

Camelot UK Lotteries Limited
2017/18 Corporate Responsibility Report

17//18

CAMELOT





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CAMELOT UK LOTTERIES LIMITED

As the operator of The National Lottery, we are a company like no other – a commercial organisation that raises billions of pounds for the public good.

Our overarching objective is to maximise returns to Good Causes through selling National Lottery products in an efficient and socially-responsible way. This involves creating, marketing and promoting new games; developing and running The National Lottery's infrastructure; providing services for players and winners; and working in partnership with retailers. As a private company, we also aim to honour our responsibilities to our shareholder, Ontario Teachers' Pension Plan, which has owned Camelot since 2010.

We employ 743 staff, the majority of whom work from our head office in Watford, Hertfordshire. Other sites include a prize payout and IT operations centre in Liverpool, a national distribution centre in Northampton and a corporate affairs department in London.



Mellor Primary School, Leicester
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OUR MISSION

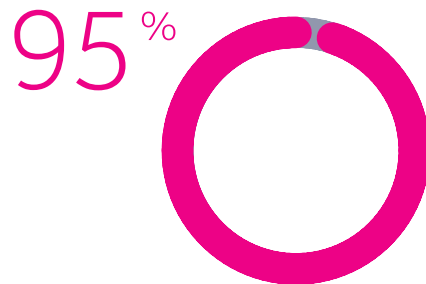
Our mission is to change lives.

We look to do this by continuing to prioritise long-term, responsible growth by:

- building a brand that encourages lots of people to play but to individually only spend small amounts
- designing a range of games that offers something for everybody
- making our games accessible so that people can play anytime, anywhere, on any device
- getting to know our players to help us understand how they play
- effectively communicating the uniqueness of The National Lottery and the extraordinary good that it does

RETURNED REVENUE

We retain around just 1% of revenue in profit and run one of the most cost-efficient major lotteries in Europe, with around 4% of total revenue spent on operating costs – meaning that around 95% of total revenue goes back to winners and society.



£38BN

RAISED FOR GOOD CAUSE PROJECTS, TRANSFORMING LIVES AND COMMUNITIES ACROSS THE UK SINCE THE NATIONAL LOTTERY LAUNCHED IN 1994.

£67BN

TO DATE, THE NATIONAL LOTTERY HAS AWARDED OVER £67 BILLION IN PRIZE MONEY.

£15BN

THE NATIONAL LOTTERY HAS PAID MORE THAN £15 BILLION IN LOTTERY DUTY TO THE GOVERNMENT SINCE LAUNCH.

£6BN

NATIONAL LOTTERY RETAILERS HAVE EARNED OVER £6 BILLION IN SALES COMMISSION TO DATE.

£30M

THE NATIONAL LOTTERY GENERATES AROUND £30 MILLION EACH WEEK FOR GOOD CAUSES.

5,000

THE NATIONAL LOTTERY HAS CREATED MORE THAN 5,000 MILLIONAIRES SINCE 1994.



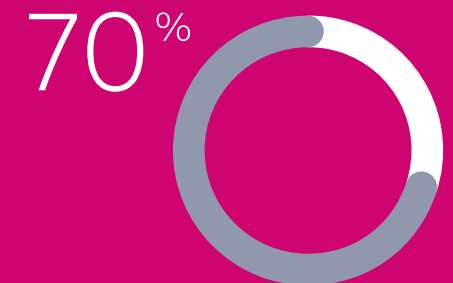
LOTS OF PEOPLE PLAYING A LITTLE – THE UK NATIONAL LOTTERY IS THE SIXTH LARGEST LOTTERY IN THE WORLD IN TERMS OF SALES BUT JUST 65TH IN THE WORLD IN TERMS OF PER CAPITA SPEND.

(Source: La Fleur's World Lottery Almanac 2018)

THE NATIONAL LOTTERY HAS FUNDED MORE THAN 535,000 INDIVIDUAL PROJECTS. THAT'S AROUND 190 NATIONAL LOTTERY GRANTS IN EVERY POSTCODE DISTRICT IN THE UK.

FUNDING GRANTS OF £10,000 OR LESS

With around 70% of all grants being for £10,000 or less, The National Lottery helps small projects to make a big difference in their community.



WORKING IN PARTNERSHIP

As the operator, our role is critical to The National Lottery's ongoing success. But we couldn't do what we do without working in close partnership with a number of other bodies, each of which plays a key role in the running of The National Lottery.

Parliament – The National Lottery Act etc. 1993 (as amended) governs the operation and regulation of The National Lottery, and sets out National Lottery policy, including which Good Cause areas will benefit from National Lottery money and the funding levels for each. The Department for Digital, Culture, Media & Sport (DCMS) is the Government department responsible for The National Lottery.

