



**Postcode
Lottery
Group**

Lotteries for a better world

Our Funding Philosophy

The Netherlands | Sweden | Great Britain | Germany | Norway

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The Power of Postcodes

The Postcode Lottery Group’s primary aim is to raise funds for charities locally and globally. We combine business with ideals, and our international team is passionate about setting up and running successful charity lotteries.

For over 35 years, the Postcode Lotteries have supported thousands of charities and social initiatives contributing to a healthier, fairer, greener world. The number of small and large projects and their impact is truly amazing. **We thank our lottery players for their continuous support by playing our lotteries: doing good while having fun.**

The unique Postcode Lottery format uses postcodes as ticket numbers. Neighbours play together, win together and help good causes together. There are already millions of monthly players in the Netherlands, Sweden, Great Britain, Germany and Norway, and expansion into new markets is planned. Because part of the ticket price goes to charities, every single player is contributing to a better world. This is how we turn everyone’s postcode into a ticket for good.

It is what we call: the Power of Postcodes. The power of bringing groups of people together to make a meaningful difference: to spread joy, brighten days and change lives near and far.

Since the start of our charity Lottery operations, our Funding Philosophy has had its roots in trust based philanthropy. **Our way of giving is based on the idea that we are the fundraisers, and the charity partners know best how to spend the money.** We therefore offer flexible, unrestricted long-term funding, with the relationships based on trust, to our hundreds of local and international charity partners. Our partners have the freedom to use funds where they are most needed and will be most effective, creating space for innovation, infrastructure investment, strategic planning and, importantly, allowing them to respond and adapt to changing situations quickly.

Right from the beginning, it was not only our Lottery format which was seen as disruptive. Our funding model was too. We are delighted that more donors are now moving towards this model and there is more and more academic research demonstrating

that multi-year unrestricted funding is making a very positive and long-term impact. This is exactly what we envision with our Funding Philosophy.

Charity organisations not only provide help and solutions but are also drivers of change. They possess innovative power and bring citizens’ concerns to the attention of government, politicians, and society. Above all, they strengthen the cohesive force within our communities.

At the Postcode Lottery Group, with our talented and enthusiastic team, we are committed to supporting these organisations, thanks to our millions of players.

Sigrid van Aken Imme Rog Michiel Verboven
CEO CMO CCO

Executive Board, Postcode Lottery Group



Winners celebrate together in neighbourhoods in the Netherlands, Sweden, Great Britain and Germany.

“You put the *fun* in fundraising!”

George Clooney,

Postcode Lotteries International Ambassador

Through engaging entertainment and appealing prizes, we attract as many players as possible, to maximise the funds for our charity partners. We are motivated by seeing the impact winning has on our players, the difference it makes in their lives, big or small, and the stories they create from it.





Activists participating in the Pride Walk in Amsterdam. Amnesty International, 2023.

Lotteries with a purpose

We establish and operate Postcode Lotteries to raise long-term funding and awareness for local and international charity partners. Postcode Lottery Group donates more than €900 million to good causes each year and over €13.5 billion has been raised since the first Postcode Lottery was launched, in the Netherlands, in 1989. Research published in 2021 named Postcode Lottery Group as the world's third largest private charity donor, after the Bill and Melinda Gates Foundation and the Wellcome Trust.

Part of our purpose is to share stories with our players and public about our charity partners' work and achievements. We do this through communications, national television, documentaries, print, and social media.

Why

Strong communities and charities play an important role in creating a healthier, fairer, greener world.

How

By running our lotteries, we raise long-term funding for our local and international charity partners and increase awareness of their work.

What

Our fun lotteries are a unique way of community fundraising. Neighbours win together and communities locally and globally benefit from charity funding.



Displayed is an overview of all **5,378 donations** to charities and thousands of local community projects across Germany that have benefitted from a total of **€ 249.281.847** in funding since the German Postcode Lottery started in 2016.



Postcode Lottery players in Germany have supported thousands of charities and local good causes since 2016.

The Postcode Lottery Group raises funds for charities working for people and the planet, of all shapes and sizes, from small local good causes to large international NGOs. A range of good causes benefit, from children and health to animal welfare and heritage and culture. Other areas include (but are not limited to) human rights, nature, biodiversity and environmental protection, development cooperation, equal opportunities, social cohesion, and well-being.

