

Playing for the Future

CORPORATE SOCIAL RESPONSIBILITY
REPORT **2011-2012**

Totalizator Sportowy

Activities of the LOTTO Million Dreams Foundation



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Ladies and gentlemen,

I am pleased to present to you the Social Responsibility Report of the LOTTO Million Dreams Foundation.

Thanks to our new strategy adopted for the years 2012-2014, the Foundation is able to support our beneficiaries and realize their dreams more effectively. We are confident that the vision we have shaped for the past two years is clear and that it will bring visible results. It not only compliments and is aligned with the social responsibility strategy of Totalizator Sportowy, our founder and benefactor, but most of all it allows us to focus on areas and groups, which need our help. Therefore, we are confident that our programs will make a genuine contribution to social development. We focus on precisely defined problems. In this report we present the primary postulates and goals of our strategy as well as our 2011/2012 accomplishments.

This report is unique on the Polish Non Governmental Organizations' (NGOs) market. We have managed to fulfil the reporting requirements necessitated by the Polish legal regulations, as well as the expectations contained in the international guidelines of the Global Reporting Initiative (GRI) for NGOs. We show figures in the context of the actual projects that we have been implementing. We have decided to use the GRI model, because we aim to show activities in a transparent and professional way. Managing funds from donations is a special responsibility for the "third sector", a responsibility towards the society that puts its trust in NGOs.

We would like to thank all individuals and institutions that helped us to achieve so much, enabled us to fulfil our mission and supported us in improving our work. After all, we are playing for the future together!

We invite you to read our report.



Sincerely,
Bartosz Mielecki
Chairman of the Board
LOTTO Million Dreams Foundation



¹ These requirements are listed in the Regulation of the Minister of Justice on The General Scope of Reporting on Foundation Activities, dated May 8, 2001; List of Acts and Regulations nr 50, May 8, 2001, item 529.

Introduction



About the Founder



Totalizator Sportowy is one of the most recognizable Polish companies, which has been operating unceasingly in the field of number games and lotteries for over 57 years. The company has a network of over 13,000 points

Establishing the foundation was a conscious and a well thought through decision. Thanks to the Foundation, we can conduct corporate responsibility activities effectively and with great attention to every detail. What's important, the people working for the Foundation know the work culture of Totalizator Sportowy and, at the same time, they have extensive experience in working for NGOs. They are our link between the company and the so-called "third sector". To summarize, the sensitivity and skills of the Foundation employees coupled with the potential of Totalizator Sportowy guarantee the success of our broadly understood social responsibility activities.

Wojciech Szpil

President of Totalizator Sportowy Sp. z o.o.,
Chair of the Council of the LOTTO Million Dreams Foundation

of sale working in an online system. The tradition of social involvement goes back to the beginnings of our company. The work of Totalizator Sportowy has always involved initiatives, which strengthen local community ties. The company was created to promote sports and to invest in the development of sport and recreation infrastructure in Poland. For decades, Totalizator Sportowy has supported the construction of several thousand sport facilities: stadiums, football fields, swimming pools, indoor ice rinks, gymnasiums, sports arenas, kayaking tracks, tennis courts, ski jump ramps, and ski trails. Totalizator Sportowy, as a state-owned company, carries a special responsibility for creating safe standards for participation in numbers games and lotteries. It means a responsibility for the offered products and for the regulations governing these products. The company is aware that the game brings out a lot of emotions and it would like these emotions to be always positive.



About the Foundation

The LOTTO Million Dreams Foundation was established in 2009 as a corporate foundation of Totalizator Sportowy (TS). Its activities are aligned with the company's social responsibility strategy in the following areas:

- sport,
- culture,
- responsible gaming,

- employee volunteerism,
- philanthropy.

The Foundation promotes the idea of volunteerism and engages employees in helping others. It educates and creates standards of responsible gaming so that the games remain the source of entertainment and fun. In this area, the Foundation works with the academic community. In 2013, the Foundation will broaden its scope to include areas supported by the donations from Totalizator Sportowy for state special funds. More information on this topic can be found in the Social Responsibility Report issued by TS. The Foundation will launch a sports program, promoting active lifestyle among youth, as well as a cultural program supporting young artists and cultural animators.

Establishing a corporate foundation allows the company to plan and systematize its long-term goals. What's important, not only defined activities, but also specific competencies come together in one place at this moment. One can see it as an opportunity for greater effectiveness. Moreover, setting up the Foundation as a separate legal entity offers a better chance of making its activities more transparent.

