



## Svenska Spel – Communication on progress 2019

Visby, May 14, 2019


### Statement from the CEO

I am pleased 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 Global Compact's ten principles with respect for human rights, labor law, environment and anti-corruption. The company intends to advance within these principles in the areas we can influence.

We are involved in the work of Global Compact and its principles being part of the company's strategy, culture and daily activities. We share this information with our stakeholders through the company's primary communication channels.

This report describes the progress made in Svenska Spel within these areas during the period June 2018 - May 2019.



Patrik Hofbauer  
CEO  
Svenska Spel AB

## **Principle 1-2 Human rights**

Principle 1: Support and respect international human rights within the sphere that the company can influence.

Principle 2: Make sure your own company is not involved in violations.

### **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 model for suppliers

### **Targets**

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 75% (2017 = 60 %) of the largest suppliers have completed a self-assessment form on how they work, among other things, human rights.

### **Activities during 2018**

#### *Human rights work throughout the supply chain*

At Svenska Spel we distance ourselves from violations of human rights, which is reflected in the requirements we place on our suppliers and recipients of our sponsorship. During 2018, Svenska Spel carried out procurements worth SEK 777 million from 32 suppliers. This gives us an important role as a demand maker throughout the supply chain. We also contribute with an indirect impact even outside our own business. The main products and services Svenska Spel purchases are market-related services and IT. Most of our suppliers are mainly within the EU and most of them are Swedish.

Svenska Spel has a code of conduct for suppliers that accompanies all contract documents. Every year, a risk assessment is carried out on the company's suppliers from a social, ethical and environmental perspective. Our goal is also for all suppliers identified in our risk analysis to have undergone screening for human rights.

Follow-up is done with those suppliers where Svenska Spel judges that there is an increased risk associated with the company's code of conduct. The assessment is made by a self-evaluation tool developed by Svenska Spel. In our opinion, the risks in the company's supply chain are generally low. The goal is to carry out one to two audits annually. In 2018, we conducted one audit to monitor compliance with our code of conduct. The supplier was selected based on the results of the annual risk analysis.

#### *Leading sponsorship guidelines*

Svenska Spel's leading sponsorship guidelines have become best practice in Swedish sports and resulted in our partners using them themselves in their business. For example, the Swedish Handball Federation will apply Svenska Spel's sponsorship guidelines in its sustainability work ahead of upcoming national competitions and championships. The Swedish Football Association initiated, in line with our sponsorship guidelines, a collaboration with "Human Rights Watch" before the football World Cup in Russia in 2018. Through the cooperation, leaders and players were trained in human rights, which was noted positively by journalists on site to monitor the tournament.

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## **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 2018:

- Employees within the company felt free from discrimination, violations and harassment to 94,8 % (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 34 % (30 %).
- The proportion of female managers within the company increased to 39 % (35 %).
- The risk analysis did not show any specific risks in the supply chain.

## Activities during 2018

### *Equal sponsorship*

*The sponsorship of sport is not equal today. Svenska Spel wants to change that. We work to reduce the economic gap between men's and women's sports and create the same conditions for sports regardless of gender. However, there are still a lot of challenges. Svenska Spel requires equality between the unions when it comes to the distribution of funds. In our agreements covering youth, width and federal activities, all funds are distributed evenly between the sexes. At elite level, the pricing of sponsorship rights is governed by the commercial value of the sport, such as performance levels.*

In 2018, Svenska Spel extended and strengthened its agreement as the main sponsor for Elitfotboll Dam. The sponsorship is worth SEK 145 million - an increase of just over 60 % compared to previous agreements. The agreement extends up to and including 2023. The new agreement is the single largest agreement for Swedish female elite football ever.

### *Equated and inclusive when recruiting*

In order to increase understanding of gender equality and inclusion and get a norm-critical perspective on recruitment, Svenska Spel organized a managerial training together with the analysis and advisory company AddGender. The managerial training has yielded results. In the work ahead of the company's reorganization,



the issue of even distribution between women and men was especially monitored, and during the year we saw that the distribution was also leveled out.

*Desired increase of female managers requires effort*

In 2018, the proportion of female managers within the company increased to 39%. Efforts are still needed to increase the proportion in the future 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 stage of managerial recruitment. During the spring of 2019, a leadership program for women within the organization was also started, which strives to become managers in order to increase the proportion of women seeking positions of management.

*Diversity initiatives*

During spring 2019, employees in HR were trained in Diversity Management. The purpose of the program was to iterate new ideas based on Svenska Spel's identified needs and challenges. This is to continue to develop a diversity and inclusion work at the forefront.

*Annual survey of gender equality*

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

*Follow-up of 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 in the EU and the vast majority in Sweden. During the year, Svenska Spel's Code of Conduct for suppliers, as previously enclosed in the agreements, and a risk analysis have been made for the company's procurements. The analysis did not show any specific risks in the supply chain.