Our funding approach is built on a positive mindset. We believe that together we can achieve progress and change for a better world.

Germany





Tommy Trenchard / Greenpeace

Greenpeace showcased the power of protecting our oceans by visiting the Galápagos Marine Reserve, and demonstrated how nature can recover and thrive when it is given the chance to.

Long-term partnerships

Based on our Funding Philosophy, we provide long-term and unrestricted funding, allowing our charity partners the freedom to use these funds where they consider they will be most effective. It enables charities to meet their strategic goals faster without the need to adjust their plans to meet donor interests. Long-term partnerships give our charity partners the flexibility to address the most pertinent and pressing issues. It allows them to formulate long-term strategies, adapt rapidly and redirect their priorities to changing needs and evolving situations. Our trust-based philanthropic approach enables our charity partners to maximise their positive impact.

There is a growing body of academic research demonstrating that (multi-year) unrestricted funding:

- Makes social initiatives financially stronger, because the funds serve as a catalyst to secure other sources of financial support
- Allows nonprofits the time to develop, evaluate, and improve programmes which address systemic and complex social issues
- Enables grantees to re-allocate money in response to changing needs
- Encourages innovation
- Supports investment in research and development

“Unrestricted funding is far from the status quo in funding practices. Many funders aim to achieve large societal change (eradicate poverty, stop climate change, create gender equity) or even systems change. However, their funding philosophy often includes a focus on many small and short-term project grants. This does not align. The Postcode Lottery has a mission to contribute to a healthier, fairer, greener world, and through their funding philosophy of long-term, unrestricted funding, provided with trust in their partners, they are actually able to achieve substantial change on these important topics. Moreover, it allows them to flexibly shift priorities when circumstances change.”

Prof. Dr. Pamala Wiepking, 2024
Professor of Societal Significance
of Charity Lotteries

“We’re beginning to see evidence of a shift from a culture of compliance and philanthropic control toward collaboration and grantmaking practices that recognize nonprofit leadership and expertise.”

The Trust-Based Philanthropy Conundrum: Towards Donor-Doer Relationships That Drive Impact, April 2024

In the specific context of the Postcode Lotteries, **it is important to keep in mind that we are different from any other foundation or donor because donations are raised by our players.** A key element in the selection of charities for a trust-based partnership is therefore evidence of broad support in society, for example, through number of volunteers, private donations, or other indicators of support.

People from all groups and communities in society, join our lotteries. It is expected and welcomed of course, that they will have different perspectives and views on the organisations that we support. **Given the high number of long-term partners, over 450 today, we trust that there is a cause that means something to every player.**

The Postcode Lottery Group is a supporter of social initiatives committed to creating a healthier, fairer, greener world. We are not a charity or NGO ourselves; we do not have a political or funding agenda.

We maintain institutional neutrality while supporting civil society and welcoming a broad range of viewpoints. In this way, the Postcode Lottery Group can achieve its long-term goal: setting up and running successful lotteries all over the world, to raise as much funding as possible for charity.

The Postcode Lottery Group connects charities with each other, facilitating powerful collaborations aimed at tackling global, and local, issues. This means that, where possible, we will provide more than just funding. For example, by offering informal opportunities for charities to connect for peer learning and support. We organise multiple events every year where our partners can meet with each other and leaders from across our lottery operations. We foster a network for collective action in which organisations join forces to maximise their reach and effectiveness. We encourage charities and good causes to work collaborate and work together to develop and deliver impactful solutions.



Theirworld and the Roger Federer Foundation have both reached millions of children worldwide. Brought together by the Postcode Lottery Group, these two charities have now joined forces to advance global education together, through the Act for Early Years Campaign.



Gottsunda Teater and their project "Slow Fashion i Orten", received SEK 1 305 000 from The Swedish Postcode Lottery Foundation, to address unsustainable clothing consumption among youth in a disadvantaged area in Sweden. By engaging young people through workshops, research, and a dance performance, the project promotes sustainable fashion practices and a climate-positive youth culture.

Credit: Gottsunda Teater

Application and evaluation

In every Postcode Lottery, the Charity department's team manages the long-term partnerships and handles new applications. The selection procedure is based on clear criteria, with one or more allocation rounds per year. We promote open communication, personal contact, and minimal bureaucracy.

