



Foreword

Our first Good Operations report: Let's GO!

This is the first Good Operations report published by the Nationale Goede Doelen Loterijen. We are an organization with a clear mission: to raise funds for good causes, which help to create a better world. We believe in “practising what you preach”. We therefore make every effort to ensure that our operations and internal processes are as responsible and sustainable as possible. Good Operations, or ‘GO’, is the new name for everything we do within the organization and alongside our chain partners to further the aims of sustainability and Corporate Social Responsibility (CSR).

In 2016, we produced the Good Operations Agenda, a document that builds upon the existing CSR policy. The current report describes the initial results in each of the three pillars of Good Operations: *Planet*, *People* and *Openness*. Our ambitions relate to both the internal organization and our interaction with chain partners. For the past six years, we have contributed to a joint report produced in association with our sister organizations in Sweden and the United Kingdom. Beginning in 2016, each will produce a separate report. This enables us to focus on the local context. The Good Operations report complements the consolidated annual report, the public summary of that report and our website.

As an organization, the Nationale Goede Doelen Loterijen wishes to have a clear positive impact on the world. It is a two-way relationship: the world also has an impact on our organization. Modern information and computer technology creates opportunities but also raises risks. We have now digitized many aspects of our operations. This is good for the environment and more convenient for consumers. However, it means that we must devote particularly close attention to e to ensure that personal data remains confidential.

Climate change and global migration are just two of the urgent societal issues to which effective solutions must be found. We play our part not only through the charitable causes we support but also through our own Good Operations. In 2016, we were able to contribute a total of €465 million to good causes. We

reduced our consumption of paper by 12% and we supported carbon offset schemes to compensate for our energy consumption.

We shall continue to share with you our progress in achieving the Good Operations ambitions. Together, we are on a journey towards a sustainable and honest world. Let's GO!

The Executive Board

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1. Introduction

We believe that the world benefits from having a strong civil society. For this reason, we support various societal organizations and initiatives. We do so by providing a secure source of funding and by publicizing their work. The majority of our financial contributions have a long-term focus and are not earmarked for any particular purpose. The good causes – our partners – are free to decide how and where the funds are used, provided it is in keeping with their mission and objectives. In general, they will channel the funds to wherever the need is greatest. It is thanks to those who take part in the various lotteries – the players – that we are able to support the useful work of these organizations and can help them to create a better world.

The Nationale Goede Doelen Loterijen organization is responsible for three regular games, known in Dutch as the *Nationale Postcode Loterij*, the *VriendenLoterij* and the *BankGiro Loterij*. Each helps to improve the world in its own specific way. The *Nationale Postcode Loterij*, for example, supports social development, nature and environment projects at home and abroad. The *VriendenLoterij* funds organizations working in the field of health and welfare, while the *BankGiro Loterij* focuses on cultural activities and the preservation of cultural heritage.

In 2016, we produced the Good Operations Agenda, a document that builds upon our existing CSR policy. We believe that an organization that seeks to create a better world must ensure that its own operations are in order: practise what you preach! The agenda sets out our ambitions in each of the three pillars of Good Operations: *Planet*, *People* and *Openness* (see Figure 1). The ambitions are expressed in broad terms and apply to both our own internal organization – aspects such as responsible marketing and good employment practices – and to our chain partners.

This Good Operations report describes our activities and achievements to date in relation to people, society and the environment. In the past, we contributed to a joint report covering the lottery organizations affiliated with Novamedia, which therefore included our sister organizations in the United Kingdom, Sweden and Germany. In future, each country is to produce its own Good Operations report.

This will enable them to adopt a more local focus as they address the requirements of their respective stakeholders.

This report is an adjunct to the statutory financial statements (as lodged with the Chamber of Commerce), the public Annual Report and the information on our website.



Figure 1: The three pillars of Good Operations

2. Our role in society

To achieve our mission, we must work closely alongside various external stakeholders. Without the people who play our lotteries, we would be unable to raise funds for our partner good causes. Without those partners, it will not be possible to create the better world to which we aspire. Together, we maximize societal value in the interests of people and planet. Fifty per cent of the revenue from our lotteries is passed directly to the good causes we have chosen to support. Funding is usually on a long-term basis although we sometimes consider a one-off contribution to finance some innovative project. The other fifty per cent, less the organization's running costs, forms the lottery 'prize pot'. Some prizes are paid out in cash while others are in the form of goods or services.

The partner good causes convert our support into societal value. Through these organizations, we contribute to international cooperation, nature conservation and the preservation of cultural heritage. We are therefore bringing a sustainable and honest world a step closer. Figure 2 shows the value creation model in which our input, business model and output combine to underpin the creation of societal impact.¹

