



CORPORATE SOCIAL RESPONSIBILITY

FISCAL YEAR 2021

The mission of the Hoosier Lottery is to return maximum net income to the state in a socially responsible manner.



ABOUT THE HOOSIER LOTTERY

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The Hoosier Lottery (Lottery) is the official State Lottery of Indiana headquartered in the capital city of Indianapolis, with regional offices in Mishawaka and Evansville.

The Hoosier Lottery consists of two organizations that work together to ensure optimal performance of Lottery operations. This unique structure is the result of an Integrated Services Agreement between the State Lottery Commission of Indiana (Commission) and IGT Indiana. The Commission maintains control and oversight over all Lottery operations and is responsible for accounting, prize payment, security, retailer payment, and retailer licensing. IGT Indiana is responsible for sales, marketing, product development, distribution, and corporate social responsibility.

ORGANIZATIONAL STRUCTURE



STATE LOTTERY COMMISSION OF INDIANA

- Created by Indiana law to oversee the operation of the Hoosier Lottery
- Five Commissioners are appointed by the Governor of Indiana

SARAH M. TAYLOR

Executive Director
State Lottery Commission of Indiana

MELISSA PURSLEY

Chief Operating Officer
& General Manager of IGT Indiana

COMMISSION EMPLOYEES

- Control and oversee all Hoosier Lottery operations

IGT INDIANA EMPLOYEES

- Work on behalf of the State Lottery Commission of Indiana
- Responsible for implementing certain day-to-day functions of the Hoosier Lottery



In compliance with State law, we sell lottery products to adults 18 years of age or older in approximately 4,400 licensed retailers in all 92 counties in Indiana. The Hoosier Lottery offers an array of Draw, Scratch-off, and Fast Play games. Information about all games, including odds and prizes claimed, is located on the Hoosier Lottery website at HoosierLottery.com.



CORPORATE SOCIAL RESPONSIBILITY PROGRAM

The Hoosier Lottery’s Corporate Social Responsibility (CSR) programs and initiatives impact players, the community, and our business. Our programs, activities and initiatives will often cross over and affect more than one target group. The work of the team falls under three pillars: Responsible Gaming, Engagement, and Responsible Practices.

