



WLA Associate Member CSR Standards

WLA Corporate Social Responsibility Standards for Associate Members



Foreword

The World Lottery Association (WLA) is a member-based organization to advance the interests of state-authorized lotteries. All members adhere to the strictest standards of corporate social responsibility, Responsible Gaming, security and risk management and contribute the majority of net revenues to good causes.

The WLA has adopted the highest standards of corporate responsibility, including the WLA Responsible Gaming Principles and Framework and the WLA Security Standards complemented by a respect for the duly authorized legal systems which determine where, and in what form, gaming products can be provided to the citizens of a particular geographical or national territory.

These standards for the CSR activities of the WLA's Associate Members will complement the WLA's vision and value-based approach which is founded on a commitment to the highest standards of corporate social responsibility, including the WLA Responsible Gaming Principles and Framework, and respect for the duly authorized legal systems which determine where, and in what form, gaming products can be provided to the citizens of a particular geographical or national territory.

The WLA is also committed to sharing knowledge and experience amongst its members, and to improving their business in the interest of stakeholders as determined by the authorities in their respective jurisdictions.



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I. Introduction

These standards have been developed through a combination of industry knowledge with input and critical review by external stakeholders such as treatment organizations, academics, and experts in the field of standard setting and corporate social responsibility. They are addressed to the WLA's Associate Members (suppliers of good and services to the lottery industry).

The purpose of the WLA Associate Members' CSR Standards are to:

- Support WLA Members and Associate Members in their aim to adhere to the highest standards of corporate social responsibility with consumer protection at the core of their operations in order to minimize harm to society and the environment.
- To share knowledge and experience amongst its members and Associate Members, and to improving their business in the interest of stakeholders as determined by the authorities in their respective jurisdictions.
- To ensure that WLA members can adhere to all aspects of corporate responsibility through their value chains
- To identify best practice in respect of corporate social responsibility in the lottery sector
- To engage with external stakeholders on all aspects of corporate social responsibility
- To enable WLA members to demonstrate to society that their corporate social responsibility activities are of an appropriate standard and have been independently verified.

II. Scope of CSR Standards

Doing the right thing for players and the broader community has made Corporate Social Responsibility, specifically the Responsible Gaming Principles and Framework, a priority for the World Lottery Association (WLA). As state-controlled gaming operators, WLA members have always played a leadership role in addressing responsible gaming issues. This leadership role shall now also be able to be demonstrated by WLA Associate members as critical suppliers to WLA Members.

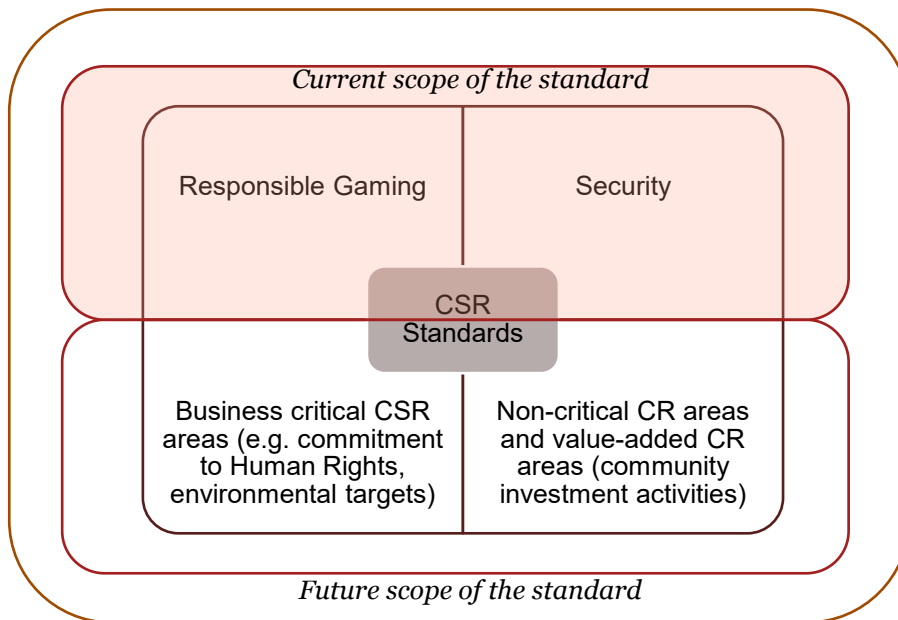
The Corporate Social Responsibility Programme for Associate Members is divided into four sections. These are: Responsible Gaming, Security, Business Critical Areas of CSR and Value Added CSR Areas.

There is already a well-established Associate Member Security Standard in place. Priority in these Standards is given to Responsible Gaming Thus these Standards will support the WLA's aim to demonstrate Members' and Associate Members' approach to further embed Responsible Gaming in all aspects of their Members' and Associate Members operations.

