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**2013**

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**CORPORATE SOCIAL RESPONSIBILITY  
ANNUAL REPORT**

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January 1, 2013 - December 31, 2013

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# Letter from Executive Director Sarah M. Taylor

A name can tell you a lot about an organization. In the case of the Hoosier Lottery, our name says everything. We are the only lottery in the United States named for its people, and not the state itself.

Over the years, the Hoosier Lottery has accomplished some pretty amazing things. For starters, we've made thousands of lucky winners very happy. But that's only the beginning. We've also significantly lowered motor vehicle excise taxes for Hoosier drivers, bolstered pension funds for Hoosier police and firefighters, as well as Indiana teachers retirement funds, and helped to finance a number of other local projects for the State of Indiana.

The Hoosier Lottery operates from the belief that it should be a responsible and ethical member of the community. Social responsibility is at the core of everything we do at the Hoosier Lottery. From printing game odds on Scratch-off tickets, to making those tickets from recyclable materials, the Hoosier Lottery is committed to operating in an ethical and environmentally responsible manner.

The Hoosier Lottery takes responsible gaming very seriously. You will find that Indiana goes above-and-beyond the industry standard to be transparent, prevent underage play, and promote responsible gaming. Partnerships with the State of Indiana Division of Mental Health and Addiction, National Council on Problem Gambling, Indiana Council on Problem Gambling, and Indiana Problem Gambling Awareness Program have allowed the Lottery to expand awareness of problem gaming.

Responsible gaming came to a forefront in 2012 when the organizational structure of the Hoosier Lottery moved to a private manager model. As a result of an RFI the previous year, the State Lottery Commission of Indiana entered into an Integrated Services Agreement. The new collaboration brought about an ambitious business plan that included new branding and revenue strategies for the Hoosier Lottery. Respective of the aggressive goals to increase revenue, the business plan also emphasized social responsibility as a key pillar to Hoosier Lottery operations.

I'm pleased to present you with this annual report outlining the good works and efforts the Hoosier Lottery has made in the area of social responsibility. As a valued stakeholder, you can be assured that our commitment to Hoosiers is unwavering.



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# WHO WE ARE

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The Hoosier Lottery's vision is to become one of the top performing lotteries in the United States as it relates to revenues to the State of Indiana and in corporate social responsibility.

In 2012, GTECH Corporation was selected to provide services to the Hoosier Lottery through an Integrated Services Agreement and formed GTECH Indiana, LLC (GTECH Indiana). Under the Integrated Services Agreement, which is subject to the Hoosier Lottery's control over all significant business decisions, GTECH Indiana manages the day-to-day operations of the Hoosier Lottery and its core functions, including lottery game development; retailer recruitment and training; call center operations; supply of goods and services; subcontractor and vendor selection and management; instant-ticket management and distribution; and marketing and advertising. Responsible gaming programs will be embedded throughout these operational processes and core functions. The State Lottery Commission of Indiana retained all management and oversight, as well as, security, licensing, prize payment and accounting responsibilities.

## Products

Licensed Hoosier Lottery retailers are found in all of Indiana's 92 counties. Adults 18 and older can choose from nine draw games, including our three big jackpot games: Powerball with Power Play, Mega Millions with Megaplier, and Hoosier Lotto. In 2013, players could also opt to play Cash 5, Poker Lotto, Quick Draw, Mix & Match, Daily 3, or Daily 4. In addition to draw games, the Hoosier Lottery offers more than 40 different Scratch-offs, at any given time. A current list of games can be found on the [Hoosier Lottery website](#).

### DRAW GAMES AVAILABLE IN 2013



### SCRATCH GAMES AVAILABLE IN 2013



# Organizational Structure

The State Lottery Commission of Indiana is a quasi-government agency comprised of commission members appointed by the Governor of Indiana and state employees who manage the regulatory and security functions of Lottery operations. The Integrated Services Provider, GTECH Indiana is an Indiana domestic limited liability corporation. GTECH Indiana provides technology, sales, products, logistics, retailer recruitment and training, marketing, and corporate social responsibility services to the Indiana State Lottery Commission.

Throughout this report, the term “Hoosier Lottery” will be used as representation of the entity comprising the State Lottery Commission of Indiana and GTECH Indiana, unless noted otherwise. The collaboration is one that continues to make the Hoosier Lottery successful and this report reflects true commitment to social responsibility and bettering the lives of Hoosiers.