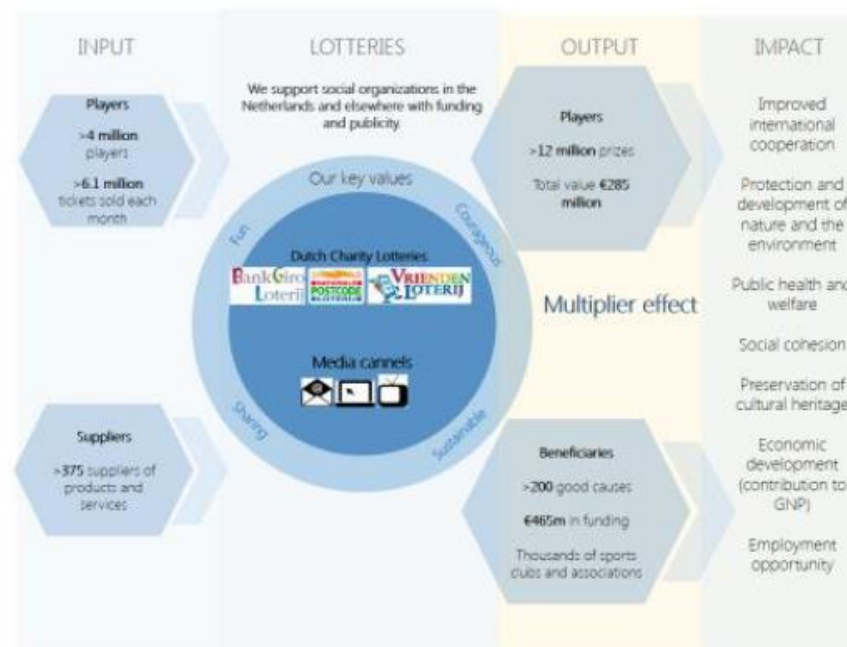


Figure 2 Value creation model

3. Good Operations Agenda

Knowledge of the work of our partner good causes

Our contributions, which totalled €465 million in 2016, enable the partner good causes to pursue their respective missions. We wish to publicize the work of these organizations. Lottery players are entitled to know how their stake money is being used. Moreover, public awareness of the projects and programmes is essential to their success. The work of our partner good causes therefore

¹ Reported data for the number of players and prizes falls outside the scope of the verification conducted by the external accountant. (See Chapter 6 – Auditor's Statement).

features prominently in all communications, including mailshots, websites, television programmes, social media channels and print media articles. Because we reach an audience of several million people, we can increase the partner organizations' income and ensure its continuity. The allocation of funding in 2016 is reported in Chapter 4.

Revenue to support good causes

We provide full transparency about our allocation of funds to social and philanthropic organizations. Full financial statements are included in the Annual Report. A full account of the funding criteria and approval procedure can be found on each lottery's website, together with a list of the organizations which currently receive support, and the total amount that each has received from us since our partnership began.

Creating a positive sustainability effect

It is not only through our direct contributions to good causes that we create a positive effect for People and Planet. We can also do so by ensuring that our own activities are conducted in a responsible and sustainable manner. We therefore apply the following principles and objectives:

- We shall further reduce our CO₂ emissions.
- We shall purchase 'green' energy, which has been produced or generated locally.
- In our new head office building, currently under development, we shall generate our own sustainable energy.

Responsible play

We wish to ensure that our lotteries and other events are conducted responsibly and are scrupulously fair. We consider customer satisfaction to be extremely important and we wish to offer a level of service that exceeds expectations. We therefore apply the following principles and objectives:

- Every possible measure is taken to protect customers' personal information.

- Within a rapidly changing business setting, risks to privacy are constantly monitored and addressed.
- Staff are made aware of potential risks to customer privacy and are trained to take adequate preventive measures.
- If, despite all precautions, an incident occurs, we shall offer full transparency.

Responsible marketing

We strive to be open and honest in all communications including our marketing campaigns. We therefore apply the following principles and objectives:

- In 2016, the RCC upheld three complaints with regard to our marketing communications. This number must be reduced to zero.
- We shall report all substantiated complaints.

Working with socially responsible, sustainable partners

Our greatest impact is indirect. On the one hand, it results from our support of the partner good causes. It is our funding which enables them to do their work. On the other, the physical goods we purchase from suppliers have both social and environmental impact. We wish to ensure that this impact is entirely positive; we therefore do business only with socially responsible and sustainable partners. In 2016, we revised our procurement policy to include stricter guidelines for the purchase of goods as lottery prizes. We shall evaluate the policy in 2017. It includes the following measures:

- We purchase prizes only from suppliers who work in a socially responsible and sustainable manner.
- Wherever possible, we shall do business with local suppliers.
- We require all suppliers to subscribe to our Code of Conduct.

Good employment practices

Our employees are in daily contact with our customers and the partner good causes. Their skills and professionalism underpin the quality of all our activities as a social enterprise. Our staff are the face of the lotteries we operate. As an

organization, we attach great importance to employee satisfaction. We are keen to promote diversity and quality. Specific targets have been set in this regard:

- We wish to achieve a 50-50 gender split in management positions.
- We wish to have a workforce that accurately reflects the diversity of society at large.
- We support equal treatment for all employees, regardless of gender, age, ethnicity, sexual orientation or disability.
- We invite feedback on our performance as an employer and hold regular staff satisfaction surveys.

4. Our results in 2016

This chapter presents the results achieved during the reporting year in terms of our Good Operations ambitions.

Areas in which the partner good causes are active

In 2016, we distributed a total of €465 million to our partner good causes.