The Responsible Gaming measures described in these standards are required where applicable to cover the following service and product offerings as delivered to WLA

members. These are: terminals, central systems, printed tickets/ instant tickets, web/wireless services and platforms, banking automation, betting tickets, gaming / lottery consultancy, marketing & interactive solutions, compliance and accreditation services.

The other areas depicted below will be integrated into this standards document at a later stage. The standards applied for reporting and stakeholder engagement are already included in this WLA Corporate Social Responsibility Standards for Associate Members and will be evolved when the other CSR sections are included.



This document does not substitute any applicable laws and regulations within each WLA Member State Lotteries commit to follow accordingly. All Associate Members shall ensure that they comply with applicable laws and local jurisdiction at all times.

III. Responsible Gaming

WLA members have the duties to not only to grow sales and returns to good causes but to facilitate responsible play. In 2006, the WLA adopted the Responsible Gaming Principles and a Responsible Gaming Framework aimed at protecting lottery players around the world. This effort and commitment ensures that any potential harm resulting in the sale of lottery products is minimized while at the same time revenues are sustained for the public good.

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The section 'Responsible Gaming' in this standard is aligned with the WLA Responsible Gaming Framework with the aim to supplement the purpose of the WLA Responsible Gaming Framework to continuous improvement in the set up and implementation of Responsible Gaming programs across the WLA Associate Members.

WLA Associate Members have the duty to

- Ensure that their products and services support the WLA Members' objective to ensure that the interests of players and vulnerable groups in the WLA Members' jurisdictions are protected Understand the needs and requirements of WLA Member's Responsible Gaming Program
- Ensure that relevant laws, regulations and responsibilities are met
- Develop appropriate practices taking into account relevant information and research
- Develop a better understanding of the social impact of gaming
- Drive the implementation of Responsible Gaming practices in all aspects of their own activities and promote the implementation of RG practices for WLA members' activities
- Provide the WLA Members with accurate and balanced information to enable informed choices to be made about their gaming activities
- To continuously improve, and public report on their Responsible Gaming programs
- To continuously engage with their external stakeholders on all aspects of Responsible Gaming that are relevant to their own operations and those of the WLA Members they supply to

Scope of Responsible Gaming measures

Responsible Gaming is a core social responsibility issue for any WLA member, thus Responsible Gaming is also one of the most important elements of the WLA Associate Member Standards. These standards are solely applicable to WLA Associate Members. They need not only to be applied to the operations of WLA Associate Members, but also to the products and service offerings of WLA Associate Members that are provided to WLA Members.

The treatment of people with gambling-related problems is the domain of therapists and other health care specialists.

i. Research

WLA Associate Members shall work with appropriate stakeholders on Responsible Gaming issues to ensure knowledge of current Responsible Gaming topics as they relate to their operations, services and products offerings as well as clients and jurisdictional demands. They shall support the WLA Members and/or local jurisdictions in the promotion of Responsible Gaming research and/or studies through for example the initiation, engagement and communication of the results from Responsible Gaming research.



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Research activity may include the funding of third party or collaborative research and/or studies, the participation in seminars, conferences and the support of the WLA's work on Responsible Gaming initiatives.

The responsibility for prevalence studies is usually is with the state, however, WLA Associate members should co-operate with these studies where required in WLA Members jurisdictions.

WLA Associate Members shall demonstrate how they have incorporated key research outcomes and conclusions into their activities and products and services offerings.

ii. Employee Program

WLA Associate Members shall inform about their RG program and their service and product offerings with regards to Responsible Gaming to all employees at least on an annual basis. They shall ensure that adequate RG awareness and skills amongst relevant employees is maintained on an annual basis. These activities may include internal communications and engagement tactics, formal training to meet the needs of specific job profiles such as marketing, key account management, research and development functions.

Associate Members shall demonstrate how different knowledge and skills requirements have been identified in order to design the most effective training. Associate Members shall ensure that those responsible for the organization's research and development are adequately trained of potential problem gambling risk factors as they relate to the organization's products and/or services.

They shall also demonstrate that awareness raising and skills development has taken place amongst their employees, including target audiences and methods for any Responsible Gaming training developed for internal use.

iii. Product and Service Development

Associate Members need to be aware of risk factors relating to problem gambling on product level such as for example event-frequency, win probability, near-miss opportunities. On a situational level on factors such as location and number of gaming venues and on an organisational level the impact of marketing and advertising measures.

They shall integrate risk factor considerations into their research and development efforts with the aim of minimizing problem gambling risks and other potential harm factors

These activities may include but are not exclusive to independent Responsible Gaming risk assessments, the implementation of in-house Responsible Gaming risk assessment / due diligence tools, and specific efforts to build RG control measures into product / service features (both client specific and generic).