The Hoosier Lottery is governed by the [State Lottery Commission of Indiana](#), which is comprised of five gubernatorially appointed members. Meetings are public and held no less than quarterly. The Executive Director of the Commission, who is gubernatorially appointed, is responsible for reporting activities and financial results to the Commission members. The State Lottery Commission of Indiana has approximately 40 employees reporting to the Executive Director, who also manages the Integrated Services Agreement with GTECH Indiana. GTECH Indiana has approximately 165 employees that ultimately report to the Chief Operating Officer & General Manager, who in turn, reports to the Executive Director of the Commission.



## STATE LOTTERY COMMISSION OF INDIANA

- Created by Indiana Law to oversee the operation of the Hoosier Lottery
- Commission is comprised of 5 members who are appointed by the Governor of Indiana

### SARAH M. TAYLOR

Executive Director of the State Lottery Commission of Indiana

### COMMISSION EMPLOYEES

- Control and oversight over all Hoosier Lottery operations
- Manages approximately 45 employees

### COLIN HADDEN

Chief Operating Officer & General Manager of GTECH Indiana

### GTECH INDIANA

- Works on behalf of the State Lottery Commission of Indiana
- Manages certain every-day functions of the Hoosier Lottery
- Manages approximately 200 employees

## Values

The Hoosier Lottery raises money for good causes for the State of Indiana through the sale of entertainment based gaming products. As such, it is the priority of the Hoosier Lottery to increase revenue in a socially responsible way.

In the most basic terms, social responsibility is the belief that an organization's management has an obligation to the welfare and interests of the society in which it operates. The Hoosier Lottery takes this belief much further by incorporating social responsibility into all aspects of operation. Specific policies and codes of conduct related to corporate social responsibility are referenced throughout this report in each relevant focus area. Social responsibility can be identified visually through the use of responsible gaming logos and language. It is also found woven throughout the organization's vision and mission statements, policies, and practices.

## Business Plan

The Hoosier Lottery Business Plan consists of five pillars designed to balance profitability with responsibility:

### The Five Pillars of Our Plan



Establishing corporate social responsibility as a pillar equal in importance to game revenues demonstrates the Hoosier Lottery's commitment to:

- Protect and respect Hoosier Lottery players and retailers.
- Safeguard, maintain and grow the Hoosier Lottery brand.
- Include standards of professionalism and integrity for those affiliated with the Hoosier Lottery.

# Governance

The Hoosier Lottery is governed by two different sets of laws, the Indiana Code and the Indiana Administrative Code. The Indiana Code was passed by the Indiana General Assembly. The purpose of Indiana Code (IC) 4-30 is to establish the Hoosier Lottery and guide the Lottery to operate in a transparent and successful manner. In addition to [IC 4-30](#), the Hoosier Lottery is governed by [Title 65](#) of the Indiana Administrative Code, originated internally from the State Lottery Commission of Indiana, which specifies provisions that govern decisions from procurement to how some Hoosier Lottery games are played.

Because the Hoosier Lottery is comprised of both the State Lottery Commission of Indiana and GTECH Indiana, there must be a strong governance practice supported throughout the organization.

The Hoosier Lottery’s commitment to responsible gaming is embodied in the Lottery’s Office of Responsible Gaming (ORG), which was created in January 2013. Full-time staffers dedicated to this important pursuit, include the Manager of Corporate Social Responsibility, the Director of Corporate Social Responsibility and Compliance, the Chief of Staff and the Senior Director and Deputy General Manager.