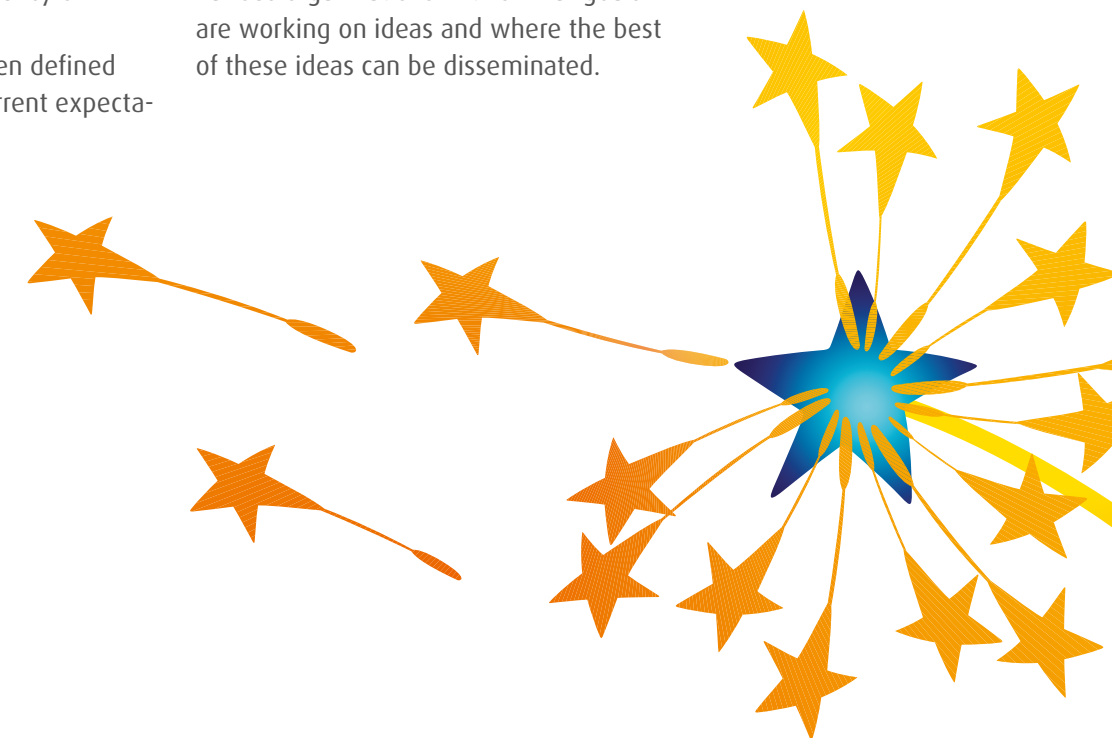
Mirella Panek-Owsiańska

President of the Responsible Business Forum

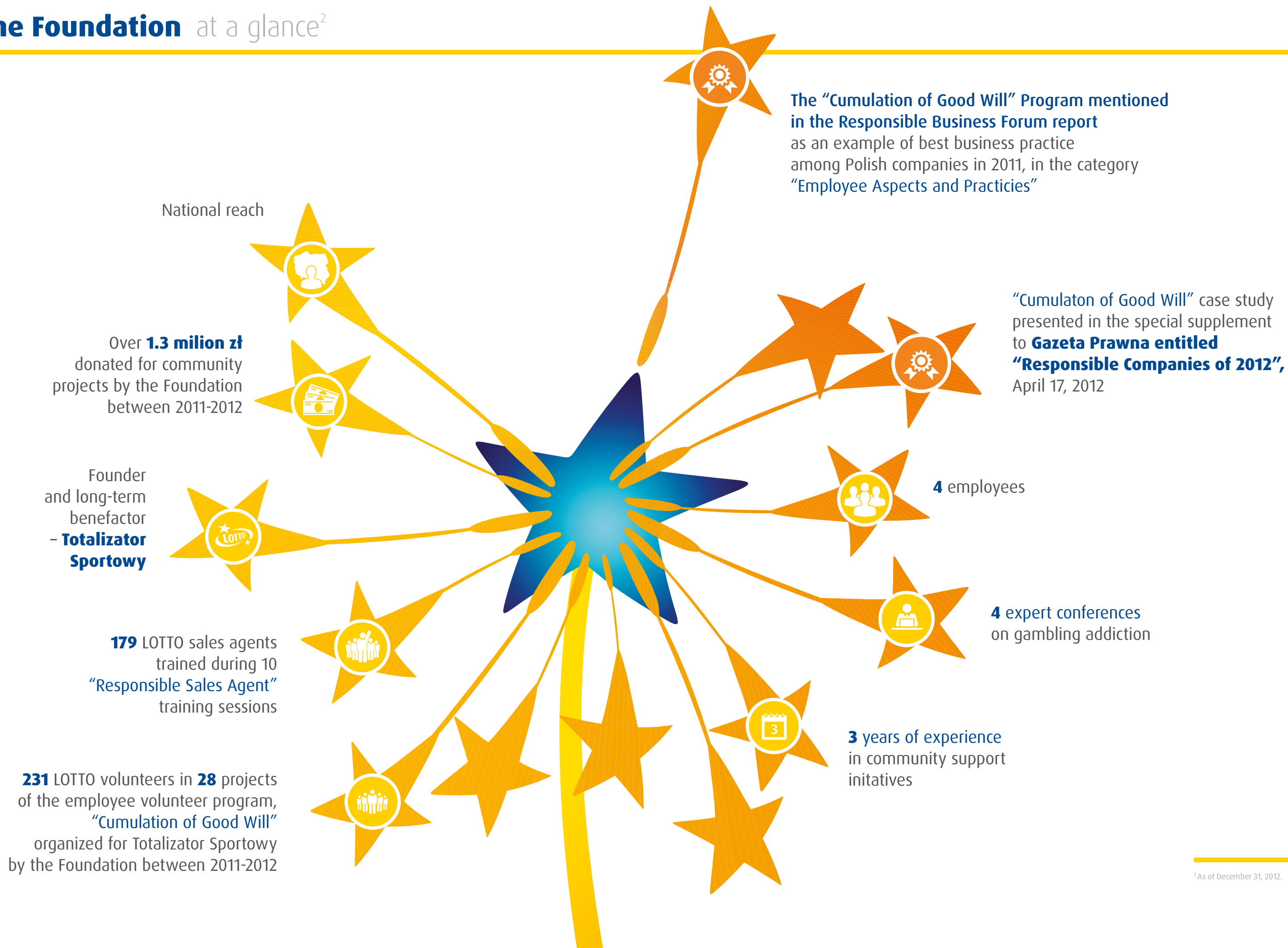
About the report

This report is the third official account prepared according to the Regulation of the Minister of Justice on The General Scope of Reporting on Foundation Activities, dated May 8, 2001 (List of Acts and Regulations nr 50, May 8, 2001, item 529). At the same time, it is the first report prepared according to the guidelines of the Global Reporting Initiative G3.1 including the supplement for the Non Governmental Organizations (NGO Sector Supplement - NGOSS). This report has been prepared as the application level "B" and was not verified by an auditor. The scope of the report takes into consideration the small size of the Foundation, especially its relatively small staff. Due to this fact, a significant number of indicators, including indicators pertaining to environmental impact, have been deemed immaterial. It does not mean that there is no environmental impact, but rather that it is so insignificant that it can be omitted. In the case of the aforementioned environmental indicators, the impact of the Foundation's staff will be smaller than that of an average household. On the other hand, a greater emphasis has been put on the indicators directly linked to social involvement and the presence in the "third sector", most notably on the selection and impact of the social responsibility programs as well as the professionalism and transparency of the Foundation's work. The content of the report has been defined based on the data analysis of current expecta-

tions provided by the key stakeholders. The analysis was conducted for the purpose of outlining the strategy of the Foundation. During the analysis, particular interest groups as well as the areas and topics of the main concern were identified. The channels and forms of communication were also outlined. The Foundation models its dialogue with the interest groups on the best standards, such as AA1000 SES (2011) norm. The communication is ongoing and is thematically aligned with each of the groups. It is worth noting, that the Foundation is, and has always been, open to external feedback with respect to creating community projects. The first year of the "Responsible Gaming" program was devoted to learning about the problem and building a community of experts specializing in gambling addiction. The employee volunteer program, "Cumulation of Good Will", supports the implementation of the best employee initiatives and enables experience and idea sharing. While preparing for the 2013 launch of the new sports-focused social program, the Foundation conducted a detailed survey amongst the representative group of the program recipients. Additionally, one can treat the donation programs that the Foundation will launch in 2013, as building a community of open innovation, where various organizations with similar goals are working on ideas and where the best of these ideas can be disseminated.



The Foundation at a glance²



How the Foundation **Works?**



The governing bodies and the team of the Foundation

The governing bodies of the Foundation are the Council and the Board of Directors. The Council has an advisory, supervisory and initiative-generating role while The Board of Directors is accountable for the ongoing management of the Foundation’s activities. All members of the Council represent the Founder, that is Totalizator Sportowy. The members of the Council, as well as the Directors of the Foundation, are appointed and revoked by the founder.

Governing Bodies of the Foundation			
December 31, 2010	December 31, 2011	December 31, 2012	September 15, 2013
The Council			
Sławomir Dudziński (Chair of the Council)	Sławomir Dudziński (Chair of the Council)	Wojciech Szpil (Chair of the Council)	Wojciech Szpil (Chair of the Council)
Andżelika Wielanek (Secretary of the Council)	Mariusz Szymański (Deputy Chair of the Council)	Aleksandra Piszczorowicz (Deputy Chair of the Council)	Aleksandra Piszczorowicz (Deputy Chair of the Council)
Mariusz Szymański (Member of the Council)	Wojciech Szpil (Deputy Chair of the Council)	Alina Urban (Member of the Council)	Agnieszka Libor (Member of the Council)
	Andżelika Wielanek (Member of the Council)	Tadeusz Petruczeńko (Member of the Council)	Tadeusz Petruczeńko (Member of the Council)
	Grzegorz Chachaj (Member of the Council)		
	Piotr Gawron (Member of the Council)		
Board of Directors			
Piotr Gawron (Chair of the Board)	Anna Zawadzka (Chair of the Board)	Anna Zawadzka (Chair of the Board)	Bartosz Mielecki (Chair of the Board)
Joanna Kowalska (Member of the Board)			
Anna Zawadzka (Member of the Board)			

There is a very strong demarcation between the Board of Directors and the Council, which is supposed to prevent a potential conflict of interest. Members of the Council cannot be related to, be in a relationship with or be subordinate, to the members of the Board of Directors. Moreover, any person charged by the state and convicted by a final judgement of the court of a premeditated crime or a financial offence cannot serve as a member of the Council. In the case of any conflict of interest, the person in question is excluded from the decision making process. This procedure also pertains to the governing bodies and employees of the Foundation with

respect to the donation process and third parties. Additionally, this aspect has been incorporated into the donation granting process – any family ties or other relationship of a potential beneficiary to employees of the Foundation must be disclosed in the donation application. The disclosure does not exclude the applicant nor impacts the assessment, but it prevents a potential conflict of interest at the application review stage. The scope of responsibilities and the guidelines pertaining to the relationship between the founder, the Council, and the Board of Directors is strictly regulated by the Foundation’s Statute. The Statute is publicly available at fundacjalotto.pl.

In 2011 and 2012, the Chair of the Board, who coordinated the work of the staff, volunteers, and experts invited to work on some projects, reported directly to the Board of Directors. At the end of 2012, the Foundation employed 4 permanent employees while at the end of 2011 there was only 1 permanent employee, and a year before, i.e. at the end of 2010, the Foundation did not have any permanent employees. During the reported period no one has left the employment. Additionally ad hoc,

the Foundation engaged 9 people as contract personnel (including experts). Simultaneously, the work of the Foundation is supported by a group of volunteers, mainly employees of Totalizator Sportowy and LOTTO sales agents. Due to their professional duties, all these people worked as volunteers on a part time basis³. All volunteers own insurance policies according to the applicable law. Overall, just in 2012, nearly 200 people expressed interest in working with the Foundation, and over 230 since its inception.

Operating principles

The issue of transparency in managing funds entrusted by donors is fundamental for the whole sector. It seems that corporate foundations, which can adopt best practices directly from business, have the chance to chart the course for the “third sector”. It is not only the matter of transparent financial reporting and values, but also the matter of procedures, which limit the subjectivity of assessments pertaining to implemented programs, including the risk of unethical behaviour. Realizing the importance of this issue, the Foundation joined the project of the Donors Forum dedicated to establishing standards for corporate foundation activities in Poland. At the end of 2012, the Foundation itself began working on its own procedures concerning donation and partner programs. The procedures will ensure:

- the alignment of supported activities with strategic goals of the Foundation
- a unified, objective and transparent assessment of the submitted applications
- a documented process of assessment and decision making, including the decision makers.

The LOTTO Million Dreams Foundation is participating in the Donors Forum project dedicated to establishing standards for activities of corporate foundations in Poland. The participants of the project formulate common standards such as: the mission and goals of a foundation, beneficiary relations, finance management, the founder, employee and the overall environment relations, assessment of foundation activities, as well as openness and transparency. We view the Foundation’s efforts in transparent reporting as very positive. We are also happy to see that the Foundation is open to cooperation with other organizations. Experience and best practice sharing are crucial for our project. The development and implementation of common standards will enable even more effective work of corporate foundations in Poland.

