THE
EUROPEAN
LOTTERIES
FOR THE BENEFIT OF SOCIETY

# CSR GUIDELINES FOR THE EUROPEAN LOTTERIES

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## OVERALL INTRODUCTION

**The CSR guidelines for The European Lotteries is a comprehensive set of CSR guidelines that allows a Lottery to assess, develop and add value to all its stakeholders, its actions and commitments to Corporate Social Responsibility.**

**The Lottery engages in a structured approach to continuous improvement in CSR based on the international standard ISO 26000, which since November 2010 set the new global reference document in the field of Corporate Social Responsibility Organizations.**

### BENEFITS

The development of the CSR guidelines allowed The European Lotteries to follow on its paths to innovation and to share best practices among members.

The use of the CSR guidelines can allow Members to:

- Reduce long-term risks/raise reputation

- Increase competitiveness and social 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 CSR (Corporate Social Responsibility) Guidance document based on ISO 26000 International Standard**

The European Lotteries are committed to generate the best for the benefit of society in accordance to national laws and regulations. Among core commitments, The European Lotteries are willing to address illegal gambling and related criminal activities while minimizing any potential harm on society and vulnerable groups.

These core commitments are covered through several master documents:

- Responsible Gaming Standards, related Certification Framework and Guidance documents

- Code of conduct on Sports Betting and related monitoring about abnormal stakes and/or match fixing presumptions

- Protection of personal data

- Security standards ISO 27001 ISMS (Information security management system) with lotteries extensions

This present document is a guidance document, meant to broaden and strengthen Lotteries commitments towards a larger spectrum of responsibility, as a whole Social Responsibility (or Corporate Social Responsibility), inspired by ISO 26000.

**HOW CSR GUIDELINES HAS BEEN DEVELOPED**

The CSR/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 ISO 26000 and in Lottery sector in order to match the contents of the guidelines with several documents (GRI standards, ISO 26000, SASB, Carbon Disclosure Project) and provide comments.

## About ISO 26000

ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. It helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices from around the world relating to social responsibility.

An organization cannot be certified against ISO 26000, as it does not contain requirements. Its appeal is to those who, for whatever reasons, seek to improve their operating processes and impacts to become more socially responsible.

ISO itself is the world's largest developer of voluntary international standards, used by businesses and other organizations; its members are national standards bodies; its standards and name-recognition are global in reach.

## How does ISO 26000 define Social Responsibility?

"Social Responsibility (SR) is the responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that:

· Contributes to sustainable development, including the health and welfare of society

· Takes into account the expectations of stakeholders

· Is in compliance with applicable law and regulations, and consistent with international norms of behavior, and

· Is integrated throughout the organization and practiced in its relationships."

**THE 7 PRINCIPLES OF SOCIAL RESPONSIBILITY**

When approaching and practicing social responsibility, the overarching objective for an organization is to maximize its contribution to sustainable development. Within this objective, although there is no definitive list of principles for social responsibility, State Lotteries should respect the seven ISO 26000 principles outlined below:

1. **Accountability**: An organization should be accountable for its impacts on society, the economy and the environment.

   Accountability is "The state of being answerable for decisions and activities to the organization's governing bodies, legal authorities and, more broadly, its stakeholders" (those who are affected by its actions)

2. **Transparency**: An organization should be transparent in its decisions and activities that impact on society and the environment.

   Transparency is "Openness about decisions and activities that affect society, the economy and the environment, and willingness to communicate these in a clear, accurate, timely, honest and complete manner"

3. **Ethical behaviour**: An organization should behave ethically.

   A behaviour that is in accordance with accepted principles of right or good conduct in the context of a particular situation and is consistent with international norms of behaviour.

4. **Respect for stakeholder interests**: An organization should respect, consider and respond to the interests of its stakeholders.

   Stakeholder is individual or group that has an interest in any decision or activity of an organization

5. **Respect for the rule of law**: An organization should accept that respect for the rule of law is mandatory.

   Respect for the rule of law means that an organization complies with all applicable laws and regulations. This implies that it should take steps to be aware of applicable laws and regulations, to inform those within the organization of their obligation to observe and to implement those measures.

6. **Respect for international norms of behaviour**: an organization should respect international norms of behaviour, while adhering to the principle of respect for the rule of law.

   Expectations of socially responsible organizational behaviour derived from customary international law, generally accepted principles of international law, or intergovernmental agreements that are universally or nearly universally recognized)

7. **Respect for human rights**: An organization should respect human rights and recognize both their importance and their and their universality

   Human rights are the basic rights to which all human beings are entitled. There are two broad categories of human rights. The first category concerns civil and political rights and includes such rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security.

**INTEGRATING SOCIAL RESPONSIBILITY IN THE LOTTERY SECTOR**

This section provides a practical guidance on how to consider the ISO 26000 7 core subjects (and the applicable issues) and relevant practices for integrating social responsibility for Lottery organizations.

Building social responsibility 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 social responsibility, the focus of awareness building should be on increasing understanding of the aspects of social responsibility, including principles, core subjects and issues. Commitment and understanding should start at the top of the organization. Understanding the benefits of social responsibility 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 social responsibility.