Going forward, the focus is on increasing the follow-up of Svenska Spel's code of conduct for suppliers among the company's contract partners. A screening of suppliers that are regularly identified in the company's risk analysis, regarding human rights, began in 2017 and currently about 75% of these suppliers have undergone screening.



## Princip 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 target for 2018-2020:

- Svenska Spel's CO2 emissions will decrease by 50 % between 2010-2020.

### Results

In 2018, Svenska Spel's CO2 emissions decreased by 3% (total - 43% since 2010) compared with the previous year's earnings. The company's total CO2 emissions in 2018 amounted to 2859 tonnes of CO2. The two largest items of the company's climate impact are business travel and material consumption.

The climate report 2018 includes a historical description 2010-2018 where emissions per employee and traded krona are included. Read more in Svenska Spel's Climate Report 2018:

<https://om.svenskaspel.se/hallbar-utveckling/miljo/>

### Activities during 2018

Svenska Spel has worked with environmental issues for many years. Despite our relatively low environmental impact, we will do what we can to minimize our impact and contribute to a more sustainable climate. Our primary focus areas are materials, business travel, freight transport and energy.

Svenska Spel has, since 2010, calculated the company's carbon dioxide emissions, which results in an annual climate report which is published on the website. The company annually audits focus areas, goals and activities in the environmental area.



By working with continuous improvements in the environmental area, we have come a long way. During the year, the company's first electric car charger came into place at the head office in Visby.

Svenska Spel has also entered into a collaboration with the airline BRA, where the entire group's air travel is now fueled with 50% biofuel. The cooperation was started in 2017, and through this the company wants to participate in the reorganization of the aviation industry to fossil-free flights.

In addition, we compost food waste and sort garbage in a number of fractions, offer loan bikes and subway cards to our employees etc. Svenska Spel also places environmental requirements in all procurements based on a risk-based approach and conducts annual risk analyzes on both planned procurements and suppliers regarding the environment.

## **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 2018**

- The company has reached the goal of this education and in 2019 a new goal is formulated regarding anti-corruption.



## Activities during 2018

### *New regulations against money laundering and terrorist financing*

In 2018, Svenska Spel worked to ensure compliance with the new regulations against money laundering and terrorist financing. Since autumn 2017, the entire Svenska Spel is covered by the Money Laundering Act. The law stipulates, among other things, that gaming companies must have special knowledge of their customers through, for example, secure identification. Therefore, we have worked to collect information from both new and existing customers. All new customers have had to answer a number of questions before they have been able to start playing. Some customers have had to answer extended customer knowledge issues and in some cases have had to submit documents that prove the origin of the funds they play for.

### *Penalty fee for Casino Cosmopol*

In November 2018, the Gaming Inspectorate decided in a supervisory matter that Casino Cosmopol had failed in its systematic work to counter money laundering and terrorist financing in all areas that the authority examined. In connection with this, the authority imposed a penalty fee of SEK 8 million. Shortly thereafter, Casino Cosmopol provided an action plan that reported steps that would be taken to meet the deficiencies of the Game Inspectorate.

Casino Cosmopol also appealed against the Authority's decision, as the Gaming Inspectorate has neither had clear regulations nor given guidance on how to address the deficiencies they have noted.

### *High commitment in the fight against match fixing*

Criminal elements and manipulation of results do not belong in sport. At Svenska Spel, we have been working actively against match fixing since 2013 and are a driving force in the work towards this growing threat. Fighting match fixing is crucial for a gaming market without manipulated game results. Svenska Spel works broadly based on a precautionary principle to achieve the highest possible game security.

We do not offer games on lower divisions, youth sports or individual play moments such as the next corner or red card as they are easier to influence. In the case of deviating game patterns, we also stop all bets on the current game object, investigate, report and repay the bet to the players. We also have effort limitations aimed at counteracting the economic motives that are often found behind matched matches.

In 2018, together with the Swedish National Sports Association and Swedish Elite Football, we conducted several courses, lectures and seminars on the risks of match fixing for Swedish elite and youth athletes. Among other things, all participating players from the 38 participating clubs in the 2018 Gothia Cup SEF Trophy received training and information about the risks of match fixing.



During 2018, Svenska Spel also identified and closed off customers in order to interact with the purpose of circumventing Svenska Spel's intervention restrictions (so-called syndicate games). It is an important and prioritized work for gambling to take place on equal terms.

## **Other**

### *New gambling law*

On January 1, 2019, a new game team came into force in Sweden. The purpose of the new law is for the Swedish gaming market to be law-regulated so that games about money can be run in a way that is healthy and safe and be under public control. This means that gambling, as far as possible, should be channeled to gaming companies with gaming licenses in Sweden. Gambling in Sweden must be kept at a reasonable level. In addition, the game law shall be applied so that:

1. The games receive a high level of consumer protection,
2. There is a high level of security in the games,
3. The negative consequences of gambling are limited, and
4. Money play is not used as support in criminal activity.

During 2018 and 2019, much of the business focused on the transition to the new law.