Contributions to organizations active in:	Unit	2016	2015
International cooperation	EUR	137,215,907	120,291,366
Human rights	EUR	35,386,688	40,748,512
Nature and Environment	EUR	108,632,808	101,266,050
Health	EUR	29,038,985	25,224,546
Culture	EUR	67,703,959	62,844,247
Welfare and Social Cohesion	EUR	86,999,957	92,927,726
Total	EUR	464,978,304	443,302,448

Creating a positive sustainability effect

In 2016, we again reduced our total CO₂ emissions. One way in which we did so was to reduce our paper usage by 12%. Of the paper we did use, 97% was FSC-certified (compared to 94% in 2015). Our electricity consumption was just under 476 MWh, while that of gas was 63,591 m³. Net CO₂ emissions from energy consumption totalled 251 tons. Of the energy purchased in 2016, approximately 25% was produced locally using renewable resources. In time, we intend to buy only 'green' energy. We further enhanced the sustainability of our operations by offsetting emissions from paper usage and air travel.

² The CO₂ emissions from paper usage in 2015 have been retrospectively adjusted from 11,766 tons to 6,083 ton.

Creating a positive sustainability effect	Unit	Target 2017	2016	2015
CO ₂ emissions from gas ('grey')	ton	0	85	0
CO ₂ emissions from electricity ('grey')	ton	0	166	0
CO ₂ emissions from paper usage ²	ton	-	5341	6083
CO ₂ emissions from air travel ³	ton	-	123	59

Compliance with legislative requirements

We wish to comply with all legislative requirements. No fines or other sanctions were imposed on the organization during the reporting year.

Compliance with legislative requirements	Unit	Target 2017	2016	2015
Monetary value of fines	EUR	0	0	0
Non-monetary sanctions	Number	0	0	1

Responsible marketing

In 2016, three complaints were upheld by the Dutch Advertising Code Committee (RCC). This represents a decrease of 57% compared to 2015. All three complaints related to advertising content. We wish to reduce the number of substantiated complaints about our marketing communications to zero.

Responsible marketing	Unit	Target 2017	2016	2015
Complaints about marketing communications resulting in a fine	Number	0	0	0
Complaints about marketing communications resulting in a warning	Number	0	0	1
Complaints upheld by the RCC	Number	0	3	7

³ The CO₂ emissions from air travel have been recalculated using the most recent multiplication factors published by SKAO, Milieu Centraal and the Dutch government. The figure for 2015 has been adjusted from 44 tons to 59 tons.

Responsible play

As in previous years, the auditors found no inadequacies in the lottery draw procedures. We shall continue to guarantee scrupulously fair play.

Responsible play	Unit	Target 2017	2016	2015
Incidents during lottery draws	Number	0	0	0

Privacy and data protection

In 2016, there was one significant incident involving the security of customer information. In April 2017, a data breach affected one of our suppliers, *Open Offerte*. Although there were no indications that confidential information pertaining to our customers had been leaked, we opted to inform anyone who might have been affected and we suspended our relationship with this supplier. Additional security measures were implemented under strict supervision whereupon we resumed collaboration, although less extensive than before.

Privacy and data protection	Unit	Target 2017	2016	2015
Complaints from regulators re. loss of customer information	Number	0	0	0
Significant incidents	Number	0	1	n/a

Working with socially responsible and sustainable partners

The Supplier Code of Conduct was reviewed and updated in 2016. Compliance is now a formal requirement under our terms and conditions of purchase. The number of 'significant suppliers' (from whom we purchase more than a given value in goods or services) decreased during 2016. At year-end, 22% of those remaining had signed the Compliance Declaration.

Working with socially responsible and sustainable partners	Unit	Target 2017	2016	2015

Suppliers who have signed the Compliance Declaration	%	60%	22%	33%
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Good employment practices

We invest in our employees in various ways. They include the 'Lottery Academy', which offers a varied and relevant selection of workshops, knowledge meetings, skills development courses and other professional training. We also promote diversity in the workplace. During the reporting year, 38% of management positions were held by women. The Executive Board now has one male and two female members.

Composition of workforce	Unit	2016	2015
Women in management	%	38%	25%
Men in management	%	62%	75%
Women (total)	headcount	345	312
Men (total)	headcount	261	264
Women (total)	FTE	235	215
Men (total)	FTE	198	196

In 2016, just over half (55%) of employees held a permanent contract of employment.

Workforce by type of contract	Unit	2016
Permanent	Number	330
Fixed term	Number	276

maintain close contact with our stakeholders. We actively invite their interest and participation. A stakeholder can be defined as any party with whom we have an ongoing relationship.

We therefore engage with our customers, the funding recipients, employees, suppliers and government authorities. We invite them to present their views,

5. Stakeholder engagement

For the Nationale Goede Doelen Loterijen organization, everything revolves around one ideal: the creation of a better world. In pursuing this objective, we