Associate Members shall demonstrate what assessment / due diligence measures have been deployed and how (e.g. what products have been assessed together with key outcomes and what Responsible Gaming specific products / service features have been developed and are being offered to clients.

iv. Remote Gaming Environment

Associate Members shall ensure that their remote gaming platforms provide the WLA members with the necessary features that are required to protect the player, monitor player behaviour and assess any potential excessive or illegal gaming activities. Associate Members shall ensure that their remote gaming features include as a minimum: self-assessment tools, self-exclusion mechanisms, display of wagers, proof of address, age verification systems, customer-led and/or system default limits on play, spend and/or losses, reality checks on the game screen (e.g. session clock, warnings relating to limits, cool offs/breaks between periods of play), data protection controls, value of wagers etc..

Associate Members shall ensure that they make their client lotteries aware of these features and provide them with a full service catalogue of player protection features available. When developing new Responsible Gaming features for the remote gaming environment, Associate Members shall review the effectiveness of these features with independent third parties that have specialist knowledge in this area.

v. Advertising and Marketing Communications

Associate Members shall adopt an advertising and marketing code that ensures that all promotional activity follows solid principles of responsible marketing. When promoting products and service offerings to business partners features of Responsible Gaming need to be included in their marketing activities.

Associate Members shall adhere to the responsible gaming principles as required by the WLA members' code of advertising and marketing practices applicable where they supply products and services that need to adhere to these advertising and marketing codes. products and services that are covered by these codes.

Advertising and marketing communications activities may include the adoption of a Code that considers the needs of responsible marketing and the specific needs of Responsible Gaming, the deployment of procedures that ensure compliance with the code by employees and relevant agents / vendors. Associates shall demonstrate their related code or equivalent principles or policies as well as their associated compliance procedures.

vi. Client Awareness



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Associates shall provide information to their client lotteries regarding Responsible Gaming features / functionalities of their products and services to enable easy communication of these to the players by the client.

Associate members shall also when requested be able to assist their clients with the creation of Responsible Gaming educational materials relating to their products / services and engage in educational activities directly as relevant for their products / services. Where treatment services exist in a jurisdiction, members shall (unless an alternative organization or the state has been selected for this purpose in a jurisdiction) cooperate with WLA Members when requested regarding services available for problem gamblers. Such information (contact details/helpline numbers) shall be suitable to be made available when requested in printed form and should be in a format which can be made clearly visible in gaming venues, as well as being obtainable and visible on WLA members' websites. The applicability, adequacy and effectiveness of these arrangements shall be reviewed at least annually by members.

Player Awareness activities may include the production of literature to inform client's player educational activities and campaigns if so requested as well as direct campaigns requested or joint campaign design with clients. Associates shall demonstrate that they have related materials produced and activities / campaigns run directly or in partnership with clients.

vii. Stakeholder Engagement

Associate Members shall engage with their stakeholders on Responsible Gaming related topics in order to gain knowledge of their issues and concerns as they relate to their specific products and services, and align their responsible gaming strategies and programs with relevant stakeholder expectations.

Stakeholder Engagement activities may include generally accepted engagement methods as defined in CSR standards and guidelines. Associates shall demonstrate / evidence their rationale for identified stakeholders, key engagement methodologies and their outcomes, showcase how engagement outcomes have informed the development and implementation of Associate's responsible gaming strategies and initiatives and their reporting activities.

A part of the stakeholder engagement is also the involvement with business partners. Associates shall inform relevant business partners (suppliers, agents etc.) of the organization's Responsible Gaming program at least on an annual basis.

They shall ensure that business partners receive in-depth information about the organisations' Responsible Gaming capabilities, product features and services and shall endeavor to support WLA Members' Responsible Gaming objectives across their entire product and service offerings for WLA's Members. They shall also ensure that they drive innovation for the development of Responsible Gaming features for the purpose of future service and product offerings for their clients.



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Business Partner Program activity may include, but are not exclusive to marketing, customer relationship management and sales tactics, communication and engagement tactics. They shall demonstrate what tactics have been implemented with different business partners and what have been their key objectives and outcomes.

viii. Reporting

Associates shall report (or have agreed to begin reporting from a specified date) on their Responsible Gaming program to key internal and external stakeholders. The reporting should, as a minimum, include a description of the Associate Members' Responsible gaming Program areas as contained in this standard, related policies and initiatives, targets for future improvements, supported by a number of key performance indicators that are measured and communicated on a regular basis to inform internal decision-making.