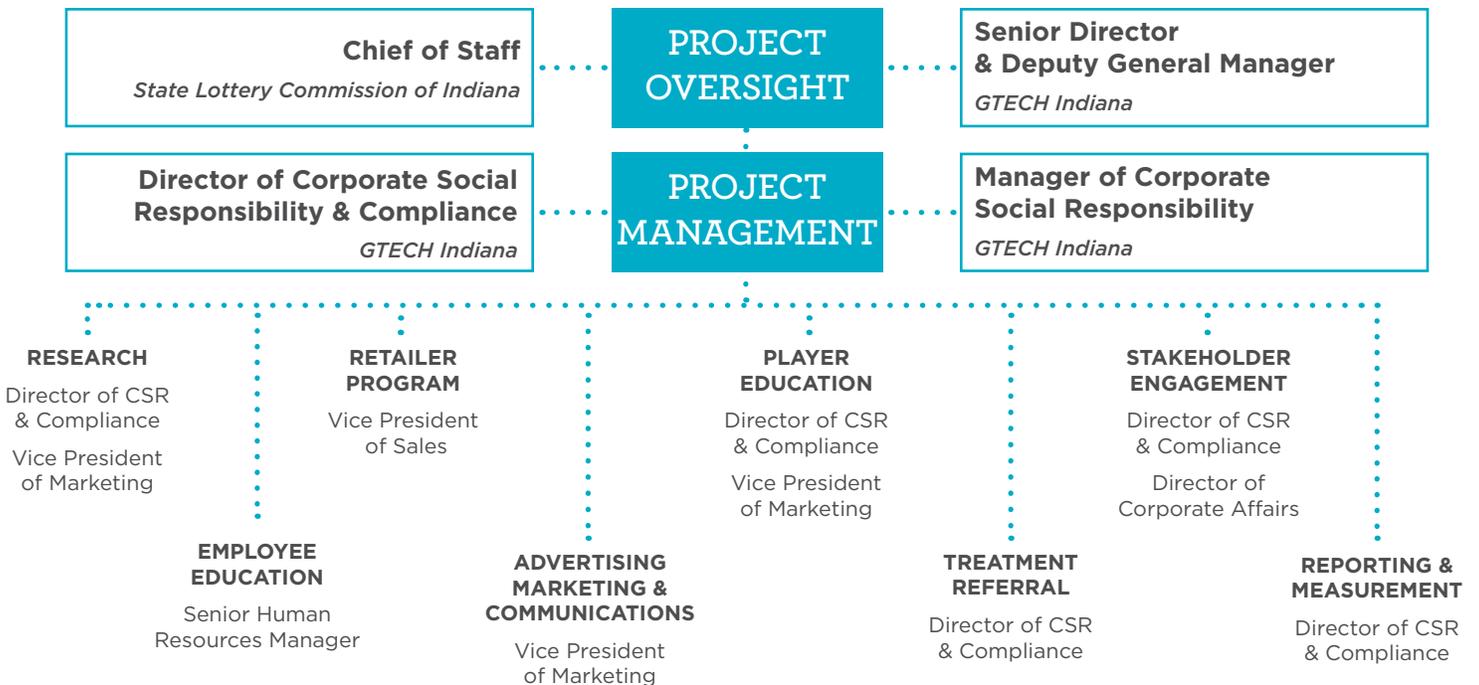
The ORG’s leadership structure reflects the importance of social responsibility. The Office of Responsible Gaming utilizes a board of advisors consisting of the organizational leaders of each department. This board meets bi-monthly and ensures that each aspect of the company is focused on responsible gaming.

## Advisors

- Vice President of Corporate Communications
  - GTECH Corporation
- Corporate Social Responsibility Manager
  - Northstar Lottery

## Executive Sponsors

- Executive Director of the State Lottery Commission of Indiana
- Chief Operating Officer & General Manager
  - GTECH Indiana



Most visibly, corporate social responsibility and activities of the ORG are always reported during the monthly Hoosier Lottery Governance Meetings, in which the material governance issues of the organization are discussed. This executive level meeting affords the senior leadership at both the State Lottery Commission of Indiana and GTECH Indiana the opportunity to understand and discuss key CSR issues and to report concerns they might have. This active involvement by executive leadership further illustrates that social responsibility is important at every level of the Hoosier Lottery.

## Employee Data

During 2013, there were many operational changes that affected employees of the Hoosier Lottery. Starting in December 2012, approximately 150 employees from the State Lottery Commission of Indiana transitioned to employment with GTECH Indiana. Approximately 40 Commission employees were retained by the State to perform regulatory, oversight, and various other functions. This transition was a major undertaking that required a great deal of communication and change management efforts. Employees who transitioned to private employment with GTECH Indiana kept their tenure. These change management strategies aided with employee retention during the transition.

### Employee Age Demographics\*

COMMISSION			
	Under 30	30-50	Over 50
Workers	1	9	3
Office Staff Tech	0	2	7
Office Staff Non-Tech	0	2	0
Manager	0	5	2
Sr. Manager	0	3	2

### Employee Age Demographics\*

GTECH Indiana and GTECH Corporate			
	Under 30	30-50	Over 50
Workers	5	4	11
Office Staff Tech	15	80	32
Office Staff Non-Tech	1	8	2
Manager	2	10	7
Sr. Manager	0	7	3

### Remuneration\*

Employee Category	COMMISSION	GTECH Indiana and GTECH Corporate
Workers	0.87	1.13
Office Staff Tech	1.03	N/A
Office Staff Non-Tech	N/A	1.09
Manager	0.81	1.02
Sr. Manager	1.00	1.49

\*Data reflects full-time employees only as reported in June 30, 2014

The Hoosier Lottery employs all applicable regulations and laws regarding the hiring of employees as outlined by the U.S. Equal Employment Opportunity Commission. In 2013, no Lottery employees were covered under a collective bargaining agreement or participated in a union. Labor relations are overseen by Indiana State Personnel Department and GTECH Human Resources for Commission employees and GTECH Indiana employees, respectively.