According to ISO 26000 all the core subjects, but not all issues, have relevance for every organization. The European Lotteries reviewed all core subjects and identified the issues that can be considered relevant. When reviewing seven ISO 26000 core subjects and identifying the relevant issues, the lottery sector own context, conditions, resources and stakeholders interests have been taken into account, recognizing that all core subjects but not all issues are relevant for every Lottery. Together with the ISO 26000 core subjects, two relevant practices for integrating Social Responsibility have been identified.

CORE SUBJECTS

The description and order of ISO 26000 core subjects reported below refers to the lotteries internal and external stakeholders' priorities, except Governance that is the first core subject as it forms the basis of CSR policy. However, some lotteries who participated in the development of these guidelines have identified Consumer Issues to be most important core subject, preceding Organizational Governance.

1. **Organizational governance**:  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 social responsibility throughout the organization and its relationships.

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

3. **Consumer issues**[1]: 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.

4. **Labour practices**: 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.

5. **Human Rights**: 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.

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

[1] One should keep in mind that most of Consumer Issues are addressed by previous standards defined and adopted by The European Lotteries, starting with Responsible Gaming Standards and related certification framework.

THE
EUROPEAN
LOTTERIES

FOR THE BENEFIT OF SOCIETY

Due to the specific priorities and issues of the Lottery Sector some issues have been named in a different way compared with ISO 26000 and few issues have been merged. 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/<br><br>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.<br><br>If GRI disclosure are reported, refer to GRI standards for a detailed description of the disclosure. |

## PRACTICES FOR INTEGRATING SOCIAL RESPONSIBILITY

Together with the ISO 26000 core subjects, two relevant practices (Communication and Reporting, Stakeholder Identification and Engagement) for integrating Social Responsibility have been identified and provided as a reference for Lottery organizations.

**These practices are essential for validating a Lottery's commitment.**

1. **Stakeholder identification and 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 an 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 social responsibility by providing an informed basis for its decisions.

2. **Communication and reporting**: Communication is critical to many different functions in social responsibility including:

- raising awareness both within and outside the Lottery on its strategies and objectives, plans, performance and challenges for social responsibility

- 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 social responsibility

- facilitating comparison with peer organizations, which can stimulate improvements in performance on social responsibility

- enhancing a Lottery's reputation for socially responsible action, openness, integrity and accountability, to strengthen stakeholder trust in the organization

A Lottery should, at appropriate intervals, report about its performance on social responsibility 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 social responsibility for a defined period, website information and periodic social responsibility reports. In reporting to its stakeholders, a Lottery should include information about its objectives and performance on the core subjects and relevant issues of social responsibility. It should describe how and when stakeholders have been involved in the Lottery's reporting on social responsibility. A Lottery should provide a fair and complete picture of its performance on social responsibility, 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.<br><br>If GRI disclosure are reported, refer to GRI standards for a detailed description of the disclosure. |

**CSR Guidelines for The European Lotteries and for lottery organizations**

Integrating the CSR 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 7 core subjects and two practices of the CSR 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.

> **N.B.: Label and certification:**
> At this stage, this piece of working is written as guidelines only. No organization can, yet, candidate for a label or a certification according to these current CSR guidelines.

# 1 ORGANIZATIONAL GOVERNANCE

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 1/<br><br>Sustainable governance | Have a sustainable governance that reflects the Lottery's commitment to social responsibility | Put in place processes, systems, structures, or other mechanisms that make possible to apply principles and practices of social responsibility within the Lottery governance-decisions making | - **Considering CSR issues in:**<br>  - Mission statement<br>  - Common Values<br>  - Vision<br><br>- Integration of stakeholders interests in decision process<br><br>- CSR Strategy clearly approved by the top management with objectives and targets<br><br>- A Sustainability Committee to assist and advise the Board of Directors and to review sustainability governance processes<br><br>- Create a system of economic and non-economic incentives related to performances on social responsibility | - 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)<br><br>**GRI 102-21**<br>- Report processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics<br>- Disclose governance and how CSR governance is embedded in the strategy<br><br>**GRI 102-26**<br>- Report Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics<br><br>**GRI 102-27**<br>- Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics<br><br>**GRI 102-28**<br>- Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.<br>- Whether such evaluation is independent or not, and its frequency<br>- Whether such evaluation is a self-assessment.<br>- Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice<br><br>**GRI 102-31**<br>- Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities<br><br>**GRI 102-35b**<br>- How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics |

# 2 CONSUMER ISSUES <sup>2.1</sup>

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **2.1/**<br><br>Fair and responsible communication/ 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<br><br>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 based upon gender or sexual preferences<br><br>- Specific Responsible Gaming communication actions:<br>**a** Messages included in all communication, for example: commercial communication, tickets, play slips, print advertising, TV and radio advertising, website, Facebook, Twitter, YouTube, all retail signage, and any other in the future<br>**b** Prevention campaigns against underage and excessive gaming<br>**c** Testing effectiveness/efficiency of a campaign before launching it on mass-media<br><br>- 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:<br>- Process to assess risks and take actions (for example RG certification framework - Game Design)<br>- 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)<br>- Advertising code (for example, RG certification framework – Advertising and Marketing)<br>- Total number or % of customers reached with the RG campaign - TV and other media, especially digital media<br>- Number of received complaints about marketing messages<br>- Number of campaigns being withdrawn after release<br><br>**GRI 417-2**<br>- Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling<br><br>**GRI 417-3**<br>- Total number of incidents of non-compliance with regulations and/or voluntary codes concerning premarketing communication, including advertising, promotion, and sponsorship |