Reporting shall occur periodically and use channels that are deemed most appropriate for reaching targeted audiences. Associate Members shall demonstrate their reporting strategy and the rationale for their approach for their reporting practices. Reporting and Measurement activities may include CSR reporting as part of annual financial reporting, topic related public reporting to specific target audiences, the use of tailored communication channels and platforms such as newsletters, magazines, social media etc. Reporting activities shall also be informed by and inform stakeholder engagement activities.

ix. Certification Process

Assessment of alignment

External assessment is required to gain certification to the WLA Associate Member CSR Standards. It will provide impartial and informed opinion on whether the WLA Associate Member is:

- aligned with the requirements of these Standards

Each Associate Member is required to undergo an assessment every three years to maintain its certification. Each WLA Associate Member is free to select the most appropriate Assessor, provided that they fulfil the qualifying requirements stated below.

Assessors must, as a minimum, cover all areas defined in this Certification Framework at each assessment, or justify why an area may not be relevant.

The Associate Member must fulfil a score of at least 75% in each of the 8 sections of WLA CSR Standards:



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- i. Research
- ii. Employee Program
- iii. Product and Service Development
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- vi. Client Awareness
- vii. Stakeholder Engagement
- viii. Reporting

If the assessor deems, in his professional judgment, that an Associate Member has only partially fulfilled a scoring element, it is the responsibility of the assessor to make an evaluation of the number of points awarded.

If the Associate Member fulfils at least 75% in each of the sections in the first year, it will be given 'Aligned with The Standard' Status. However, retention of this status is subject to the Associate Member's ability to substantially fulfil all remaining sections within a period as advised by the assessor but not longer than 3 years after the initial assessment.

The Assessor must provide the Associate Member with a document which details the outstanding items which lead to fulfil all sections.

Please note that all the 8 RG program elements might not be applicable to your company's operations. If this is the case, you still qualify for certification and only have to complete the elements that are pertinent to the goods and services you offer.

Qualifying requirements for assessors

An assessor who seeks to conduct an audit for the CSR Standards for Associate Members must receive prior WLA approval. An assessor may not initiate a CSR Standards for Associate Members audit before obtaining this approval.

Potential Assessors must be either:

- established, accredited audit or certification bodies
- or
- assurers of corporate responsibility, sustainability performance, or auditors of financial and/or non-financial statements

The lead assessor must have a minimum of 5 years of experience as a certifying auditor and have prior experience in certification to international standards.

A potential assessor should address his request for WLA approval to the WLA Secretary General along with evidentiary documents necessary to determine whether the potential assessor meets the preceding criteria. Upon approval, assessor for the CSR Standards for Associate Members must sign a noncommercial agreement for assessment services with the WLA. Upon completion of the audit, the assessor must return a completed assessment form to the WLA.

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Assessors must not:

- be linked to the Associate Member in a way that could affect or be perceived as affecting the impartiality of the assessment
- have had any significant input into the responsible gaming processes of the Associate Member, or having significantly participated in the design, development, implementation or maintenance of any supporting management systems that contribute to alignment
- subcontract any part of the assignment, unless this is disclosed and detailed information included in the submitted Assessment Plan.

Assessor' responsibilities

The Assessor is responsible for:

- providing evidence (in the form of a Qualifying Document) to the Associate Member to demonstrate that it can meet the criteria set out in this document
- submitting an Assessment Plan that meets the requirements of the Assessment Framework
- carrying out the assessment to The Standard set out in the Assessment Plan in an effective and cost-efficient manner
- providing an informed, complete and impartial Assessment Report to the Associate Member, along with an accurate and substantiated recommendation,
- clearly stating all areas of non-alignment and explaining to the Associate Member any items that are needed to attain future alignment
- in accordance with Associate Member acceptance, submitting the Statement of Alignment to the WLA Executive Committee within a month after final Statement of Alignment has been given to the Associate Member by the Assessor.

It is essential that the Assessor keeps confidential all proprietary information about the Associate Member that is not in the public domain, unless the Associate Member authorizes disclosure. It is essential that this requirement is strictly observed in the Statement of Alignment and any other correspondence sent to the WLA.

Assessment Outputs

- The Assessor must submit an Assessment Report to the Associate Member that lists the key assessment activities undertaken (e.g. numbers of interviews, documents reviewed, surveys, evidence gathered) and the conclusions drawn under each area of the Assessment Framework. For each section of the WLA CSR Standards, the report must list areas of alignment, (including any areas where the Associate Member has progressed beyond the minimum requirement), and detail any critical or major areas of non -alignment.



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- The Assessor must include in the Assessment Report an overall recommendation, stating whether they believe the Associate Member to be “aligned” with the WLA CSR Standards. This recommendation should be accompanied by an executive summary justifying the reasons for the recommendation, and including any caveats, restrictions or reservations in reaching the recommendation.
- The Statement of Alignment shall be sent to the WLA within a month of the assessment being completed and after agreement with the Associate Member.