CORPORATE SOCIAL RESPONSIBILITY ADVISORY BOARD



RESPONSIBLE GAMING

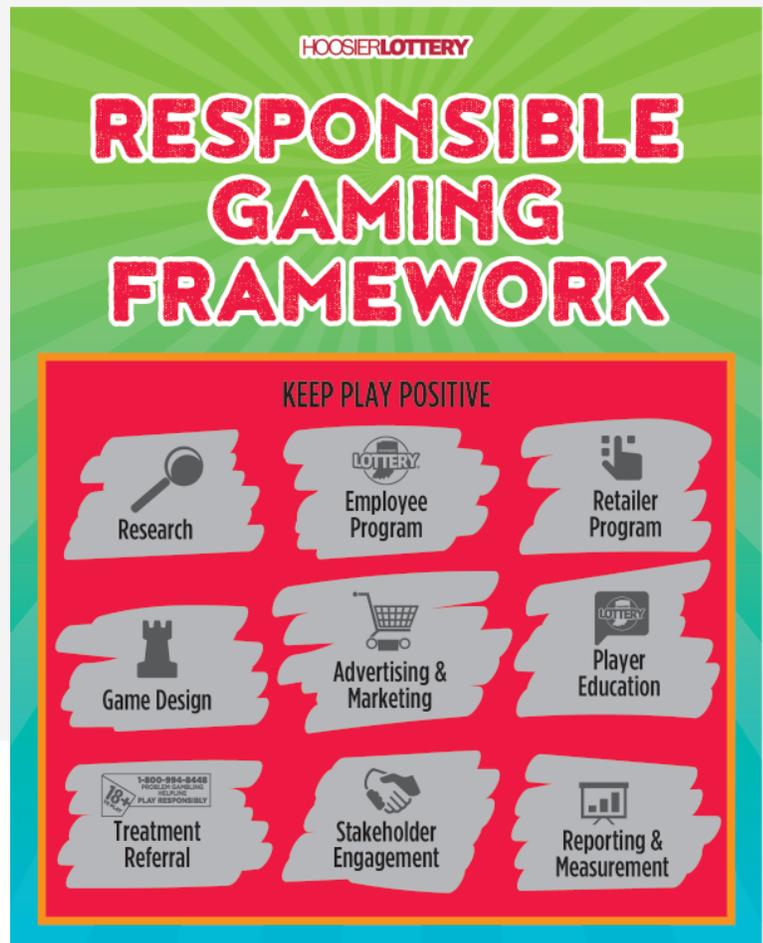
RESPONSIBLE GAMING

Responsible gaming is the set of social responsibility initiatives by gaming industry providers (like us) to ensure the integrity and fairness of operations as well as promote awareness of harms associated with gambling. At the Hoosier Lottery, we want all of our players to enjoy their experiences and that's why we promote Positive Play as our player-focused educational program. Positive Play focuses on enjoying the fun and entertainment of our games, understanding the odds, and setting time and money limits. Our Positive Play toolkit includes interactive trivia and quizzes, financial tools, educational materials, videos and player surveys.

For us to evolve and improve upon our responsible gaming initiatives, we not only seek out research and studies to guide the expansion of our Positive Play tools we also have grant programs targeting research and professional development. Our alliances span state and international organizations and we rely on this network for collaborations and best practices in the world of problem gambling awareness.

The Hoosier Lottery is proud of its Level Four Certification with the World Lottery Association (WLA), the highest level of responsible gaming certification possible. To achieve this certification, we must demonstrate our ability to implement specific programs in our day-to-day operations. The Hoosier Lottery's Responsible Gaming Framework is based on nine of the ten applicable program elements in the WLA's responsible gaming framework.

The framework, as utilized by the Hoosier Lottery, includes:



Advertising and Marketing

The Hoosier Lottery's advertising and marketing communications is the primary conduit of our brand and products to the public. All marketing elements adhere to our Marketing Code of Conduct (Code) as the foundation for policies, training, and compliance initiatives for all public-facing assets. The Code incorporates the advertising standards of the North American Association of State and Provincial Lotteries (NASPL) and WLA. This Code explains our practice of not targeting our marketing efforts to individuals under the age of 18 and our commitment to providing accurate and truthful information. In FY 2021, 100% of the marketing team, including members from external advertising/communications agencies, participated in an annual Code training session.

KPI KEY PERFORMANCE INDICATOR

In addition, we had 100% participation in our triennial Code training with key members of our television Lottery draw station staff.

In addition to the Code, we have several internal-facing policies and procedures to ensure that responsible gaming standards are followed in all marketing campaigns to improve their impact on player health. The visual assessment tool analyzes our marketing campaigns and proposes mitigations to improve their impact on player health.

Player Education

The Positive Play brand identity is our player-facing responsible gaming education program. Our approach focuses on ensuring a fun and entertaining play experience for our players by promoting responsible gaming behavior and beliefs. We reach our players through the following channels:

- Messaging platforms such as tickets and playslips
- Point-of-sale materials
- The Hoosier Lottery website and free smartphone application
- Multiple media channels for year-round Positive Play messaging
- CSR Educational Scratch-off tickets in all promotional gift baskets and prize packets.

We communicate with players during specific campaigns aimed at player education and awareness about various aspects of responsible gaming. The Gift Responsibly Holiday campaign is designed to support the National Council on Problem Gambling's (NCPG) annual holiday campaign aimed at preventing underage play. In March, we support NCPG's National Problem Gambling Awareness Month (PGAM), for which we received a 2021 Bathy Responsible Gaming

Communications Award from NASPL for Positive Play Engagement (Hoosier Lottery and Laughlin Constable) for our digital campaign. In September, we support the American Gaming Association's Responsible Gaming Education Week. In addition, we support Financial Literacy Month each April and Beneficiary Appreciation Month each May.



KPI KEY PERFORMANCE INDICATOR

In addition to the Positive Play Scale data that we collect each year, we also track recognition of our various responsible gaming tools. In FY 2021, 52% of those surveyed recognized the Responsible Gaming logo from the previous two years, exceeding our stated goal to reach 50% player recognition of the logo.