The Gambling Commission (formerly the National Lottery Commission) is sponsored by DCMS, and is responsible for licensing and regulating The National Lottery. Its objectives are to preserve the integrity of The National Lottery, protect players and maximise returns to Good Causes.

12 National Lottery distribution bodies, each with specialist knowledge of their sectors, which decide which beneficiaries should receive National Lottery funding. All of the distribution bodies operate

at arm's length from Government and Camelot, and follow strict guidelines when deciding which applications for funding will be successful.

Around 45,000 retailers throughout the UK, ranging from small corner shops and newsagents to larger convenience stores and supermarkets. Independent outlets make up the majority of our retail footprint.

And, when it comes to running a responsible business, we know that we can't work in isolation if we want to continue improving. Working in collaboration with others helps us to keep learning, and challenges us to do even better.

For example, our Head of Corporate Responsibility chairs the World Lottery Association Responsible Gaming Working Group and is a member of the European Lotteries Responsible Gaming Working Group. Participating in these groups allows us to spot emerging trends and highlight

best practice, as well as work together to tackle some of the most pressing issues facing vulnerable customers.

We also work closely with our external Corporate Responsibility Advisory Group, seeking advice on a range of player protection topics. You can find out more about the group on our website.

Here are some of the organisations with which we work and which help to shape our thinking:



Business in the Community –

The Prince's Responsible Business Network – is a business-led membership organisation made up

of businesses that understand that the prosperity of business and society are mutually dependent. Through participation in Business in the Community's ground-breaking campaigns and programmes, businesses can collaborate and help to bring about lasting change on a wider scale that benefits both business and society.



The European Lotteries

(EL) is the umbrella organisation of national lotteries across Europe. EL promotes responsible

and sustainable gaming, and provides a proactive and strategic forum for reflection, discussion and collaboration between members.

Responsible Gambling Strategy Board

(RGSB). The aim of the RGSB is to minimise gambling-related harm. It acts as the Gambling Commission's expert advisor, and sets the National Responsible Gambling Strategy and the priorities for research, education and treatment.

tomorrow's company

Tomorrow's Company is a not-for-profit think-tank that exists to inspire and enable business to be a force for good. Its goal is to encourage a business approach that creates value for staff, shareholders and society through a focus on purpose, values, relationships and the long term.



The World Lottery Association (WLA)

is a member-based organisation that seeks to advance the interests of state-authorized lotteries.

LICENCE FACTS

In May 1994, the National Lottery Commission awarded Camelot a seven-year licence to run The National Lottery. The first draw-based tickets went on sale on 14 November 1994, with the first draw taking place on 19 November. In December 2000, we were awarded the second seven-year licence, which started on 27 January 2002 and ended on 31 January 2009.

In August 2007, we were awarded a third licence to operate The National Lottery, which started on 1 February 2009 and was due to run to 2019. In March 2012, the licence was extended by a further four years to 2023.

A MESSAGE FROM NIGEL RAILTON, OUR CEO

At Camelot, our mission is to transform lives, whether that's through the £30 million raised each week for National Lottery Good

Causes or the millionaires created through big wins – 5,000 and counting since The National Lottery's launch.

To make sure we deliver even more money for Good Causes – and create even more winners – we need to keep growing as a business. Being a responsible operator is critical to the growth and sustainability of our business – and is key to ensuring that The National Lottery continues to thrive.

To help us become better at doing business responsibly, we need to fully understand what issues matter to our stakeholders, whether that's our players, our people, our retail partners or our regulator. We therefore seek their views through a range of channels, such as forums and surveys, regular face-to-face meetings and bespoke research projects. Knowing what our stakeholders are thinking enables us to more effectively identify, prioritise and develop our key priority areas. These include player protection, sustainable and transparent supply chains, employee diversity and inclusion, and reducing our environmental impact.

When it comes to our players, having lots of people playing a little, rather than a few people playing a lot, is vitally important to us – it's how we've always tried to do business. The fact that The National Lottery is ranked just 65th in the world in terms of per capita spend, despite being the sixth largest lottery in the world in terms of sales, underlines the effectiveness of our approach to date in this area.

Even though the inherent risk of problem play associated with National Lottery products is very low, we know that, because of our scale, we must continue to do everything we can to reduce consumer harm where possible. We've already carried out a wide range of work aimed at reducing excessive play, preventing underage play and promoting safe play – but we know that we must continue to improve our approach, fine tune what we currently do, and search for new and innovative ways to protect vulnerable players.