	Nature of dialogue	Frequency	Topics discussed in 2016	Main results
Lottery players	<ul style="list-style-type: none"> - Customer service desk (online, telephone, social media) - Print media - Customer satisfaction surveys 	<ul style="list-style-type: none"> - Daily - Regular (daily-monthly) - Annually 	<ul style="list-style-type: none"> - Transparency - Reliability - Probability of winning ('odds') - Sustainable business operations - Responsible marketing - Fairness of draws - Security of customer data - Customer service 	Our customer service staff are on hand to answer queries from the general public. Anyone playing a lottery expects the draw to be conducted fairly whereupon the chance of winning is the same for all participants. Transparency is regarded as important. As part of the 'Openness' pillar, we wish to meet all these expectations. There were no significant changes to our approach in 2016.
Funding recipients	<ul style="list-style-type: none"> - Regular contact (telephone, mail, meetings) - Assessment meetings - Management/board-level talks - Conferences - Seminars 	<ul style="list-style-type: none"> - Daily - 2 x year 	<ul style="list-style-type: none"> - Allocation of funding / award process - Performance assessment; did funding produce the intended outcomes? - Partnership - Publicizing the work of the recipient organizations - Sustainable operations 	The funding recipients are the reason for our organization's existence. We provide these good causes with ongoing financial support. We must ensure that we are the best possible long-term partner. By working together we can then create a sustainable and honest world. In 2016, the amount raised and distributed among the partner organizations was once again higher than in the preceding year.
Government authorities	<ul style="list-style-type: none"> - Regular contact (telephone, mail, meetings) - Stakeholder dialogue 	<ul style="list-style-type: none"> - Regular (monthly) 	<ul style="list-style-type: none"> - Gaming legislation - Responsible play, fair games - Responsible marketing - The draw and procedures 	We are keen to comply with all legislative requirements. We do so by ensuring that all games and draws are entirely fair and honest, and that our marketing activities are fully responsible. We monitored developments affecting gaming legislation very closely throughout 2016.
Employees	<ul style="list-style-type: none"> - Staff satisfaction survey - Employee participation (Works Council) 	<ul style="list-style-type: none"> - Biannual - Regular - 2-3 x year 	<ul style="list-style-type: none"> - Staff satisfaction - Training and development - Health, safety and well-being - Pay and benefits 	Our employees are essential to the organization and we therefore take their interests very seriously. We conduct a regular staff satisfaction survey. There is an employee participation body – the Works Council – which represents staff interests in discussions with management. There were no significant changes in 2016.
Suppliers	<ul style="list-style-type: none"> - Regular contact during procurement process - New suppliers are asked to sign the Code of Conduct Compliance Statement. Compliance is subject to annual evaluation. 	<ul style="list-style-type: none"> - Regular - Annual 	<ul style="list-style-type: none"> - Suppliers' Code of Conduct - Economic performance - The organization's competitive ability - Suppliers' audit 	Our suppliers are essential to the success of our operations. Because our non-monetary ('in kind') prizes account for a significant part of our overall environmental impact, we have produced a Code of Conduct for all suppliers.

wishes, requirements and concerns on a wide range of social issues. The information they provide forms valuable input for our Good Operations Agenda.

6. Auditor's statement

The auditor's statement can be found In the Dutch version of the report.

Appendices

A. Glossary

ANBI	Public Interest Institution (with tax exemption)
BGL	BankGiro Loterij
CSR	Corporate Social Responsibility
FTE	Full-time equivalent
GO	Good Operations
GRI	Global Reporting Initiative
IIRC	International Integrated Reporting Council
KPI	Key Performance Indicator
Materiality	The degree to which a given aspect is seen as relevant to the <i>Nationale Goede Doelen Loterijen</i> organization
Materiality matrix	Graphical representation of the aspects affecting internal and external stakeholders, in order of priority
NPL	Nationale Postcode Loterij
RCC	Dutch Advertising Code Committee
RvC	Raad van Commissarissen = Supervisory Board
Significant supplier	A supplier from whom we purchased goods to a value exceeding €31800 in 2016, and with a current contract per 31 December 2016.
Significant data incidents	Incidents involving the personal data of over 1,000 customers, reported to the Dutch Data Protection Authority in or after 2016
VL	VriendenLoterij (Friends Lottery: supports cultural activities and heritage)

B. About this Good Operations report

Connectivity

The Good Operations Report describes the various ways in which we address our Corporate Social Responsibility. It complements the statutory Annual Report and presents non-financial results for 2016. Wherever possible, the material aspects are accompanied by quantitative indicators. The connectivity table below shows

the pillars of Good Operations policy to which each material aspect contributes, together with a reference to the relevant section(s) of this report in which more detailed information can be found. Also included are brief descriptions of the Key Performance Indicators, the results achieved in 2016 and targets for 2017.

No.	Material aspect	Good Operations pillar			Chapter(s)	KPI	Result 2016	Target 2017
		People	Planet	Openness				
1	Knowledge of the performance of supported good causes	✓	✓	✓	3, 4	Contributions to good causes (EUR)	€ 464,978,304	-
2	Transparency with regard to contributions to good causes			✓	3	<i>Qualitative description</i>	-	-
3	Compliance with legislative requirements	✓		✓	3, 4	Monetary value of fines (EUR)	0	0
						Non-monetary sanctions (number)	0	0
4	Responsible marketing	✓		✓	3, 4	Complaints about marketing communications resulting in a fine (number)	0	0
						Complaints about marketing communications resulting in a warning (number)	0	0
5	Privacy and protection of customer data	✓		✓	3, 4	Complaints from regulatory authorities about data breaches or loss of customer information (number)	0	0
						Incidents involving data breaches or loss of customer information (number)	0	0
6	Corporate Governance			✓	Appendix D	<i>Qualitative description</i>	-	-
7	Social engagement	✓	✓		2, 3	<i>Qualitative description</i>	-	-
8	Working with socially responsible and sustainable partners	✓	✓		3, 4	Suppliers who have signed the Code of Conduct Compliance Statement (%)	22%	100%
9	Good employment practices	✓			3, 4	Women in management positions (%)	38%	50%
10	Customer satisfaction	✓			3	<i>Qualitative description</i>	-	-
11	Customer service	✓			3	<i>Qualitative description</i>	-	-
Non-material aspects								
16	Responsible play	✓		✓	3	Number of incidents during lottery draws	0	0
18	Emission and energy management		✓		3	CO ₂ emissions from paper use (ton)	5,341	6,083
						CO ₂ emissions from business flights (ton)	123	45
						Green energy (gas and electricity) as proportion of total consumption	25%	100%