We champion diversity, and human rights and promote inclusion, fairness, and opportunities for all. We strive for a broad portfolio of charity partners where everyone can see themselves represented in the work that our players support.

Before providing financial donations and entering multi-year partnerships, we carefully assess organisations based on their track record and future plans for societal support, national reach, financial diversity, self-fundraising efforts, governance with internal checks and balances, and professionalism.

In addition, we look for organisations which are innovative and courageous in their approach. And we are open to working with organisations which disrupt and challenge the status quo, taking risks, trying new approaches and speaking out about change needed to enable a better world.

It is a prerequisite that our partners organisations can already count on broad support in society because donations are raised by the players. New and less well-known initiatives that can bring positive change are welcome to apply to our Lottery Foundations.

Once due diligence is successfully completed, we tend to enter multi-year partnerships. One or more times a year, the Lottery's board and charities team share the proposals for funding with the local 'grants councils', to approve the distribution of proceeds to charitable causes in each country. Yearly evaluations are conducted, and comprehensive reassessments after several years take place. A new multi-year agreement is initiated once due diligence has been successfully repeated, and ticket sales allow us.

In the case of project funding, we welcome progress reports, and the final results will be communicated to our players who made the specific impact possible.

Grants Councils

Local Grants Councils are responsible for evaluating and approving the distribution of proceeds to charitable causes in each Postcode Lottery country. Each local council has representatives from various backgrounds, representing diverse areas of expertise relevant to the allocation process. This approach strengthens local ties and ensures decisions are tailored to each country's context.

The councils focus entirely on the allocation of funds, evaluation of long-term partners, decisions regarding the extension of partnerships, evaluation of new long-term partners, one-time contributions, and addressing societal issues.



Collected cigarette butts during the Beach Cleanup Tour, an initiative by Stichting de Noordzee, 2021.



Every year thousands of local community initiatives are supported by the players of the Postcode Lotteries.



Postcode Lottery Foundations and Neighbourhood Funds

The Postcode Lottery Group has set up local Lottery Foundations to offer funding opportunities to smaller, newer and grassroots community-led initiatives.

Some initiatives do not qualify to become a direct grantee of the Lottery and can benefit from the expertise of the Lottery Foundations' teams in developing their organisation. Following this, they could qualify for a long-term partnership with the Lottery. For example, 74 former grantees of the Dutch Postcode Lottery Foundation, called DOEN, are now long-term partners of the Lottery in the Netherlands.

The Lottery Foundations have one source of income, a yearly grant from the Lottery and are responsible for the allocations to smaller initiatives with subsidies, loans and in some cases with taking shares in social enterprises like the Fairphone, Chocolatemakers and Naïf Care to name just a few. This is based on the principle of 'participate where possible and subsidise where necessary'. Over the past 25 years, DOEN Participaties has grown into the largest impact investor in sustainable and social

startups in the Netherlands and takes the lead in the implementation of the same principle at the other Postcode Lotteries.

To amplify the connection between the players and the grants to local communities, the Postcode Lotteries have always focused on supporting - often small - local initiatives, benefitting neighbourhoods everywhere. These funds are called 'Postcode Lottery Neighbourhood or Community Funds'. Funding areas include mental wellbeing, improving green spaces and preventing poverty. The funds support a range of good causes from exercise classes, domestic abuse support, money management advice and supporting people experiencing homelessness.

"We know supporting local good causes is important to our players, it's what they often tell us when we ask what made them start playing. Alongside larger charities, smaller organisations play a key role in supporting those in need in their local area."

Katie Tweedie
Community Programmes Advisor, People's Postcode Lottery

Types of grants

At the Postcode Lotteries, most of our support is through unrestricted, long-term grants. In addition, we provide one-off support to initiatives demonstrating a clear goal, innovation, communication potential, or in case of emergency support.

Lottery grants:

- Multi-year (mostly five years) unrestricted funding
- Additional (project) donations to existing partners
- One-off donations to organisations, complementary to the existing portfolio

The Postcode Lottery Foundations offer these types of grants:

- Community and small grants
- Other project funding
- Other funding mechanisms like investments or loans

Last year, for example, the Postcode Lottery Group supported 450 long-term partners; about 150 received extra or special grants, and over 5,000 social organisations and community projects received project funding.

Norwegian Postcode Lottery ambassadors Tom Stiansen and Jorun Stiansen handing out the annual donation to SOS Children's Villages and WWF Norway.