# 2 CONSUMER ISSUES  2.2 / 2.3

THE EUROPEAN LOTTERIES

FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **2.2/**<br><br>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 EL Responsible Gaming framework):<br><br>  - 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<br><br>  - Support for problem gambling research in collaboration with research organizations, non-governmental organizations, academics, problem gambling experts and treatment providers<br><br>  - Tools to address problem gambling (such as helpline)<br><br>  - 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)<br><br>  - Carry out customer survey to monitor gambling problems<br><br>  - Set short and medium term target on responsible gaming<br><br>  - Responsible Gaming Policies and Programs are publicly available<br><br>- 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) | - Report on impact and breadth of Responsible Gaming programs to stakeholders<br>- Number of players assisted through help line services or other tools<br>- Results of surveys or main statistics of gambling problems in Countries of operations<br><br>**GRI 416-1**<br>- Percentage of significant product and service categories for which health and safety impacts are assessed for improvement<br><br>**GRI 416-2**<br>- Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period |
| **2.3/**<br><br>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<br>- Provide labelling to customers for the correct end of life of products<br><br>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) |

# 2 CONSUMER ISSUES 2.4

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **2.4/** <br><br> Consumer data protection and privacy | Protect personal data and respect consumer privacy | Implement privacy and data protection policies and procedures <br><br> Take measures to ensure the security of personal data (collected, stored, processed or disseminated) | Implement management systems (e.g. according to ISO 27001) and procedures relating to customer privacy protection in order to: <br><br> - Limit the collection of personal data to information that is either essential for the provision of products and services or provided with the informed and voluntary consent of the consumer <br> - Only collect data by lawful and fair means <br> - Specify the purpose for which personal data are collected, and be transparent about how data are gathered, used, and secured <br> - Not disclose or use personal customer information for any purposes other than those agreed upon <br> - Communicate any changes in data protection policies or measures to customers directly <br> - Provide consumers with the right to verify whether the organization has data relating to them and to challenge these data, as defined by law. <br> - Disclose the identity and usual location of the person accountable for data protection in the organization <br> - Implement and follow up compliance with strict privacy and information protection procedures and take all legally required steps to ensure compliance with such procedures and applicable law <br> - Bringing violations of the criminal law to the attention of appropriate law enforcement authorities <br><br> Whenever suppliers have access to confidential information, they should agree to apply the same level of requirements as the lottery itself, especially when the information is about lottery customers. | - Disclose and explain the monitoring, application and progress of your data protection management systems <br><br> **GRI 418-1** <br> - Total number of substantiated complaints received concerning breaches of customer privacy <br> - Total number of identified leaks, thefts, or losses of customer data <br> - Relevant fines for loss of personal data |

# 2 CONSUMER ISSUES <sup>2.5</sup>

FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **2.5/** <br><br> Education and awareness | Create awareness of risks related to excessive and underage gambling | Implement training and information programs for employees and retailers to create awareness of risks related to excessive and underage gambling | In order to create awareness of 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.<br><br>**Specific activities for Employees:**<br>- Ensure that employees are educated and informed about responsible gaming and provided with insight into what might lead to problem gaming<br>- Relevant employees (including temporary staff and contract staff) shall, based on job demands and consumer interaction, receive training on responsible gaming, including (where applicable) training on treatment referral for potential problem players<br><br>**Training programs for Retailers:**<br>- 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<br>- 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<br><br>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.<br><br>**Players**<br>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):<br><br>- Games rules should be available to the consumer all times<br>- Where gaming is available in multiple languages, the rules and responsible gaming information must be available in the same languages<br>- Detailed information on the odds of winning on each game which allows people to assess the risks and benefits of playing<br>- The game prize structures must be available to the player<br>- 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<br>- 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) | - Number of RG awareness programs<br>- Results of a survey about how the RG program is understood by employees, retailers and customers<br>- % of employees trained<br>- % of retailers trained |

# 3 FAIR OPERATING PRACTICES <sup>3.1</sup>

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 3.1/<br><br>Anti-corruption | 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:<br><br>- Includes awareness, support, training and incentive employees and representatives<br>- 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)<br>- Brings violations of the criminal law to the attention of appropriate law enforcement authorities<br>- Encourages others with which the Lottery has operating relationships to adopt similar anti-corruption practices<br>- Controls of prize pay-outs, betting odds, type of bets according to the regulation<br>- Is compliant with national and international laws and practices (OECD)<br>- 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 Sport Betting code of conduct and the GLMS system)<br>- Integrate anti- money laundering, anti- fraud and anti-corruption into the various stages of product life-cycles<br>- Include the issue of and anti-terrorism financing-supporting within the anti-corruption policy | - Disclose and explain the monitoring, application and progress of your anti-corruption management system<br>- Describe the risks related to corruption<br>- Number of breaches against conduct/ethics and anti-corruption policy<br>- Percentage of employees and retailers covered by Code of Conduct and anti-corruption policy<br><br>**GRI 205-1**<br>- Total number and percentage of operations assessed for risks related to corruption<br>- Significant risks related to corruption identified through the risk assessment<br><br>**GRI 205-2**<br>- Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region<br>- Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region<br>- Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations<br>- Total number and percentage of governance body members that have received training on anti-corruption, broken down by region<br>- Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region<br><br>**GRI 205-3**<br>- Total number and nature of confirmed incidents of corruption<br>- Total number of confirmed incidents in which employees were dismissed or disciplined for corruption<br>- Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption<br>- Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases<br>- Number and monetary value of sanction/fines related to corruption<br><br>**SASB**<br>- Description of anti-money laundering policies and practices<br>- Amount of legal and regulatory fines and settlements associated with money laundering |