Table 2: Connectivity matrix

Scope

The report describes our performance and relevant developments during the 2016 calendar year. Its scope is the entire Nationale Goede Doelen Loterijen organization, including the three operating companies, Nationale Postcode Loterij N.V., De VriendenLoterij N.V. and BankGiro Loterij N.V. The report does not examine the activities or performance of the chain partners or the sister organizations in Germany, the United Kingdom and Sweden which form the Novamedia group. The sections concerned with non-financial performance refer only to the Nationale Goede Doelen Loterijen organization. We do not include the processes of suppliers or funding recipients. There are no other companies or enterprises over which Nationale Goede Doelen Loterijen exerts (joint) control and there were no acquisitions or disinvestments during the reporting period.

Reporting of CSR information

This report is structured according to the Global Reporting Initiative guidelines. Information about social and environmental aspects is presented in accordance with the 'Core' option of the GRI G4-guidelines. This option requires a 'materiality analysis' as described in Appendix C. Wherever possible and relevant, data from previous years is given for the purposes of comparison. In some cases, it has been necessary to estimate these figures. In doing so, the Good Operations team has applied a consistent methodology based on known data. The estimates are therefore as accurate as reasonably possible. Appendix F includes the GRI table with cross-references to the relevant sections of the report.

Assurance

Stakeholders must be confident that the information presented is accurate and reliable. To this end, we have requested our external auditors, PwC, to verify the figures. A qualified assurance report has been issued. The Nationale Goede Doelen Loterijen commissioned this assessment in the interests of transparency. We wish to ensure that our stakeholders are given complete and accurate information.

C. Materiality analysis: our focus areas

The materiality analysis underpins the entire Good Operations report. It reveals the aspects and topics that are considered most relevant by the organization itself and by our main stakeholders. The materiality analysis was last conducted in 2015. Because the findings are not subject to rapid change, we have opted to update the analysis at two-yearly intervals. The next full review will therefore take place in 2017. The materiality analysis involves three phases, as described below.

Phase 1: Identifying the material aspects

The purpose of this initial phase is to arrive at a general overview of all material aspects of Good Operations: all topics which have an impact on our organization and activities, on the chain in which we operate, or on society in general. The list is compiled using generic standards and CSR reporting guidelines, such as GRI, ISO 26000 and the UN Global Compact. It is possible to add aspects to the list at a later date, perhaps as the result of further stakeholder dialogues or media interest. The output of this phase is a full list of the material aspects seen as relevant to our organization and operations.

Phase 2: Prioritization

The next step is that of prioritization, i.e. determining the relative importance of the various aspects. This provides valuable input for our Good Operations Agenda, policy and action. It also provides structure for the reports in which we provide accountability with regard to the high-priority aspects. In the current report, we have also opted to include aspects that have been given lower priority for now, such as energy consumption, CO₂ emissions and paper usage. These are all subject to ongoing management measures and we feel it appropriate to report progress. The prioritization process relies on a survey conducted among employees and external stakeholders. Respondents are asked to score the various topics according to their perceived importance.

This produces internal and external rankings in which the various aspects are arranged in order of 'materiality'. The rankings can be visualized as a graph with

No. ⁴	Aspects relevant to the Nationale Goede Doelen Loterijen organization		
Most material aspects		Chapter	Information
1	Knowledge of the performance of the partner good causes	3,4	Quantitative
2	Transparency with regard to contributions to good causes	3	Qualitative
3	Compliance with legislative requirements	3,4	Quantitative
4	Responsible marketing	3,4	Quantitative
5	Privacy and protection of customer data	3,4	Quantitative
6	Corporate Governance	Appendix B	Qualitative
7	Social engagement	3	Qualitative
8	Working with socially responsible, sustainable partners	3,4	Quantitative
9	Good employment practices	3,4	Quantitative
10	Customer satisfaction	3	Qualitative
11	Customer service and complaints management	3	Qualitative
Less material aspects			
12	Incidents during draws		
13	Integration of sustainability within the organization		
14	Economic performance		
15	Supplier Code of Conduct		
16	Responsible play		
17	Paper usage		
18	Emissions and energy management		
19	Employee health, safety and well-being		
20	Stakeholder engagement		
21	Competitive strength of the organization		
22	Staff training and talent development		
23	Non-monetary prizes and premiums		
24	External reporting (on sustainability)		
25	Supplier audits		
26	Complaints procedure		
27	Transport and distribution		
28	Employee pay and benefits		

Table 3: Material aspects

the internal scores along the x axis and the external scores along the y axis (see Table 3). Those aspects that are considered most important by both the organization and our stakeholders appear in the upper right quadrant. Less important aspects appear in the lower left quadrant. A line can be drawn to distinguish material aspects from those that are regarded as low priority at this time. Where possible, we provide quantitative data in accordance with the GRI G4 guidelines.

