

Svenska Spel – Communication On Progress 2022

Statement from the CEO

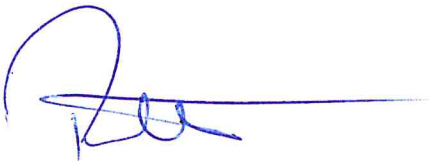
Like previous years, I have the pleasure of confirming Svenska Spel's continued support for the Global Compact and hereby renew our commitment to the initiative and its principles.

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

We are committed to the work of making 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 2021 - May 2022.



Patrik Hofbauer
CEO
Svenska Spel AB

Sustainability at Svenska Spel

As a state-owned company, we want to act exemplary in the area of sustainable business and conduct our business in a way that contributes to sustainable development. For us, it is, among other things, about thinking sustainably about the design of our products, as they can pose a risk to certain people. Gambling is for entertainment, but it should also be safe and secure for our customers. But other sustainability aspects are also important. For us, it's natural to care about how we affect our society, our surroundings and constantly think about what we can do even better.

We have high ambitions and to ensure high quality and develop our work, we collaborate with several organizations and networks. Our work with responsible gambling was recertified in 2021, according to the European Lottery Association's responsible gambling standard. We have signed the Global Compact and are actively working to develop the work within their ten principles for human rights, labor law, the environment and anti-corruption. We are also members of the European Casino Association.

We contribute to the global goals

Agenda 2030 and the UN's global goals for sustainable development have been signed by all 193 member states of the UN and lead the way to the future we want to be involved in creating. Therefore, it is important that we, like all organizations, review our operations based on these goals. Svenska Spel has identified which goals our business contributes to the most and where we have our biggest challenges. We work systematically, goal-oriented and with continuous improvements in the areas where we can make the biggest difference. The work is based on our ambition to create long-term value for customers, owners, employees as well as for the sports movement and society at large.

Principle 1-2 Human rights

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

Principle 2: Ensure that 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 Ambition
- Svenska Spel's Sponsorship Guidelines
- Svenska Spel's risk analysis and screening process for suppliers
- Svenska Spel's Human Rights Due Diligence, analysis 2021

Targets

Svenska Spel has the following targets for 2022-2024:

- 100% of the suppliers who are continuously identified in the Svenska Spel's risk analysis must have undergone human rights screening.
- Svenska Spel shall carry out 3-5 third-party supplier audits per year.

Results

During the year, the work of following up and evaluating the company's suppliers continued. Approximately 85% of the suppliers identified in the company's risk analysis have reported their work on these issues in Svenska Spel's digital portal for supplier follow-up. New suppliers are added regularly, which means that the figure can vary from year to year.

In the spring of 2021, two (2) audits were carried out at the cleaning companies that Svenska Spel has agreements with. The audits were generally satisfactory, a few minor observations have been corrected by the suppliers after the audits.

During December 2021, one (1) third-party audit was performed on one of Svenska Spel's major gambling suppliers. The result of the audit was satisfactory and action plans were drawn up based on the few minor comments that emerged. An action plan, including a timetable, has been drawn up in collaboration with the supplier.

In 2022, we will continue to review the category of gambling providers and new audits are planned after the summer.

Activities

Work for human rights throughout the supply chain

At Svenska Spel, we distance ourselves from violations of human rights, which is reflected in the demands we place on our suppliers and recipients of our sponsorship. In 2021, Svenska Spel procured goods and services to an approximate value of SEK 2 billion. This gives us an important role as a setter of requirements 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. Our suppliers are mainly within the EU and most of them are Swedish. Svenska Spel has a supplier code 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 for all suppliers identified in our risk analysis to have undergone a human rights screening.

Follow-up is conducted with the suppliers where Svenska Spel assesses that there is an increased risk linked to the company's code of conduct. The assessment is made through a self-evaluation tool developed by Svenska Spel. In our assessment, the risks in the company's supply chain are generally low. The goal is, in addition to the screening, to carry out 3-5 third-party audits annually.

In 2021, we conducted audits to follow up on compliance with our code of conduct with some of the company's major suppliers. The suppliers have been selected based on the results of the annual risk analysis. The result was satisfactory and some minor deviations emerged which were immediately rectified by the suppliers.

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: Eliminate discrimination in recruitment and duties.

Governance

- Svenska Spel's Code of Conduct for suppliers
- Svenska Spel's Sponsorship Guidelines
- Svenska Spel's Sustainability Ambition
- Employee and Work Environment Policy
- Svenska Spel's internal whistleblower function



Targets

Svenska Spel has the following targets for 2022-2024:

- Svenska Spel is 100% free from discrimination, violations, and harassment.
- Employees with a foreign background within Svenska Spel is at least 30%.
- The gender distribution among managers within Svenska Spel is 50-50%.

Results

In 2021:

- the employees within the company felt free from discrimination, violations and harassment to 91% (95%).
- the proportion of employees with a foreign background was 28% (34%).
- the proportion of female managers reduced within the company to 36% (37%).
- the risk analysis did not show any specific risks at the supplier level.