We're therefore looking in greater detail at how we can further strengthen our work in this area to ensure that our approach is industry-leading. This will enable us to build on the wide range of player protection work that we carried out in 2017/18.

While player protection will always remain a key priority for us, it is not the only focus of our commitment to doing business responsibly. As well as being embedded in how we design, sell and promote our games, we strive to put corporate responsibility at the heart of everything we do – from the way we train our employees, work towards gender equality and advise big winners to how we treat suppliers, support our local communities through volunteering and implement measures to reduce our impact on the environment.

We've made encouraging progress on a number of fronts over the last year, but we're realistic about where we're doing well and where we could be doing better – and we know that there's plenty more to do if we are to do business even more responsibly. However, I'm confident that, by continuing to work closely with all of our stakeholders, constantly challenging ourselves to be the best we can be and learning from best practice in the wider industry, we'll be helping to ensure a healthy, safe and successful National Lottery that continues to deliver for players and society in the years ahead.



Nigel Railton
Chief Executive Officer

DOING BUSINESS RESPONSIBLY

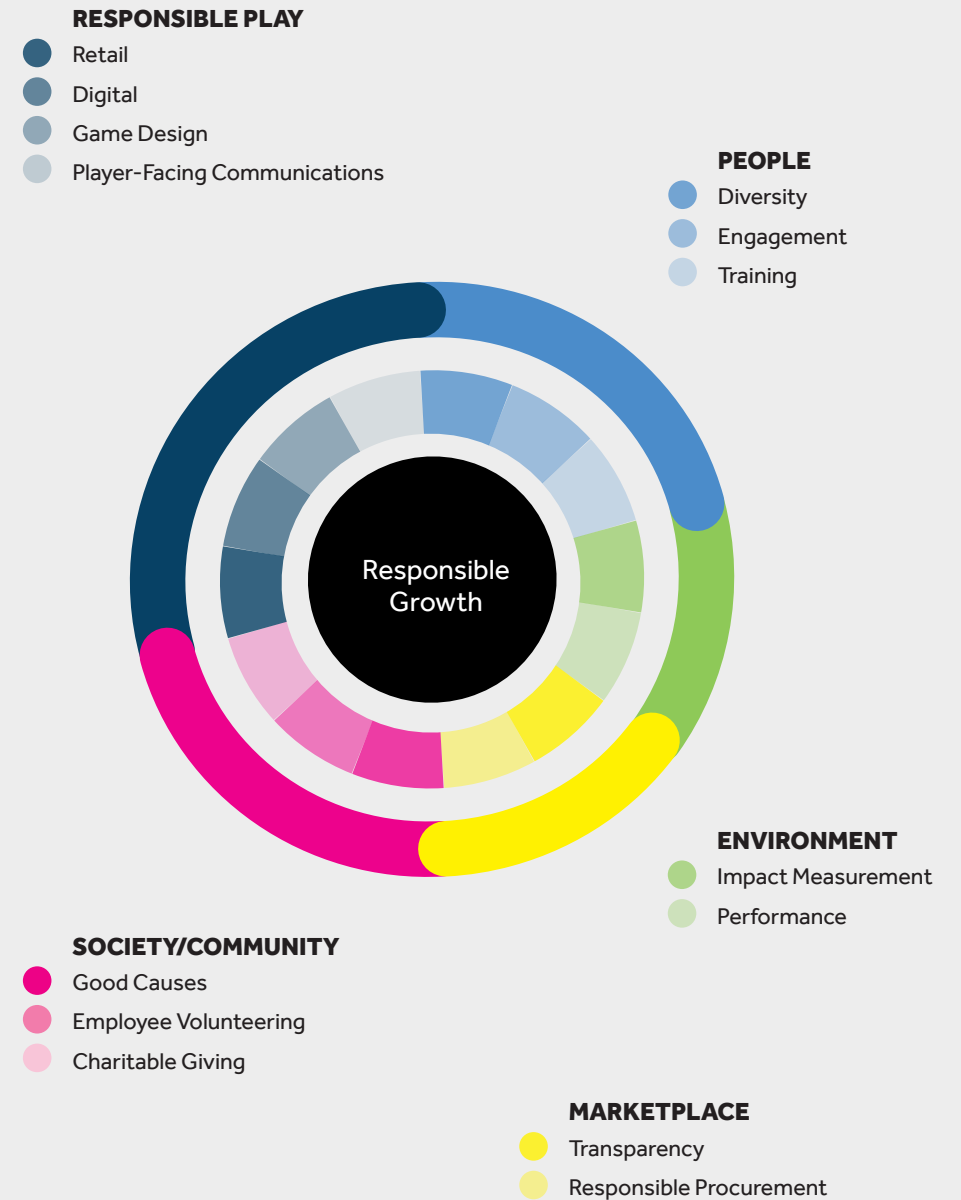
To ensure we strike the right balance between the moral and commercial imperatives that drive what we do in operating The National Lottery, we strive to be responsible in everything we do.

