

Responsibility shall pervade everything we do

Svenska Spel aims to be the optimum alternative on the market in terms of reducing the risk of gambling addiction and offering the potential for players to control their gaming and, thus, maintain a healthy gaming behaviour.

Svenska Spel shall focus on:

- Informed choices
- Higher registered gaming
- Age-limit checks
- Responsible marketing
- Contact with players
- Increased insight into gambling addiction

Revenue optimisation and cost-effective operations

Revenue should be optimised but not maximised, which means that planned growth will be analysed and assessed vis-à-vis our sense of responsibility. Operations are to be marked by high cost-effectiveness, meaning the activities should attain targets at the minimum cost. Continuous operational and process development are key factors in ensuring that the desired quality and efficiency are achieved.

Creating international cooperation among various gaming companies is a strong trend. Over a protracted period, Svenska Spel has participated in Viking Lotto, which is a cooperative venture between Sweden, Norway, Denmark, Iceland and Estonia. The Stryktipset pool currently includes Icelandic players.

In a bid to maintain profitable operations, Svenska Spel is focusing on

- distinct direction
- explicit monitoring
- process enhancement
- increased cooperation – both internally and externally
- clear roles and responsibility
- prioritisation and focus

Hands-on development for employees

The success of Svenska Spel in the gaming and the labour markets requires professional and inspiring leaders. Svenska Spel has a strong brand as an employer. Maintaining the brand requires that our values and priorities – meaning our essential corporate values, strategies and objectives – are clear to all employees. By this means, we can attract skilled people to Svenska Spel.

As regards the Employees target area, Svenska Spel is focusing on:

- Executive development programmes
- Development of employee dialogue (referred to as the Target Dialogue) to establish distinct targets and follow-up
- Clear employee and leadership profiles; employee surveys to gain employee opinions
- Role descriptions for all employees. ■

Objectives and target fulfilment

Gaming represents a pleasure for adults, and thus Svenska Spel has an age limit for all games. The best that Svenska Spel can offer its customers is gaming pleasure – it should be fun whether you win or lose. The Company is mandated to offer games that meet customer demand for excitement, entertainment and availability – in terms of time and location. And in a safe and secure manner.

During the past five years, the known Swedish gaming market has grown at an annual rate of one or a couple of percent. During the same period, foreign gaming companies on Internet have expanded, and now hold about 10 % of the gaming market.

Growing competition and the increasingly aggressive advertising campaigns by private actors have not resulted in any increase in the overall player base or in the share of players with a gambling addiction. Svenska Spel's surveys over the past five years indicate that the number of players has steadily contracted, while the average player age has increased. The fact that the known gaming market has nevertheless displayed financial growth during the same period is attributable to certain players spending more than in the past.





Responsible retailers

The outcome of the Swedish Gaming Board's survey of information on age limits among 215 retailers was highly satisfactory. 100 % of the retailers displayed signs showing the 18-year minimum age limit and 97 % had responsibility brochures clearly visible for customers.



A majority favour Svenska Spel

In contrast to the gaming market in general, the number of players at svenskaspel.se has increased, while the average stake has declined. This is a positive trend since the task of svenskaspel.se is to channel players from foreign gaming sites to its own safer and more responsible gaming environment.

Despite the expansion of the gaming market, Svenska Spel's gaming surveys and the 2009 survey by the Swedish National Institute of Public Health indicate that the proportion of players with gambling problems has remained unchanged during the past ten years, at about 1–2 %. The Swedish National Institute of Public Health's survey indicates an increase in problem gambling among men in the 18–24 age group, while it has declined among other groups.

Svenska Spel's annual survey reflects players' attitudes and behaviour. From 25 February to 6 May 2010, a major postal poll was conducted using randomly selected Swedes in the 16–75 age group. The effective response frequency was very high, with responses from 5,072 questionnaires, making it a representative selection of the Swedish adult population. Among other results, the survey indicates that:

- 84 % (84) of the adult population participate in gaming. 73 % (74) are customers of Svenska Spel. The gender distribution is broadly similar, with men generally playing more often and for larger stakes than women.
- Players' attitudes to the regulation of the Swedish gaming market remain overwhelmingly positive, with 86 % (86) feeling that it is completely or partly good.
- The most common driving forces behind gaming are the chance of making large winnings and the excitement.
- Triss, Lotto and Stryktipset remain the most popular games in terms of image. Casinos, Internet gaming and Vegas have the most negative image.

"Dream Winnings" SEK 214 million – a Swedish record

For most people gaming is a pleasure, offering a little extra excitement and some everyday entertainment. Moreover, gaming is frequently an activity shared with others, in the mutual hope that a small stake will provide a multiple payback. 70 % of the respondents in the latest survey stated that the chance of major winnings was the key driving force behind their gaming. Each week sees positive media coverage about Svenska Spel – frequently involving those who have fulfilled their dreams, namely, the big winners.

