



The regional and world Lottery associations have been working for decades on the development and improvement of detailed CSR rules, processes and certifications. The current draft prepared by the European Lotteries working group is a very forward looking document with an important number of innovative rules which show the societal commitment of Lotteries. While responsible gaming rules are crucial, the current CSR approach pays equal attention to other important societal developments such as environmental issues, gender equality and human rights. Lotteries did not wait for legislation that obligates companies to meet the higher standards, but have been working to set that standard all along.

In the meantime, the EU adopted EU Directive 2014/95/EU. This EU Directive on disclosure of non-financial and diversity information by certain large undertakings and groups entered into force on 6 December 2014, after having been published in the EU Official Journal on 15 November 2014. The Directive 2014/95/EU amends Directive 2013/34/EU on the an-

its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks; non-financial key performance indicators relevant to the particular business.

The Directive has been designed in a non-prescriptive manner, and leaves significant flexibility for companies to disclose relevant information in the way that they consider most useful. Companies may rely on national frameworks, Union-based frameworks such as the Eco-Management and Audit Scheme (EMAS), or international frameworks such as Recital 9 of the United Nations (UN) Global Compact, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the International Organisation for Standardisation's ISO 26000, the International Labour Organisation's Tripartite Declaration of principles concerning multinational enterprises and social policy, the Global Reporting Initiative, or other recognised international frameworks.

The ISO 2600 'Social Responsibility mentioned in the above list is currently being used for the lottery sector for the improvement of lottery CSR guidelines by the EL CSR Working Group. By doing so, the Lotteries not only set up compliance with the new directive on non-financial reporting, but also broaden this to all Lotteries.

The core principles according to the ISO 2600 standard are Accountability, Transparency: Ethical behavior, Respect for stakeholder interests, Respect for the rule of law, Respect for international norms of behavior, Respect for human rights. By implementing those rules, Lotteries show again their commitment to society and their specific role.

In principle the new EU rules also apply to other operators in the gambling sector in the EU. Many companies listed on the stock market have claimed to be responsible and transparent because they need to act in accordance with specific rules. Now these companies will be held accountable to these Directives that require non-financial reporting rules. This will have a far-reaching effect on them. The Directive also provides Lotteries with new arguments to fight illegal operators in the online gambling business. It will become very difficult for operators to be licensed to operate legally in some jurisdictions while operating illegally, or otherwise refusing to comply with the rule of law, in others.

The CSR process initiated decades ago by the Lottery associations is illustrative of the pioneering role Lotteries have always performed in developing standards of the highest level. Lotteries are leading the way towards a more inclusive society whereby the approach is driven by the recognition of important & modern societal values and the respect of the rule of national and international law. ■

The Pioneering Role of Lotteries in CSR

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nual financial statements, consolidated statements, and related reports of certain types of undertakings. This Directive aims at improving the transparency of certain large EU companies as regards non-financial information, and focuses on other relevant, useful information.

The deadline for Member States to implement the Directive was December, 6, 2016. Following Article 1 of the Directive, the new disclosure requirements apply to large public-interest entities with more than 500 employees. The concept of public-interest entities is defined in Article 2 of Directive 2013/34/EU, and includes companies listed in EU markets, as well as some unlisted companies, such as credit institutions, insurance companies, and other companies that are so designated by Member States because of their activities, size or number of employees.

Article 1 of the Directive establishes that companies concerned shall include in the management report a non-financial statement containing information relating to Environmental matters, Social and employee matters, Respect for human rights, Anti-corruption and bribery matters and diversity.

The non-financial statement shall include a brief description of the undertaking's business model; a description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented; the outcome of those policies; the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate,