Our Positive Play toolkit contains a variety of free online resources for players. Hoosier Lottery players are encouraged to use:

- Track Your Play Calculator
- Positive Play Quiz
- Financial Literacy Course
- Videos

Game Design

The Hoosier Lottery centers its approach to game design on identifying potential responsible gaming risks and applying mitigation strategies to our game portfolio. The Hoosier Lottery game portfolio is composed exclusively of Draw games, Scratch-off games, and Fast Play games.



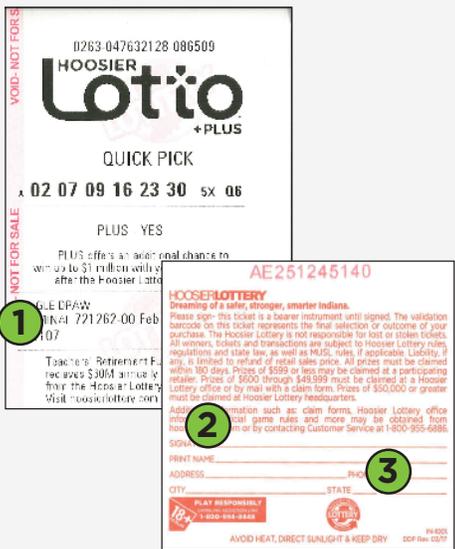
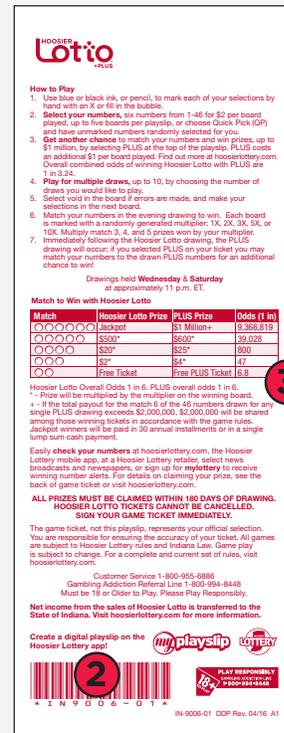
Our game design process has become more formalized in recent years, with 100% of games put through two responsible gaming tools: a design tool called ASTRIG that looks at things like prize structure, and a visual and communication assessment that looks at wording and visuals. After a game is scored for its level of potential risk, the game is routed for a series of approvals. In FY 2021, we had zero games approved that scored “high” or “highest risk.”

In addition to avoiding risk areas such as illustrative designs with potential youth appeal, language that could be misleading about the odds of winning, or other problematic design elements, all tickets and playslips feature the following elements:



Scratch-offs:

- 1 Where the Money Goes messaging
- 2 Overall Odds
- 3 Responsible Gaming Logo
- 4 Recycling Logo



Draw tickets:

- 1 Special messaging that periodically includes responsible gaming
- 2 Responsible Gaming Logo
- 3 Recycling Logo

Playslips:

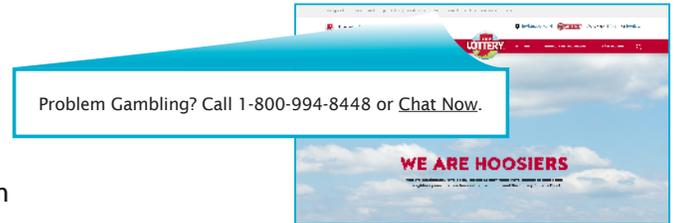
- 1 Recycling Logo
- 2 Responsible Gaming Logo
- 3 Overall Odds

Treatment Referral



We have a program in place that refers players to the help that they need when they need it. The Hoosier Lottery Problem Gambling Helpline (Helpline) is available 24 hours a day, seven days a week, and is staffed by master’s degree-level counselors who perform crisis management and connect players to resources in their areas. In addition to the toll-free Helpline number (1-800-994-8448), the Helpline is available via an online chat feature available via an online chat feature, at HoosierLottery.com, and through a new feature for players to reach out by texting INGAMB to 53342 to initiate a conversation. Additionally, when customers call our customer service line, they have an option to transfer to the Helpline.

