

Svenska Spel Global Compact COP

Statement from the CEO

I am pleased to be able to confirm that Svenska Spel continues to support the ten principles of the United Nations Global Compact in human rights, labour, environment and anti-corruption. Svenska Spel has undertaken to make Global Compact and its principles an integral part of the company's strategy, culture and daily operation. We also commit ourselves to share this information with our stakeholders, through the company's primary communication channels. This report describes the progress that Svenska Spel has achieved in these areas during the period June 2015 to May 2016.



Lennart Käll
CEO
Svenska Spel AB

Principle 1-2 Human rights

Principle 1. Support and respect the protection of internationally proclaimed human rights within the business the company can influence

Principle 2. Make sure that the company is not complicit in human rights abuses

Control

- Svenska Spel's Supplier Code
- Svenska Spel's internal Code of Conduct
- Svenska Spel's sponsor guidelines

Target

Svenska Spel has the following targets for 2016-2018:

- All employees comply with Svenska Spel's internal code of conduct.
- 100% of the employees are certified through training in the code of conduct.
- Svenska Spel uses a systematic process in order to determine if there are any risks of breaches against human rights by the business partners of the company.
- Svenska Spel has an attitude of zero tolerance to the group having agreements with anyone who breaches human rights.

Results

Svenska Spel has carried out a risk analysis of the company's suppliers during 2015. Based on this, a system for follow-up will be completed and implemented.

The company's code of conduct for suppliers is attached to every single procurement and will in future be followed-up based on a risk-based set of attitudes.

An internal, obligatory training course in the company's code of conduct is planned for 2016.

Activities during 2015

Elevating work with human rights

Svenska Spel strongly dissociates itself from breaches of human rights. During 2015 work on developing the company's attitude and collaboration within sport has been started and is linked to questions concerning human rights. Taking responsibility for Swedish sport means that Svenska Spel must view the role of sport from a greater social perspective. Human rights and diversity are two areas that have been given more attention in recent years.

Svenska Spel has made great progress on the subject of human rights during the year. As Sweden's biggest sponsor of sport it is important that we do what we can to assist the development of respect for human rights, not least at the sporting events arranged in countries which in many ways have shortcomings in this area.

In April 2015 Svenska Spel arranged a "round table discussion" about how we all can elevate the question of human rights and minimize the negative influence within sports. Are the sporting associations able to influence placing large sporting events in regimes of repression, should these countries be boycotted etc? Representatives from the sporting associations, NGOs, Government Offices of Sweden etc. participated during the day, which was well attended and was given great attention. It was especially notable that all the participants agreed that a boycott is not an option. We shall take part and attempt to influence where it is possible.

To follow up on this, a market survey of the Swedish people was carried out during the spring of 2015 regarding how they view the role of sport when it comes to human rights and diversity. The results show that the Swedish people wish to see more decisiveness both from sport and its sponsors. As an example, the majority of the participants of the survey wanted larger events such as the Olympics and Football World Cup to be boycotted if the events are given to countries where human rights are not respected. The majority also felt that sponsors should pursue questions of human rights and that sport plays a vital role in the integration of society.

Based on the results from the survey, it was human rights that was the theme of the day during Svenska Spel's seminar at the politicians' week at Almedalen. Given a new theme, which we had not addressed earlier, many new target groups were attracted and the seminar was well attended and appreciated.

Guideline for sponsorship

During the autumn of 2015, Svenska Spel worked to develop a new guideline for all recipients of Svenska Spel sponsorship and during 2016 implementation will be started in all our sponsor agreements. The guidelines include requirements that the recipient's sponsorship must be aligned with international rights and respect for human rights.



Training in human rights for the sports associations

Obligatory training in human rights for sports associations sponsored by Svenska Spel was arranged in December 2015. What laws and conventions apply, what problems do we see and what can we do are examples of what was discussed during the day. The training was carried out together with CSR Sweden and was much appreciated by all the 30 participants and was also given good coverage by the media.

Principles 3-6 Labour

Principle 3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4. Elimination of all forms of forced and compulsory labour

Principle 5. The effective abolition of child labour

Principle 6. The elimination of discrimination in respect of employment and occupation.