Phase 3: Implementation

Once the materiality analysis has been completed, the organization must decide which aspects are to be included in its report. It must determine the scope and boundaries of each material aspect. The relevant staff members are then informed to ensure that the final report reflects the outcomes of the materiality analysis as closely as possible. The action to be taken in each aspect is planned, which entails formulating definitions and indicators. An appropriate internal reporting system must be put in place. Wherever possible, the reports will include quantitative information for each aspect, although this is not always practicable.

⁴ In order of relevance to external and internal stakeholders

D. GRI disclosures on management approach

This Good Operations report has been compiled in accordance with the GRI G4 'Core' guidelines. This requires us to explain which certain aspects are considered material, how the organization addresses the material aspects, and how the management approach is evaluated. In this section, we explain why the selected aspects are regarded as material, based on the three pillars of Good Operations.

Openness

We offer our customers and other stakeholders information about the performance of the good causes we support because we believe that this is essential to the success of those organizations. We consider it important to offer complete transparency about the way in which funds are allocated. Our organization exists to support various good causes and their work. We wish to fulfil our commitment to *Openness* as a pillar of Good Operations. The process by which we decide the exact allocation of funding is described in the public Annual Report.

People

Customer satisfaction is crucial to our organization and its operations. We therefore do our best to ensure that both marketing activities and the manner in which the lotteries are conducted meet the strictest criteria of responsible organization. We devote considerable attention to privacy and the security of the personal information that is entrusted to us. We are keen to ensure that all lottery draws proceed without incident and are seen to be scrupulously fair. Our employees are also extremely important to us, since it is they who make our activities possible. They maintain contact with customers, the partner good causes and other stakeholders. They are responsible for the administration of all incoming and outgoing funds. We address the requirements of the *People* pillar by ensuring good working conditions and by organizing our lotteries in a responsible and transparent manner.

Planet

As a societal organization, we are keen to achieve maximum sustainability in all aspects of our operations. Further to the *Planet* component of social responsibility, we attempt to mitigate our adverse environmental impact. In time, we intend to make only a positive impact. Working alongside responsible partners who are

equally committed to sustainability is an important part of this process. It is an area in which we are able to exert considerable influence.

E. Governance

Organizational structure

The organization comprises a holding company, the *Nationale Goede Doelen Loterijen N.V.*, and three wholly owned operating companies: *De Nationale Postcode Loterij N.V.*, *De VriendenLoterij N.V.* and *De BankGiro Loterij N.V.* The Supervisory Board oversees the work of the Executive Board, whose members are responsible for the day-to-day management of the operating companies. The Supervisory Board is responsible for ensuring compliance with the conditions of the gaming licences issued to the operating companies by the government. The Supervisory Board also determines how revenue is to be distributed among the partner good causes.

The three operating companies have a virtually identical internal structure. There are shared services in all areas other than sales and marketing, which remains the responsibility of each individual company. Each operating company holds a separate licence issued by the Netherlands Gaming Authority. The statutory Financial Statements of the *Nationale Goede Doelen Loterijen N.V.*, as well as the public Annual Reports of the *Nationale Postcode Loterij*, *BankGiro Loterij* and *VriendenLoterij*, provide further information regarding the division of tasks and responsibilities between the respective companies.

Good Operations Governance

The Good Operations Agenda has been produced by the central *Nationale Goede Doelen Loterijen* organization. Formal responsibility for its implementation falls to the Supervisory Board as the senior decision-making body. In practice, responsibility has been delegated to the Good Operations team, which reports directly to the Executive Board. The Executive Board and senior management team formulate objectives and evaluate results.

In pursuing the ambitions of the Good Operations Agenda, we seek the active engagement of all stakeholders, including employees, the partner good causes, lottery players and the general public. Employees are encouraged to endorse and

observe the Good Operations Agenda and its objectives. We maintain a dialogue with our external stakeholders with a view to discussing important social issues. The dialogue also facilitates the ‘materiality analysis’, the process in which we invite stakeholders to help rank the various aspects of Corporate Social and Environmental Responsibility in order of priority.

