

# Strategic orientation and objectives

**Svenska Spel has four strategic target areas: Customers, Responsibility, Business-like approach and Employees. Just as in the case of the Vision and Values, these are based on the owner's mandate.**

**T**he plan for orientation, objectives and strategies covers a three-year period. It is revised annually and extended by one year for another three-year period.

## Smooth customer interaction

**Customer target area** If customers are to select Svenska Spel, the company must work continually in developing activities in all dimensions. This is necessary in an effort to channel customers from Svenska Spel's competitors and also to retain loyal customers. Younger generations are growing up with new gaming habits, with technological progress increasing accessibility. Svenska Spel shall offer enjoyable and exciting games that meet customer demand.

Svenska Spel shall be a credible alternative to illegal gaming activities, and the customer's first choice in times in which the range of gaming opportunities is greater than ever.

## Optimum responsibility

**Responsibility target area** Svenska Spel cares for its customers and assumes responsibility for ensuring that gaming remains enjoyable. Customers shall perceive Svenska Spel as the most responsible gaming company.

Svenska Spel seeks to be the most responsible alternative on the market. Customers shall have a sound, mindful gaming behaviour based on gaming enjoyment and excitement.

## Sound business-like approach

**Business-like approach target area** Svenska Spel shall have a revenue-optimised and cost-effective operation. Revenue optimisation always entails a trade-off between increasing revenue to its maximum while also applying the responsible gaming programmes required to ensure that customers maintain a healthy gaming behaviour.

Operations shall be marked by high cost-efficiency and valued on the basis of a commercial perspective, but not based on a revenue perspective alone.

## Motivated employees

**Employees target area** Svenska Spel shall be an attractive employer, offering excellent leadership, and with motivated employees that perform to their best.

Professional and inspired leaders are required if Svenska Spel is to succeed both in the gaming market and labour market. Svenska Spel has a strong brand as an employer, which can be further enhanced.

Employees must be aware of the applicable priorities. They shall be aware of the mandate, values, strategies and targets, as well as of their personal work role and responsibility. Work satisfaction, creativity and well-being emerge when individuals strive to attain the same objective and are aware of and understand the significance of their input. In this way, the company can attract skilled employees.





## Identity requirements

Customer security at retailers was enhanced in 2011 through, for example, the introduction of an identity requirement for winnings of more than SEK 1,000. So now, foresighted and informed customers take their ID card and Spelkort with them when they visit a retailer.

## Objectives and target fulfilment

Gaming represents enjoyment for adults, and thus Svenska Spel has an age limit for all games. The best that Svenska Spel can offer its customers is gaming enjoyment – it should be fun whether you win or lose.

### Customers target area: 63% positive

Svenska Spel's annual gaming survey highlights customer attitudes and behaviour. From 16 February to 21 April 2011, a major postal survey was conducted using randomly selected Swedes in the 16–75 group. The effective response frequency was 52%, with the number of completed questionnaires amounting to 5,131, representing a representative selection of the adult population. Among other things, this survey shows:

- 73% (74) are customers of Svenska Spel. The customer base consists of 50% men and 50% women. Men play more often and, generally, for higher stakes than women.
- The most common driving forces are the chance of gaining a major win and the excitement of playing.
- Triss, Lotto and Stryktipset remain the leaders in terms of positive image. The most negative image is associated with casinos, Internet gaming and Vegas.

## Playscan™ for gaming control

Since 2009, the French gaming company La Française des Jeux has used the Playscan™ responsible gaming tool, supplied by Svenska Spel's subsidiary Playscan AB. During 2011, the tool was updated and now provides full support for customers for online gaming, sports betting, bingo, Lotto and lotteries. Playscan™ helps customers to maintain control over their gaming and is used in Sweden by Svenska Spel, Miljonlotteriet and A-lotterierna.



Svenska Spel's Group management supports Swedish sports.

According to Svenska Spel's gaming surveys over the past six years, the player base has steadily narrowed while customers' average age has increased. That the known gaming market nevertheless continued to grow during the same period was because certain customers spend more money on gaming than in the past.

In contrast to the overall gaming market, the number of customers on svenskaspel.se has largely increased while the average stake has decreased. This is a positive development in view of the fact that svenskaspel.se is tasked with channeling gaming from foreign sites.

### Target fulfilment: Customers

*The percentage positive to the Svenska Spel brand:*  
The target is 60% of the adult population; the result was 63% (64). (Source: Svenska Spel's image tracking 2011).

### Responsibility target area: Best responsible gaming

Svenska Spel seeks to strike a balance between gaming revenue and responsibility.