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# RESPONSIBLE GAMING & CONSUMER PROTECTION

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## What is Responsible Gaming?

Responsible gaming incorporates the Hoosier Lottery's initiatives to address consumer health issues that may arise from the use of its products, and its plans for sustainable economic growth. The Hoosier Lottery uses the framework provided by the [World Lottery Association](#) to address these key areas and to formulate plans. The Hoosier Lottery firmly believes that a sustainable growth model must be rooted in growing revenue in a socially responsible way. The Hoosier Lottery encourages disordered gamblers to abstain from lottery play. The Hoosier Lottery's responsible gaming initiatives have been developed to help those experiencing problematic play who are not yet disordered gamblers.

## Stakeholder Engagement

The Hoosier Lottery went through a stakeholder mapping process to identify stakeholders. Stakeholders represent government, other gaming entities, players, retailers, beneficiaries of lottery revenues, employees, communities, public interest groups, treatment providers, and news media. The Hoosier Lottery has partnered with stakeholders in the strategic planning and execution of the responsible gaming framework. The feedback and perspective provided by stakeholders is critical to the direction and planning of Hoosier Lottery initiatives.

In 2013 the Hoosier Lottery formed advisory groups, forums, and collaborations as a result of stakeholder feedback. In 2014, the Hoosier Lottery plans to further develop relationships with stakeholders through regular meetings and communication.

## Initiatives

The Hoosier Lottery has adopted the WLA's responsible gaming framework, and therefore has created or was in the process of creating activities in the areas below during 2013.

### Research

Looking toward 2014, the Hoosier Lottery has committed to undertake some significant projects. Research in problem gambling will be a main focus and contribute to the body of knowledge on Indiana-specific issues.

### Employee Training

Training employees is vital to growing revenue in a socially responsible way. The Hoosier Lottery conducted an in-person training at the June 2013 sales meeting on responsible gaming presented by Matt McCreary, Executive Director of Problem Gambling Services at Bensinger, DuPont & Associates. Plans have been made to continue annual general training on problem gambling and further develop specialized training for specific staff functions, such as prize payment, marketing, sales, and call center employees.

### Retailer Program

Retailers are at the forefront of interacting directly with the Hoosier Lottery's player base. Therefore, training on responsible gaming is important to ensure that retailers have the tools required to address responsible gaming with players. As new retailers join the Hoosier Lottery, they receive responsible gaming training held in conjunction with terminal training, and existing retailers receive annual training.

The Hoosier Lottery provides each retailer a remote-control shutdown for self-service instant ticket vending machines, which can be utilized if an underage patron attempts to purchase tickets. These self-service machines are in the clerk's direct line of sight, wherever possible. Additionally, "born on" dates have been programmed into all retailer terminals as a reminder of the appropriate age one must be to purchase Lottery products.

Continuous communication with retailers on responsible gaming subjects is important to the Hoosier Lottery, and therefore features responsible gaming topics in its "Retailer Playbook," a monthly newsletter for all retailers. Select retailers also participate in the Hoosier Lottery's quarterly Retailer Advisory Meetings, where feedback on a variety of topics, including responsible gaming, is solicited from retailers and provided to senior executives at the Hoosier Lottery and GTECH.

## Game Design

The Hoosier Lottery currently uses an internal approval process to ensure games comply with specific responsible gaming and advertising practices such as not targeting persons under the age of 18 and not providing inaccurate or misleading information. Plans are in place to implement GAM-GaRD, a third-party analysis tool to measure the level of risk associated with games. Each lottery ticket also bears the Indiana Gambling Addiction Help Line number, the requirement that players be age 18 to play, and the overall odds for that particular game.

## Advertising and Marketing Communications

The Hoosier Lottery ensures it is following contractual obligations, local and federal law, and industry best practices by visibly displaying responsible gaming messaging on virtually all marketing communications. The Lottery also avoids specifically targeting those under the age of 18.

If a specific game is advertised, the overall odds of winning must be included. This means that everything from website banner advertisements to small ads in the newspaper include the overall odds. Research of other lottery jurisdictions reveals that this sets the Hoosier Lottery apart from its peers and reflects its deep commitment to integrity and transparency.