# 3 FAIR OPERATING PRACTICES 3.2 / 3.3

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|--------|-----------|----------------------------------|--------------------------------------------------------------|----------------|
| 3.2/ <br><br> 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 <br><br> 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: <br><br> - Disclose significant issues that are the focus of the Lottery's participation in public policy development and lobbying, and the Lottery's core position for each of the identified issues <br> - Train employees and representatives and raise awareness regarding responsible political involvement and contributions, and how to deal with conflicts of interest <br> - Establish and implement policies and guidelines to manage the activities of people retained to advocate on the Lottery's behalf <br> - 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 favor of specific causes <br> - Establish procedures and other safeguards to prevent engaging in or being complicit in anti-competitive behavior <br> - Promote employees awareness of the importance of compliance with competition legislation and fair competition <br> - Support anti-trust and anti-dumping practices, as well as public policies that encourage competition | - Report significant issues that are the focus of company's participation in public policy development and lobbying and company's stance on these issues, and any differences between its lobbying positions and any stated policies, goals, or other public positions <br> - Disclose the process of lobbying <br><br> **GRI 415-1** <br> - Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. <br> - If applicable, how the monetary value of in-kind contributions was estimated <br> - Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations <br> - Five largest political, lobbying, or tax-exempt group expenditures |
| 3.3/ <br><br> Promoting social responsibility in the value 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 <br><br> Treat suppliers fairly and equally | To spread social and environmental responsibility best practices in the value chain specific activities can be addressed to suppliers/partners and retailers. <br><br> **Suppliers and Partners:** <br> Standard/Policy/Code of Conduct for suppliers and partners that include social, environmental, human rights, gender equality, non-discrimination, and health and safety. | **GRI 102-9** <br> - Description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services <br><br> **GRI 308-2** <br> - Describe management approach for: <br>　- procurement practices <br>　- supplier environmental and social assessment |

# 3 FAIR OPERATING PRACTICES 3.3 / 3.4

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **3.3/**<br><br>Promoting social responsibility in the value 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<br><br>Treat suppliers fairly and equally | **Implement a supply chain management system in order to:**<br>- Conduct an assessment of the supply chain to find out major risks in the supply chain<br>- Integrate ESG (Environmental, Social and Governance) factors into supplier selection (environmental standards, human rights, working conditions, health and safety, business ethics)<br>- Process of purchasing has to include ESG criteria (also with incentives for procurement staff to integrate ESG factors in everyday decisions)<br>- Conduct independent audit and/or inspections<br>- Implement corrective action plans for suppliers<br>- Treat suppliers fairly and equally including payment of bills according to contractors' agreements<br>- Examine the value chain/supply chain and be sure payments are enough to enable suppliers to fulfil their own social responsibilities<br><br>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.<br><br>**Activities addressed to retailers can include:**<br>- Code of conduct included in agreements with Retailers (including clauses of obligations and Company's commitment) or specific guidelines<br>- Education activities for retailers (highlighting Lottery commitments)<br>- Retailers must respect anti-fraud and anti-money laundering laws and policies and Responsible Gaming requirements (prevention of underage and excessive gaming):<br>  - Lottery can conduct periodic POS verification to assess the respect of laws and policies<br>  - Incentives reward for retailers who demonstrate strong commitment on these topics can be defined<br>  - Responsible gaming rules and other non- compliance can constitutes a reason for imposing penalties, ranging from warning, to termination of agreements<br>- Retailers can be involved in CSR initiatives (e.g. fund raising, engagement with local NGOs) | **GRI 407-1**<br>- Type of operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights<br><br>**GRI 108-1; 414-1**<br>- % of new suppliers screened with ESG (Environmental, Social and Governance) criteria<br><br>**GRI 308-1**<br>- Percentage of new suppliers that were screened using environmental criteria<br><br>**GRI 104-1**<br>- Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)<br>- Environmental and/or social audit conducted (% or number) and follow up actions<br>- Impact and breadth of capacity-building initiatives, incentives and activities<br>- Percentage of suppliers spending selected through green procurement criteria<br>- Report the Impact and breadth of activities with Retailers:<br>  - Results of survey/audit on retailers compliance with policy and rules (e.g. mystery shopping) and follow up activities (warning, termination)<br>  - Education programs (e.g. number of retailers included)<br>  - CSR initiatives with retailers (% of retailers involved, main targets achieved) |
| **3.4/**<br><br>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<br>- 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 |