Activities

Equality in sports

Svenska Spel wants the sponsorship of sports to be equal. We work to reduce the economic gap between men's and women's sports and to create the same conditions for sports regardless of background. However, there are still a lot of challenges. Svenska Spel demands equality from the sports unions when it comes to the distribution of funds. In our agreements that cover youth, broad and federal activities, all funds are distributed evenly between the sexes. At the elite level, the pricing of sponsorship rights is governed by the sport's commercial value, such as performance levels.

In 2021, an extensive project was started where we began to follow up all sports federations in issues such as equality and inclusion. The sports unions will report their work on these issues in a system and the follow-up then takes place regularly in connection with other follow-up.

An equal and inclusive workplace

Svenska Spel shall be a company where employees develop regardless of age, gender and background. In 2021, the important work for gender equality and inclusion has continued.

Tjejer Kodar

In 2021, Svenska Spel continued as the main partner of the Tjejer Kodar initiative, an initiative to inspire and attract more women to the tech industry. This is an important task - the gender distribution in tech and programming is far from 50/50, while there is a shortage of people with that competence. Together with Tjejer Kodar, we have also arranged several events.



Jobbsprånget

In 2021, Svenska Spel began a collaboration with Jobbsprånget. Jobbsprånget exists for newly arrived academics as a way to enter Sweden's labor market as quickly as possible via an internship. In addition to valuable experience, participants also get in touch with potential employers, Swedish colleagues and new friends. We look forward to welcoming interns at our offices in Visby and Solna in 2022.

The desired increase in female managers requires effort

In 2021, the proportion of female managers within the company decreased to 36% (37%). Efforts are needed to increase the share in the future to 50%. A variety of activities are planned to reverse the negative trend. For example, both sexes must always be represented in the final stages of manager recruitment.

Annual survey of gender equality

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

Follow-up of suppliers

In 2021, Svenska Spel procured goods and services worth approximately SEK 2 billion from approximately 1,550 suppliers. The suppliers are mainly service providers in market-related services and IT, they are mainly in the EU and most in Sweden. During the year, Svenska Spel's code of conduct for suppliers was, as before, attached to the agreements and a risk analysis was performed for the company's procurements. The analysis did not show any specific risks at the supplier level.

Going forward, the focus is on increasing the follow-up of Svenska Spel's code of conduct for suppliers among the company's contractual partners. A screening of suppliers that are continuously identified in the company's risk analysis, regarding human rights, began in 2017 and currently about 90% of these suppliers have undergone screening.

Work after the pandemic

In October 2021, Svenska Spel finally welcomed its employees back to the offices again, after over 18 months of homework. After the beginning of the pandemic, our employees were asked how they want to work in the future, in order to then develop a plan for the new working life.

Already today, Svenska Spel is a more flexible company where employees, to a large extent, choose where they carry out their work. We now do the job where it fits best and we are convinced that this is when we also perform best. All employees have also received a lump sum of SEK 5,000 to furnish an office at home and an annual wellness allowance of SEK 4,000 per year.

Principle 7-9 Environment and climate

Principle 7: Support preventive measures to counteract environmental problems.

Principle 8: Take initiatives 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
- Svenska Spels Sustainability Ambition
- Grönt kort 2030 – Svenska Spels Environment and Climate program

Targets

Svenska Spel has the following targets for 2021-2030:

- Svenska Spel shall be a climate-neutral company by 2030
- Svenska Spel's ambition is to set a Science Based Target by 2030.

Results

Svenska Spel continues to reduce greenhouse gas emissions. Between the years 2010–2020, the company reduced its emissions by 70%. The large reduction is partly due to the company's extensive sustainability work, but the result was also strengthened by the Corona pandemic. During the year, total emissions decreased, from 2,886 tonnes of CO₂e (2020) to 2,027 tonnes of CO₂e (2021).

The emissions are divided into scope 1,2 and 3 as follows:

- Scope 1: 341 tonnes of CO₂e
- Scope 2: 112 tonnes of CO₂e
- Scope 3: 1 574 tonnes of CO₂e

The largest aspects of the company's climate impact come from the categories "purchased goods" and buildings. Every year, Svenska Spel publishes a comprehensive climate report where it is possible to follow emissions from 2010 onwards. The report includes, among other things, the key figures "emissions per employee" and "emissions per krona traded". We have also measured more aspects of our operations in this year's report than before.

<https://om.svenskaspel.se/wp-content/uploads/2022/05/klimatredovisning-svenska-spel-2021.pdf>

Activities

Svenska Spel will work for a long-term sustainable world. It is part of our strategy and a natural part in everything we do. Environmental and climate issues are part of the ecological sustainability. Therefore, we are responsible for continuously reducing our environmental impact and limiting the ongoing climate change. To succeed in this, we work systematically, goal-oriented and with continuous improvements. We focus on the areas where we can make the biggest difference. At Svenska Spel, this means working with materials, buildings, transport and travel, food and IT.

