

# 70\*

Anniversario



# 2015 Sustainability Report



2015  
*Sustainability  
Report*











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# Q & A

## EMILIO PETRONE, SISAL GROUP CEO

[G4-1]



### How has Sisal evolved and changed over the last 70 years in business?

Sisal's 70th anniversary testifies our ability to stay current and establish a lasting bond of trust with local community, in a uniquely distinctive evolutionary process built on both innovation and tradition.

Since 1946, Sisal has always worked long and hard to play an important role in the leisure time enjoyed by Italians, successfully integrating an organic approach to corporate social responsibility into the company's business strategy. It is an evolution that springs from the founding partners' original plan to help rebuild Italy in the postwar period and relaunch Italian sport. This commitment and the same spirit that made the Totocalcio football pools a tool of national unity and a symbol of recovery and rebirth, still form an integral part of how we do business.

**Sisal's 70th anniversary testifies to our ability to stay current and establish a lasting bond of trust with local community**

Sisal's focus on innovation has driven continuous change at the company in many different areas. From what was basically a business built on a single product, the company now has a comprehensive and diversified portfolio of games, supplemented today by a payment services offering that generates more than half the Group's turnover.

Sisal's retail network has also proved to be a valuable resource for all Italians. As far back as 1947, after only a year in business, the company already had 11 thousand retailers, rising to today's figure of 45 thousand points of sale distributed across the entire Italian peninsula.

Growth isn't only a question of numbers, but of technology too.

Innovation is backed by investments to ensure that the sales network is always at the cutting edge. While the 1990s were marked by the transition from hand processing to automation, today our digital offering features products and services that can be conveniently accessed from home, with the introduction of hybrid systems that shape consumption models and define a new relationship with consumers.

### What are the strategic priorities that have guided Sisal in 2015 and the main results?

The main drivers of Group strategy in 2015 were product innovation and new technology, the strengthening of the retail network, and diversification.



There was a special focus on new game concepts and upgrades to several lottery products that have become an integral part of Italian culture over the years.

We have invested in the transformation of innovative technology into products and services that are easy to access and secure, in accordance with the Group's business diversification policy. This is an insight that is bearing fruit today by making us more competitive in both the gaming and payment services segments.

These are important results, achieved with the help of both employees and outside collaborators. In 2015, we continued to promote a working environment that rewards merit, professionalism and rich diversity, engaging with multifunctional teams to identify and implement action plans, including the WiSe Team (Women in Sisal Experience), the WoW Team (Working on Work), and our support for a modern welfare model.

This organic approach has resulted in constant growth and the redefinition of our business perimeter, as well as helping us overcome difficult moments tied mainly to macroeconomic conditions and regulatory uncertainty.

### What are the challenges and opportunities for Sisal in the future and what developments will there be for corporate sustainability?

We look to the future with optimism. In the first half of 2016, the Group reported improved performance as a result of the confidence shown in our products. Our investment in the payment services business was a winning move, as was the relaunch of SuperEnalotto, which is reporting growing approval from customers.

Sisal is consolidating its hybrid business model based on the efficient evolution of the retail network, which delivers not only the traditional entertainment offering but also payment services, through the SisalPay brand.

**70**  
Anniversario

1946  
2016

2016  
Nuovo SuperEnalotto:  
il gioco del grande jackpot si rinnova

2013  
SisalPay: una rete capillare  
di servizi di pagamento

2004  
Sisal.it: il gioco Sisal è anche online

1948  
Totip: la prima scommessa ippica italiana

1946  
Totocalcio: Sisal inventa  
la schedina

**DA 70 ANNI**  
**IL NOSTRO LAVORO È IL TUO TEMPO LIBERO**

AICA ADMIS GIOCO PROTETO AIP  
IL GIOCO È VIETATO AI MINORI  
E PUÒ CAUSARE DIPENDENZA PATOLOGICA

f t in  
www.sisal.com

**Sisal**  
Dal 1946 il nostro lavoro è il tuo tempo libero.

This approach is inspired by consumer needs, transforming retailers, cafes and tobacconists into novel one-stop-shops, where customers can have a coffee, play SuperEnalotto, pay their bills and, in the future, make use of other neighbourhood services too.

For Sisal, innovation is also reflected in its commitment to adopting a responsible approach in the areas of sustainable business management, responsible gaming, and support for the community and local areas.

All without ever losing sight of our roots. Our growth is also the result of our passion and our commitment to enhancing the value of our distinctive features. The cultural heritage represented by our identity and historical legacy, and how they have changed over the years, is now available through the MEIC project (Memoria, Evoluzione e Identità Condivisa - Shared Memory, Evolution and Identity), offering a key with which to interpret our past, present and future.



