

NATIONAL LOTTERY RESPONSIBLE GAMING REPORT

JULY 2011



INTRODUCTION

The National Lottery has a very specific function to generate funds both for designated beneficiaries and for the overall benefit of Irish Society by operating Lottery games. Since 1987, over €3.6 billion of funds have been generated for good causes all of which helps strengthen local communities and improve the quality of life for people in many sections of our society. Given its unique function, the National Lottery has a very special place in the Irish culture. It is one of the best-performing state lotteries in the world as well as one of Ireland's most trusted brands.

In the 2010 RepTrak Reputation Study of the largest and most visible firms in Ireland, the National Lottery was ranked eighth overall in the list of most reputable companies in the country and was the second highest ranked indigenous Irish Company. The study measured companies' reputations based on consumers' trust, esteem, admiration, and good feelings about a company while also gauging perceptions across seven dimensions of reputation. On two of these dimensions, Governance and Citizenship, the National Lottery was ranked third and first in Ireland respectively. In the 2011 study, the Company continued to perform strongly across these dimensions and was ranked second overall in the list of most reputable companies in the services sector in Ireland. The National Lottery achieved a global ranking of 21 in the list of most reputable companies in the services sector worldwide.

RESPONSIBLE GAMING

The National Lottery is committed to best practice in relation to responsible gaming. A key issue for us in raising funds for good causes is to ensure that the National Lottery does not encourage excessive play and that National Lottery tickets are not sold to persons under 18 years of age. While it is generally accepted internationally that lottery draw-based games carry lower risks than other forms of gaming, we are constantly vigilant in ensuring that we continue to operate in a socially responsible way. We have a corporate social responsibility programme in place, with the protection of minors and the potentially vulnerable as part of its ethos.

The National Lottery has established new and updated structures and processes within the organisation and initiated various new initiatives to ensure that its responsible gaming policy is fully implemented. The areas covered include:-

- Stakeholder Engagement
- Improved monitoring and reporting of responsible gaming issues
- Staff communication and training
- Facilities Management Contractor Training
- Agent Communication and awareness

- Game Design Protocols
- Market research
- Advertising and Marketing Codes of Conduct
- Treatment referral
- Player education
- National Lottery Play On-Line

Stakeholder Engagement

Our vision is to take an active role in this area, particularly in liaising with our key stakeholders, each of whom play an important role in helping us to ensure that our responsible gaming standards are met. This approach means reaching out proactively to all stakeholders such as regulators, treatment and health professionals; academia; government, staff, agents and of course our customers and the general public. The National Lottery is approaching this issue through the following phases of activity:

1. Stakeholder engagement
2. Discussion Platforms
3. Issue Identification
4. Feedback

Specific initiatives with regard to each stakeholder are continuously explored and progressed as part of this engagement process.

Monitoring and Reporting of Responsible Gaming Issues

We have established a range of means through which we can identify problem gaming issues as well as a new streamlined procedure to appropriately address such issues within the organisation.

A key concern for us is to demonstrate responsiveness and to show how we deal with issues raised. To that end, procedures have been put in place to ensure that new games are consistent with the requirements of the Company's Responsible Gaming Policy and that significant responsible gaming concerns are addressed.

Specific measures include:

- The appointment of a Responsible Gaming Officer
- Monthly reporting to the Board on any responsible gaming Issues raised through the Customer Services area or other channels related to responsible gaming.
- Monthly review by Senior Management of responsible gaming issues
- A commitment to deal with any public query regarding responsible gaming within a reasonable timeframe.
- A Responsible Gaming Issue Report Form as a formal record of all queries raised by stakeholders detailing how the matter has been dealt with.

Staff Communication and Training

Staff receive regular communications through the monthly Team Briefing Process on responsible gaming issues. The general nature of the communication is to remind staff that:-

- The NLC policy statement on Responsible Gaming is available to view on the Company's intranet and on the Company's website
- The purpose of implementing the policy is to ensure that National Lottery games do not encourage excessive play and that, in accordance with the terms of the National Lottery Act, National Lottery tickets are not sold to persons less than 18 years of age.
- An awareness programme in responsible gaming is available and has been provided to relevant employees, based on the demands of their jobs and customer interaction.
- The purpose of the training is to provide the employees concerned with the knowledge and skills they need to deal with responsible gaming issues.
- If any member of staff has not received training but feel it would be of benefit in their role they can contact their Line Manager or the Responsible Gaming Officer
- If any member of staff has any queries in relation to the Company's policy in this area they can contact their Line Manager or the Responsible Gaming Officer.

A training module on responsible gaming has been designed and delivered to relevant employees, based on the demands of their jobs and customer interaction. To date 39 staff have attended this training. The key elements of the training module are as follows:-

- To create an awareness of key elements of European Lotteries Responsible Gaming Standard
- To create an awareness and understanding of the Company's responsible Gaming Policy
- To develop a general awareness of Addiction/Gambling and the dominant/underlying behaviours associated with same
- To provide staff with the skills required for dealing with players who request assistance
- To know where treatment referrals can be made for potential problem gamblers
- To be familiar with in-house reporting processes

Facilities Management Contractor Training

A Responsible Gaming Awareness Training Programme has also been put in place for the National Lottery's Facilities Management Contractor (FMC). The key elements of this programme are similar to the programme in place for National Lottery staff as detailed above.