Magdalena Pękacka
President, Donors Forum, Poland

³NGOSS Supplement distinguishes between full-time volunteering (30 or more hours per week) and part-time volunteering (less than 30 hours).

The whole process will eventually be set and registered on an electronic platform. A uniform path will ensure that a hypothetical risk of potential beneficiaries exerting influence over the Foundation employees is minimized. All donation applications will have to be submitted through this platform otherwise they will be rejected.

The new criteria will narrow the scope of the supported projects and will exclude discretionary decision-making. Moreover, applicants will be obligated to state whether any of the employees or Board members of the Totalizator Sportowy, or any legal entity associated with the TS, are linked with their organization. It will not automatically disqualify the application, but it will prevent a conflict of interest.

The uniform assessment system will ensure an objective and optimal selection of projects. Some of the selection criteria will include:

- the objective and scope of the project and their alignment with the statutory goals and current social priorities of the Foundation,
- the probability of the project implementation,
- previous cooperation experience with the given applicant, including adherence to the reporting requirements, financial and otherwise, in the case of the projects funded by the Foundation previously; in the case of no previous application history, the applicant's potential will be assessed.

The planned assessment system will assign points for a number of criteria belonging to each of the above-noted categories. The important aspect is that the whole process will be documented. None of the assessments will be anonymous. In making substantive assessments, the Foundation will be able to support its decisions with opinions of experts selected by the Council, excluding such experts that might have a conflict of interest. The uniform and objective assessment system will be prepared not only for the donation programs, but also for the long-term partner programs.

Due to the huge interest in the donation programs, the Foundation does not foresee establishing an appeal process for rejected applications.

The beneficiary will be obligated to report on the project in a timely manner by submitting substantive and financial reports, which will also be eventually defined on the electronic platform. Each beneficiary will be obligated to keep financial records and to be available for an audit on the Foundation's request.

The assessment of the projects co-financed by the LOTTO Million Dreams Foundation, will take into consideration the degree in which a given social problem has been solved as well as how the target group benefited from the project. The assessment will also verify whether the projected metrics have been achieved. Apart from the typical financial data, the report will also include non-financial metrics, such as: volunteer work hours and free goods and services donated to the project. This will allow capturing the overall real cost of the project implementation, and eventually, after the assessment of social benefits, capturing the metrics of the overall project effectiveness. Such analysis of contribution and benefit, especially in the situation where donations support projects with similar goals, enables:

- comparison of effectiveness,
- the best ideas and practices to be found and disseminated.

The best practices allow learning; moreover, they are a direct contribution of the interest groups to finding solutions, which subsequently, can be disseminated and used by the Foundation. Looking at the applicants requesting donations from NGOs, one sees not only beneficiaries, but also an open community focused around the Foundation; a community with common goals, which develops and shares new and innovative solutions.

Looking at the applicants requesting donations from NGOs, one sees not only beneficiaries, but also an open community focused around the Foundation.



A collage of hands reaching out and holding each other, symbolizing social involvement. The hands are in various shades of brown and tan, set against a light blue background. The hands are arranged in a circular pattern, with some reaching out from the top and others from the bottom, creating a sense of unity and connection.

Social **Involvement**

In July 2012, the Council of the Foundation adopted a new Strategy for the years 2012-2014. The strategy details the activities through which the Foundation realizes its mission: **supporting Poles on the way towards responsible and happy life.**

The Foundation inspires people, especially children and youth, to lead active lives by:

- promoting participation in amateur sports,
- encouraging participation in cultural activities and making culture accessible,
- building awareness among families about responsible entertainment,
- supporting charitable activities of Totalizator Sportowy employees.

The Foundation implements projects promoting participation in sports and culture. Often, lack of hobbies, boredom, stagnation, the feeling of hopelessness, and the need to kill time causes all kinds of problems.

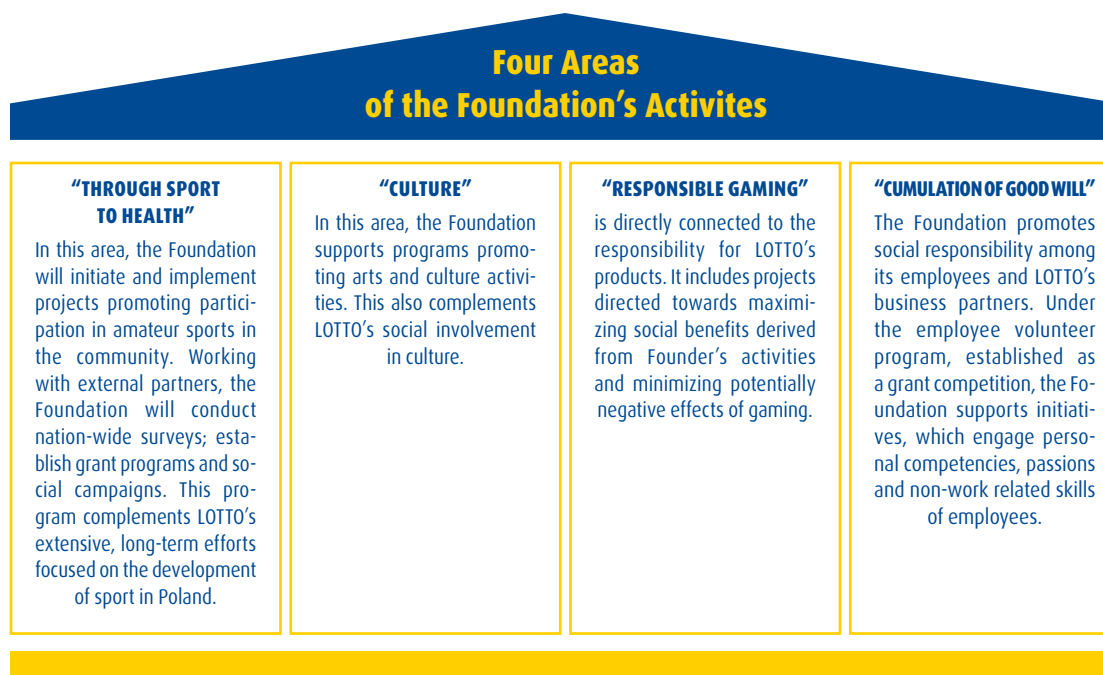
The Foundation wants people, especially children and youth, to realize that life can be rich thanks to playing sports or taking interest in arts and culture.

The next area of the Foundation's interests, Responsible Gaming, is closely connected to the business activities of the founder. Games of chance and lotteries are intended to be fun and be associated with positive emotions.

The efforts of the Foundation in this area are a logical extension of the comprehensive work of Totalizator Sportowy, undertaken as part of the Responsible Game program.

The strategic directions are reflected in the four pillars of the Foundation and other activities - mainly philanthropy.

The strategic directions presented above are reflected in the four areas of the Foundation's activities and in other projects, mostly philanthropy.



The Values of the LOTTO Million Dreams Foundation

IN ALL ACTIVITIES, THE LOTTO MILLION DREAMS FOUNDATION AND EVERYONE INVOLVED IN ITS WORK FOLLOW FIRMLY DEFINED VALUES:

- **Partnership** - We work for social welfare (always on the basis of cooperation). We maintain dialogue with people and institutions from our community to learn about their needs, problems and expectations to the best of our ability. We work with others to ensure that our help is effective and reaches the areas where it is most needed.
- **Passion** - We help, because we want to and because we feel the need to do so.
- **Openness** - We act in an open, clear and transparent way.
- **Respect** - We respect other people and each other. We create a friendly atmosphere, full of respect, caring and empathy.
- **Responsibility** - We act in a responsible and mature way. We are aware that all our decisions have an impact on our environment and we ensure that this impact is always positive.

Area I: Through sport to health



The key focus in this area is the sports program "Cumulation of Activity". The plan of this program was developed in 2012 in cooperation with Fabryka Komunikacji Społecznej (Factory of Social Communication)⁴.

The most important elements of this program will be implemented in 2013. However, in 2012, at the LOTTO Million Dreams Foundation's request, the Public Opinion Research Center conducted a complex population survey in preparation for the program:

- a quantitative survey of 800 middle school children and 800 parents,
- a qualitative survey of 72 people (physically active and physically inactive children,

their parents, coaches and physical education teachers) from 5 cities (Warsaw, Siedlce, Piotrków Trybunalski, Białystok and Puławy).

The surveys showed that about 50 per cent of the middle school children exhibit low level of physical activity. On average, children from this age group spend merely one hour per day being physically active – less than on watching TV or meeting friends. Parents, physical education teachers as well as role models of behaviour favoured by the peer group have the biggest impact on this type of lifestyle.