For us, doing business responsibly starts with our tens of millions of players. Without them, we wouldn't be able to return around 95% of every pound spent on National Lottery games to winners and society. This makes it all the more important that National Lottery players have a positive and enjoyable experience – with lots of people playing, but individually spending relatively small amounts.

The fact that The National Lottery is ranked just 65th in the world in terms of per capita spend, despite being the sixth largest lottery in the world in terms of sales, underlines the effectiveness of our approach to date in this area.

DOING BUSINESS RESPONSIBLY

PLAYING OUR PART – OUR CORPORATE RESPONSIBILITY FRAMEWORK



DOING BUSINESS RESPONSIBLY

PLAYER PROTECTION

As a responsible business, we have a duty to do everything we can to prevent problem play, whether that's excessive or underage play, and to promote safe play. Player protection, therefore, remains a key priority for us. We know that we must continue to improve our systems and programmes to maintain the already very low rate of problem play associated with National Lottery products, and reduce it even further where possible.

To this end, we are in the process of looking in greater detail at how we can further strengthen our work in this area to ensure that our approach is industry-leading. This will enable us to build on the wide range of activity aimed at reducing excessive play, preventing underage play and promoting safe play that we carried out in 2017/18.

REDUCING EXCESSIVE PLAY IN RETAIL

With a network of around 45,000 National Lottery outlets throughout the UK, our retail partners provide us with invaluable insight into the existence of excessive play in retail and what we could be doing to tackle it, and help us to test ideas.

CASE STUDY

Excessive play in retail pilot

In partnership with RG+, a research and development division of the Responsible Gambling Council, we ran a three-month pilot programme to help us better understand what problem play specific to The National Lottery looks like in retail and identify what additional support our retail partners may need. The research found that warning signs could include a customer scratching in store or purchasing Scratchcards several times a day and using any winnings to buy more.

We then developed guidelines for retailers to follow in the event that they noticed signs of potential excessive play, or if somebody admitted to having a problem, or if a friend or relative of a player approached them. In addition, we produced a leaflet – which included information about the chances of winning, common myths about National Lottery play and tips for keeping play fun – for retailers to give out if needed. We also delivered face-to-face training to retailers and asked them to complete a log to record their experiences.

DOING BUSINESS RESPONSIBLY

LOOKING BACK

- The aim of the excessive play pilot in 47 retail outlets was to identify the best way of advising and equipping National Lottery retailers on how to spot and address potential problem play.
- At the mid-way checkpoint, we found that retailers felt more prepared to respond in situations where they believed that excessive play might be occurring.
- Of those retailers who believed that they had encountered excessive play since the beginning of the pilot, 90% stated that the guidelines and/or leaflet were useful in helping them respond to the situation.

LOOKING FORWARD

- We will work with GamCare – the UK's national centre for information, advice and practical help regarding the social impact of gambling – to commission focus group research to gain further insight about the effectiveness of direct retailer interventions.
- Building on the learnings from the pilot, we will update and upweight the information and guidance we give to retailers about excessive play to reinforce its importance, and will provide further training to them.
- We will consider the findings from the pilot in conjunction with broader responsible play messaging.

THE NUMBER OF NATIONAL LOTTERY PLAYERS INVOLVED IN THE DEVELOPMENT OF THE PILOT THROUGH THE 'PLAYER HUB', AN ONLINE COMMUNITY WHERE NATIONAL LOTTERY PLAYERS ACROSS THE UK ARE INVITED TO GIVE FEEDBACK ON OUR GAMES AND SERVICES.

THE NUMBER OF NATIONAL LOTTERY RETAILERS INVOLVED IN THE PILOT.

DOING BUSINESS RESPONSIBLY

REDUCING EXCESSIVE PLAY ONLINE

Our ambition is to understand what excessive play looks like online, and provide the best tools and interventions to support customers to either better manage their play or to stop playing altogether.

CASE STUDY

Featurespace partnership

Over the last year, we worked closely with Featurespace – one of the world's leading providers of behavioural analytics technology – to analyse our online players' behaviour, understand where there are signs of excessive play, and intervene with emails to encourage positive changes in behaviour. We tested a series of different intervention emails to identify which content and tone was the most effective in encouraging a change in behaviour.