The Helpline number is a part of our responsible gambling logo, which appears in player-facing and retailer-facing communication channels. Should our customers call our customer service line, they have an option to transfer to the problem gambling helpline, and we get regular reporting on the number of transfers. The Problem Gambling helpline number is a part of our responsible gambling logo, which appears in player-facing and retailer-facing communication channels.



Our retailer terminals are equipped with a Terminal Referral button. This tool allows retailers to discreetly provide a printed referral to the Problem Gambling Helpline.



In FY 2021, the Chat Now service received 5,444 unique contacts, and 2,368 retailers throughout the state used the terminal referral button (54% of all retailers).

Retailer Program

Hoosier Lottery retailers are uniquely positioned to support responsible gaming efforts as they sell lottery products and educate players about games. We are committed to providing all retailers with the information and tools required to respond to problem gambling concerns. At the close of FY 2021, retailers were licensed to sell products in approximately 4,400 locations throughout the state.

We provide responsible gaming training to one manager or owner at all retailers.



In October 2020, approximately 4,400 retailers completed our triennial Retailer Responsible Gaming Training for 100% participation.

The training consisted of a tear-out article in the retailer newsletter for retailers to reference, two video scenarios, and a post-training survey. The sales department trained the owner or manager at each location with the expectation that they would, in turn, train their other employees.

We received the following results in FY 2021:

- 99.2% understood the legal age customers must be to purchase tickets
- 98.7% understood when to use the responsible gaming button on the terminal
- 97.6% could locate the responsible gaming button on the terminal
- 90.6% found the video scenarios helpful in understanding problem gambling

In addition, we provide:

- A button on retailer terminals that, when pushed by a retailer, produces a slip that retailers can provide to players that says “If you or someone you know would like more information about problem gambling, help is available 24 hours a day. Call 1-800-994-8448.”. This service was used 19,430 times in FY 2021
- Responsible Gaming information in 100% of monthly newsletters to retailers
- Take-away brochures displayed at 100% of retail locations with important responsible gaming information
- Responsible Gaming and public service information added to public displays



Research

The Hoosier Lottery research program contains four core components: Market Research, Positive Play Scale, Research Grant Programs, and Other Research on Related Topics.

Market Research includes the use of our quarterly tracker and our online player panel to help us better understand how the public views the many facets of our business.

Annually, we gauge our players' gambling knowledge and safe-play habits through the Positive Play Scale, a survey designed by researchers, to measure player's self-reported gambling beliefs and behaviors. The results of that survey, conducted with our online player panel, inform the programs we develop and the resources we create. The Positive Play toolkit includes informative films, the Spend Calculator, the Positive Play quiz, and the Financial Literacy course. This year, we developed three new videos (Understanding the Odds, Gambling Myths, and Setting Spending Limits), developed to address concerns raised by the Positive Play Survey results. Please explore the short new videos at HoosierLottery.com/positive-play/ways-to-play-positively.

Over the past four years, a total of 1388 respondents have participated in the survey. In FY 2021, our players increased in three of the four PPS behavior subscales irrespective of age and gender.

- 95.3% of players are honest about time and money spent on gambling and have control over their gambling behavior, an increase from 93.3% in FY2020
- 93.9% of players take into consideration the amount of time and money they will spend on gambling and spend only what they can afford, an increase from 93.1% in FY2020
- 97.1% of players believe they should set time and money limits for gambling and should be able to walk away once this limit is reached, a decrease from 97.5% in FY2020
- 88.8% of players understand what the odds of winning are and do not consider gambling as a source of income, an increase from 86.3% in FY2020



Our Grant program supports professional development, conference attendance, and academic research through partnerships with the Central Indiana Community Foundation and the International Council on Responsible Gaming. The Hoosier Lottery has a vested interest in contributing in a meaningful way to the body of knowledge on problem gambling in Indiana.

The program focuses on four priority areas:

Examining strategies to promote the responsible gaming principals of Positive Play, harm minimization, and treatment referral for lottery players	Identifying the positive or negative factors that influence behaviors and beliefs among lottery players who may be at risk for problem gambling	Determining innovative methods to reach and connect lottery players with educational resources or treatment providers	Understanding the role technology plays in the promotion of Positive Play attributes or treatment of problem gambling among lottery players
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In FY 2021, Dr. Alex Price was awarded a \$30,000 Small Research Grant as a part of the Hoosier Lottery Research Grant Program.