The Svenska Postkodlotteriet's Golden Weekend sees players celebrate their win, enjoy entertainment and meet some of the charities they support.

The funder-grantee relationship

As one of the largest private donors in the world, we are committed to being a responsible and responsive funder. We realise how uneven power dynamics can be between applying parties and the Lotteries. Our teams are trained to be open and friendly and provide realistic expectations about the proposal process and timing. We also value equality and transparency in all relationships.

The Postcode Lotteries are committed to establishing and maintaining effective relationships with all charity partners. Our teams live by the following principles:

- **We respect the expertise and time** of all partner organisations that apply for funding
- **We engage in open, two-way dialogue** with all charity organisations and encourage feedback to improve our partnerships
- **We only ask for the information, data, and content needed for our decision-making.** Because we believe in unrestricted funding, we focus on information to perform due diligence about the organisation's public support, (financial) robustness, and professionalism. We remain neutral on where and what programmes should be part of charity's strategy
- **We invest time to understand the work of our charity partners, looking for opportunities to more than financial support,** e.g., through supported networking or skills-based volunteering from our team
- **We give clear information** on our criteria, decision processes and timelines
- **We respond to all questions** as soon as possible and can be reached in person during working hours

It is crucial that charities brief us promptly and comprehensively. **We expect our charity partners to keep us informed, not only about the positive developments that we can celebrate together but also about the challenges and unexpected events they face.**

We manage delicate situations which may occur during the partnership carefully, recognising that, just as in the business world, government, and everywhere people work, issues may arise with charity organisations, particularly those operating in challenging contexts involving complex political dynamics or vulnerable populations.

Procedures to prevent and address problems effectively, taking the needs of all stakeholders into account, should be in place. In challenging times, it is vital to review the effectiveness of these procedures after they have been implemented. It is also crucial that the teams working for our charity partners, including their boards and supervisory boards, manage such situations effectively and take measures to learn, improve, and whenever possible, prevent any recurrence.



Five-year-old Axl has been in hospital for almost four months having been diagnosed as a baby with an abnormal curve of the spine. But when Alfie the pug walks into the ward alongside his owner Suzy, Axl's face is the picture of happiness, and a huge smile breaks out as he cuddles his furry friend. Alfie brings sunshine and smiles to the young patients he visits in hospital with the charity Pets As Therapy.

The Southern Dunlin is under threat in Sweden. Charity partners Nordens Ark and Birdlife Sweden are working together to save this species. By improving conditions of the Dunlin, their work will benefit many other local species.



Credit: Bertra Breife

Growth and expansion opportunities

As the Postcode Lottery Group strives to be a leading and trusted funding partner within civil society, our goal is to generate more income year after year to support even more social initiatives. This requires continuous innovation and investment in our brand and format and further growth in all Lottery operations. Additionally, as our format is in demand, we are exploring opportunities to obtain lottery licences in other countries to establish Postcode Lotteries elsewhere and raise more funds for charitable causes.

In 2023, a report* was published on the potential benefit for civil society across Europe from charity lottery fundraising. When charity lottery legislation is less restricted, the potential could be €10 billion annually in Europe alone.

*Regulus Partners, The €10 Billion Opportunity: the potential benefit for civil society across Europe from charity lottery fundraising

Contact

If you would like to know more about the Postcode Lottery Group and Our Funding Philosophy contact:

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For an overview of all our charities and projects, please visit the websites of our Postcode Lotteries. Information on how to apply for funding can also be found at:

postcodelotterygroup.com

postcodeloterij.nl

postcodelottery.co.uk

postkodlotteriet.se

postcode-lotterie.de

postkodelotteriet.no

**Postcode
Lottery
Group**

Lotteries for a better world



Temweka, Shalom and Ethel take part in Rise Up Girls, a 16-week programme delivered by Theirworld to help students develop the skills they need to be business leaders. Working together, students come up with a new business idea that fills a gap in the market or solves a problem in their community. They then design, produce and sell their products and services, giving them real-world exposure to the world of business.

The Power of Postcodes

We use postcodes as a force to make people's everyday life better and to raise funds for a healthier, fairer, greener world

Postcode Lottery Group



The Netherlands



Sweden



Great Britain



Germany



Norway



The Netherlands