At the end of the year, we found that the email that had the greatest impact led to 16% fewer players going on to play in the next week compared with those who hadn't received one. Players were more likely to go on and set spend and play limits after receiving an intervention email, while their risk score was also more likely to improve, and therefore excessive play reduced.

LOOKING BACK

- Through behavioural analytics, we are able to identify players who are playing online games excessively and actively encourage them to use the online tools available to them to help manage their play. These tools range from setting spend and play limits to exclusion from individual online Instant Win Games. And, to make sure that our players have all of the tools necessary to help them stay in control of their online playing habits, we introduced a number of further tools this year:

- Session Time Reminder

Players can now set a pop-up to remind them of how long they've been playing. The reminder can be set for two minutes, 20 minutes, 40 minutes or a default of two hours.

- Take a Break and Automated Exclusions

Players are able to take a 'short break', from one day up to a maximum of 90 days; take a 'long break' for six months; or permanently self-exclude.

- In 2017/18:

536,403: the number of customers who set their limit to below £350 a week

36,228: the number of customers who put an exclusion in place for at least one online Instant Win Game

139,375: the number of customers who set their online Instant Win Game limit to below 75 games a week

DOING BUSINESS RESPONSIBLY

- Over the last year, our data scientists have been working hard to build our own in-house behavioural analytics model, Mercury, to enable us to identify National Lottery customers who may be playing games excessively. Bringing the model in house gives us more flexibility to analyse the data, and allows us to continuously look at ways to improve the model and bring in new features.

Using exclusion as a proxy for harm, more than 10 markers are used to spot potential problem play – for example, customers reaching their play or spend limits, and bank cards being declined. Mercury scores players on a daily basis, and categorises those identified as potentially playing excessively as amber or red.

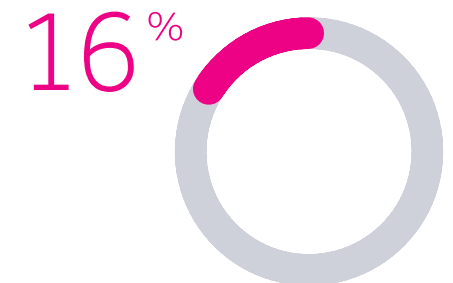
Intervention emails are sent to amber and red players to promote a positive change in behaviour, and to encourage them to take advantage of the online player protection tools available to them. We also make sure that any players categorised as amber or red do not receive any National Lottery marketing communications.

LOOKING FORWARD

- We know that our interventions are helping to encourage players to better manage their play. However, we want to do even better, so we'll be commissioning a piece of work to review the content of our interventions and explore how we could be having an even more effective impact with problem players.
- At the moment we use one channel – emails – for interventions, but we want to test the effectiveness of using different and multiple channels to bring about positive changes in behaviour. We'll therefore be taking advantage of the technology available to us and using interstitials to intervene with players.
- We currently track a player's behaviour the week after they have received an intervention but, in the coming year, we'll be looking at the longer-term impact of interventions and the extent to which they are able to change a player's behaviour over time.

EFFECTIVE INTERVENTION

The most effective intervention led to 16% fewer players going on to play





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DOING BUSINESS RESPONSIBLY

PREVENTING UNDERAGE PLAY IN RETAIL

We have a legal and moral responsibility to ensure that National Lottery products – whether that's draw-based games or Scratchcards – are not played by anyone under the age of 16. It's therefore critical that we work closely with our retail partners to educate them on when to ask for ID, highlight their successes, and run spot checks through our mystery shopper programme to identify any retailers who may be selling National Lottery products to underage customers.

LOOKING BACK

- The mystery shopper programme has delivered continual improvements with a current pass rate of 91%, exceeding our 90% target.
- We communicate information about being a responsible retailer on an ongoing basis through a range of material, including leaflets, information packs, terminal messaging, articles in our bi-monthly Jackpot magazine, and face-to-face and telephone calls.

LOOKING FORWARD

- To ensure that we continue to achieve high pass rates in the mystery shopper programme, we will focus on delivering ongoing retailer training and an awareness programme in 2018/19, which will include distributing updated leaflets to our entire retail estate, together with supporting materials such as terminal stickers, terminal messaging and further articles in Jackpot magazine.

CASE STUDY

Mystery shopper programme

We want to be confident that nobody under the age of 16 is able to buy our products. One way in which we do this is to conduct a mystery shopper programme, which we've been running since 1999. The programme uses young people who are aged 16 or over but who look younger to make sure that retailers are asking for ID where appropriate and not selling to anyone under the age of 16.