# 4 LABOUR PRACTICES <sup>4.1</sup>

THE EUROPEAN LOTTERIES
FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 4.1/<br><br>Employment and employment relationships | 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 | **Adopt a Policy on fair labour and implement a management system to ensure:**<br>- Equal employment opportunity, conditions and protection to all workers<br>- 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 laws<br>- Diversity in the workforce<br><br>**Fair treatment**<br>- Avoid as much as possible use of work performed on a casual basis or the excessive use of work performed on a temporary basis<br>- Create paths in order to activate fair managerial behaviours<br>- Create a Human Resources contact line that allow employees who believe to be discriminated in the workplace to contact anonymously Human Resources Representative. Contact line can be activated by different channels, such as: "Integrity Line", "Ask the Board", Compliance link<br><br>**Diversity**<br>- Establish a diversity plan and educate employees<br>- Train and/or inform company manager to recruitment from a diversity perspective<br>- Set rules to ensure diversity in the recruitment process | **GRI 404-3**<br>- % of employees receiving regular performance and career development reviews by gender and by categories<br>**GRI 401-1**<br>- Total number and rate of new employee hires during the reporting period, by age group, gender and region<br>- Total number and rate of employee turnover during the reporting period, by age group, gender, region and motivation<br>- Number of consultations/negotiations with employees over organizational changes (e.g. restructuring, outsourcing)<br>- Female share of total workforce (%)<br>- Females in management positions (% of total management workforce)<br>- Females in junior management positions, i.e. first line management (as % of total junior management positions)<br>- Females in top management positions, i.e. maximum two levels away from the CEO (or comparable positions) (as % of total top management positions)<br>**GRI 102-17**<br>- Seeking advice about ethical and lawful behaviour, and organizational integrity<br>**GRI 401-2**<br>- Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees (e.g. life insurance; health care; disability and invalidity coverage; parental leave; retirement provision; stock ownership)<br>**GRI 405-1**<br>- Percentage of employees per employee category in diversity categories (Gender – Age group – Other indicators of diversity where relevant,. Such as minority or vulnerable groups)<br>- Percentage of individuals within the organization's governance bodies in diversity categories (Gender – Age group – Other indicators of diversity where relevant,. Such as minority or vulnerable groups)<br>**GRI 401-3**<br>- Parental Leave:<br>  - Total number of employees by gender: (i) that were entitled to parental leave (ii) that took parental leave (iii) that returned to work in the reporting period after parental leave ended (iv) that were still employed 12 months after their return to work<br>  - Return to work and retention rates of employees that took parental leave, by gender<br>**GRI 405-2**<br>- Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation |

# 4 LABOUR PRACTICES 4.2 / 4.3

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **4.2/** <br><br> Conditions of work and social protection | Provide conditions of work and social protection beyond legal requirements | Implement activities in order to grant welfare systems and fair labour practices <br><br> Provide equal pay for work of equal value and adequate for the needs of workers | - 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). <br> - **Define a welfare model:** <br>    - 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) <br>    - Promote initiatives to help employees to realize an effective work-life balance <br>    - Promote flexible work arrangements where possible: flexible work hours, part-time, flexible work locations, etc. <br> - 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 | - Disclose public statement of compliance with ILO recommendations <br> - Report benefits provided to employees by category, region and age group and main differences between categories (gender, region, age group etc.). E.g. % of employees receiving additional healthcare programs, through private insurance Company <br> - Report flexible arrangement with employees by category, region and age group and main differences between categories (gender, region, age group etc.) such as <br>    - % of "home-working" employees <br>    - Part time <br>    - Flexible working time <br><br> **GRI 202-1** <br> - Ratios of standard entry level wage by gender compared to local minimum wage |
| **4.3/** <br><br> 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 <br><br> 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 <br> - Agreements between trade unions and the Company to offer benefits beyond the law to employees <br> - 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 <br> - Periodically conduct climate/satisfaction survey | **GRI 102-17** <br> - Description of mechanisms for reporting concerns about unethical or unlawful behaviour, and organizational integrity <br><br> **GRI 402-1** <br> - Minimum number of weeks' notice typically provided to employees prior to the implementation of operational changes <br> - % of employees associated to trade unions <br> - % of employees employed by collective agreements <br> - Trend of Employee Satisfaction (%) <br> - Coverage of employees climate/satisfaction survey |