Additionally, the Hoosier Lottery works closely with external stakeholders such as the Indiana Council on Problem Gambling (ICPG) and the local treatment community to strengthen our Treatment Referral program. Treatment providers can apply for up to \$1500 annually for professional development and continuing education through conferences and webinars. Although this service was not well used during the pandemic as conference travel ceased, we anticipate treatment providers returning to this service as travel options resume.

Responsible Gaming Stakeholder Engagement

The Hoosier Lottery believes that engagement with our various stakeholder groups is critical to our larger work within the community. The feedback we receive and the ongoing dialogue that fuels our continued improvement are essential to program and policy development, especially in the area of responsible gaming. The success of our program relies on strong relationships with our internal and external stakeholders.

We proudly support the National Council on Problem Gambling during programs such as Problem Gambling Awareness Month. IGT Indiana is a NCPG member for \$3,125 per year and contributes a \$5,000 sponsorship for their Annual Conference. Additionally, IGT Indiana is a member of the Indiana Council on Problem Gambling, contributing \$5,000 annually. The Hoosier Lottery partners with ICPG on the Responsible Gaming Committee, the Problem Gambling Treatment Helpline, and the deployment of the chat and text features. Additionally, we have close working relationships with the Indiana Division of Mental Health and Addiction and the Indiana Problem Gambling Awareness Program. We also gather formal feedback from the treatment community and advocates by presenting at meetings and conferences.

In FY 2021, we convened the Responsible Gaming Committee, a sub-committee of the ICPG, consisting of representatives from the ICPG and representatives from casinos, racinos, sportsbooks, and related organizations. This group has met twice so far with a quarterly meeting schedule planned for the upcoming year. This group will discuss best practices, share resources, and work together to elevate responsible gaming initiatives statewide and may serve as a model for other states and jurisdictions to follow.

Industry Involvement

Hoosier Lottery staff served in leadership positions in the larger responsible gaming community. Sarah M. Taylor, Executive Director of the State Lottery Commission of Indiana, is President of MUSL and is the First Vice President of NASPL. She also serves on the WLA's Corporate Social Responsibility Committee and NASPL's Responsible Gaming Committee. Kate Carlson, Director of Corporate Social Responsibility and Compliance, serves on the Marketing Committee with the NCPG and is the current board president for the ICPG.

In FY 2021, specific engagements included:

- Sarah Taylor participated in a May 2021 EL/WLA Panel Discussion entitled Marketing in the USA
- Kate Carlson was a speaker on Responsible Gaming 101 at the July 2020 NCPG Digital Symposium, was a speaker on Positive Play at the October 2020 NASPL DeskCon, and was a presenter at the October 2020 ICPG Annual Meeting

Public Feedback

Hoosier Lottery provides a customer service line (1-800-955-6886) through which players can speak with a customer service representative between 8 a.m. and 12 a.m. daily. Players can also contact info@HoosierLottery.com, and this email address is published online, in our app, and on our CSR Report. While most communications involve the specifics of Hoosier Lottery games, in FY 2021 we received one complaint related to responsible gaming. We track and categorize all incoming calls and emails and use this information to make improvements.



ENGAGEMENT

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The second pillar of our Corporate Social Responsibility Program focuses on how we engage with our employees as well as the community we serve, often at the same time. Engagement involves service, education, and fellowship and can take diverse forms including volunteerism, philanthropy, and educational opportunities.

Our volunteer program provides employees with opportunities to work with local organizations. In addition to organized volunteer days, we also see our role as advocates for volunteering in the community and will pursue opportunities and relationships to share with employees for them to serve on their own as well.

The Hoosier Lottery is committed to contributing to good causes both as a company and as individual employees. We are proud to provide monies distributed to each Indiana county and to support beneficiaries throughout the state. Our employees volunteer and give back through charitable activities.

COMMUNITY SPONSORSHIPS

The Hoosier Lottery strongly believes in being an active member of the communities it serves. In FY 2021, we proudly provided more than **\$380,000** to support events and organizations in Indiana, by way of sponsorships across the state. In addition, in partnership with the Indianapolis Indians, we celebrated our Hoosier Lottery Heroes of the Game at Victory Field, acknowledging teachers, first responders, and medical personnel, for their continued service and selfless acts in our communities.