Control

- Svenska Spel's Supplier Code
- Svenska Spel's sponsor guidelines
- Staff policy
- Diversity policy

Target

Svenska Spel has the following targets for 2016-2018:

- Group employees of foreign origin shall represent at least 23 % which is equivalent to the composition of the total population of Sweden. Employees of foreign origin shall represent at least 10 % in the parent company.
- The gender balance among managers shall be in the range of 45-55 %.

Results

During 2015:

- the proportion of employees of foreign origin increased to 26 % (22 %) and in the parent company the proportion was 5 % (5 %).
- the proportion of women managers increased to 40 % (38 %).
- the risk analysis did not reveal any specific risks in the supplier segment.

Activities during 2015

Diversity in the workplace and in society

Svenska Spel firmly believes that when the company's staff mirror society, they are more able to understand and take care of their customers. Diversity also contributes to a creative environment and a better business.

A guideline for sponsorship was formulated during 2015, together with Svenska Spel's code of conduct for suppliers; these are to be implemented on an ongoing basis in all sponsorship

agreements. The guidelines ensure the requirements for the recipients of the company's sponsorship to adhere to international guidelines and that they actively work to increase diversity and equality.

One initiative emerging from the diversity plan is a cooperation with the company Mitt Liv, which works for an inclusive society and a labour market that values diversity. By mentoring, training and a wider network of contact, Mitt Liv opens the doors to the Swedish labour market for individuals of foreign origin. All employees have been given the opportunity to notify their interest in becoming a mentor for a person of foreign origin with academic training and the interest was great. The collaboration aims to increase diversity and competitiveness and also the capacity for innovation. An important and decisive part is recruitment work.

Annual review of equality

To ensure there is an even salary level between the genders, Svenska Spel performs a survey every year to discover and rectify unreasonable differences in pay for equal work. This year's survey did not reveal any such differences.

Follow-up with suppliers

Svenska Spel has approximately 2,400 suppliers and the value of the purchases amounts to approximately SEK 2 billion per year. The suppliers are mainly service suppliers within marketing related services and IT. These are mainly located in Europe and most of them in Sweden. This year Svenska Spel's code of conduct for suppliers has been appended to the agreements and a risk analysis has been carried out of the company's procurements. The risk analysis did not reveal any specific risks in the supplier segment.

During the coming year we will focus on follow-up of Svenska Spel's code of conduct for suppliers among the company's business partners. This work will be initiated by creating a routine for follow-up.

Principles 7-9 Environment

Principle 7. Support a precautionary approach to environmental challenges.

Principle 8. Undertake initiatives to promote greater environmental responsibility.

Principle 9. Encourage the development and diffusion of environmentally friendly technologies

Control

- Svenska Spel's Supplier Code
- Environmental policy

Target

Svenska Spel has the following targets for 2016-2018:

- Svenska Spel's CO₂ emissions shall be 10 per cent lower than for the year 2013.

Results

During 2015 Svenska Spel reduced the company's CO₂ emissions by 12 % compared to the previous year. The company's entire CO₂ emission amounted to 3,081 tonnes of CO₂. The two largest items of the climate impact by Svenska Spel came from business travel and consumption of materials.

The environmental report for 2015 also includes a historical description of 2010-2014 where emission per employee and emission per SEK is included. Read more about Svenska Spel's climate report 2015: <https://om.svenskaspel.se/wp-content/uploads/2016/04/Klimatredovisning-Svenska-Spel-2015.pdf>

Activities during 2015

Svenska Spel has, since 2010, been calculating emission of greenhouse gases, resulting in annual climate reports. In addition, Svenska Spel's environment council has this year revised the focus areas, targets and activities within the area of the environment.

Progress has been made by continuously improving environmental measures within the company. Composting, recycling, changing to LED lighting, optimization of the ventilation system, recovery of waste heat, changeover to digital screens which reduces material consumption etc. are examples of activities carried out within the company.

Svenska Spel sets environmental requirements in all procurements based on a risk-based set of attitudes.