Based on these results, the Foundation has decided that the "Cumulation of Activity" program will be addressed not only to middle school children, but also to parents, physical education teachers, and schools, as institutions shaping the lives of youth. The Foundation will engage famous, experienced and accomplished athletes, who, as role models, will inspire young people to become more physically active. The Foundation is cooperating with experts, among others with Jacek Kurzępa, Ph.D., a Sociology Professor at the University of Social Sciences and Humanities, who oversaw the work of the research institute as well as the survey process and who analysed the results of the completed qualitative research.

For a while now, there have been discussions amongst parents, teachers and researchers that nowadays children and teenagers are not physically active enough in terms of playing any sports on regular basis. Multiple research results confirm that, but even without them we can easily see how few young people are physically fit, play any sports or simply are physically active. Sometimes we wonder how it is possible that they are so young yet so lazy, overweight and lack tenacity. The problem is functional, they just don't have motivation to run, play and move. We need to encourage them to do so. The proposed program fulfils these expectations and gives hope that following in the footsteps of Olympic athletes, the young people will start to breathe deeply, will get to know the taste of physical fatigue and of the satisfaction one gets from overcoming higher and higher hurdles.

Jacek Kurzępa, Ph.D.

Professor at the University of Social Sciences and Humanities

⁴ <http://www.fks.com.pl/en/>

Area II: Culture



In 2012, the Foundation was working on creating a social program in the area of arts and culture



◆◆ If young people don't meet the right person in the course of a lifetime, their talent is often lost. At the Association of Creative Initiatives "e", we believe that creative education can also exist outside the school. Therefore, we create space for special meetings of young people and their mentors, artists and cultural animators, who share their knowledge and invite the young people on an extraordinary adventure, i.e. working on their personal project. A "Master and Student" relationship is a motto for the beginning of this journey, which often leads to a true artistic partnership and exchange of ideas between two artists. Mentoring is our recipe for building community bonds based on solidarity and generational dialogue. It's a recipe for a better world.

Marta Białek-Graczyk

President, Association of Creative Initiatives "e"



After consultations with the Founder and community partners, a consensus was reached to establish a "1/1 Master and Student" program in cooperation with the Association of Creative Initiatives "e". The Foundation worked with the Association on all the details of the program and helped to develop a communication plan so that it was best aligned with the goals and the new strategy of the Foundation.

In its final form the program complements the traditional education system, which does not afford sufficient time for the development of new talents. For these young people, a meeting with an experienced and renowned artist or a culture animator is a stepping-stone on the way to becoming an artist. It is a unique opportunity to learn. It is also an opportunity for a multi-generational exchange of ideas.

Area III: Responsible gaming



"Responsible Gaming" is the continuation of an earlier implemented program "Responsible Game". The goal of this program is to educate the public about responsible gaming. It also is about creating awareness and shaping behaviours focused on play and entertainment. Additionally, it is about pre-venting the risk of gambling addiction.

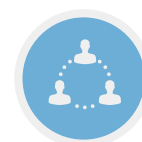
The program is addressed to:

- everyone who is directly or indirectly affected by gambling addiction or is in a gambling addiction risk group,

- professionals who specialize in the problem of addictions.

Several comprehensive projects have been implemented under the "Responsible Gaming" program. The most important projects include:

Research



During the first phase of the program, the Foundation focused on research to learn about the problem of gambling addiction. The following research projects were conducted:

Project "The extent of gambling addiction in Poland" (2011).

In 2011, at the request of the Foundation, the Public Opinion Research Center conducted a nation-wide survey on the topic of gambling addiction in Poland. Overall, the Center conducted 3000 computer-based surveys of a nation-wide representative group of adults over 18 years of age. Some of the survey aspects included:

- characterisation of the gaming addiction process;
- identification of game categories, which potentially pose a greater risk of gambling addiction as well as isolation of factors that impact the degree of risk;
- research of socio-cultural and external factors of addiction as well as the analysis of the "heredity" phenomenon of gambling addiction;
- comparison of the gambling addiction extent according to metrics of individual behaviour versus projection behaviour.

In effect, this was the first credible diagnosis of the extent of gambling addiction in Poland. The results were revealed during a special press conference, on May 9, 2011.

Research into potential addictions among players, including customers of Totalizator Sportowy (2011).

During the period September – October, 2011, at the request of the Foundation, a market research company, PBS DGA Sp. z o.o., conducted a Paper and Pencil survey of 2,000 players. This survey tied into the research conducted by the Public Opinion Research Center in February 2011. The PBS survey was extended to include a group of minors and people in the care of social welfare institutions, i.e. disabled and unemployed persons.

According to this survey, the games offered by Totalizator Sportowy fall into the least addictive category – the percentage of addicts or people in the addiction risk group is the smallest.

Knowledge base



The Foundation is creating a knowledge base promoting ways of responsible gaming.

To this end, the Foundation is gathering information pertaining to addiction prevention as well as responsible gaming practices used

by gaming industry around the world. They are available on the Foundation's website and everyone can review them.

⁵ <http://e.org.pl/>

Win against gambling



In 2011, the Foundation organized a competition for the best thesis on the risk and prevention of gambling addiction. The competition run through the whole academic year of 2011/2012.

The goal of the competition was to encourage graduate students of humanities to explore the subject and to broaden their knowledge about the risk and prevention of gambling addiction. The Foundation is hoping that some of the students will choose this field of study in their academic careers or will effectively be helping people with such addictions during their internships. The more interest in this issue, the more research into people addicted to gambling and the bigger the chance of finding effective methods of counteracting this problem. Surveys commissioned by the Foundation indicate that there is lack of scientific research on this subject. As the result, the Polish experience in the field of addiction prevention and treatment is still very modest. Approaching this topic in a comprehensive way, one should start investing in education of future addiction specialists and next, develop and share best practices. Hence, our initiative that begins at the university level with the competition and the knowledge base, which could also help the students and academics to research this topic. The jurors of the competition, Ewa Woydyłło, Ph.D., a psychologist and an addiction

therapist, Jacek Santorski, a business and social psychologist, and Anna Zawadzka, Chair of the LOTTO Foundation at the time, recognized 6 graduate students. Moreover, to get the students interested in the subject of addiction, the Foundation organized meetings with distinguished experts and therapists at two Warsaw universities. In May, 2012, at the Faculty of Psychology of the University of Warsaw, Ewa Woydyłło, Ph.D. gave a lecture on "Psychological Aspects of Addiction: How to Recognize Them and How to Help" and a week later, at the University of Social Sciences and Humanities, Jacek Santorski and Robert Rutkowski, Ph.D. presented a lecture entitled "Managing Pleasures; or Love, Gambling and a Crocodile". Additionally, the LOTTO Million Dreams Foundation supported the students interested in the topic of gambling addictions by:

- connecting them with gaming addiction experts from other countries who have been re-searching this problem for many years,
- making the results of the research on the extent of the gambling addiction in Poland, commissioned earlier by the Foundation, available to them.

Publications



Co-financing the publication of a book "Gambling – the History, Risk and the Way Out".

In 2012, the Foundation, supporting the development of prevention methods and therapy of addictions, co-financed the publication of a book edited by doctor Bohdan T. Woronowicz, a specialist and supervisor of addiction psychotherapy, the creator and a long-time director of the Centre for Addiction Therapy at the Institute of Psychiatry and Neurology and of the Consulting Centre AKMED in Warsaw. The contributors to the book included: Alex Błaszczynski, Professor of Clinical Psychology and the Director of the Gambling Treatment Clinic at the University of Sydney, a world-renowned specialist and researcher on pathological gambling addiction and treatment, and an advocate of responsible gambling approach; Anita Pindur, a psycholo-

gist specializing in gambling addiction therapies and the Clinical Director of "The Way Back Inn", centre for addictions in Chicago, IL, USA; and Roman Pomianowski, a psychologist, educator and therapist, specializing in employing the theory of learned helplessness in therapy of people in debt and an author of a pilot assistance program for debtors in Poznań. The book is about diagnoses and therapy of gambling addictions and is addressed to a wide range of audiences – therapists, academics and students. The goal of the publication is to improve their competencies in the area of gambling addictions as well as making the access to professional help easier for people suffering from this dependency. The book is the first

comprehensive publication on the subject of gambling in Poland. Several dozen of these books were given

to the participants of the training sessions conducted by the Foundation as part of the "Responsible Sales Agent" program.

Remedium magazine



A special issue of the "Remedium" magazine devoted to education and prevention of gambling addiction.

