supply chain

Thanks to their ability to absorb greenhouse gases, forests play a key role as carbon sinks, mitigating climate change.

Carbon storage

Every year, EU forests capture around 10% of the EU's greenhouse gas emissions – in trees, plants and soil. That makes them by far the biggest carbon sink in the EU.

10%

EU greenhouse gases captured
by forests

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In 2000 the loss amounted to 78 million hectares, in 2010 to 130 million hectares and in 2020 to 178 million hectares.

Deforestation is a huge impact in the supply chain, strictly linked to Scope 3 emissions.



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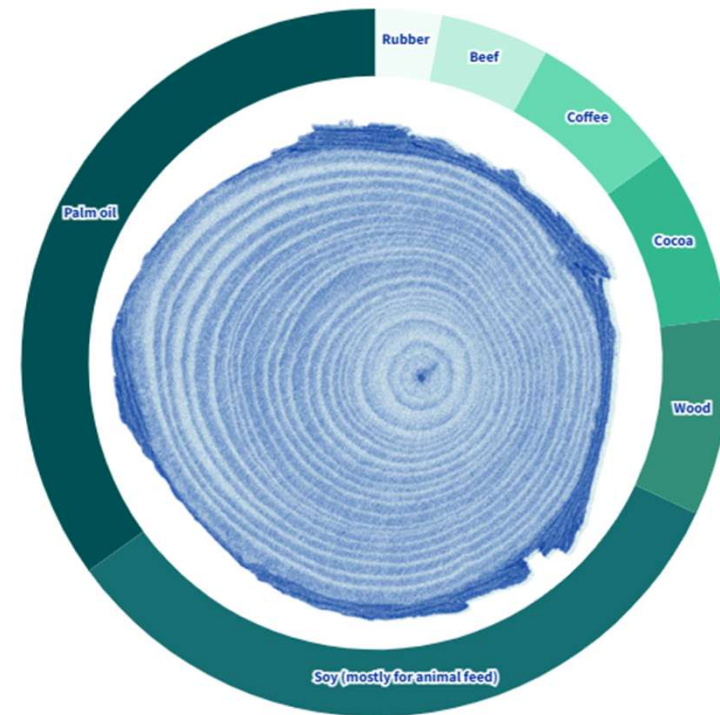
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https://www.consilium.europa.eu/en/policies/forests_facts_figures/

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Products that cause deforestation

Palm oil causes the majority of EU deforestation, accounting for 35%, followed by soy (33%), which is primarily used for animal feed. **Timber accounts for 9%** of EU deforestation, cocoa 8%, coffee 7%, beef 5%, and rubber 3%.



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Mitigation

Paper use indirectly generates CO₂ emissions, both from processing and transportation in the supply chain and from deforestation.

How can these impacts be mitigated?



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Best practice - FDJ

“Recognising that **nearly 80% of its carbon footprint stems from Scope 3 emissions**, linked directly to **purchases**, FDJ has launched a robust programme to **integrate ESG metrics into its purchasing decisions**, strengthen supplier accountability, and actively decarbonise its operations”

Product-Specific Environmental Criteria.

FDJ embeds detailed sustainability questions into its RFPs. For example, in contracts for scratch tickets, suppliers must provide data on:

- FSC certification of materials
- Ink composition
- Transport emissions
- Overall carbon footprint of the product



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Best practice - FDJ

THE APPROACH



Third-Party Certifications

FDJ formally verifies certifications (e.g., ISO 14001, FSC) that demonstrate positive environmental performance.

CSR Performance Monitoring via EcoVadis

FDJ uses EcoVadis to assess supplier CSR risks. Suppliers scoring below 45 out of 100 are placed on mandatory improvement plans, enhancing long-term performance.

On-Site Audits

Where appropriate, FDJ conducts on-site audits to validate suppliers' environmental and social practices.

Sustainable Procurement Frameworks

FDJ is a signatory of the Sustainable Procurement and Supplier Relations Charter and requires CSR criteria in all major tenders. This is supported by a dedicated internal governance structure.

Supplier Engagement Initiatives

FDJ strengthens collaboration through

- Annual supplier conventions to launch and promote sustainability goals
- The Buy for Good programme, which fosters shared responsibility across the supply chain

All these actions help
to reducing GHG
Scope 3 emissions



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Another way to mitigate: digitalization

Reducing paper consumption helps mitigate CO₂ emissions from deforestation.

Digitization is the process that makes gambling paper-less, and it's certainly a path worth taking, even if it's not zero-impact.



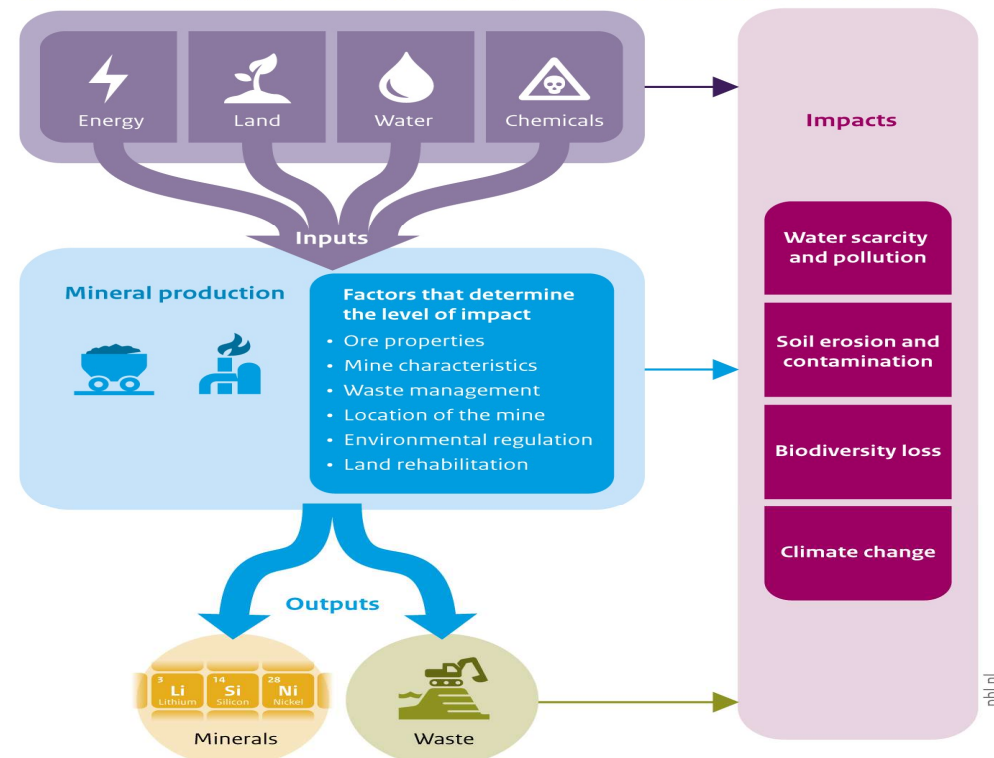
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Another way to mitigate: digitalization

Environmental impacts and explanatory factors of mineral production

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Source: PBL



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<https://www.pbl.nl/en/publications/environmental-impacts-of-extraction-and-processing-of-raw-materials-for-the-energy-trans>

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Another way to mitigate: digitalization

Digitalization therefore allows for a reduction in CO₂ emissions compared to paper use, but it doesn't eliminate them.

The way to mitigate the impact of extraction of raw materials necessary for digitalization is to increase their recycling rate and use products that come from a short supply chain.



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