Agent Communication and Awareness

Our Agents have a key role to play in ensuring that the National Lottery is operated in a socially responsible way. As part of their sign-up process, new agents receive a briefing on the Company's Responsible Gaming Policy. In addition a new Agent Manual has been distributed to the network of 3,800 Agents containing a Responsible Play insert with treatment referral and other information on the Company's policy. Use of the Quarterly Agent Communication bulletin "Star Retail" as a channel of communication for responsible gaming messages to Agents will be increased. A minimum of two responsible gaming messages will be communicated to agents in 2011 via this channel.

Game Design Protocols

All new National Lottery games are subject to a Responsible Gaming Review process to ensure that they conform to the requirements of the Company's Responsible Gaming Policy and that all governance and regulatory requirements associated with the launch of a new game have been met.

A specific aim of this process is to ensure that the requirements of the Company's Marketing and Advertising Codes of Practice are fully observed in respect of all new National Lottery games.

If the outcome of the Responsible Gaming Review process for any game is that the risk associated with that game is considered high for vulnerable players the options explored include:-

- Changing one or more of the characteristics of the game
- A redesign the game

Advertising and Marketing Codes

The Company's Advertising and Marketing Codes have been strengthened from a responsible gaming point of view to include the following elements in relation to our advertising and marketing activities:-

- Not to offer excessive incentives for loyalty that are linked to winning more based on playing more
- Not to cooperate with or support links to other commercials that are offering loans that can be drawn upon immediately for the purpose of playing

These codes have been distributed to all relevant marketing agencies and a process has been put in place to ensure compliance.

Market Research

The National Lottery tracks player participation levels on a monthly basis through a national syndicated survey. In addition, information is also collected on consumer attitudes to a wide number of issues that include issues of corporate and social responsibility.

Relevant measures in place track discretionary income, National Lottery spend as a % of that income; spend on other forms of gaming activity and the attitudes of the public to the marketing of National Lottery games and other gaming activities. This informs National Lottery debate around responsible gaming and helps to ensure compliance with Company policy in this area.

Treatment Referral

Relevant information with regard to treatment referral is currently communicated using the following channels:-

- National Lottery Website
- Staff Training Module
- Facilities Manager Contract Training Module
- Agent Manual

Player Education

It is the policy of The National Lottery to ensure that players should have the information they require to enable them to make informed choices about which game, if any, they wish to play. In addition to price, the key piece of information which allows them to assess the risks and benefits of playing are the odds of winning on each game. This information is available for each National Lottery game as set out in the table below:-

GAME	ODDS OF WINNING AVAILABLE
Scratchcards	Back of Ticket
Draw Games	NL Website / How to Play Leaflets (certain games only)
On-Line Instant Win	National Lottery Website

National Lottery Play On-Line

Our Internet pilot programme, which was launched in 2009, allows the sale of Lotto, Lotto Plus, EuroMillions, Plus and a number of instant win games through the internet. This initiative, which has been many years in development, was designed with high standards in place to comply with our Responsible Gaming Policy. The programme places emphasis on the protection of minors and ensuring appropriate control on the use of debit and credit cards in line with best practice.

Specific controls for the protection of our Interactive players have been put in place in relation to:-

- Deposit Limits
- Self Exclusion
- Account History
- Age Control
- Temporary and permanent exclusion options

Our website also offers practical guidance for players who are concerned that gaming may be playing too large a part in their lives or someone close to them. A “Play Responsibly” page is also a prominent feature on our web page.

PERFORMANCE REVIEW

We want to raise our standards with regard to responsible gaming. To ensure continuous improvement and to help track our performance we have identified a number of Key Result Areas (KRAs) against which we have set specific targets and objectives for the year. Going forward, we will review our targets and objectives based on business priorities and stakeholder engagement.

KEY RESULT AREAS – TARGETS/OBJECTIVES 2011

KEY RESULT AREA	OBJECTIVE	Target Date	Result
EL Responsible Gaming Standard	Achieve certification to standard	June 2011	
Training	Extend roll-out of Responsible Gaming training to Facilities Management Contractor	September 2011	
	Complete expert review of Training module for staff and Facilities Management Contractor	October 2011	
	Review adequacy of Sales Agent Training	September 2011	
Agent Communication	Biannual communication on responsible gaming issues through Star Retail	September & December 2011	
Player Education	Finalise new How To Play Leaflets and ensure distribution Agent network	June 2011	
	Finalise new Responsible Gaming Leaflet and ensure distribution to Agent network	June 2011	
Research	Monitor opportunities to participate in any relevant research	Ongoing	
	Keep up to date with best practice through attendance at appropriate conferences/seminars	September 2011 (EL/WLA Responsible Gaming Seminar)	

Annual Report

The NLC will publish an annual report on significant engagement activities and initiatives undertaken in the preceding 12 months in respect of responsible gaming.

If you have any queries or concerns in relation to responsible gaming issues click contact customer.services@lottery.ie or Dave Turner at (01) 8177137