In November 2011, the LOTTO Million Dreams Foundation co-financed the publication of a special issue of the magazine devoted to the topic of addiction therapies, mainly the gambling addiction. Thanks to its involvement in the gambling addiction issues, the Foundation contributed a report from the conference "The Diagnosis and Therapy of Pathological Gambling", which was organized in cooperation with the Zależni-Nie-Zależni Foundation (a foundation devoted to helping people coping with addictions). This special

magazine issue also included excerpts from the panel discussion on the gambling addiction support network, moderated by Professor Czesław Czabała, during the "Gambling: The Scale of the Problem, Challenges and Outlook" Conference. The articles in this issue present the knowledge about this phenomenon in Poland. They show the extent of the problem, talk about access to treatment as well as the current knowledge on this topic.

Training program



Training program "Responsible Sales Agent".

In 2012, in cooperation with the Masovian Association of Families and Friends of Addicted Children "Return from U", the Foundation organized a training program, co-financed by the National Office for Drug Addiction Prevention, funded by the Minister of Finance, as part of the Gambling Problem Solving Fund. The goal of the project was to develop and run a pilot training program addressed to sales agents of games of chance. The training was aimed at supporting the promotion of responsible and controlled

gaming as well as teaching how to recognize the symptoms of pathological or problem gambling. In cooperation with the Branch Directors of Totalizator Sportowy, the Foundation recruited participants for the training sessions in four cities. As the result, there were 10 training sessions with 179 participating LOTTO sales agents from Warsaw, Gdańsk, Poznań and Lublin. All of them received certifications of participation in the training. The Foundation is planning to continue these training sessions in 2013.



Support Line



A telephone helpline for players (800 100 800).

Since 2011, the Foundation has been running a free telephone helpline for people who gamble and play the lottery. The helpline provides information not only on how to play judiciously and responsibly, but also where

to find help. Additionally, it offers advice and contact information for therapists specializing in gambling addictions who provide free counselling in every district in Poland.

Conferences



Conferences on gambling addiction.



Learning about the gambling addiction also means building a community of experts specializing in prevention and therapy of addictions. Between 2010-2011, as part of the cooperation with these experts, the Foundation undertook organization of conferences for addiction specialists:

- A Training Conference, "Diagnosis and therapy of pathological gambling" (Warsaw, 2010),

- "Playing for life. Gambling and virtual addictions" (Lublin, 2011),
- An International Conference "Gambling: the extent of the phenomenon, the problems and the outlook" (Warsaw, 2011),
- "Pathological gambling: diagnosis and therapy" (Krakow, 2011),
- The Second National Training Conference, "Diagnosis and therapy of pathological gambling" (Warsaw, 2011).

Area IV: Cumulation of good will



The "Cumulation of Good Will" program assumes direct involvement of Totalizator Sportowy employees and their families in solving social problems. LOTTO sales agents may also participate in the program.



Taking part in the volunteer project made us aware how important it is that these types of programs reach small communities and how much it means to them. I hope that our work showed the children that they could spend their free time in an interesting way; that it inspired their creativity and showed them that it is worth having dreams and following them.

Paweł Buczek

"Cumulation of Good Will" project leader

The program was created in response to the needs of employees, who are aware of the problems in their local communities. Even if the reach of some projects is small, they still benefit real people, places and issues. This is their strength and when they accumulate, their value is priceless.



The employee volunteer program was initiated in 2011. The first “Cumulation of Good Will” competition attracted people who wished to share their time and skills with those in need. In the first edition of the competition, there were 5 supported initiatives involving 35 volunteers. This group became the driving force that “infected” other employees with their commitment and optimism. By the end of 2012, the LOTTO Million Dreams Foundation conducted three editions of the “Cumulation of Good Will” granting competition:

- I edition: fall – winter 2011,
- II edition: spring – summer 2012,
- III edition: fall – winter 2012.

The initiative enjoys a growing popularity among the employees. While 35 people participated in the first edition, the participation in the last competition tripled. Overall, in the years 2011-2012, 231 people took part in the volunteer program.

The leaders of the 2nd and 3rd edition of the competition completed a Volunteer Program Management training organized by the LOTTO Million Dreams Foundation. The first training session was prepared in cooperation with the Kronenberg Foundation of Citibank Handlowy, which for years has been managing the largest employee volunteer program in Poland. This cooperation is an example of a partnership between two business communities and, more precisely two corporate foundations, which can share their knowledge and experience.

It is important that each volunteer program is evaluated upon completion. Thanks to the information provided in the volunteer surveys, the Foundation is learning and the following competition editions are better organized and are more effectively aligned with the needs of local communities.

♦♦ The participation in the project was a special experience that does not happen every day. Being with disabled children, who despite many daily challenges are full of enthusiasm and joy, made us realize that it is them who are real winners. They overcome numerous limitations. They are real fighters.

Tadeusz Polak

“Cumulation of Good Will” project leader

♦♦ The sight of happy children was extraordinary for me. It was a joy to see how they became open in front of us and how happy they were. We had never worked in this group together and I have to admit that I was moved seeing my work colleagues in such circumstances. It helped us to get to know each other better. It was the best possible integration activity.

Anna Stańczak

“Cumulation of Good Will” project leader

Other activities: Philanthropy



Between 2011-2012, the Foundation, building its own programs, also supported socially significant initiatives implemented by other institutions. The Foundation supported financially the following organizations:

- **TPD “Helenów”, the Centre for Physical Therapy, Education and Care, an organization of The Friends of Children Association (Towarzystwo Przyjaciół Dzieci - TPD).** The LOTTO Million Dreams Foundation and Totalizator Sportowy have been cooperating with and supporting the “Helenów” Centre through financial donations and by co-organizing sport activities for the disabled and sick children who are in the care of the Centre.

The Centre includes: a Special Education Centre TPD “Helenów”, a Special Care Centre (external to the school), a Private Physical Education and Medical Centre, the Primary and Middle Specialised Schools nr 95, a Private TPD General Education High School, an Alumni Club, and a Centre for Prophylaxis and Development.

In 2011, the LOTTO Million Dreams Foundation funded the Christmas Eve celebration for the children in the care of TPD “Helenów”, the Centre for Physical Therapy, Education and Care.

In February 2012, the Foundation provided a donation to the Centre for the purchase of a car, and in November of the same year, another donation for the purchase of physical therapy and sports equipment for the newly open kindergarten for disabled children.

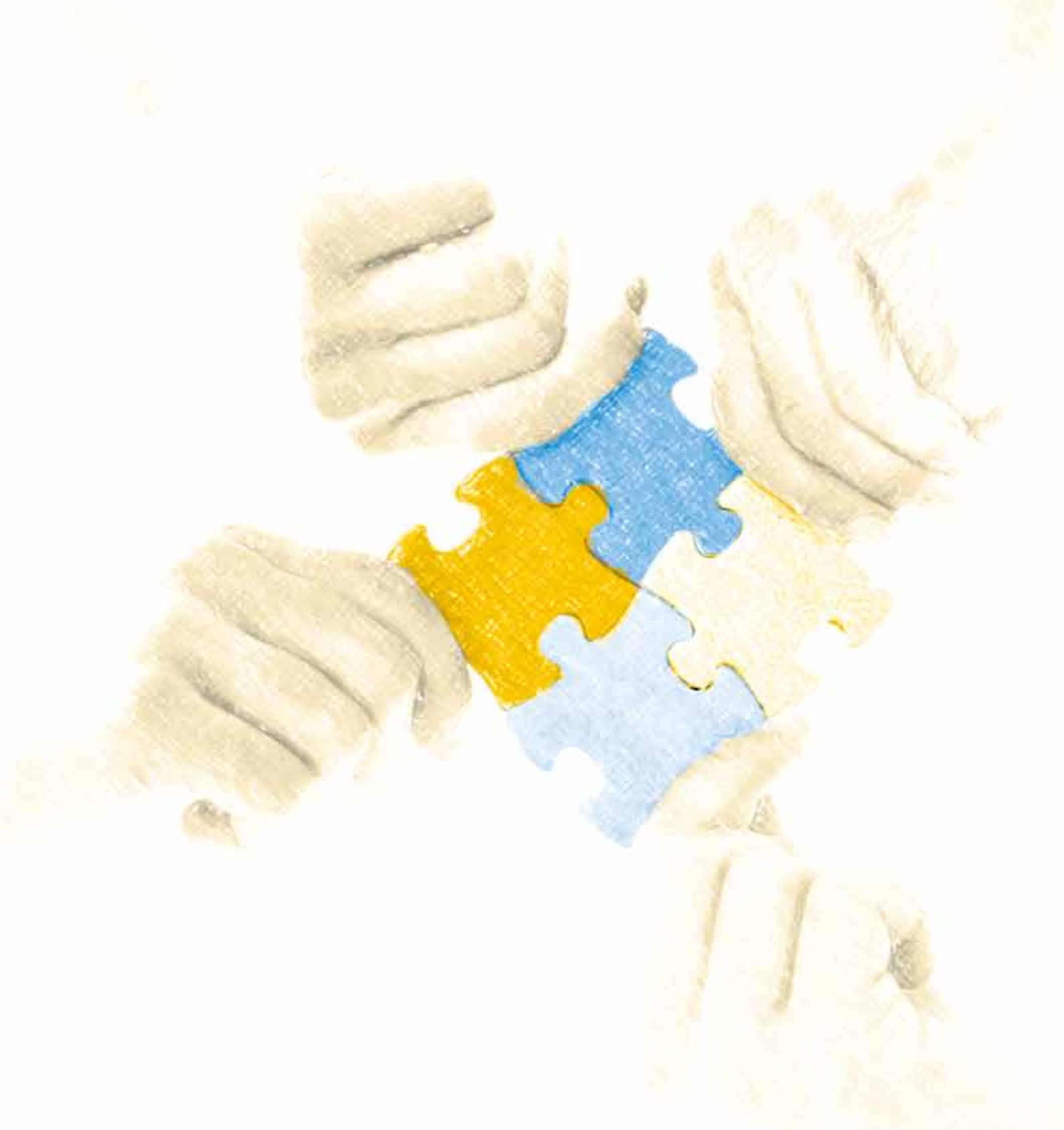
- **Ex Animo Foundation.** The LOTTO Million Dreams Foundation funded a Christmas party for paediatric cancer patients from the Oncology Clinic of the “Children’s Memorial Health Institute”.