The company annually audits its focus areas, goals, risks and activities in the environmental and climate area. During the past year, we have developed our environmental and climate program: "Grönt Kort 2030". The program paves the way for the coming years, how we work towards Agenda 2030 and how we can contribute to environmentally sustainable development.

The work towards the goal of climate neutrality means that we have now begun to analyze the way ahead. By comparing our current situation with the PAS2060 standard (for climate neutrality) and filling in the gaps that are identified.

As a result of the Corona pandemic, many of the changes we saw in 2020 have also persisted in 2021. Employees continued to work from home to a large extent, we traveled very little and Svenska Spel's casinos followed current restrictions and was closed most of the time. Many sporting events were canceled, which reduced the need for printed material and transport. These factors have had a significant effect on our emission reductions in recent years.

A major challenge going forward is to maintain the behaviors we learned during the pandemic and not fall into old patterns. For example, we do not have to travel as frequently as we have done in the past. To make it easier for our employees to make more environmentally friendly choices, we work with internal training, shorter information messages and nudging, among other things, in order to make it easier to make the right choice.

In the transition to more resource-efficient products, services and manufacturing, we set specific environmental and climate requirements in addition to those contained in our supplier code in relevant procurements.

During the year, this was done in procurements for:

- A renovation of one of our office buildings
- Procurement of profile materials and event products
- Procurement of light signs
- Procurement of cleaning services

During the year, Svenska Spel also began the transition to a more fossil-free vehicle fleet by some drivers now driving electric cars. Due to the cold climate in northern Sweden, however, there are drivers who still need to drive diesel cars. To facilitate the transition to more environmentally friendly

vehicles, ongoing conversations are conducted with the employees who drives company cars in order to support and help them.

In the future, Svenska Spel will investigate the possibility of installing solar cells on the roof of one of our offices and installing additional charging posts.

Principle 10 Anti-corruption

Principle 10: Companies must 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
- Svenska Spel's Security Policy
- Svenska Spel's Risk Management Policy

Targets

Svenska Spel has the following targets for 2022-2024:

- We have an anti-corruption program that complies with IMM's requirements for preventive action.

Results

- Work on developing and refining the company's anti-corruption program is ongoing. During the year, a supplement to Svenska Spel's internal whistleblowing function with an external one is planned.
- During the year, Svenska Spel participated in the Global Compact SDG Ambition Accelerator, where the main focus was on working with the development of the benchmark "Zero incidents of bribery", which among other things resulted in a mapping of Svenska Spel's extensive work in business ethics and anti-corruption.

Activities

Participation in the Global Compact's SDG Ambition Accelerator

During the year, Svenska Spel, as one of 60 Nordic companies, participated in the Global Compact's SDG Ambition Accelerator. The purpose of the program is to support participating companies in setting ambitious business goals in line with the Global Goals for Sustainable Development (SDGs) and accelerate their integration into the core business.



In the program, we chose to focus on one SDG benchmark regarding our preventive work against bribery. We also broadened the area to include Svenska Spel's collective work in business ethics and anti-corruption.

Svenska Spel's work to counter money laundering and terrorist financing

Fighting corruption and money laundering is a priority issue for Svenska Spel and our stakeholders. Svenska Spel, like the gambling industry in general, has a responsibility to prevent gambling companies from being used for criminal activities such as money laundering, fraud, corruption or financing of terrorism. The work also has a strong connection to gaming safety.

At Casino Cosmopol, as well as within the parent company and Sport & Casino, we have specially dedicated staff who work with monitoring, follow-up and investigation. Training for staff and agents is carried out continuously as part of the company's preventive work against money laundering.

Development work and initiatives are constantly ongoing in order to improve our processes and ensure compliance with the money laundering legislation. During the year, we continued our work against money laundering by, among other things, allocating extensive IT resources for handling data relating to, for example, gambling and account transactions.

Our customers must identify themselves for games with us both online and in a physical environment. Requirements for customer knowledge means that we ask extended customer knowledge questions in different situations and in some cases can request supporting evidence regarding the origin of the funds that are played for.

We actively participate in various industry meetings such as the Swedish Tax Agency's money laundering network and the "Coordination Office against money laundering". We work closely with the police and report suspected cases of money laundering.

Our initiatives to curb match fixing also play an important role in our work against money laundering.

The fight against match-fixing

Match-fixing, manipulating the results of a match, is one of the biggest threats to sports. And not only that - organized criminal networks are often involved, making match-fixing a high-priority issue for authorities and law enforcement agencies around the world.

For Svenska Spel, it is about protecting sports and our customers. Our customers must be confident that it is a pure game that applies and that the matches are free from cheating. We also take care of the entire gambling market and want rules and supervision that is effective.

Svenska Spel works both proactively and reactively towards match-fixing:

- We limit the range of games to protect sports.
- We educate sports and society in risks and consequences.

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- We influence authorities and decision-makers for a sustainable gaming market with clean gambling and strong consumer protection.
- We investigate and collaborate on suspicious events that may threaten sporting integrity.