

# This is long-term sustainable development for Svenska Spel

**For Svenska Spel, long-term sustainable development involves integrating business operations with social responsibility. Taking social responsibility seriously is fully in line with the company's vision – gaming shall be enjoyed by all.**

**S**venska Spel's efforts to attain long-term sustainable development derives from the mandate to conduct gaming operations in a responsible manner. Activities must also be pursued using a business-like approach. Among other points, this means that:

- Svenska Spel develops and offers games in a responsible manner to enable customers to experience gaming enjoyment – a sustainable gaming experience, in other words.
- Svenska Spel seeks to minimise the impact that the company's production and operations have on third parties.
- Svenska Spel seeks to create value and contribute to positive social development.
- Svenska Spel seeks good relations with stakeholders and values their viewpoints, while working to meet stakeholders' expectations regarding the company.

Svenska Spel describes long-term sustainable development by means of four key strategic areas: Social responsibility and responsible gaming, Responsibility for employees, Economic responsibility and Environmental responsibility. Business ethics permeate Svenska Spel and provide a platform for sustainability efforts. The dialogue with stakeholders is crucial

when it comes to defining where Svenska Spel has its impact and which areas should be a priority for its efforts.

That Svenska Spel is not subject to a profit maximisation requirement from its owner is a prerequisite in being able to focus both on responsible gaming and on the other areas of responsibility.

View our responsibility model and how we define our strategic areas of responsibility on page 99.

## **Mandate, mission and values**

In line with the mandate from its owner – the Swedish State – Svenska Spel shall represent a reliable alternative to illegal gaming activities. The assumption of responsibility shall be a distinct and natural feature of the gaming experience and make a difference in the customer's choice among gaming alternatives. The company's mission reads: "We develop and offer gaming in a responsible manner so that the many people who use our products experience gaming pleasure."

Svenska Spel has entertained Sweden over several decades and we intend to continue adding a gilt edge to people's everyday life. Our vision is that gaming should be enjoyed by all. Our values are the internal guide that describes how we behave towards each other and our customers.



## Values

Our values describe how we behave towards each other and our customers. We shall be Accessible, Considerate and Committed. Read more on page 112.

### Overarching sustainability goal

Svenska Spel's overarching sustainability goal is to implement and highlight the company's mandate to provide gaming in a manner that is responsible, safe and compatible with business ethics.

This is aimed at ensuring long-term sustainable operations, increased trust in Svenska Spel as a responsible company and creating a sustainable gaming experience.

### Strategic target areas

Svenska Spel's control model encompasses the target areas of Customers, Responsibility, Business-like approach and Employees.

- **Customers** To grow in terms of revenue with a stable market share, the Company seeks to channel more customers from other gaming companies to Svenska Spel's gaming environments.
- **Responsibility** Being perceived as the most responsible gaming company means that the assumption of responsibility covers everything that Svenska Spel does. Responsible gaming, business ethics and security are key examples of always combining gaming experiences with responsibility. We must channel customers from other gaming companies by simply being the best alternative in reducing the risk of unhealthy gaming patterns and providing know-how and support systems to raise players' potential to game safely, soundly and securely. Responsible gaming should be as much an integral feature in marketing as it is in gaming operations.

- **Business-like approach** Increased revenue, tight cost control, and sustainable earnings, also in the long term, entail – in line with our mandate – the creation of a considerate and responsible gaming environment. Success in this respect requires that Svenska Spel continues to have a high market share.
- **Employees** Being a long-term profitable company is possible only if we have committed and motivated employees.

### Responsibility and implementation

Responsibility for sustainability programmes is an integral component of day-to-day operations. Ultimate responsibility lies with the Board and Group executive management, with the primary responsibility resting with the Communication Manager. The mandate from the owner includes guidelines on how sustainability programmes should be pursued.

Svenska Spel's Corporate Social Responsibility (CSR) unit – part of the Communication & CSR staff – is responsible for overall policies, strategies, processes, tools and key data in respect of ethics and responsibility issues. The CSR unit also has overall responsibility for the annual CSR report and its follow up throughout the year.