- **Association for Education of Young Footballers KS SEMP (Sports Club SEMP), Ursynów, Warsaw.** At the end of July 2011, a fire destroyed all training and auxiliary equipment that have been collected over the years, some of the uniforms, the change room, and the warehouse of the organization. The Foundation donated funds for the purchase of new training equipment.

♦♦ There have been many occasions, which showed us that having friends on whose support we have been able to rely for many years, gives us a sense of safety and stability. It is thanks to Totalizator Sportowy and the LOTTO Million Dreams Foundation, which understand our needs, that physically challenged children in the care of TPD Helenów, the Centre for Physical Therapy, Education and Care, can achieve much better levels of physical fitness, which helps them to become more independent as adults. Thanks to our friends from the LOTTO Million Dreams Foundation we have gained a lot: a special car to transport the children in our care, the support in organising many special occasions and finally, the support in equipping our TPD Sue Ryder Special Needs Kindergarten in September, 2012.

Zbigniew Drzewiecki

Director, TPD “HELENÓW”, the Centre for Physical Therapy, Education and Care



Appendices

Appendix 1:

Basic Financial Information

The generated economic value, divided and kept by the LOTTO Million Dreams Foundation was as follows:

	2011 (zł)	2012 (zł)
Direct Economic Value Generated	3,547,227.73	3,012,642.79
Revenue, including:	3,547,227.73	3,012,642.79
previous year financial results netto	1,016,595.61	2,772,519.01
operating revenue	2,500,000.00	119,991.02
revenue from financial activities	30,632.12	120,132.76
Economic Value Distributed	774,708.72	843,707.50
Operating Costs (administration costs, including wages for realization of non-statutory goals)	94,078.99	159,347.52
Employee Wages and Benefits (for persons involved in realization of statutory goals)	36,505.50	124,768.82
Payments for Providers of Capital (financial costs)	0.00	20.25
Payments to Governments	0.00	0.00
Community Investments (expenses for social involvement excluding the costs of wages and benefits of persons involved in the realization of statutory goals)	644,124.23	559,570.91
Economic Value Retained (calculated as the economic value remaining after subtracting the value of the Economic Value Distributed)	2,772,519.01	2,168,935.29

The above-noted statement is secondary to the obligatory financial statement. The administrative costs have been reported according to the financial statement, including wages and benefits, which are excluded from the costs of statutory goal realization. However, in the case of the goal realization costs, the wages and benefits have been shown as a separate category. The total cost of wages and benefits of the persons involved in the realization of statutory goals as well as the community investment constitute the statutory costs, which are presented in the financial statement (680,629.73 zł in 2011 and 684,339.73 in 2012).

It should be noted here, that the Foundation’s revenue came almost entirely from the Founder’s donations as well as from the investment interest derived from the previously accumulated funds. In 2012, the Foundation received funding from the Gambling Problem Solving Fund for the purpose of the LOTTO sales agent training – the Foundation spent 76,900 zł out of the 98,000 zł pledged in the agreement (2.5% of the Foundation’s revenue). The Foundation, developing a new strategy, has accumulated funds for implementation

of these programs by building financial reserves for the past two years.

The Foundation prepares its financial statement according to the supplement of the Regulation of the Minister of Finance, dated November 15, 2001, pertaining to the Accounting Rules for Non-Commercial Entities (List of Acts and Regulations nr 137, item 1539, with subsequent amendments) as well as according to the Regulation of the Minister of Justice, dated May 8, 2001, pertaining to the General Scope of Reporting on Foundation Activities, dated May 8, 2001; List of Acts and Regulations nr 50, May 8, 2001, item 529.

The Foundation publishes the financial statements and the expenditure reports on its website. This statement is secondary to these publications.

Foundation’s revenue came almost entirely from the Founder’s donations as well as from the investment interest derived from the previously accumulated funds.



Appendix 2:

Additional Report Information

from 2011 to 2012

This appendix contains additional information aligned with the requirements of the yearly financial statement from the activities of the Foundation presented to the supervising Minister, according to the Regulation of the Minister of Justice, dated May 8, 2001, pertaining to the General Scope of Reporting on Foundation Activities; List of Acts and Regulations nr 50, May 8, 2001, item 529.

Re. Art. 2.1. Information about the Foundation

The LOTTO Million Dreams Foundation was established by Totalizator Sportowy Sp. z o.o., by a notarial act dated December 9, 2009 (Register A nr 12216/2009) before a notary public, Marcin Łaski, (of Paweł Cupriak & Marcin Łaski Notaries Public LLP, at 2 Grzybowska Street, office 26B, 00-131 Warsaw), in Warsaw.

The LOTTO Million Dreams Foundation was entered into the Register of Associations, Other Social and Professional Organisations, Foundations and National Health Institutions, at the District Court of the Municipality of Warsaw, XIII Economic Department of the National Court Registry (Krajowy Rejestr Sądowy – KRS) by the decree dated December 28, 2009 (ref. nr WA.XIII NS-REJ. KRS/8/12/215) under the number KRS 0000345434.

The Foundation works on the basis of the Charitable Foundations Act, dated April 6, 1984 (List of Acts and Regulations, 1984 Nr 21, item 97, with subsequent amendments) and on the basis of the LOTTO Million Dreams Foundation Statute.

Name:LOTTO Million Dreams Foundation
Address:.....25 Targowa Street, 03-728 Warsaw
Date of registration in the KRS:December 28, 2009, (KRS – National Court Registry)
KRS number:0000345434
Identification number REGON:.....142218565, (REGON - National Official Register of Economic Entities)
Number NIP:113 279 19 96, (NIP – Tax Identification Number)
Bank account number:78 1240 5989 1111 0010 2924 9867
Supervisory body:.....Minister for Social Policy
Board of Directors:As of December 31, 2012, there was only one person on the Board of Directors: Anna Zawadzka, Chair of the Board.

Re. Art. 2.2. Information about the statutory goals of the Foundation

According to Art. 7.2 of the goals of the Foundation are as follows:

1. undertaking and supporting activities that sustain personal development, broaden knowledge, and increase quality of life,
2. supporting gifted persons who are not able to realize their goals due to insufficient financial means,
3. undertaking and supporting the development of corporate social responsibility,

4. undertaking and supporting philanthropic activities, including provision and support of community help and social assistance,
5. undertaking and supporting educational activities, including the support and sharing of learning and education,
6. supporting institutions of public significance, including support in case of natural disasters,
7. undertaking and supporting activities in the area of physical fitness and sport, including support and promotion of physical education, active lifestyle among teenagers, and physical fitness,
8. undertaking and supporting activities aimed at raising public awareness on the subject of the risk and prevention of gambling addiction as well as supporting prevention and addiction therapies,
9. promoting, undertaking and supporting healthy lifestyle, prevention, and education about gambling addictions,
10. providing help to educational and care institutions,
11. undertaking and supporting activities in the area of environmental protection, including initiatives by third parties devoted to this goal,
12. undertaking and supporting various function and cultural festivals for disabled persons or with their participation.

The rules, forms and scope of the statutory activities of the Foundation, as well as the description of the main legal events with financial outcomes was presented on pages 21-29 of this report.

Re. Art. 2.3. Information about the economic activity of the Foundation

The Foundation is not registered as a commercial company at the National Court Registry (KRS) and does not conduct economic activity.