THE EUROPEAN LOTTERIES

FOR THE BENEFIT OF SOCIETY

# 4 LABOUR PRACTICES 4.4 / 4.5

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 4.4/ Health and safety at work | 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 a management system for Health and Safety at Work (including specific Policy or statement) and adheres to the international standard OHSAS 18001, if not specifically foreseen by the applicable laws<br>- Conduct surveys and safety inspections: physical and psychosocial<br>- Promote healthy lifestyle: sports facilities, healthy food, massages etc.<br>- Provide free check-up by an accredited practitioner free of charge and anonymously<br>- Provide free trainings on health related issues: addiction, nutrition, stress management etc.<br>- Provide individualized rehabilitation programs arranged for anyone returning to work after being off work for a long period (sickness, accident, etc) | **GRI 403-1**<br>- % of total workforce represented in formal joint management –worker health and safety committees<br>**GRI 403-2**<br>- Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities for all employees, with a breakdown by region, gender<br>**GRI 403-3**<br>- % or number of workers with high incidence or high risk of diseases related to their occupation<br>**GRI 403-4**<br>- Health and safety topics covered in formal agreements with trade unions |
| 4.5/ Human development and training in the workplace | 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<br><br>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<br>- Create a performance Management System consistent with values, strategic and sustainability goals of the Lottery<br>- 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)<br>- Coaching programs: early career training, course for preparing for retirement etc<br>- Provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.<br><br>**Transition program can include:**<br>- Pre-retirement planning for intended retirees<br>- Retraining for those intending to continue working<br>- Severance pay, which can take into account employee age and years of service<br>- Job placement services<br>- Assistance (such as training, counselling) on transitioning to a non-working life | **GRI 404-1**<br>- Average hours of training that the organization's employees have undertaken during the reporting period, by:<br>  - gender;<br>  - employee category<br><br>**GRI 404-2**<br>- Type and scope of programs implemented and assistance provided to upgrade employee skills<br>- Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment<br>- % of employee that participated in development programs<br>- Coverage of Employees category through Performance Appraisal Process<br>- Percentage of Performance Related Compensation for each Employee Category<br>- Variable Compensation (%) based on Corporate and Individual Performance by employee category |

# 5 HUMAN RIGHTS 5.1

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **5.1/**<br><br>Due diligence and Human rights risk situations | Promote respect of human rights in the value 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 | - 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 The European Lotteries and its implementation and regularly follow up)<br><br>- Develop internal systems to pursue the principles (including training activities for employees and business partners also engaging external stakeholders)<br><br>- Set achievable goals for measuring progress<br><br>- Adopt specific activities (also with suppliers and business partners) to include:<br>  - Human rights assessment in value chain conducted to identify major areas and suppliers at risk<br>  - Human rights screening in the supplier qualification process (SA8000 certification taken into consideration in the qualification scorecard for both new suppliers and regular suppliers)<br>  - 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)<br>  - Audit and follow up conducted to verify progress of suppliers and business partners<br>  - 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 | - Public available code of conduct or specific policies on Human Rights principles<br><br>**GRI 412-2**<br>- Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.<br>- Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations<br><br>**GRI 412-1**<br>- Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country<br><br>**GRI 412-3**<br>- Total number and % of significant investment agreements and contracts in the supply chain that include human rights clauses or that underwent human rights screening, including number of incidents or occurred (especially for new suppliers)<br><br>**GRI 414-2**<br>- Number of suppliers assessed for social impacts<br>- Number of suppliers identified as having significant actual and potential negative social impacts<br>- Significant actual and potential negative social impacts identified in the supply chain<br>- Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment<br>- Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why<br><br>**GRI 414-1**<br>- Percentage of new suppliers that were screened using social criteria |

# 5 HUMAN RIGHTS 5.2

FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 5.2/<br><br>Discrimination and vulnerable groups | Ensure not to discriminate against employees, partners, customers, stakeholders, members and anyone else with whom Lottery has any contact or on whom Lottery can have an impact | Put in place processes, systems, structures to prevent episode of discrimination | Manage the issue internally and outside, and assist suppliers, retailers and other business partners to prevent any form of discrimination:<br><br>- Including the issue of non-discrimination within Code of Conduct, policies and agreement/contract<br>- Assessing operations to determine areas/processes at risk of discrimination<br>- Training, communicating and sharing code of conduct and policies to employees (also to prevent harassment)<br><br>**Specific actions for suppliers and retailers:**<br>- Assessment of operations within the sphere of influence to determine areas/processes at risk of discrimination<br>- Communication and sharing of company code of conduct and policies<br>- Inclusion of specific contractual clauses (regarding avoidance of discrimination) in contracts | **GRI 406-1**<br>- Total number of incidents of discrimination during the reporting period including the status of the incidents and actions taken<br><br>- Number of complaints related to discrimination issues and % of the ones resolved and addressed during the period |

# 6 COMMUNITY INVOLVMENT 6.1 / 6.2

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **6.1/**<br><br>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<br>- Identify community relevant stakeholders and their needs and interests<br>- Assess main needs in the community of operations<br>- Define a community sustainability strategy characterized by the importance given to listening and dialogue<br>- Define and implement a long-term program (project, initiatives, partnership, contribution etc) to pursue policy/ guidelines and strategy<br>- Adopt program/initiatives impact evaluation towards community with periodical public reporting<br>- Promote volunteering scheme for all employees and third parties (retailers, suppliers) allowing to spend working time for a good cause<br><br>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<br>- Report focus pillars of intervention in the community (including % of spending of each pillar)<br><br>**GRI 413-1**<br>- Percentage of operations with implemented local community engagement, impact assessments, and/ or development programs<br>- Estimation the value of corporate citizenship/ philanthropic contributions for each of the following categories:<br>  - Cash contributions<br>  - Time (employee volunteering during paid working hours)<br>  - In-kind giving (product or services donations, projects/ partnerships or similar)<br>  - Management overheads<br>- Number of corporate volunteers and amount of days dedicated to volunteering within working hours<br>- Percentage of the revenues dedicated to support local communities |
| **6.2/**<br><br>Education, Culture and Health | Promote cultural, educational and health activities where appropriate, recognize and value the local cultures | Develop CSR 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:<br>- "Heritage roots" donation to monuments, keep national art heritage inside the Country<br>- Education and talents: planning new frameworks, access to education opportunities and training methods for developing talent<br>- Art and culture projects and events offering opportunities for social integration<br>- Support scientific research and solidarity campaigns<br>- Sport activities that promote the positive values of sport for all | - Report on education, culture and health initiatives and value of the projects (amount, benefits generated for the community)<br>- Report impact indicators of the project (such as number of people provided with access to education, health and culture) |

