

Svenska Spel – Communication on progress 2018

Statement by the CEO

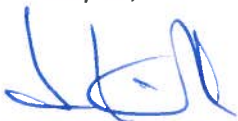
I have the pleasure to confirm Svenska Spel's continued support for the Global Compact and hereby renew our commitment to the initiative and its principles.

Svenska Spel supports the ten principles of the Global Compact with respect for human rights, labor law, the environment and anti-corruption. The company intends to advance within these principles in the areas that we can influence.

We are committed to the work of keeping the Global Compact and its principles part of the company's strategy, culture and daily operations. We share this information with our stakeholders through the company's primary communication channels.

This report describes the progress made by Svenska Spel in these areas during the period June 2017- May 2018.

Solna May 21, 2018



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 sphere of business.

Principle 2: Make sure that your own company is not involved in human rights abuses.

Governance

- Svenska Spel's Code of conduct for suppliers
- Svenska Spel's Internal Code of conduct
- Svenska Spel's Sustainability plan
- Svenska Spel's Sponsorship Guidelines
- Svenska Spel's Self-evaluation Modell for suppliers

Target

Svenska Spel has the following targets for 2018-2020:

- 100 % of the suppliers that are continuously identified in the company's risk analysis must have undergone human rights screening.
- Svenska Spel will conduct 1-2 supplier audits per year.

Results

During the year, approximately 60 % of the largest suppliers have completed a self-assessment form on how they work, among other things, human rights.

Activities during 2017

Further training of sports federations

As Sweden's largest sports sponsor, the company has a big influence on sponsorship-related issues. Our goal is to put completely new demands on human rights, diversity and working conditions through a powerful code of conduct. The sponsorship guideline focuses on the fact that we and our sponsors are working to ensure that the issues are respected and recognized, both in Sweden and in countries that organize major

championships. In 2017, the work continued to train the sports federations that Svenska Spel's sponsors in human rights.

Supplier evaluation

A comprehensive effort to, to a greater extent, follow up our suppliers on human rights has begun. Based on an annual risk analyzes, self-assessment forms are sent to the 100 largest suppliers (based on risk, spend and the nature of the product). So far, about 60 % of those suppliers have delivered responses and based on these, the first real on-site audits are scheduled for autumn 2018.

Internal training in sustainability

During the winter, the company launched its web-based education on sustainability at Svenska Spel, where employees learn about human rights and how the company works with this.

Code of conduct is submitted in procurement

The Company's Code of Conduct for Suppliers is attached to each individual procurement and the follow-up should be based on a risk-based approach. A risk analysis is carried out 1-2 times a year and is based on spend, product / service type and manufacturing country.

Principle 3-6 Labor law

Principle 3: Maintain freedom of association and recognize the right to collective bargaining.

Principle 4: Eliminate all forms of forced labor.

Principle 5: Abolish child labor.

Principle 6: Abolish discrimination in terms of recruitment and duties.

Governance

- Svenska Spel's Code of conduct for suppliers
- Svenska Spel's Sponsorship Guidelines
- Svenska Spel's Sustainability plan
- Svenska Spel's Human resource policy
- Svenska Spel's internal whistleblowing system

Targets

Svenska Spel has the following targets for 2018-2020:

- The Svenska Spel shall be 100% free from discrimination, violations and harassment.



- Employees with a foreign background within the company should be at least 28%.
- Gender segregation among managers within the company should be between 45-55%.

Results

During 2017:

- Employees within the company felt free from discrimination, violations and harassment to 94.3%. In recent years we have been able to see a positive development in the area and efforts have been made continuously to inform employees where they can turn to their questions.
- The proportion of employees with foreign backgrounds increased to 29.5% (27.5%).
- The proportion of female managers within the company decreased to 35% (40%).
- The risk analysis did not show any specific risks in the supply chain.

Activities during 2017

Diversity initiative make success

During 2017 Svenska Spel's diversity work resulted in the company drawing up a book together with the sports federations the company sponsors, Sports Swedish for immigrants.

In connection to the 2015 mass immigration, Svenska Spel, as a major sports sponsor and committed social actor, saw the challenges facing society and sport but also what opportunities were opened. The sport has a unique ability to bring together and include people of different backgrounds. As a part of facilitating the meeting of people, the book was presented.

Sports Swedish for immigrants has now become a success and it has also won great awards during the year.

Annual survey of gender equality

In order to ensure an equal level of pay between the sexes, Svenska Spel makes a survey every year to detect and remedy unreasonable differences in pay for equal work. This year's comparison has not shown such differences.