Re. Art. 2.5. Revenue

The **2011** revenue of the Foundation equals **3,547,227.73 zł**. This includes the following items:

- Revenue from the statutory activity 3,516,595.61 zł
- Financial revenue 30,632.12 zł

The **2012** revenue of the Foundation equals **3,012,642.79 zł**. This includes the following items:

- Revenue from the statutory activities: 2,772,519.01 zł
- Other revenue: 119,991.02 zł
- Financial revenue: 120,132.76 zł

Re. Art. 2.6. Expenses

The **2011** expenses of the Foundation equal **774,708.72 zł**. This includes the following items:
a) the cost of realization of the statutory goals **680,629.73 zł**:

Quantitative analysis "Gambling Addiction"	209,839.99 zł
Press conference – announcement of the research results	16,413.12 zł
Scientific conference "Gambling: the extent of the phenomenon, the problems, and outlook"	46,559.14 zł
Scientific conference "Playing for life: gambling and virtual addiction"	3,000.00 zł
Scientific conference "Pathological gambling: diagnosis and psychotherapy"	7,060.50 zł
Training conference on gambling addiction for addiction therapists	124,388.10 zł
Special issue of the "Remedium" magazine	12,000.00 zł
Qualitative analysis of the extent of gambling addiction in Poland	184,500.00 zł
The best thesis on gambling addiction competition	10,502.88 zł
"Responsible Gaming" internet portal	11,037.51 zł
The scholarship program for the students researching gambling addiction	1,600.00 zł
Participation in the <i>Responsible Gaming Seminar</i>	11,417.92 zł
Grant and donation program	21,600.00 zł
Employee volunteer program	18,410.57 zł
Cooperation with experts	2,300.00 zł

- b) administration costs94,078.99 zł
- c) economic activity0.00 zł
- d) other costs0.00 zł

The **2012** Foundation costs equal **846,446.33 zł**. This includes the following items:
a) the cost of realization of the statutory goals: **684,339.73 zł**:

Through Sport to Health	271,036.66 zł
Culture	40,613.01 zł
Responsible gaming	172,288.05 zł
Cumulation of Good Will	114,004.65 zł
Philanthropy	86,397.36 zł

- b) administration costs:159,347.52 zł
- c) economic activity:0.00 zł
- d) other costs:20.25 zł

Re. Art.2.7. Data

- a) The number of the Foundation employees according to their position
On December 31, 2011 the LOTTO Million Dreams Foundation employed 1 full-time permanent employee:
 - President of the Foundation (1 person)
On December 31, 2012 the LOTTO Million Dreams Foundation employed 4 full-time permanent employees:
 - President of the Foundation (1 person)
 - Communication Coordinator (1 person)
 - Program Coordinator (2 people)
- b) Total sum of wages and benefits paid out by the Foundation divided into wages, bonuses, awards and other benefits

	Wages	Additional Foundation Costs				Total
		Pension fund financed by the Foundation	Disability pension fund financed by the Foundation	Workers disability insurance fund	Wages guarantee fund	
2011 (salaries)	54,933.33 zł	5,370.81 zł	2,476.30 zł	808.92 zł	1,348.21 zł	64,937.57 zł
2011 (bonuses)	– zł	– zł	– zł	– zł	– zł	– zł
2011 (payments for contract work)	36,505.50 zł	– zł	– zł	– zł	– zł	36,505.50 zł
2012 (salaries)	161,680.12 zł	15,587.56 zł	10,221.06 zł	2,960.69 zł	3,912.85 zł	194,362.28 zł
2012 (bonuses)	6,500.00 zł	634.40 zł	422.50 zł	125.45 zł	159.25 zł	7,841.60 zł
2012 (payments for contract work)	2,0176.61 zł	1,189.45 zł	792.15 zł	230.49 zł	273.44 zł	22,662.14 zł

- c) The total sum of yearly or average monthly salaries paid to the Board of Directors and other Foundation bodies divided into salaries, bonuses, awards and other benefits. In the reported period, the Board Members or members of other Foundation bodies did not receive any salaries.

d) Payments for service contract work

	Payments from the contract work fund	Additional Foundation Costs				TOTAL (wages including additional Foundation costs)
		Pension fund financed by the Foundation	Disability pension fund financed by the Foundation	Workers disability insurance	Wages guarantee fund	
2011	3,505.50 zł	- zł	- zł	- zł	- zł	3,505.50 zł
2012	12,066.84 zł	994.25 zł	662.15 zł	191.89 zł	224.44 zł	14,139.57 zł

e) Loans provided by the Foundation

In the reported period, the Foundation did not provide any loans.

f) Amounts deposited in the bank accounts

Data as of December 31, 2011:	
2,568,648.52 zł	Bank PEKAO SA current account (78 1240 5989 1111 0010 2924 9867)
365,000.00 zł	Bank PEKAO SA term deposit
Data as of December 31, 2012:	
49,552.14 zł	Bank PEKAO SA current account (78 1240 5989 1111 0010 2924 9867)
996.00 zł	Bank PEKAO SA current account (33 1240 5989 1111 0010 4390 9802)
4,698.37 zł	Bank PEKAO SA current account (28 1240 5989 1111 0010 4614 9719)
21,059.91 zł	Bank PEKAO SA current account (09 1240 5989 1111 0010 4590 7464)
199.74 zł	Bank PEKAO SA current account (80 1240 5989 1111 0010 4688 3655)
2,100,000.00 zł	Bank PEKAO SA term deposit

g) Acquired bonds and shares

In the reported period, the Foundation did not own nor acquire any bonds or shares of a commercial company.

h) Acquired real estate

In the reported period, the Foundation did not acquire any real estate.

i) Acquired fixed assets

In the reported period, the Foundation did not acquire any fixed assets.

j) The value of the Foundation’s assets and liabilities

	Data as of December 31, 2011:	Data as of December 31, 2012:
Value of assets:	2,934,628.47 zł	2,233,823.29 zł
Value of liabilities:	142,109.46 zł	44,888.00 zł

Re. Art. 2.8. Activities commissioned by national or local governmental entities

In 2012, on the basis of the Agreement nr 53/I/H/12, the Foundation implemented the “Responsible Sales Agent” project, co-financed by the Minister of Health, under the Gambling Problem Solving Fund – program II “Increasing the quality of the preventive and therapeutic programs for gambling and other non-psychoactive addictions”, objective 4. “Development and implementation of a pilot training program addressed to sales agents of games of chance, focused on the promotion of responsible and controlled gaming as well as recognizing the symptoms of the problem and pathological gambling”.

	Cost as per agreement plan	Actual cost
Total cost of the public commission (in zł)	104,160.00 zł	82,901.28 zł
Co-financing by the Gambling Problem Solving Fund	98,000.00 zł	76,941.02 zł
Own investment	6,160.00 zł	5,960.26 zł

Re. Art. 2.9. Information about tax liabilities and tax returns

On March 28, 2013, the LOTTO Million Dreams Foundation submitted to the Warsaw Praga Tax Office a CIT-8 tax return for companies, for the tax year January 1, 2012 to December 31, 2012, where it declared the following:

Taxable revenue	3,547,227.73 zł
Including:	
Revenue from the statutory activity	3,516,595.61 zł
Revenue from the financial activity	30,632.12 zł
Deductible expenses	774,708.72 zł
Including:	
Cost of realization of the statutory goals	680,629.73 zł
Administration costs	94,078.99 zł
Tax free revenue	2,772,519.01 zł

On March 30, 2012, the LOTTO Million Dreams Foundation submitted to the Warsaw Praga Tax Office a CIT-8 tax return for companies, for the tax year January 1, 2011 to December 31, 2011, where it declared the following:

Taxable revenue	3,012,642.79 zł
Including:	
Revenue from the statutory activity	2,772,519.01 zł
Other revenue:	119,991.02 zł
Revenue from financial activity	120,132.76 zł
Deductible expenses:	843,707.50 zł
Including:	
Cost of realization of statutory goals	684,339.73 zł
Administration costs	159,347.52 zł
Financial costs	20.25 zł
Tax free revenue	2,177,260.84 zł

Re. Art.3. Foundation audits

In the reporting period there were no audits conducted at the Foundation.