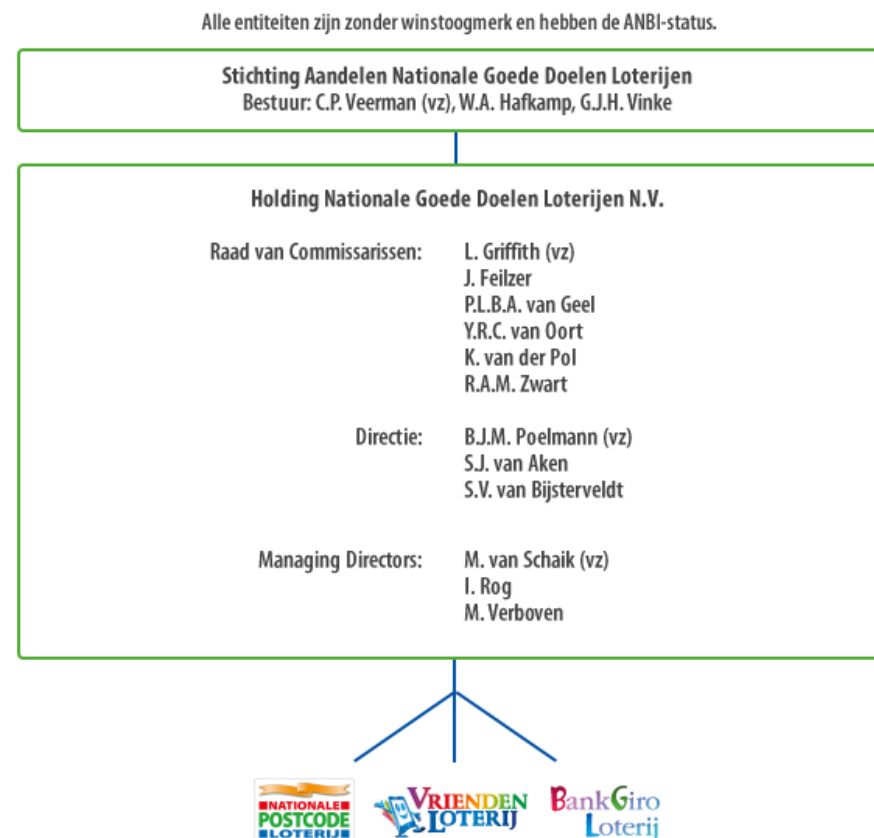


Figure 3:: Legal and governance structure

This is how we create focus in our work. We have formulated ambitious objectives with regard to the most relevant aspects and are now collecting quantitative data. To monitor progress, we have also formulated a number of Key Performance Indicators (KPIs). Relevant performance data will be published on a regular basis, and at least annually by means of the Good Operations report. The Executive Board and the senior management team will set the targets and objectives. They will also conduct regular evaluations whereupon it becomes possible to plan or adjust activities further to the Good Operations Agenda.

External regulation, compliance and integrity

The Ministry of Security and Justice and the Netherlands Gaming Authority oversee compliance with all relevant legislation, notably the *Wet op de Kansspelen* (Betting and Gaming Act 1964, amended), and the specific conditions of our gaming licences. External audit and control of the lotteries' activities is undertaken by various parties including the IT accountants of PwC and NMI Certin. They ascertain the integrity of all mechanical and electronic processes involved in running the lottery games and selecting winners. A notary, J.P. van Harseler of Amsterdam, acts as independent adjudicator and is present at the lottery draws. All financial and non-financial figures are audited by PwC.

F. GRI table

GRI Table G4 - Core		
GRI Code	Indicator	Reference
Strategy and analysis		
G4-1	Statement from most senior decision-maker of the organization	Foreword
Organizational profile		
G4-3	Name of the organization	Holding Nationale Goede Doelen Loterijen N.V.
G4-4	Primary brands, products and/or services	Good Operations Report 2016 – Chapter 2: Our role in society
G4-5	Location of organization's headquarters	Van Eeghenstraat 70, Amsterdam, The Netherlands
G4-6	Number of countries where the organization operates	Good Operations Report 2016 – Chapter 1: Introduction
G4-7	Nature of ownership and legal form	Good Operations Report 2016 – Appendix E: Governance Annual Report and Financial Statements 2016
G4-8	Markets served	Good Operations Report 2016 - Chapter 1: Introduction
G4-9	Scale of the reporting organization	Annual Report and Financial Statements 2016
G4-10	Composition of workforce	Good Operations Report 2016 – Chapter 4: Performance in 2016
G4-11	Employees with a collective labour agreement	Not applicable
G4-12	Description of the organization's supply chain	Good Operations Report 2016 – Chapter 2: Our role in society Annual Report and Financial Statements 2016
G4-13	Significant changes during the reporting period	There were no significant organizational changes in 2016
G4-14	Manner in which the precautionary principle is addressed by the organization	Not applicable

G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	Various, including Workplace Pride and <i>Klimaatcoalitie</i> (Climate Coalition)
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	Various, including GRI and <i>Het Nieuwe Werken Doe Je Zelf</i> (promoting alternative employment practices such as telecommuting).
Identified material aspects and boundaries		
G4-17	List of all entities included in the organization's consolidated financial statements (or equivalent) and not covered by this report.	Good Operations Report 2016 – Appendix B: About our Good Operations report
G4-18	a. Process for defining the report content and the aspect boundaries; b. How the organization has implemented the Reporting Principles for Defining Report Content	Good Operations Report 2016 – Appendix C: Materiality analysis – Our focus areas
G4-19	Material aspects identified in the process for defining report content	Good Operations Report 2016 – Appendix C: Materiality analysis – Our focus areas
G4-20	Aspect boundary (for each material aspect) within the organization	Good Operations Report 2016 – Appendix B: About our Good Operations Report
G4-21	Aspect boundary (for each material aspect) outside the organization	Good Operations Report 2016 – Appendix B: About our Good Operations Report
G4-22	Effect of any restatements of information provided in previous reports and the reasons for such restatements	Good Operations Report 2016 – Appendix B: About our Good Operations Report Good Operations Report 2016 – Appendix C: Materiality analysis – Our focus areas Good Operations Report 2016 – Chapter 4: Our performance in in 2016 (footnote 1)
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Good Operations Report 2016 – Appendix C: Materiality analysis – Our focus areas
Stakeholder engagement		
G4-24	List of stakeholder groups engaged by the organization	Good Operations Report 2016 – Chapter 5: Stakeholder engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	Good Operations Report 2016 – Chapter 5: Stakeholder engagement