# 6 COMMUNITY INVOLVMENT 6.3 / 6.4

THE EUROPEAN LOTTERIES
FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| 6.3/<br><br>Employment creation and skills development | 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<br>- Support Retailer activities encouraging public service<br>- 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**<br>- Proportion of spending on local suppliers on significant operations<br>- Number of local jobs supported in the supply chain<br>- Number of local jobs supported with the retailers (the calculation can be done with amount of the retailers commission divided by the minimum guaranteed salary or average country salary = number of indirect/equivalent hired people)<br>- Number of people employed through community projects<br><br>**GRI 202-2**<br>- Proportion of senior management hired from the local community |
| 6.4/<br><br>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 IT, engineering, technological science<br>- Partnerships with organizations, such as universities or research laboratories, to enhance scientific and technological development with partners from the community<br>- IT and device investments to improve services quality in local community (retailers as a local contact point not only for gaming collection). For example:<br>  - using the lottery terminal to spread services and to contribute to social causes<br>  - 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 on-line platform)<br>- Description of the partnerships with the organizations to enhance scientific technological development and the results achieved (included investments) |

# 6 COMMUNITY INVOLVMENT <sup>6.5</sup>

FOR THE BENEFIT OF SOCIETY

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|--------|-----------|----------------------------------|---------------------------------------------------------------|----------------|
| 6.5/ <br><br> 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 <br> - Take into account the promotion of community development in planning social investment projects. All actions should broaden opportunities for citizens. (see section "community involvement") <br> - Assessment of the impacts of the Social Investment (e.g. through the Social Return on Investment – SROI) | - Percentage of investments done with SRI criteria <br> - Disclose SR criteria used to evaluate investments <br> - Disclose SROI results |

# 7 ENVIRONMENT

| ISSUES | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| **7.1/**<br><br>Reduction of environmental impacts | Reduce environmental impacts on business activities | Identify, measure, record and report on significant environmental impacts and implement measures to progressively reduce them<br><br>Offer consumers environmentally beneficial products and services considering the full life cycle | Implement a structured environmental management system (refer to ISO 14001 and specific MS like ISO 50001, ISO 20121) with monitoring and management indicators, such as an environmental policy with action plans related with:<br><br>**Energy:**<br>- 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<br>- actions to reduce energy consumption impacts: use of renewable energy (certificate) or production of renewable energy<br><br>**Transport:** optimize logistics; eco-driving; employees travel policy and electric fleet cars<br>**Travel:** use remote communication systems (call, video conferences); on-line training to reduce the need to travel<br>**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)<br>**Waste:** reduce and recycle all possible waste<br>**Efficiency measures to reduce use of water**<br>**Training and awareness:** promote appropriate learning to support the environmental efforts within the organization (employees and executives) and its sphere of influence<br>**Carbon footprint** calculation and offsetting/compensation<br>**Monitor/assess Environmental impacts within the lifecycle of the products:**<br>- Lifecycle assessment for eco-conception<br>- Optimize logistics and shipment. E.g. customize the delivery of promotion and marketing materials according to the varying sizes of POS<br>- Minimize the use of paper (less weight, minimize the size, conduct R&D on e-tickets to minimize paper printing and usage)<br>- Use FSC or recycled paper, recyclable products and sustainable inks<br>- Elimination of plastic bags in POS<br><br>NB: Environmental impacts in the value chain (Suppliers and Retailers) has been considered at **fair operating practices and sustainable consumption.** | - Environmental Policy publicly available<br><br>**GRI 302-1**<br>- Total energy consumption within the organization<br><br>**GRI 302-3**<br>- Energy intensity: Absolute energy consumption (the numerator) by the organization-specific metric such as revenues, employee, n. offices (the denominator)<br><br>**GRI 302-4**<br>- Reduction of energy consumption<br><br>**GRI 303-1**<br>- Water withdrawal by sources<br><br>**GRI 303-3**<br>- Water recycled and reused<br><br>**GRI 306-2**<br>- Total weight of hazardous and non –hazardous waste, with a breakdown by disposal methods<br><br>**GRI 305-1; 305-2; 305-3**<br>- Direct (Scope 1) and indirect (Scope 2) and Other indirect (Scope 3) GHG emissions<br><br>**GRI 305-4**<br>- GHG emissions intensity ratio for the organization<br><br>**CDP CC3.1**<br>- Emissions reduction or renewable energy consumption or production absolute or intensity target: % of the absolute or intensity target completion<br><br>**GRI 305-5**<br>- GHG emissions reduced as a direct result of reduction initiatives<br>- Number of hours of trainings on climate change/environment<br>- Percentage of green vehicle fleet<br><br>**GRI 301-3**<br>- Percentage of reclaimed products and their packaging materials for each product category (e.g. recycled paper or FSC paper for products)<br>- Impact and breadth of environmental programs/activities on:<br>  - logistics and shipment<br>  - R&D<br><br>**GRI 302-5**<br>- Reductions in energy requirements of products and services (joules or multiples) |