The Hoosier Lottery created a responsible gaming logo based on feedback from Indiana's problem gambling treatment providers. Previously, this information was presented as small verbiage on marketing and advertising communications, tickets, and playslips. The logo, which can now be found on all tickets, playslips, and virtually all marketing and advertising communications, encourages responsible play in a concise, easy-to-read icon that promotes awareness of the available resources.



## Player Education

The [Hoosier Lottery website](#) urges players to “Please Play Responsibly” at the top and bottom of its Home page. With just one click from the “About Us” dropdown menu, visitors can access a comprehensive section on [responsible gaming](#). The responsible gaming page educates players about what they can do to keep gaming fun; lists warning signs of disordered gambling; and provides links to resources for people who think they may have a gambling problem.

The Hoosier Lottery developed a [responsible gaming brochure](#) in 2013 that fits in play center slots where playslips are located. The colorful, attractive trifold brochure contains information similar to that provided on its website, including resources concerned players can reference. In addition to being available at each retailer’s location, the brochure is made available at promotional events.

The Lottery conducts a multi-pronged responsible gaming campaign during two nationally recognized weeks: Problem Gambling Awareness Week in March and Responsible Gaming Education Week in August. In addition to introducing the responsible gaming logo, brochure, and redesigned webpage, it:

- Created a video slide advertisement that was projected at retail locations during the week.
- Ran daily messages about responsible gaming on the Hoosier Lottery’s Facebook page and Twitter account. These messages defined responsible gaming and provided links to the Hoosier Lottery’s responsible gaming webpage, a YouTube video about gambling disorders, and a YouTube video of a Hoosier Lottery public service announcement. Our daily posts on Facebook reached 34,000 users, averaged 50 engagements (likes, shares, comments, or clicks), and had an average viral reach of 200 impressions. The daily tweets were available to 4,500 users and garnered 31 engagements (retweets, clicks and replies).
- Ran a campaign of 10-second radio advertisements throughout the state.
- Included content about responsible gaming in the August monthly email newsletter, “myLottery,” which is sent to nearly 46,000 players who subscribe.
- Issued a news release picked up by statewide media.

## Treatment Referral

The Hoosier Lottery believes we can best assist players who may have gambling problems by publicizing the Indiana Gambling Addiction Help Line, 1-800-994-8448, a 24-hour, toll-free number that connects problem gamblers with treatment. The State of Indiana provides funding for the Gambling Help Line as a central tool for treatment referral to state-endorsed treatment providers. The Hoosier Lottery publicizes the help line number by printing it on virtually all advertising and marketing communications, and on all playslips and tickets. It also promotes a number of other resources for problem gamblers and their families in the responsible gaming player brochure, available at all retailer locations, promotional events, and on the Hoosier Lottery website.



# Responsible Gaming Achievements

In 2013, the Hoosier Lottery was focused on executing its business plan, including plans for revamping and creating responsible gaming initiatives. Internal goals included the completion of a comprehensive gap analysis and investment in its relationship with the problem gambling treatment provider community. This resulted in the following achievements for 2013:

## JANUARY

- Creation of Retailer Advisory Boards that include responsible gaming topics

## FEBRUARY

- Specialized training for marketing staff

## MARCH

- WLA membership
- Responsible Gaming training for all retailers
- Problem Gambling Awareness Week messaging and activities

## APRIL

## MAY

- Granted Level 1 Certification for WLA's Responsible Gaming Framework
- Hoosier Lottery Treatment Provider Forum

## JUNE

- Initiated self-assessment and gap analysis
- Responsible gaming training for all employees

## JULY

- Developed responsible gaming brochure

## AUGUST

- Submitted Level 2 Application for WLA's Responsible Gaming Framework.
- Launched new responsible gaming logo on all advertising and marketing communications
- Participated in Responsible Gaming Education Week
- Created Hoosier Lottery's Responsible Gaming Advisory Council

## SEPTEMBER

- Completed responsible gaming best practice research

## OCTOBER

- Responsible gaming content added to monthly retailer playbook
- Added "born on" feature to lottery terminals
- Responsible gaming logo added to ticket stock

## NOVEMBER

## DECEMBER

- Developed responsible gaming video for new retailers
- Responsible gaming added to retailer webpage on Hoosier Lottery website.
- Produced report explaining "Where the Money Goes"
- Developed referral process for employees and retailers
- Participated in Responsible Gifting Holiday Campaign