Principle 10. Anti-Corruption

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

Control

- Svenska Spel's Code of Conduct for suppliers
- Svenska Spel's internal Code of Conduct
- Group security policy
- Risk management policy

Target

Svenska Spel has the following targets for 2016-2018:

- Svenska Spel has a zero tolerance level to the group's products and services being used for criminal purposes, for example money laundering and match fixing
- Svenska Spel has a well-functioning whistle blowing system for employees
- No reported complaints from customers and other parties concerning any unauthorised management of customer data.
- The employees comply with the code of conduct and 100 per cent of the employees are certified in the code of conduct through training.

Results

During 2015 one notice has been received via the whistle blowing function which has been managed in accordance with the routines of the company.

The legislation on action against money laundering and financing of terrorism covers Svenska Spel's casinos. The casinos have clear routines and the staff are continuously given training in the area. In 2015 Casino Cosmopol reported 313 incidents (315) of deviating money transactions to the Swedish Financial Police Force in accordance with the legislation on money laundering.

Activities during 2015

Systematic work against unethical conduct

Svenska Spel works to reveal and prevent all forms of unethical conduct in connection with the operation, both internal and external. The customers shall feel safe in the knowledge that Svenska Spel works against gambling-related corruption so that gambling is conducted in a safe and fair manner.

Svenska Spel's internal code of conduct summarises the company's work for responsible conduct. The purpose is to describe clearly how Svenska Spel shall act within the company, towards customers, suppliers, agents, business partners and the world around us.

Svenska Spel clearly defines that the operation cannot be used for money laundering or any other criminal actions. To integrate responsible gaming and game security in the products and in our distribution is an important part of the work. Deviating gaming patterns are reported to the police if there is a suspicion that a crime has been committed.

Svenska Spel has a whistle blowing system where employees can report irregularities within the company.

Increased combating of match fixing

Match fixing, meaning fixed matches and manipulated results, is a general problem in Europe and it also happens to a certain extent in Sweden. Svenska Spel invests large resources in combating this development.

Svenska Spel has developed routines for this area and refuses to offer games where the results can be easy to manipulate. Svenska Spel has a better starting point to track and investigate incidents because of the obligatory registration of games.

Svenska Spel cooperates with the Swedish Sports Confederation and participates in financing a service in the confederation that is responsible for information within the area and for coordinating the efforts with special sports confederations.

Management of illegal gaming

Svenska Spel makes regular checks to see if there are illegal gaming machines at business partners and agents. If the gaming machines are not removed following a request, Svenska Spel terminates

the partnership. During 2015, 1 partnership (2) was terminated due to illegal gaming machines.

Risks of money laundering

The EU regulations on money laundering have been tightened by a new EU directive during 2016. Svenska Spel has therefore been working to improve and make the operation fit for the coming legislation in 2016.

Security at the casinos

Svenska Spel works with the Swedish Financial Police Force and other authorities to combat crime at the casinos. Casino Cosmopol refines methods, trains the staff and further develops systems and routines under the auspices of the Swedish Gambling Authority. All guests are identified, registered and monitored by camera.

Testing Vegas in the retail environment

Svenska Spel shall offer forms of gambling that may pose risks of a social nature, if this can prevent gambling in uncontrolled conditions. It is about moving the games that already exist to a more healthy and secure gambling environment.

Currently there are approximately 3,000 illegal gaming machines in Sweden. The demand to play using gaming machines is great even in environments where no alcohol is served. In order to become an alternative to the illegal gaming machines in the pizzerias and cafés, Svenska Spel has made an application to the Ministry of Finance to place gaming machines at their gaming agents.

When the customers of Svenska Spel register themselves to play Vegas they are given access to a number of different responsible gambling tools. They must establish a budget regarding time and gaming amount, they have access to a button to quickly terminate the game and they can see their own history of gambling. Svenska Spel's agents are also trained and certified to work with gaming products and have good knowledge about what is a healthy gambling behaviour.

It is proposed to carry out the test over a period of up to three years around the country, and thereafter for it to be evaluated by researchers. It is our hope that the gaming that currently takes place on illegal machines will instead take place under the auspices of Svenska Spel.