Elementary school teacher Marsha Hewes being honored as a Hoosier Hero at May 15 Indianapolis Indians game.

CHARITABLE GIVING

In addition to the sponsorships provided by the Hoosier Lottery overall, IGT Indiana also provides support to a variety of organization and partners. In FY 2021, IGT Indiana contributed **\$71,535** in charitable contributions in the communities we serve.

EMPLOYEE VOLUNTEERISM

Our employees are also active within the community. Throughout the year, employees are encouraged to use employee volunteer programs to participate in non-profit service opportunities. Commission and IGT Indiana staff participated in group volunteering activities, including:



- Group volunteering at Newfields to assist with the installation of Winterlights
- Card-writing for Ronald McDonald House Families, St. Vincent Health Workers and local nursing home residents
- Writing more than 110 cards for Marion County teachers

EMPLOYEE GIVING

Throughout the year, Commission staff donate to locate organizations individually or make financial contributions through the State Employee Charitable Campaign (SECC). In FY 2021, Commission employees contributed **\$5,905.50**.

Commission and IGT Indiana staff gave back during the holiday season by purchasing gifts for organizations via Amazon wish lists. Thirty-two gifts worth more than \$650 were donated to children through the following:

- Children's Bureau
- South Bend Salvation Army
- Ark Crisis Center in Evansville

In May, Commission and IGT Indiana staff raised approximately \$300 for much-needed school supplies to benefit Teacher's Treasures, a local non-profit.

State Employees Charitable Campaign (SECC)



FY 2021

RESPONSIBLE BUSINESS PRACTICES

Doing Business

For more than 30 years, Hoosier Lottery funds have supported local police and firefighters' pensions, the Teachers' Retirement Fund, and the Lottery Surplus Fund. The Indiana General Assembly has established an annual disbursement of **\$30 million** to local police and firefighters' pensions, **\$30 million** to the Indiana Teachers' Retirement Fund, and the balance of surplus revenues to the Lottery Surplus Fund.

In Fiscal Year 2021 (FY2021), fueled by a big year of Scratch-off sales, the Hoosier Lottery transferred a record-breaking \$375.5 million to the State of Indiana. Scratch-off sales of more than **\$1.3 billion** accounted for the majority of the Hoosier Lottery's **\$1.737 billion** in total sales. The **\$375.5 million** transferred to the state marked a 23.3% increase over the previous year. Additional information can be found in a separate Hoosier Lottery annual report on financial performance.

The Hoosier Lottery is committed to the use of minority business enterprises and women's business enterprises through outreach, networking, and employee engagement. In FY2021, the Hoosier Lottery spent approximately **\$1.3 million** with Minority and Women Business Enterprises. In addition, the Hoosier Lottery supports a variety of Indiana businesses, and we spent approximately **\$10 million** in FY 2021.



Organizational Culture

The Commission and IGT Indiana employees are responsible for fulfilling the mission to return maximum net income to the state in a socially responsible manner. Employees are offered competitive wages, full benefits, paid time off, and development opportunities.

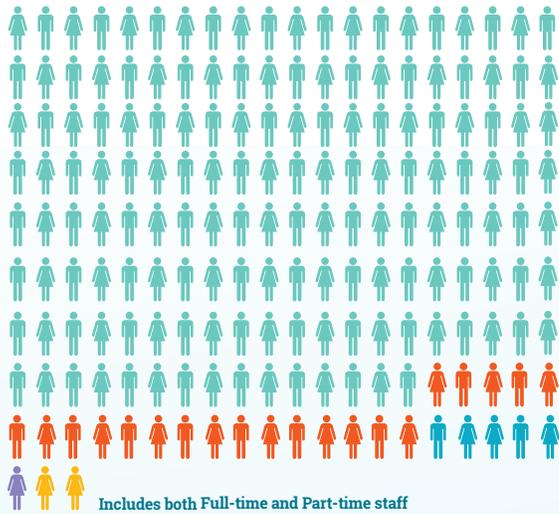
KPI ALERT!