## Consumer Health & Safety

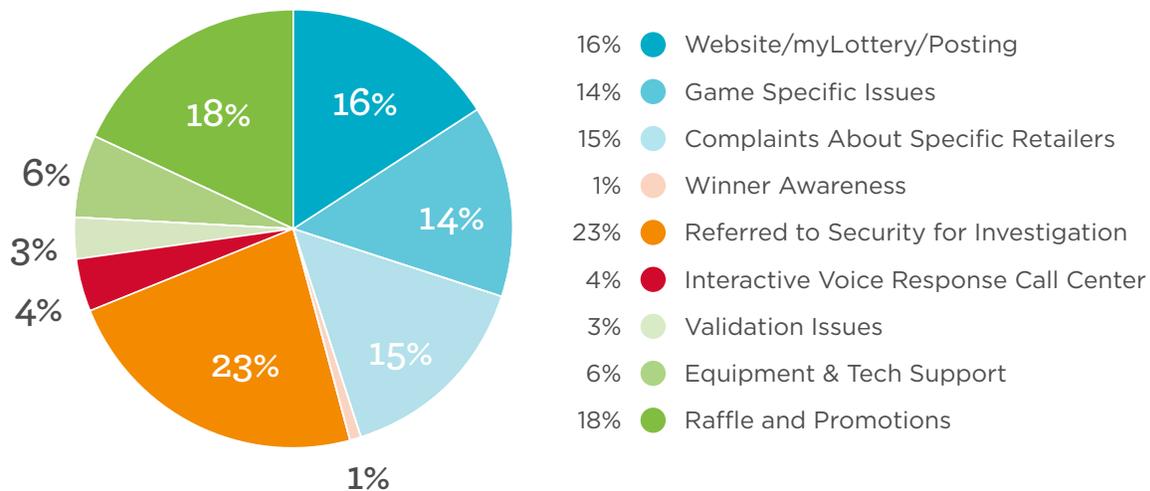
As part of the fifth pillar of the Hoosier Lottery's Business Plan, corporate social responsibility best practices have been adopted in the area of consumer health and safety through policy and complaint processing.

[The Consumer Protection Policy](#) ensures that the public is fully informed of Hoosier Lottery activities and that their concerns and inquiries are adequately addressed. The Customer Service & Player Support hotline (1-800-955-6886) is posted at all retail locations, on all tickets, and on the Hoosier Lottery website. Inquiries can also be submitted via email to [info@hoosierlottery.com](mailto:info@hoosierlottery.com).

Additionally, the Consumer Protection Policy addresses and outlines our commitment to adopt and maintain a plan to contract with minority and women's business enterprises.

The Hoosier Lottery takes complaints and concerns very seriously. As part of the Integrated Services Agreement, the Hoosier Lottery began tracking complaints through the National Response Center (NRC) in April 2013. Monthly reports on complaints are monitored by senior staff from the Commission and GTECH Indiana to ensure that the Hoosier Lottery continuously and consistently meet our customers' needs.

## Player Complaints



2013 Player complaints from NRC: 476

2013 Player complaints received directly to Hoosier Lottery: 171

2013 Total Player Complaints: 647

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# ECONOMIC IMPACT

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## Where the Money Goes

Each year the Hoosier Lottery produces an annual report on its economic impact to communities as a result of its financial performance for the state fiscal year that runs July-June. An electronic copy of this report can be located on the [Hoosier Lottery website](#). In this report, economic impact to communities will be the focus.

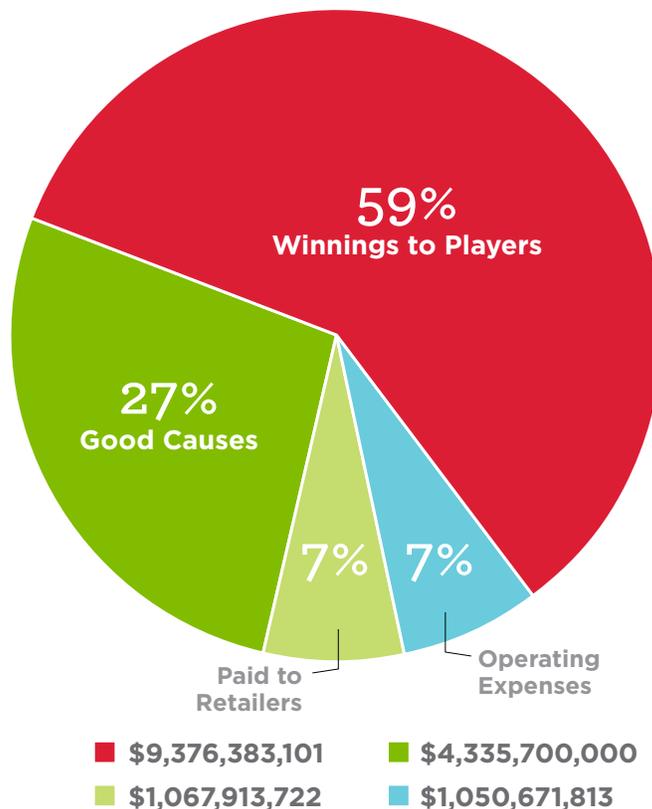
The ability to simultaneously maximize sales and control operational costs is critical to funding the good causes that benefit from Hoosier Lottery sales each year.