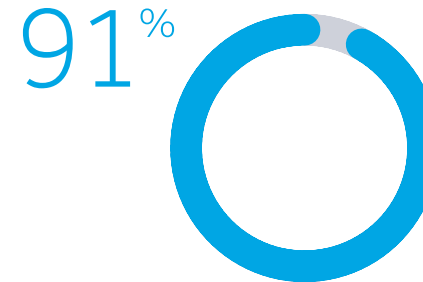
To support this year's programme, we developed and updated a range of material to reinforce retailer awareness of their responsibilities. As a result, of the 11,623 mystery shopping visits we conducted in 2017, 91% of retailers correctly asked for ID as proof of age on the first visit – a 2% improvement on last year's figure and a 5% increase on 2015's results.

11,623

THE NUMBER OF MYSTERY SHOPPER VISITS CARRIED OUT IN 2017

DOING BUSINESS RESPONSIBLY

THE PASS RATE UNDER THE LATEST MYSTERY SHOPPER PROGRAMME



PREVENTING UNDERAGE PLAY ONLINE

We have a responsibility to ensure that nobody under the age of 16 plays National Lottery games, including online.

CASE STUDY

Experian age check

As part of our commitment to preventing underage play across our online channels, all of our players must go through a rigorous registration process and pass an Experian check if they want to set up an online National Lottery account.

This enables us to check that players are who they say they are, and also verifies their age. If somebody fails the Experian check but still wants to open an online account with us, they are required to post certain evidence to us. We would then review the evidence to see if it satisfies the necessary requirements. If it does, we would remove the block on the proposed account. If, however, it doesn't, the applicant won't be able to access any National Lottery products.

DOING BUSINESS RESPONSIBLY

DESIGNING RESPONSIBLE GAMES

We have a responsibility to design games that are both responsible and fun to play. To help us do this, we use tools that closely monitor the risks posed by games as they are being developed and launched.

CASE STUDY

Responsible game design approach

We aim to minimise any risk of harm that National Lottery games might cause to players, no matter how small that risk might be. We do this using our 'Responsible Game Design Process', which all of our games go through. As part of this process, all games go through Gamgard, an online tool that assesses a game's structural risk levels, including jackpot sizes, speed of play and whether there are 'near wins'.

At the beginning of 2018, we introduced a Risk Checklist for all games – a mechanism to log decisions made and learn from previous decisions, and a prompt to consider different risks such as underage appeal. This helps us to ensure that our games don't overly appeal to vulnerable groups and remain fun to play.

If we do identify a potential risk – and we're not able to reduce that risk – we won't launch the game. In 2017, we carried out an internal audit of all of our games to ensure that none of them were particularly appealing to children.

LOOKING BACK

- In 2017, we worked with leading responsible gambling experts Dr Richard Wood and Dr Jonathan Parke to review the Responsible Game Design Process and to look at best practice across the global lottery industry.
- As a result, we have strengthened what we do by establishing a Responsible Game Design Governance Group, which comprises representatives from across Camelot. The group oversees the game design process in its entirety and meets on a quarterly basis.
- We also introduced a Risk Checklist, which all games go through alongside Gamgard.

LOOKING FORWARD

- We will further strengthen the game design process in the coming year with additional training for all relevant teams led by a responsible gambling academic. The training will look at responsible game design and cover topics such as social responsibility in gambling-related harm, structural characteristics in gambling, and different types of responsible gambling tools.
- Relevant teams will also complete the Committees of Advertising Practice (CAP) e-learning module on gambling advertising, which covers social, cultural and religious responsibilities, as well as actual rulings to illustrate the application of gambling rules under Section 16 of the CAP Code.

DOING BUSINESS RESPONSIBLY

- We will produce an internal mid-year report on our Responsible Game Design Process to sense check progress to date and to highlight any areas for improvement. The report will look at key decisions made so far, the lessons learned from training, areas of focus such as underage appeal and Christmas, and feedback from the Responsible Game Design Governance Group.

RESEARCH AND CERTIFICATION

Research is important in guiding our approach to player protection, and helps to ensure that our strategy and programmes are grounded in fact and evidence. Certification helps us to identify any gaps in our approach and to validate areas of best practice.

We were one of the first organisations in the UK to achieve accreditation from GamCare and have attained it every year since 2003. GamCare certification enables people to recognise that the website on which they are playing games has responsible gambling policies in place.

We also fully support the work of GambleAware – an independent charity that funds research, education and treatment services to help minimise gambling-related harm in the UK. We have contributed to it and its predecessors on a voluntary basis since their inception, and, in late 2017, voluntarily increased our contribution from £190,000 to £300,000.