Appendix 3:

Index GRI

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	pg. 5
1.2	Description of key impacts, risks, and opportunities	pgs. 5, 8, 20
Organizational Profile		
2.1	Name of the organization	The LOTTO Million Dreams Foundation
2.2	Primary brands, products, and/or services	pgs. 20-29
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	pg. 15
2.4	Location of organization's headquarters	25 Targowa Street, 03-728 Warszawa tel. +48 (22) 618 66 77 E-mail: fundacja@fundacjalotto.pl
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	1 (Poland)
2.6	Nature of ownership and legal form	Foundation Entered into the Register of Associations, Other Social and Professional Organisations, Foundations and National Health Institutions, at the District Court of the Municipality of Warsaw, XIII Economic Department of the National Court Registry (Krajowy Rejestr Sądowy – KRS) under the number KRS 0000345434
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries)	National reach. The Foundation conducts activities for social benefit in the area of public commissions defined by the Public Benefit and Volunteer Work Act, dated April 24, 2003 (2010 List of Acts and Regulations, nr 234, item 1536 with subsequent amendments).
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none">• Number of employees;• Net sales (for private sector organizations) or net revenues (for public sector organizations);• Total capitalization broken down in terms of debt and equity (for private sector organizations); and• Quantity of products or services provided.	pgs. 10-11, 35, 38
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Not applicable. This report is the first report of the LOTTO Million Dreams Foundation
2.10	Awards received in the reporting period	pg. 11

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	The reporting period is 2011-2012, however due to the pioneering character of this report, it mentions the activities of the Foundation from the moment of its inception, i.e. from the year 2010
3.2	Date of most recent previous report (if any)	Not applicable. This report is the first report of the LOTTO Million Dreams Foundation
3.3	Reporting cycle (annual, biennial, etc.)	Biennial
3.4	Contact person	Bartosz Mielecki Chair, Board of Directors LOTTO Million Dreams Foundation 25 Targowa Street, 03-728 Warsaw fundacja@fundacjalotto.pl
The Range and Scope of the Report		
3.5	Process for defining report content	pg. 9
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	The report pertains to the work of the LOTTO Million Dreams Foundation
3.7	Statement of any specific limitations on the scope or boundary of the report	No boundaries
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	No such entities
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	In the case of EC1 Indicator, the calculation is aligned with the guidelines set by the Regulation of the Minister of Justice on The General Scope of Reporting on Foundation Activities, dated May 8, 2001 (List of Acts and Regulations nr 50, item 529 with subsequent amendments)
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	Not applicable. This report is the first report of the LOTTO Million Dreams Foundation
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Not applicable. This report is the first report of the LOTTO Million Dreams Foundation
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report	pgs. 40-47

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Verification		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	pg. 9
Governance, Commitments and Engagement		
Supervision		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	pg. 14
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	pg. 14
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/ or non-executive members	pg. 14
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	The Council of the Foundation includes the representatives of the singular Founder and donor, Totalizator Sportowy Sp. z o.o.. They can directly monitor ongoing activities of the Foundation, according to the competencies of the Council.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	The Members of the Council fulfil their duties pro bono and they do not receive any remuneration for their work. In some cases, they might be able to expense the costs associated with their work undertaken on behalf of the Council. The Chair of the Foundation does not receive any remuneration either. However, social issues are the core of the Foundation's operations and the results in this area are the key criterion for the Chair's performance evaluation, including the decision about his/her departure.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	pg. 14
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	The Members of the Council simultaneously hold senior managerial positions at Totalizator Sportowy and they possess broad managerial experience in the areas of their respective responsibility. Additionally, in certain cases, the Council and the Board of Directors engage renowned experts (e.g. psychologists, psychiatrists and gambling addiction specialists), who contribute their knowledge and experience. The experts may be invited to the meetings of the Council and the Board of Directors.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	pg. 20

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	The Council governance procedures are defined in the Foundation's Statute, which is publicly available on the Foundation's website: www.fundacjalotto.pl
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	The work of the Council is evaluated by the Founder. More information is available in the Statute, which is available on the Foundation's website: www.fundacjalotto.pl
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Irrelevant (due to the insignifianct impact of the Foundation on the environment and the type of this impact)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	pg. 15-29
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	The Foundation is not a member of any associations or advocacy organizations
Engaging Stakeholders		
4.14	List of stakeholder groups engaged by the organization	pg. 9
4.15	Basis for identification and selection of stakeholders with whom to engage	pg. 9
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	pgs. 8-9
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	The key conclusions from stakeholders, especially from volunteers, as well as addiction specialists and therapists shaped the current programs of the Foundation
Management Approach and Performance Indicators		
Performance Indicators for the Performance of the Programs in the NGO Sector		
NG01	Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	pgs. 9, 17
NG02	Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies	pgs. 16, 28
NG03	System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated	pgs. 15-17, 28
NG04	Measures to integrate gender and diversity into program design and implementation, and the monitoring, evaluation, and learning cycle	No criteria of this kind in the programs that had been implemented by the end of 2012

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
NG05	Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns	pgs. 21-22, 26
NG06	Processes to take into account and coordinate with the activities of other actors	pgs. 9, 17, 28
Economic Indicators		
Aspect: Resource Allocation		
NG07	Resource allocation	pg. 33
Aspect: Ethical Fundraising		
NG08	Sources of funding by category and five largest donors and monetary value of their contribution	pgs. 33, 35, 39
Aspect: Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	pgs. 32, 35-39
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Insignificant (minimal impact by the Foundation)
EC4	Significant financial assistance received from government	pgs. 33, 39
Aspect: Market Presence		
EC6	Policy, practices, and proportion of spending on locallybased suppliers at significant locations of operation	Insignificant (minimal impact by the Foundation)
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	All employees, including management, come from the local community
Aspect: Indirect Economic Impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	pgs. 21-29
Environmental Conditions		
Aspect: Raw Materials		
EN1	Materials used by weight or volume	Insignificant values (minimal impact by the Foundation). The small staff of the Foundation uses very limited amount of office supplies, mainly paper and printer toner. The applicable rule is to minimize their use
EN2	Percentage of materials used that are recycled input materials	Insignificant values (minimal impact by the Foundation)
Aspect: Energy		
EN3	Direct energy consumption by primary energy source	Insignificant values (minimal impact by the Foundation)
EN4	Indirect energy consumption by primary source	Insignificant values (minimal impact by the Foundation)

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Aspect: Water		
EN8	Total water withdrawal by source	Insignificant values (minimal impact by the Foundation)
Aspect: Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Foundation does not own any real estate. It leases a small office located in an urban centre, away from areas of high biodiversity value
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Lack of significant impact on biodiversity
Aspect: Emissions, Effluents, Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	Insignificant values (minimal impact by the Foundation)
EN19	Emissions of ozone-depleting substances by weight	Insignificant values (minimal impact by the Foundation)
EN20	NO, SO, and other significant air emissions by type and weight	Insignificant values (minimal impact by the Foundation)
EN22	Total weight of waste by type and disposal method	Insignificant values (minimal impact by the Foundation)
EN23	Total number and volume of significant spills	Insignificant values (minimal impact by the Foundation)
Aspect: Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Insignificant values (minimal impact by the Foundation)
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	No fines or non-monetary sanctions
Indicators of Practice on Employment and Decent Work		
Aspect: Employment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	pg. 15
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	pg. 15
Aspect: The Relationship Between Employees and Management		
NG09	Mechanisms for workforce feedback and complaints, and their resolution	Due to the small staff of the Foundation, there are no dedicated and formal mechanisms of feedback, complaints, and their resolution. Periodically, the whole team meets for statutory meetings to discuss projects and to exchange opinions. pg. 28
LA4	Percentage of employees covered by collective bargaining agreements	Due to the small staff of the Foundation, there are no collective bargaining agreements
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	According to the Employment Law Regulations

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Aspect: Occupational Health and Safety		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	0 accidents among the permanent employees. (1 accident in the volunteer group – Chair of the Board)
Aspect: Diversity and Equal Opportunities		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Council: 2 women (50%), 2 men (50%) Board of Directors: 1 woman (100%) Employees: 3 women (75%), 1 man (25%)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Impossible to compare due to the small number of employees
Human Rights Indicators		
Aspect: Investment and Procurement Practices		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	0%
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	0%
Aspect: Non-discrimination		
HR4	Total number of incidents of discrimination and corrective actions taken	0 (not found)
Aspect: Freedom of Association and Collective Bargaining		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	No such incidents found in the operations of the Foundation
Aspect: Child Labour		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No such incidents found in the operations of the Foundation
Aspect: Forced and Compulsory Labour		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	No such incidents found in the operations of the Foundation
Aspect: Indigenous Rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	0 (Not found)
Society		
Aspect: Local Community		
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	pg. 21-29

INDICATOR	GRI GUIDELINES	COMMENTS / PLACE IN THE REPORT
Aspect: Corruption		
S02	Percentage and total number of business units analyzed for risks related to corruption	0
S04	Actions taken in response to incidents of corruption	There were no actions taken in response to corruption incidents. However, an appropriate procedure is in place to minimize the risk of this type
Aspect: Public Policy		
S05	Public policy positions and participation in public policy development and lobbying	The Foundation does not conduct any lobbying activities. The results of the research commissioned by the Foundation, e.g. on the subject of addictions, may be used in shaping pertinent laws and regulations
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	0 zł
Aspect: Compliance		
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	0 zł (No fines or non-monetary sanctions)
Product Responsibility Indicators		
Aspect: Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are as-sessed for improvement, and percentage of significant products and services categories subject to such procedures	Not applicable
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Not applicable
Aspect: Product and Service Labeling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not applicable
Aspect: Marketing Communication		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	In the reporting year, the Foundation did not conduct any fundraising activities. The Foundation is not a signatory of laws, standards and voluntary codes related to marketing communications, but so far it has not conducted any social campaigns on a large scale.
Aspect: Compliance		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	0 zł (No fines)