Hoosier Lottery earnings are returned to Indiana communities in the form of winner payments, retailer commissions, vendor payments, pension-fund payments, and contributions to the Build Indiana Fund. From the FY 2013 earnings, \$225 million was returned to the state to fund good causes in every Indiana county.

Each fiscal year, the Hoosier Lottery contributes \$30 million to local police and firefighter pensions, and \$30 million to the Teacher's Retirement Fund, and a variable sum to the Build Indiana Fund. In FY 2013, \$165 million in Hoosier Lottery earnings helped reduce motor vehicle excise taxes by up to 50 percent.

Since its inception on October 13, 1989, the Hoosier Lottery has paid more than \$9.3 billion to winning players and has [contributed](#) more than \$4.3 billion to good causes across the state, including local police & firefighters' pensions, the Teachers' Retirement Fund, and the Build Indiana Fund. More than \$1 billion has been paid to Hoosier Lottery retailers.

### STATEWIDE PAYMENTS SINCE INCEPTION



# Supply Chain & Vendors

## Supply Chain



## Supplier Spend by Function



In 2013, GTECH Indiana had a discretionary budget of \$20.2 million after designating funds directly to sole source scratch -off manufacturers. Of that budget, \$14.1 million was spent utilizing Indiana Vendors as defined by the State of Indiana’s Buy Indiana criteria.

Processes and protections are in place contractually in addition to federal law to assure that suppliers are not participating in inhumane or discriminatory activity. The Hoosier Lottery requires U.S. based suppliers to utilize E-Verify to ensure individuals are legally eligible to work in the United States. Supplier agreements also contain a clause that prohibits the supplier from discriminating against any employee or applicant for employment based on race, color, religion, sex, disability, national origin, ancestry or any other characteristic protected by law.

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# GIVING BACK

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## Community Support

The Hoosier Lottery recognizes that community support is an important part of sustainable development and incorporates giving strategies into its overarching business approach. Both the State Lottery Commission of Indiana and GTECH Indiana have initiatives designed to give back to the community.



CORPORATE GIVING FY 2013	
Community Sponsorships (Hoosier Lottery Branded)	\$1,073,446
Charitable Donations (GTECH Indiana)	\$16,273
Memberships	\$23,324

State Lottery Commission of Indiana employees have the option to annually participate in the Indiana State Employees' Community Campaign (SECC). For the 2013 campaign, Commission employees donated \$1,676 to charities.

In addition to commitments made to the State Lottery Commission of Indiana, GTECH Indiana has made a Hoosier Giving Pledge to channel 2% of its annual profits to charities, community projects, and social causes. The goal is to support all Hoosiers, not just lottery players, by contributing in a meaningful way in our community.

A flagship charitable program and community involvement initiative of GTECH S.p.A's is the After School Advantage program (ASA), which has been implemented in Indiana and provides qualifying nonprofit community agencies with state-of-the art, Internet-ready computer centers. This program was kicked off by providing eight Dell desktop computers, one Dell SonicWALL (a security device), and a RICOH all-in-one printer to the Hoosier Veterans Assistance Foundation of Indiana, an organization that provides transitional housing and services to homeless veterans.

The Hoosier Lottery is a financially contributing member of Indiana Council on Problem Gambling and regularly sponsors the annual conference of the National Council on Problem Gambling. The Hoosier Lottery is also a member of the following organizations: National Association of State and Provincial Lotteries, World Lottery Association, Indiana Petroleum Marketers and Convenience Store Association, Indiana Retail Council, and multiple Chambers of Commerce.

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# ENVIRONMENT

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The Hoosier Lottery recycles and reclaims unused ticket stock, playslips, and instant tickets.

The Hoosier Lottery also reduces its footprint by choosing to be efficient in its use of space and energy. The Buick building, which houses the Hoosier Lottery, is shared with other public and private entities. Rather than have a separate office space from the Hoosier Lottery, both the Hoosier Lottery and GTECH Indiana agreed that it was more economically prudent to share one location. To accommodate the increased staff that resulted with the GTECH partnership, utilized space was reconfigured to accommodate the needs of all parties.