We have received World Lottery Association and European Gaming Standards Certification at Level 4 – the highest level – in recognition of our commitment to, and continuous improvement in, responsible play. The certification covers a range of areas, including game design, reporting and measurement, and player education. We have also received Business in the Community's CommunityMark – a standard that publicly recognises leadership and excellence in community investment.

In addition, we are one of only seven lotteries worldwide to have received a La Fleur's Sustainability Award for having achieved outstanding results in the areas of responsible gaming, corporate social responsibility or environmental initiatives. The awards highlight 'best practice' that could be replicated by other lottery operators around the world.

STAFF TRAINING

All of our employees are fully trained to understand our commitments to player protection and we support them in their day-to-day work, with extra training for those in direct contact with consumers and retailers.

Our Contact Centre staff are trained on how to spot signs of excessive play and what they should do as a result, and also receive monthly player protection knowledge tests. We also raise awareness of the importance of player protection on a regular basis through our internal communications channels.

DOING BUSINESS RESPONSIBLY

SUPPORT FOR WINNERS

While player protection remains a key priority for us, it is not the only focus of our commitment to doing business responsibly.

Under our licence to operate The National Lottery, we have a duty of care to ensure that winners are able to retain their right to anonymity at all times. This means that, unless we have written consent from a winner agreeing that they are happy for us to share news of their win, we will not release any details that could potentially compromise their anonymity.

As well as being a time of extreme excitement and happiness, suddenly winning a substantial sum of money can be an overwhelming and emotional experience for many people. We have a dedicated team of Winners' Advisors who support all winners of over £50,000 through the process so that they can begin to enjoy their life-changing win. For winners of over £1 million, we can arrange for a private banking representative to visit them at home, and organise a panel of independent legal and financial experts to offer impartial advice.

SUSTAINABLE SUPPLY CHAINS

Having a good relationship with our suppliers – around 700 of them in 2017/18 – is crucial for the continuing successful operation of The National Lottery. We therefore take our commitments to them seriously in pursuit of our goal of having a transparent and sustainable supply chain that is always ethical, with practices in place to protect our reputation and theirs.

Our suppliers are managed on a daily basis by our Relationship Managers who are, in turn, supported by our Group Procurement team. The majority of our expenditure with suppliers is associated with IT and marketing.

We always carry out appropriate due diligence when considering taking on new suppliers, with selection based on: quality, completeness and scalability of service; management systems, processes and flexibility; relevant service experience and track record; diversity, sustainability, environmental and social considerations; risk transfer and management; and cost and value for money.

We review our existing suppliers through a combination of periodic review meetings, surveys and audits. This ensures that our standards are being implemented, and helps us as we strive to make sure that there is compliance with relevant legislation and regulations.

Our Procurement Team conducts an annual Supplier Conduct Review survey with a select subset of around 25 suppliers. The survey, which helps us to understand how our suppliers manage their own businesses, covers areas such as business ethics, supply chain management, human rights and environmental management, together with broader corporate governance issues. We analyse the responses received and measure them using a predetermined scoring system to identify where improvements can be made. As well as collating the results in a special report, we produce individual supplier reports, with bespoke feedback given to each supplier.

DOING BUSINESS RESPONSIBLY

We review the survey questions each year, and now include a question on suppliers' approach to preventing and monitoring risks in modern slavery and human trafficking.

LOOKING BACK

- Raising awareness of the issue of modern slavery and human trafficking was a key priority for us in 2017/18. We communicated our commitment to preventing such practices within our supply chain to all of our suppliers and our network of National Lottery retailers, and reminded them of our standards and expectations in this area.
- We also introduced training to ensure that all of our employees are aware of best practice, and are able to take appropriate action to monitor and prevent any instances of modern slavery or human trafficking. We prioritised our Retail Team as the first group to get access to the training.

LOOKING FORWARD

- Over the next year, we will continue to communicate with our retail partners and work closely with our Retailer Forum to explore how we can further raise awareness of modern slavery.
- We also plan to communicate with all of our directly-engaged suppliers to better understand who their sub-contractors are and to emphasise our expectations in relation to modern slavery and human trafficking. We will do this through a survey, collecting information to identify who our 'tier one' suppliers' sub-contractors are, which services they provide and what due diligence they carry out.

- Training on the Modern Slavery Act will be rolled out to all new starters, while existing employees will need to complete refresher training. There will also be new specialised online training for our Retail Team.

ENVIRONMENTAL IMPACT

We are committed to minimising any negative environmental impact from our operations and, where we can, look to increase the positive impact we make. However, we know that it is an area on which greater focus is needed.