An environmental council and a responsible gaming council have been established under the supervision of the CSR unit, with representatives from various business areas and staff units. The purpose is to support the implementation of the overall responsibility goal and key data, in addition to the monitoring of sustainability programmes.

### Overarching challenges

For a long time, Svenska Spel has worked towards long-term sustainable development and shall be a model in the area. However, to be a real alternative to illegal gaming operations, the Company must develop and offer established games demanded by the customers. This requires licenses.



## Svenska Spel's concept of responsibility

Svenska Spel has identified and defined four areas in which stakeholders note a particular performance requirement in terms of responsibility in relation to the commercial significance.

### Business ethics and security

The business ethics responsibility permeates Svenska Spel's activities and comprises a platform for sustainability programmes. This is defined as Svenska Spel's responsibility to ensure that people, economic resources and the environment are not abused, deceived or exploited by the Company's operations.

Read more on pages 100 and 106–109

### Social responsibility and responsible gaming

Svenska Spel's responsibility is to market gaming in a responsible and secure manner and to minimise the adverse social implications of the Company's operations and its products. Svenska Spel shall contribute to positive community development in all areas in which it is active.

Read more on pages 103–111

### Financial responsibility

Svenska Spel's responsibility is to always integrate responsible gaming with the commercial venture. Svenska Spel seeks to be the customer's first choice and a creator of value in society.

Read more on pages 116–118

### Environmental responsibility

Svenska Spel's responsibility for reducing its environmental impact by working proactively whenever possible.

Read more on pages 119–121

A major challenge is the marketing campaigns by foreign, Internet-based companies, which have contributed to the major increase of the total advertising spend by the Swedish gaming industry in recent years. In certain cases, the installation of servers outside Sweden, for example, can circumvent legislation and regulations observed by Swedish gaming companies. This means that the regulated gaming companies compete in the same market but on a totally different basis.

Another challenge is spreading information and knowledge regarding the Vegas VLTs, which Svenska Spel offers by license of the Government. There are strict restrictions in terms of installation, revenue, stakes and winnings. VLTs are questioned by many because of the relatively high risk of leading to gaming problems. Voices have been raised in favour of an inquiry regarding VLTs some of which supporting a complete ban.

### **Business ethics and security**

The responsibility deriving from Svenska Spel's business ethics permeates the entire company and offers a platform for sustainability activities. It is Svenska Spel's responsibility to ensure that people are not abused, deceived or in some other manner exploited by the company's operations.

Svenska Spel's overarching objective in business ethics and security is to highlight and prevent unethical behaviour, both internally and externally. Svenska Spel's activities must never be utilised for money laundering or other criminal activities.

The development of competitive and popular products as well as distribution channels – with responsible gaming and gaming security as integral components – is an important part of Svenska Spel's operations.

Svenska Spel's mandate includes:

- Recognising consumer need of a reliable alternative to illegal gaming operations.
- Due consideration of the risk of fraud and illegal gaming.
- Seeking maximum security in gaming operations.

### **New Code of Conduct**

Svenska Spel's Code of Conduct summarises the Company's overall approach to responsible conduct. The purpose of the Code is to describe clearly and concisely how employees and ambassadors of Svenska Spel are expected to behave towards each other, customers, suppliers, retailers, business partners and others. The Code of Conduct is a more detailed description of the Company's values.

### **Security and follow-up**

The manager of the Group Security & Risk Management function leads security activities at Svenska Spel. This unit coordinates the Group's overall risk management and monitors that security work is conducted in line with Group security policies and guidelines. The function is also responsible for crisis and incident management at Group level and for handling abnormal gaming activities. This is done in close cooperation with, for example, the legal authorities concerned and the police.

Svenska Spel holds a number of international security certifications. Security programmes are followed up continually and internal audits are conducted regularly in all business and operating areas. Reporting unit is the Audit Committee, which is linked to the Board. There are strict regulations for dealing with any deviations from corporate policy.

Read more about Svenska Spel's efforts to counteract money laundering and illegal gaming in the section entitled "Social responsibility and responsible gaming". ■