The Buick building is certified gold by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Building Rating System. This means that the building was designed and constructed to reduce human impact on the environment.

**The Buick earned LEED gold because:**

- It was built on a previously developed site, thereby reducing pressure on undeveloped land.
- It buys all of its power from wind farms.
- It uses efficient water fixtures and thus reduces its water use.
- 71 percent of construction waste was diverted from landfills by recycling, reusing or donating.
- Existing walls, floors and roof were used in construction.
- 42 percent of new materials were purchased within 500 miles of the job site and 17 percent of them were recycled.
- Floors are constructed or covered by materials that emit a low amount of volatile organic compounds;
- The roof is white and has a high Solar Reflectance Index to minimize energy use.
- Its native and adaptive landscape plants require no irrigation or fertilization.
- It provides occupants with bike racks, showers and changing facilities, preferred parking for low-emitting and fuel-efficient vehicles, and access to public bus transportation within a quarter-mile.
- The janitorial service and building tenants are educated about using environmentally preferred cleaning products, as well as recycled paper products.



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# ANNEX REPORT APPROACH & METHODOLOGY

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## Precautionary Principle

The Hoosier Lottery has chosen to use the Precautionary Principle in both its business development and risk management strategies. When GTECH Indiana was selected to be the Integrated Services Provider, it knew it was about to dramatically increase sales of the Hoosier Lottery's products, and therefore must do so in a socially responsible way. That is the reason why it made corporate social responsibility a key pillar of its business plan. In its risk management practices, the Hoosier Lottery has a board of senior managers from both GTECH Indiana and the Commission that develops and implements responsible gaming programs. The purpose of all these efforts is to mitigate harm while maximizing returns to good causes in the state of Indiana, and is at the center of decision-making processes within the organization.

## Aspect Analysis

This Annual CSR report covers January through December 2013. The Global Reporting Initiative's G4 Sustainability Guidelines (GRI-G4) were used to guide the Hoosier Lottery in developing a framework for social responsibility reporting and to guide the analysis and discovery of key aspects.

To determine the key elements for the corporate responsibility report, the Hoosier Lottery followed the process identified in the GRI-G4 Implementation Manual. This process led to identifying areas of importance called material aspects and boundaries.

To begin, an initial analysis was conducted by the Director of CSR & Compliance and draft graphics were created to present the analysis to a workgroup of key Hoosier Lottery management staff. This workgroup reviewed the initial analysis and provided recommendations and feedback. The workgroup also collaborated to define and identify the material aspects and boundaries for each key area. The material aspects were then presented to the "Responsible Gaming Advisory Committee" (RGAC) comprised of external stakeholders who regularly provide feedback on Hoosier Lottery programs and business practices. Feedback was noted and a final version of the Aspect Analysis chart and Materiality Matrix was developed. Signifying either high, med, or low in significance, the high and med aspects began to form the foundation of the report.

The Aspects Chart indicates all aspects that were designated as "high" level of importance. The GRI G4 crosswalk indicates where the specific reporting requirement can be found in the report by page number.

## GRI G4 Aspect Analysis

ASPECT	INDICATOR	Overall level of significance of Aspect
<b>Economic Performance</b>	Direct economic value generated and distributed	High
	Financial implications and other risks and opportunities for the organization's activities due to climate change	High
<b>Market Presence</b>	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	High
<b>Human Rights</b>	Significant actual and potential negative human rights impacts in the supply chain and actions taken	High
<b>Local Communities</b>	Percentage of operations with implemented local community engagement, impact assessments, and developed programs	High
	Operations with significant actual and potential negative impacts on local communities	High
<b>Anti-corruption</b>	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	High
	Communication and training on anti-corruption policies and procedures	High
	Confirmed incidents of corruption and actions taken	High
<b>Customer Health and Safety</b>	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	High
	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	High
<b>Product Service Labeling</b>	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	High
	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information labeling, by type of outcomes	High
<b>Marketing Communications</b>	Sale of banned or disputed products	High
	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by outcomes	High

# GRI G4 Crosswalk

GRIG4 SECTION	DESCRIPTION	CSR REPORT SECTION	PAGE NUMBER
GR4-22	NA		
GR4-23	NA		
GR4-32	Report “in accordance with” option, GRI Context Index, external assurance	Aspect Analysis	24
GR4-33	Report policy on seeking external assurance, relationship external assurer, and if senior executives were involved with seeking external assurance	Aspect Analysis	24
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