As a first step, we will be reporting our carbon impact every year, and will be looking to widen the scope further to include areas such as fuel consumption, waste and recycling. For 2017/18, we are reporting baseline figures for the energy consumption of our buildings:

- **Electricity:** 1,359 tonnes of CO₂e
- **Gas:** 186.7 tonnes of CO₂e



OUR PEOPLE

Our commitment to doing business responsibly isn't just outward facing. It's really important to us that we have a diverse and inclusive workforce who feel proud about the work they do, valued in their roles and engaged to be their best as they further their careers with us.



We want Camelot to be a place where our people can thrive and we work hard to ensure that our people strategy supports

this – by creating a culture, environment and processes that are inclusive, and by continuously enhancing our employee offering and doing what we can to make staff feel that their voice is heard.

OUR PEOPLE

EMPLOYEE FORUM

In March 2018, we launched a newly-elected Employee Forum made up of staff representatives from across the business, which meets regularly with our Executive Team. We actively encourage all of our employees to use the forum to voice any concerns they may have, feed back on any changes happening within the business, and share new ideas.

EMPLOYEE ENGAGEMENT

Having carried out a single annual engagement survey for a number of years, the last of which took place in December 2017, we moved to a cycle of shorter, quarterly 'pulse' surveys in March 2018. This will give us a more frequent measure of engagement across the business, and therefore a more accurate sense of how we're doing as we continue to make improvements.

We have also launched a new intranet to connect our employees from across our different sites – enabling them to engage, collaborate and celebrate using any Camelot device – as well as a new employee on-boarding process. This is helping our new joiners to settle in by giving them an early understanding of the different business functions within Camelot and how they all fit together.

EMPLOYEE TRAINING

We have set up LinkedIn Learning, giving staff access to thousands of courses created by industry experts across a range of topics. This is enabling employees to own their own learning, and develop their skills and knowledge at their own pace – where they want, when they want. And, in the first half of 2018/19, we will be launching both a new people manager development programme and a new talent management process to support, develop and retain colleagues. We will also be refreshing our Corporate Responsibility training module, which all employees will need to complete.

EMPLOYEE VOLUNTEERING

We want all of our employees to be able to feel the impact of the life-changing good that they have made possible through their day-to-day work. We therefore encourage staff to take advantage of the two volunteering days a year we give them to work with projects that have benefited from National Lottery funding.

During the year, 258 employees gave 1,709 hours of their time – the equivalent of over 70 days and a 15% increase on the previous year – to give something back to the local community by volunteering at a wide range of organisations. These included Watford Mencap, Age UK, Watford Peace Hospice, The Conservation Volunteers, Birkenhead Venture Boxing Club, Media Trust and UK Sport.

OUR PEOPLE

And in June, half a dozen employees teamed up with war hero Matthew Croucher, GC and a group of National Lottery winners worth a combined £45 million to build a special pathway at The National Memorial Arboretum in Staffordshire. The 'National Lottery Way' is a 40-metre walkway that will enable and encourage visitors to reach some of the Arboretum's newer memorials and tributes.

As well as volunteering opportunities, we offer match funding for fundraising activities and the option to donate through the Give As You Earn (GAYE) payroll scheme. During the year, our employees raised over £22,000 through match funding and donated more than £4,000 through GAYE.

GENDER PAY GAP

Based on our payroll in April 2017, we had a mean gender pay gap of 24.9% and a median gender pay gap of 28.4%. And based on bonuses paid in the year to 5 April 2017, we had a mean gender bonus gap of 53.0% and a median gender bonus gap of 43.2%.

With all of our roles benchmarked for grading and salary purposes against an independent source of general industry pay data, we are very confident that women and men at Camelot are paid equally for equal work. However, we know that we have work to do to address our gender pay and bonus gaps, which are primarily driven by the gender mix of our employees.

We realise that any meaningful shift will take time but we are fully committed to reducing these gaps. We have already implemented a number of measures and will be introducing further initiatives in 2018/19 – focusing on areas such as progression for women, balanced shortlists, unconscious bias training, coaching and mentoring, and women and leadership.

VALUES

Our values set out what we stand for as a business and guide how we operate:

Do Right We meet our responsibilities to all of our stakeholders

Act Together We work as one team across offices, departments and levels

Think Differently We challenge each other and try new ways

Take Charge We step up and do amazing things

Be Playful We make work fun and never wait to celebrate

In 2018, and with wide employee involvement, we will be taking a fresh look at our values to make sure that they are still right for us and for where we are heading as a business following our strategic review.

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The data in this report has been assured
by Corporate Citizenship



Pictured right

National Lottery funding has
revitalised more than 930 public
parks all around the UK ©Heritage
Lottery Fund

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EAST
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CAMELOT

