

Social Responsibility in Action: NSGC's Journey to World First Certification

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ORIGINS OF CSR AT NSGC

- NSGC established in 1995
- Mandate: conduct and manage the business
 - ▶ Effective management was the primary focus
- CSR at NSGC began with targeted responsible gambling efforts in 2001
- But responsible gambling has never been just a “program” at NSGC. It’s always been a key pillar of the business
- For this reason, efforts around RG grew consistently, reflecting increased understanding throughout the industry about what the term meant and how to deliver on it

ORIGINS OF CSR AT NSGC

- The Nova Scotia Gaming Strategy was released in 2005
- Clearly positioned responsible management of the business as one of NSGC's two primary functions (the other being economic sustainability)
- Gaming Strategy yielded significant changes to the Nova Scotia industry:
 - ▶ Increased funding to responsible gambling and prevention programs
 - ▶ Significant changes to the VLT program
 - ▶ World-first research into card-based responsible gambling device (VLTs and slot machines)

ORIGINS OF CSR AT NSGC

- Over time, NSGC's commitment has expanded beyond RG to CSR in the broadest sense. Why?
 - ▶ Inherent risk = inherent responsibility
 - Responsibility is enormous and can never be taken for granted
 - ▶ Public corporation = public responsibility
 - Need to earn the trust and respect of all citizens
 - ▶ 110% due diligence is imperative
 - Maintains fun and entertaining experience, ensures integrity, and minimizes harm
 - ▶ Helps secure the social license to operate the business effectively

ENTRENCHING THE COMMITMENT: A DISCIPLINED APPROACH

- Today, NSGC's corporate social responsibility commitment reaches across the organization and the entire industry:
 - ▶ More than 12 responsible gambling and prevention programs that directly reach 89,000 Nova Scotians annually
 - ▶ More than \$7 million per year spent on responsible gambling programs and problem gambling treatment and prevention
 - ▶ More than 15 Community Consultation Sessions, led by NSGC's CEO have been conducted since 2006
 - ▶ More than \$6 million directed to amateur sport, through dedicated funding, since 2006

ENTRENCHING THE COMMITMENT: A DISCIPLINED APPROACH

- Commitment to CSR is deeply entrenched in everything NSGC does
- Formalized this with the introduction of the Social Responsibility Charter in 2006
 - ▶ Developed by a third-party expert in consultation with NSGC staff and our operators
 - ▶ Outlines NSGC's commitment to CSR and to ensuring that net positive benefits are provided by the industry
 - ▶ Most importantly, established five key pillars of NSGC's commitment to Social Responsibility that have been integrated into all corporate structures and processes:
 - Responsible Gambling
 - Integrity and Security
 - Citizens and Communities
 - Corporate Governance
 - Stakeholder Relationships

ENTRENCHING THE COMMITMENT: A DISCIPLINED APPROACH

- Following the development of the Charter, NSGC developed and implemented a Social Responsibility Assessment (SRA) process to ensure a disciplined and consistent application of the Charter
 - ▶ Developed in consultation with a third-party expert
 - ▶ Evaluates the social responsibility of every new initiative, communications piece, program, etc. of NSGC and our operators
 - ▶ Nothing is released publicly without passing a SRA (more than 634 SRAs have been completed since 2006)
 - ▶ Ensures consistent standards of social responsibility are uniformly applied
 - ▶ Requires the engagement of third-party experts for credible, independent advice and assessment

REACHING THE PINNACLE

- NSGC had always been widely regarded as a leader in CSR, but the WLA RG certification formalized it
- The measurements for WLA certification aligned perfectly with NSGC's CSR program, specifically the commitment to RG
 - ▶ Provided international standards to assess effectiveness and success
 - ▶ Provides context for Nova Scotians with regards to NSGC's international leadership
 - ▶ Provides independent auditing and assessment of all programs

REACHING THE PINNACLE

- Evaluation by independent experts is a key commitment by NSGC to ensure excellence and continuous improvement
 - ▶ Use external experts to evaluate individual programs already; WLA was next logical step
 - Unbiased, fair appraisal adds significant credibility
 - ▶ Critical eye of others brings opportunity for increased improvement and to continuously raise the bar

TOP 5 CHALLENGES & LEARNINGS: BUILDING A CSR PROGRAM FROM THE GROUND UP

Challenge 1: Getting everyone on board

- Establish a vision
- Plan the work and work the plan
- Imbibe the values across the organization

Challenge 2: Establishing Your Efforts as Credible Amongst Key Audiences

- Use independent experts wherever possible
- Have them verify your work
- Leverage their endorsements in communications
- Have them tell your story for you
- Be open and transparent under fire

TOP 5 CHALLENGES & LEARNINGS: BUILDING A CSR PROGRAM FROM THE GROUND UP

Challenge 3: The Shareholders and Stakeholders Want to See Faster Progress

- Track your progress and report on it – always
- Use baseline research to establish realistic goals, manage expectations and then measure success
- Remind them that you're in a marathon not a race. Do it right over the long term because that's the right thing to do

Challenge 4: Implementing a Disciplined Approach

- Find a system that works for you, but above all, put a system in place and stick to it

Challenge 5: Fear of Failure

- Pilot testing is critical. Test your initiative in a controlled manner, evaluate, modify and then choose your path
- Remember: remarkable outcomes require remarkable efforts

WHERE DO WE GO FROM HERE?

- Continuous improvement
- Constantly build trust and relationships
- Measure and evaluate
- Innovate and lead

QUESTIONS?

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