G4-26	Description of the organization's approach to stakeholder engagement	Good Operations Report 2016 – Chapter 5: Stakeholder engagement
G4-27	Key topics and concerns raised through stakeholder engagement	Good Operations Report 2016 – Chapter 5: Stakeholder engagement
Report profile		
G4-28	Reporting period for information provided	1 January to 31 December 2016
G4-29	Date of most recent previous report	14 April 2016
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents	David van der Leij (email david.van.der.leij@postcodeloterij.nl)
G4-32	GRI 'in accordance' option selected by the organization	GRI G4 Core
G4-33	Policy and practice with regard to seeking external assurance	Good Operations Report 2016 – Appendix B: About our Good Operations Report
Governance		
G4-34	Governance structure of the organization	Good Operations Report 2016 – Appendix E: Governance Annual Report and Financial Statements 2016
Ethics and integrity		
G4-56	Description of the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	As a socially aware enterprise, we strive to develop and undertake our activities in a responsible and sustainable manner. Our Good Operations Agenda is based on the values of Planet, People and Openness. It provides a framework within which activities can be planned and managed accordingly. We encourage our suppliers to observe similar standards. To this end we have produced and distributed a Supplier Code of Conduct that is based on the principles established by the Ethical Trading Initiative, the guidelines of the International Labour Organization, the UN Global Compact and the Universal Declaration of Human Rights (UDHR).

Material indicators		
1. Knowledge of performance of the partner good causes (no direct link with G4)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 – Appendix D: GRI Disclosures on management approach
-	A quantitative indicator has yet to be implemented.	At this time we are not in a position to report quantitative information but are investigating means of doing so in future. Chapter 3: Good Operations Agenda
2. Transparency with regard to financial contributions made to partner good causes (no direct link with G4)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 – Appendix D: GRI Disclosures on management approach
-	Contributions to good causes by category	Good Operations Report 2016 – Chapter 4: Our performance in 2016
3. Compliance with legislative requirements (G4 aspect 'Compliance')		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 – Appendix D: GRI Disclosures on management approach
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Good Operations Report 2016 – Chapter 4: Our performance in 2016
4. Responsible promotion (G4 aspect 'Marketing Communications')		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 – Appendix D: GRI Disclosures on management approach

G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcome	Good Operations Report 2016 – Chapter 4: Our performance in in 2016
5. Privacy and protection of customer data (G4 aspect 'Customer Privacy')		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosure of management approach
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Good Operations Report 2016 - Chapter 4: Our performance in 2016
6. Corporate Governance (no direct link with G4 other than G4-34)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosure of management approach Good Operations Report 2016 - Appendix E: Governance Annual Report 2016
-	No quantitative indicator	Good Operations Report 2016 – Appendix E: Governance Annual Report and Financial Statements 2016
7. Societal engagement (see material aspects 'working with socially responsible and sustainable partners' and 'knowledge of the performance of supported good causes')		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 – Appendix D: GRI Disclosures on management approach Good Operations Report 2016 – Chapter 3: Good Operations Agenda
-	No quantitative indicator	Good Operations Report 2016 - Chapter 3: Good Operations agenda Good Operations Report 2016 - Chapter 4: Our performance in 2016

8. Working with socially responsible and sustainable partners (no direct link with G4)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosures on management approach
-	Percentage of significant suppliers who have signed the Compliance Declaration accompanying the Code of Conduct	Good Operations Report 2016 - Chapter 4: Our performance in 2016 (Working with socially responsible and sustainable partners)
9. Good employment practices (G4 aspect 'Diversity and Equal Opportunity')		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosures on management approach
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	We state the composition of the governance bodies in the Good Operations Report 2016 (Appendix E: Governance) but omit information with regard to gender, age, etc. Biographies of key personnel can be found online at: http://www.vriendenloterij.nl/over-ons/over-de-vriendenloterij/governance-holding-nationale-goede-doelen-loterijen.htm (in Dutch)
10. Customer satisfaction (G4 aspect Product and Service Labelling)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosures on management approach
G4-PR5	Results of customer satisfaction surveys	At present we do not conduct any structured customer satisfaction survey but are investigating ways in which to derive relevant information in future. Good Operations Report 2016 - Chapter 3: Good Operations Agenda

11. Customer service and complaints management (no direct link with G4)		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosures on management approach
-	No quantitative indicator	At present we are not able to report quantitative information with regard to this indicator but are investigating means of doing so in future. Good Operations Report 2016 - Chapter 3: Good Operations Agenda

Non-material aspects on which we nevertheless report in accordance with GRI G4		
GRI Code	Indicator	Reference
18. Emissions and energy management		
DMA	a. State why the aspect is considered material and describe the impact of the aspect. b. State how the organization addresses the material aspect and its impact. c. Provide an evaluation of the management approach.	Good Operations Report 2016 - Appendix D: GRI Disclosures on management approach
G4-EN3	Energy consumption within the organization	Good Operations Report 2016 - Chapter 4: Our performance in 2016 (Creating a positive sustainability effect)
G4-EN15	Direct GHG emissions (Scope 1)	Good Operations Report 2016 - Chapter 4: Our performance in 2016 (Creating a positive sustainability effect)
G4-EN16	Indirect GHG emissions: Scope 2	Good Operations Report 2016 - Chapter 4: Our performance in 2016 (Creating a positive sustainability effect)
G4-EN17	Other indirect GHG emissions (Scope 3)	Good Operations Report 2016 - Chapter 4: Our performance in 2016 (Creating a positive sustainability effect)