Follow-up on suppliers

Svenska Spel has approximately 2 200 suppliers and the value of purchases amounts to approximately SEK 2.1 billion per year. The suppliers are mainly service providers in market-related services and IT, they are mainly located within the EU and the vast majority in Sweden. During the year, Svenska Spel's Code of Conduct for Suppliers has, as usual, been attached to the agreements and a risk analysis has been made for the company's procurement. The analysis did not show any specific risks in the supply chain.

In the future, focus is on increasing the follow-up of Svenska Spel's code of conduct for suppliers among the company's contracting partners. A screening of suppliers identified continuously in the company's risk

analysis regarding human rights began in 2017 and at present approximately 60 % of these suppliers have undergone screening.

Reduced share of female managers requires power

In 2017, the proportion of female managers within the company decreased to 35 %, a development in the wrong direction for the company. Power is now required to increase the percentage forward to at least 45 %. A variety of activities are planned for the year to reverse the negative trend. For example, both sexes should always be represented in the final stages of managerial recruitment. In addition, an education / forum for women in the organization who strive for becoming managers where they will learn more about what it means.

Principle 7-9 Environment

Principle 7: Support preventive measures to combat environmental problems.

Principle 8: Take initiative to strengthen greater environmental awareness.

Principle 9: Encourage the development of environmentally friendly technologies.

Governance

- Svenska Spel's Code of conduct for suppliers
- Svenska Spel's Environmental Policy

Targets

Svenska Spel has the following targets for 2018-2020:

- Svenska Spel's Co2 emissions will decrease by 50% between 2010-2020.

Results

In 2017, Svenska Spel's Co2 emissions fell by 2 % (overall – 42 % since 2010) compared with the result previous year. The company's total Co2 emissions amounted to 2899 tonnes Co2 in 2017. The two biggest areas of the company's climate impact are business trips and material consumption.

Svenska Spel's Climate Report 2017 includes a historical description 2010-2017, including emissions per employee and traded Swedish krona. Read more in Svenska Spels Climate Report 2017:

<https://om.svenskaspel.se/wp-content/uploads/2018/05/klimatredovisning-svenska-spel-2017.pdf>

Activities during 2017

Annual Climate report

Svenska Spel has calculated the company's carbon dioxide emissions since 2010, resulting in an annual climate report posted on the website. During 2017, the company's environmental council has reviewed focus areas, goals and activities in the environmental field.

Continuous improvements

By working on continuous improvements in the environmental area, we have come a long way. During the year, work has begun with the installation of electric car chargers at the Visby headquarters, plans are made for the purchase of electric cars to replace our gasoline-powered bus. In addition, we compost food waste and sort garbage into a number of fractions.

Life cycle analysis

A Life Cycle Analysis (LCA) has been conducted on Trisslotten (Svenska Spel's most popular instant ticket) during the year to identify where in the chain the instant ticket has its greatest climate impact and can make improvements based on it. We found that it is in production. The disturbing effect is when there is a lot of waste material when the lottery is cut. Through dialogue with our printing company, we hope to improve this in the future.

Requirements in procurement

Svenska Spel sets environmental requirements in all procurement based on a risk-based approach and conducts annual risk analyzes on both planned procurement and suppliers on environmental issues.

Principle 10 Anti-corruption

Principle 10: Companies will work against all forms of corruption including extortion and bribery.

Governance

- Svenska Spel's Code of conduct for suppliers
- Svenska Spel's internal Code of conduct

- Corporate Privacy Policy
- Risk Management Policy

Targets

Svenska Spel has the following targets for 2018-2020:

- 100% of employees within the company should have undergone basic training regarding the company's efforts to counter money laundering and terrorist financing.

Results 2017

- 96% of employees in the parent company and 93% of employees in Casino Cosmopol have undergone training.

Activities during 2017

Internal education in sustainability

During the winter, the company launched its web-based education on sustainability at Svenska Spel, where employees learned about human rights and how the company works with this.

Other

New gambling law

January 1, 2019, a new gambling law will enter into force in Sweden. The purpose of the new law is to regulate the Swedish gambling market so that gambling about money can be pursued in a manner that is healthy and safe and under state control. This means that games, as far as possible, are to be channeled to a gambling company with gambling license in Sweden. The gambling in Sweden should be kept at a reasonable level. In addition, the gambling law shall be applied so that:

1. The games is given high consumer protection,
2. There is high security in the games,
3. The negative consequences of gambling are limited, and
4. Gambling about money is not used as aid in criminal activities.

During 2017 and 2018, extensive work will be undertaken within Svenska Spel to redirect the company to the new law.