Commission and IGT Indiana employees participate in Responsible Gaming training both upon hiring as well as a triennial training refresher for all staff. In FY 2021, we achieved 100% staff participation in the triennial training. Quiz scores from this program showed a 14% improvement rate in knowledge gained overall, with 98% of employees believing that responsible gaming is a part of their job.

Responsible gaming is reinforced through monthly CSR emails and quarterly CSR newsletters, 100% of which include responsible gaming messages to staff. Responsible gaming principles are priorities for both the Commission and IGT Indiana and are included in 100% of Governance meetings.

Workforce Stats

IGT Indiana



- 155 White
- 21 African American
- 5 Hispanic/Latino
- 1 Asian
- 2 Multi-racial

Commission IGT Indiana



48% Male
52% Female

59% Male
41% Female

Commission



- 47 White
- 8 African American
- 0 Hispanic/Latino
- 0 Asian
- 0 Multi-racial

Executive Leadership Gender Wage Equality



Females in executive leadership roles make 1.08 on the dollar compared to male counterparts.



Females in executive leadership roles make 0.79 on the dollar compared to male counterparts.

Calculated by dividing the average female executive salary by the average male executive salary.

Scale of the Organization

Full-time staff only



Lottery Commission Spot Bonuses



We recognize employees for their outstanding contributions to business operations at monthly and annual employee meetings. These contributions include providing years of dedicated service, achieving regional sales goals, driving innovation, and meeting other exceptional achievements.

Sustainability Initiatives



- with -



Identifying how to reduce our environmental footprint is the first step in deploying more sound environmental business practices. Building relationships and alliances that help us operate in a more sustainable way by identifying best practices, sustainably friendly vendors and aiding in defining how we measure our impact. In addition to our vendors, it is important to consider other relationships and how their green initiatives may align with our values in areas of charitable giving and sponsorships.

Paper and energy consumption are the largest environmental impacts of the Hoosier Lottery. As part of our overall efforts to reduce our footprint, serve as a good corporate citizen, and reduce harm in all we do, we strategically partner with vendors who operate in an environmentally sustainable manner as a measure to reduce our environmental impact.

We have deployed the following strategies:

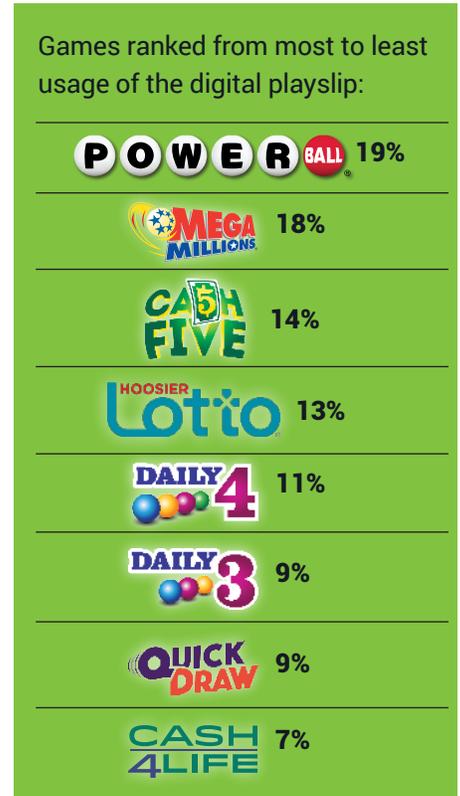
- Substantial volume of our advertising and promotional material is printed on recycled material using green energy
- Continued support of myPlayslip, a digital playslip, to reduce reliance on paper

In FY 2021, players used  **316,363 times** an increase of **67%** from the last fiscal year

While this represents a small number of wagers, we are pleased to see decreasing reliance on paper playslips.

In FY 2021, players initiated approximately 866 retail transactions per day from myPlayslip. Players used myPlayslip 316,263 times, an increase 67% percent from last year. Total wagers placed amounted to \$2,141,933, and on average \$6.77 per wager.

As digital playslip usage increases, paper usage will decrease. As part of our sustainability initiative, we track paper usage each year. In FY 2021, we used 567,026 pounds of paper for all Draw, Fast Play, and Scratch-off game production.





Please contact socialresponsibility@HoosierLottery.com if you have any questions or comments regarding this report.