During 2010, Svenska Spel (excluding Casino Cosmopol) paid out total winnings of SEK 12,126,820,465 (12,269,924,391). Of this amount, 347 winnings (330) amounted to SEK 1 million or more.

The highest winnings of the year were paid in March when a winner in southern Sweden scooped the "Dream Winnings" prize (seven correct numbers on Lotto and at least two correct Joker numbers on the same ticket) and won SEK 214,595,981. This was a record for Svenska Spel and an all-time high for Swedish gaming. Subsequently, an additional six players won "Dream Winnings," becoming multi-millionaires in the process. A total of SEK 734,013,813 was paid out among the seven "Dream Winnings" tickets over the course of 2010.

Since 16 August 2010, a lone winner with all 13 matches correct on the Stryktipset football coupon is guaranteed SEK 10 million. Shortly after the rule change, two football enthusiasts secured the guaranteed winnings.

Target fulfilment: Customers

The percentage positive to the Svenska Spel brand:

The target is 60 % of the adult population; the result was 64 % (62).

Responsible gaming offers security for customers

Svenska Spel, which is a State-owned gaming company, does not have profit maximisation as a requirement; instead it can strike a balance between gaming revenue and a sense of responsibility.

Examples of responsibility taking precedence over profit are the outreach dialogues with frequent guests at the casinos; the obligatory requirements regarding the indicated stakes at svenskaspel.se before a person can play; and the age limits applying to the purchase of and payment of winnings for all Svenska Spel's games.

Sustainable development

For the fourth consecutive year, Svenska Spel is publishing its CSR Report in line with the principles for GRI (Global Reporting Initiative), see page 97. The purpose of the report is to provide a balanced impression of Svenska Spel's input in terms of sustainable development.

The report is prepared once annually as part of the annual report. Reporting refers to the 2010 calendar year and covers the Parent Company and subsidiaries. The previous report (CSR Report 2009) was published in April 2010.

Svenska Spel's responsibility programmes are also described in the social responsibility report that Svenska Spel's owner, the Ministry of Finance, requests on an annual basis. All of Svenska Spel's responsibility programmes are conducted within the framework of the applicable permits held by the Company.

The CSR Report describes Svenska Spel's work in the focus areas of:

- business ethics and security
- economic responsibility
- social responsibility and responsible gaming
- responsibility for employees
- environmental responsibility

Target fulfilment: Responsibility

Svenska Spel's quarterly image surveys rank the Company as the leader among gaming companies in Sweden in the area of responsible gaming. More information about objectives and their fulfilment in the Responsibility area is provided in the CSR Report on page 97.

Target fulfilment: Profitability

The financial objectives governing the Company consist primarily of the results budget set by the Board ahead of the financial

year. At the Board meeting after mid-year, a revision of the annual budget is presented in the form of a forecast extending to the end of the year. For 2010, the following objectives and target fulfilment were reported:

SEK million	Budget	Forecast	Outcome
Net gaming revenue	9,689	9,626	9,624
Net turnover from gaming operations, etc.	7,937	7,888	7,885
Employee expenses	1,007	997	989
Other operating expenses	2,057	2,070	2,101
Operating profit	4,873	4,822	4,795

To fulfil Svenska Spel's efficiency assignment, the Company proactively evaluates work processes in the organisation to higher efficiency and cost savings in the best possible manner.

Annual survey monitors employee satisfaction

At year-end 2010, the number of employees totalled 2,263 (2,230). Restated as the average number of employees during the year, the number was 1,764 (1,748). The gender distribution was 56 % men (56) and 44 % women (44).

Salaries are individual and differentiated. Salary and salary development is based on work assignments, competency and performance. An annual salary review is made to analyse and identify any deviations from the adopted guidelines. Appropriate action plans are drawn up if the reviews point to such requirements.

The health level, defined as the percentage of employees who in the past 24 months had sickness absence of less than 3.5 %, amounts to 71.3 % (74.9). Sickness absence was 3.8 % (3.8).

An executive development programme for existing and new executives was prepared in an effort to harmonise leadership with Svenska Spel's mandate, vision, mission, values and strategies that form the base of the new organisation in 2010.

Target fulfilment: Employees

Satisfied employee index:* Target 85 on a scale of 100; result: 83 (89).

Leadership index:* Target of 70 on a scale of 100; result: 70 (68). The CSR Report features additional information under the section entitled "Employees". ■

* Source: Svenska Spel's human resource survey 2010