# 8 STAKEHOLDER IDENTIFICATION & ENGAGEMENT

| | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
|---|---|---|---|---|
| Stakeholder identification & 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:**<br>- 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.<br>- **Analyse and take into account:**<br>  - relative ability of stakeholders to contact, engage with and influence the Lotteries<br>  - relation of stakeholders' interests to the broader expectations of society and to sustainable development<br>  - 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<br><br>**Stakeholder engagement\*:**<br>- A Policy or procedure to ensure that the corporate stakeholder engagement is applied consistently across all operations strategy<br>- 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)<br>- 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)<br>- 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<br>- Stakeholder engagement policy/procedure is part of the annual performance review of the local operations' top managers<br>- Top local managers receive training on capacity building and methods of engagement as specified in the stakeholder engagement policy/procedure<br>- Direct or indirect process for consultation between stakeholders and the highest governance body on economic, environmental, and social topics<br>- 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 102-21**<br>- Report the direct or indirect processes for consultation between stakeholders and highest governance body on sustainability topic. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body<br><br>**GRI 102-40**<br>- Report the list of stakeholder groups engaged by the organization<br><br>**GRI 102-42**<br>- Report the basis for identifying and selecting stakeholders with whom to engage<br><br>**GRI 102-43**<br>- The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of sustainability reporting preparation process<br><br>**GRI 102-44**<br>- Report on key topics and concerns that have been raised through stakeholder engagement, including:<br>  - how the organization has responded to those key topics and concerns, including through its reporting<br>  - the stakeholder groups that raised each of the key topics and concerns<br><br>- Report other performance indicators (quantitative or qualitative) to measure the success of stakeholder engagement such as:<br>  - number of meetings and/or involvement moments<br>  - results of surveys results<br>  - common developed projects (key topics and performance indicators) |

\* **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

| | Commitment | Related actions and expectations | Initiatives / best practice examples for the Lotteries sector | Suggested KPIs |
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| 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 | 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<br><br>- 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<br><br>- CSR Media coverage – monitoring the CSR items/articles/messages in the corporate communication | - Report data on social responsibility internal and external communication activities such as:<br>  - CSR meetings<br>  - Events<br>  - Stakeholders' meetings<br><br>- Impact of CSR communication:<br>  - Evolution of the corporate brand perception and company reputation and advocacy |
| 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 CSR report in line with internationally recognized standards/guidelines (e.g. GRI):<br>  - Defining a materiality matrix that enables readers to understand the Lottery's most important sustainability topics<br>  - Using KPIs that are aligned with recognized standards/guidelines (e.g. GRI) as much as possible<br>  - Assured by an independent third party<br>- Report on specific social responsibility issues (e.g. Responsible Gaming) with information, commitments, objectives and indicators/KPI's(quantitative and qualitative)<br>- Use KPIs to compare current performance with the previous years and the commitments for future years<br>- Allow stakeholders to give a feedback on reporting | - Public CSR report<br>- Publicly report on goals/target (even in other specific documents other than CSR report) |

# 10 GLOSSARY

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| **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 regulations** | 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.<br>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

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| **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. <br><br> **The objectives of ISO 26000 are:** <br> - Guiding organizations in taking responsibility for societal responsibilities <br> - Identify and dialogue with stakeholders <br> - Promote a unique terminology on social responsibility <br> - Ensure consistency with existing documents and other ISO standards <br><br> **The two absolutely fundamental practices of social responsibility are:** <br> - Identifying the impacts of the organization's decisions and activities in relation to the core issues of ISO 26000 <br> - Stakeholder identification and dialogue with stakeholders <br><br> **The 7 central questions:** <br> - governance of the organization; <br> - human rights; <br> - working relationships and conditions; <br> - the environment; <br> - loyalty of practices; <br> - consumer issues; <br> - 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

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| **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.<br>**Non-renewable energy sources include:**<br>- Fuel distilled from petroleum or crude oil (such as gasoline, diesel fuel, jet fuel, heating oil)<br>- Natural gas (such as compressed natural gas (CNG), liquefied natural gas (LNG))<br>- Fuels extracted from natural gas processing and petroleum refining (such as butane, propane, liquefied petroleum gas (LPG))<br>- Coal<br>- 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

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| **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** | Concept in which companies integrate social, environmental, and economic concerns in their activities and in their interactions with their stakeholders on a voluntary basis.<br>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.<br><br>**The contributions of the SR :**<br>- Anticipating constraints and preventing risks related to the organization's activities;<br>- Reduce costs associated with resource consumption or waste generation;<br>- Continuously innovating through increased quality, service and added value;<br>- Enhance competition in the marketplace and increase the value of the brand<br>- Improve the reputation and retention of all stakeholders<br>- Increase economic and financial performance |
| **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. |
| **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. |

# 10 GLOSSARY

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| **Training** | Refers to:<br>- All types of vocational training and instruction<br>- Paid educational leave provided by the organization for its employees<br>- Training or education pursued externally and paid for in whole or in part by the organization<br>- Training on specific topics such as health and safety<br>- 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. |