One example of Svenska Spel's sense of responsibility is the outreach dialogues with frequent guests at the casinos, requirements in terms of maximum transfers to gaming accounts before a person can start playing on svenskaspel.se

and the age limits for the purchase and payout of winnings on all games. Despite the expansion of the gaming market, Svenska Spel's gaming survey and the study undertaken by Swedish National Institute of Public Health in 2010 show that the proportion of customers with problems remained unchanged during the past ten years, that is, 1–2%. However, there has been a redistribution in the sense that problems have increased particularly among young men in the 18–24 age group, while decreasing in other groups.

### Sustainable development

For the fifth consecutive year, Svenska Spel is publishing its CSR Report in line with the principles for GRI (Global Reporting Initiative), see page 95.

The report is prepared once annually as part of the annual report. Reporting refers to the 2011 calendar year and covers the Parent Company and subsidiaries. The previous report (CSR Report 2010) was published in April 2011.

Svenska Spel's responsibility programmes are also described in the social responsibility report that the Swedish Ministry of Finance requests on an annual basis.

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

- business ethics and security
- social responsibility and responsible gaming
- responsibility for employees
- economic responsibility
- 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 target area is provided in the CSR Report on page 110.



## Support for research

Gaming research in Sweden is a recent area of research. Compared with alcohol and narcotics-dependence, little attention has been given to gaming problems.

In a bid to increase insight into gaming and develop measures to prevent gaming problems Svenska Spel in 2010 established a research council that distributes an annual SEK 5 million to research on gaming problems. In 2011 the research council granted funds to the work of three researchers.

The research council consists of experienced researchers and representatives from various societal interest groups. The council assesses incoming applications on the basis of scientific quality and social relevance. Read more in the CSR Report on page 118.



The chairman of the research council is Stefan Borg, senior lecturer at the Karolinska Institute and previously board member of Svenska Spel.

**Business-like approach target area**

To fulfil Svenska Spel's efficiency assignment, the Company proactively evaluates work processes in the organisation to gain higher efficiency and cost savings in the optimal manner. Another aim is to raise the quality of the decision-making base in an effort to offer management greater potential to set appropriate priorities

**Target fulfilment: Business-like approach**

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.

SEK million	Goal		Goal fulfilment
	Budget	Forecast	Outcome
Net gaming revenue	9,718	9,598	9,687
Net sales from gaming operations, etc.	7,923	7,839	7,919
Employee expenses	-1,026	-1,016	-1,011
Other operating expenses	-2,041	-2,009	-1,968
Operating profit	4,856	4,814	4,940

**Target area: Employees – high motivation**

During 2011, the HR Staff unit improved the monitoring of employee motivation, which was previously done via annual employee surveys. Moreover, in 2011, three smaller quarterly surveys were conducted in order to provide operations with speedier linkage to changes in motivation and how work progresses in an effort to follow up and strengthen motivation.

Some fifty managers have undergone the executive training course initiated in 2010, which included change leadership. Casino Cosmopol followed up its successful internal "World-class Hospitality" programme, with advanced development as one of the ingredients for executives and employees.

At year-end 2011, the number of employees totalled 2,199 (2,263). Recalculated as the average number of employees during the year, the total was 1,774 (1,764). Distribution by gender was 57% men (56) and 43% women (44). Svenska Spel seeks variation in terms of gender and age, ethnic origin

and competence, as diversity contributes to better results and, thus, a more business-like approach.

Pay is determined on the basis of working tasks, 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 analysis points to the need for action measures. The annual employee dialogue evaluates performance, and a development and competency plan is prepared jointly by the employee and manager. The dialogue is followed up on a six-month basis.

The health level, defined as the percentage of employees who in the past 24 months had sickness absence of less than 3.5%, amounted to 70.0% (71.3). Sickness absence was 4.1% (3.8). During 2011, a health programme was conducted that gave priority to employees who competed in exercise teams.

**Target fulfilment: Employees**

**ESI/Motivation index:** Target of 85 on a scale of 100, result 86 (83).

**Leadership index:** Goal of 70 on a scale of 100, result 73 (70). (Source: Svenska Spel's employee surveys 2011.)

The CSR Report features additional information under the section entitled "Responsibility for employees" on page 112.

**Assessments for 2012**

The key factors affecting Svenska Spel's development potential during 2012 are deemed to be:

- Continuing growth in the overall gaming market.
- Stiffer competition with new gaming companies, constellations and consolidations. International cooperation is a strong trend.
- Continuing development of mobile-based gaming and customer dialogue via social media.
- Responsible gaming and customer care are becoming increasingly crucial for the brand.
- Nationwide accessibility is one of Svenska Spel's major assets. The relationship with retailers and business partners shall continue to be fostered and developed, along with a focus on svenskaspel.se and mobile-based gaming. ■

## Svenska Spel's surplus in 2011

amounted to SEK 5,007 million, which is paid  
to the Swedish State and thereby benefits  
society as a whole.