# Sisal

## 70 Years of Italian Innovation

*Sisal has always  
combined business  
development  
with a strong sense  
of responsibility*

**[G4-3]** The story of Sisal is a consolidated chapter in the history of Italy's economic development.

**[G4-6]** Founded on the dream and insight of three sports journalists in 1946, Sisal was the first Italian company to operate in the gaming sector as a government licensee and today it has a presence in lotteries, retail gaming and online games in Italy. In recent years, leveraging a network of over 45,000 points of sale spread in a close-knit network across all Italy, the Group has set a diversification process in motion as a result of which it is now one of the main players on the payment services market with the SisalPay brand.

Sisal has always combined business development with a strong sense of responsibility. This commitment is reflected in a wide-ranging sustainability strategy, with projects supporting sport, talent, culture and scientific research, alongside a Responsible Gaming Programme inspired by international best practices, which represents the central feature of Sisal Group's social sustainability strategy.





## Vision, Mission and Values

### VISION

*to make people's lives easier and more enjoyable*

People are the main focus of Sisal's activities. The key goal is adding value to our customers' leisure time.

### MISSION

*To provide the best offering of gaming, entertainment and services products, responsibly and sustainably over time*

In the pursuit of its mission, the company's focus is the commitment it has been fulfilling responsibly for almost 70 years: unswerving attention to its stakeholders.

### VALUES

**[G4-56]** A company that strives to be a leader in corporate social responsibility has a duty to ensure consistent behaviour and be guided by values that underpin its actions and put people at the centre of its operations. Sisal's guiding values have been defined by and shared with the entire company and all employees, who work every day with competence and passion to make Sisal an ever more successful Group, with a focus on business growth and community welfare.

- **We play as a team:**

each one of us gives his or her best, so that we all win together.

- **We respect and care for our customers:**

our customers' satisfaction and trust are our best reward.

- **We believe in people and their diversity:**

the value of our people and their rich diversity are a winning combination.

- **We are responsible and excellent:**

sustainability and respect for the rules define the framework in which we aim to achieve excellence.

- **We innovate to grow:**

our focus is on innovation and growth. A Group that truly believes in research invests in its future.

## SISAL IN NUMBERS

[G4-9]



14  
million gaming and  
service customers

15,1  
bn turnover  
(+8.3% on 2014)

1.798  
employees

500  
SisalPay services

45.946  
points of sale

200  
million  
transactions  
per year

376  
online games



## SISAL, 70 YEARS OF HISTORY

On May 5, 1946, just a year after the end of the Second World War, the first Sisal Schedina or football pools coupon was played, marking the start of the football match prediction competition that came to be known as Totocalcio.

The competition began with a jackpot of 463,846 lira and the price of the first schedina was 30 lira a column. One lucky player, forty three year old Emilio Biasetti from Milan, got the results of all 12 matches right. "Winning the Sisal football pools" was a wish that soon became part of the collective imagination as a synonym for good fortune.



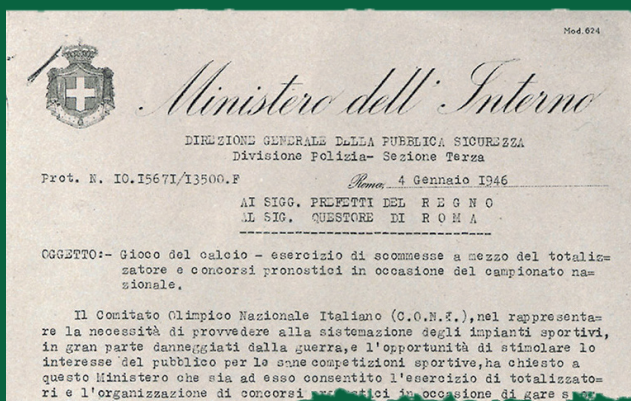
The Schedina was more than just a game. For Massimo Della Pergola, Fabio Jegher and Geo Molo, the three sports journalists who founded S.I.S.A.L. (Sport Italia Società a responsabilità Limitata), the goal was to give a boost to sport and contribute to rebuilding the sports facilities damaged during the war. It was both a mission and an unwavering hope, as Italy struggled to emerge from the ruins of the war and build a future. Today it is hard to imagine just how complicated it was to turn their plans into reality.

In a pamphlet published in 1948 called "Il Sisalismo", Massimo Della Pergola himself remembered how: *"the launch of the football pools in Italy required years of study to find a new and original organisational model that could work in the unusual situation at the time. I remember all the hard work that the managers at S.I.S.A.L. put in to identify the innovations needed in the football pools formats in vogue outside Italy in that period. And it is to their credit that in the end they successfully resolved all the problems and difficulties standing in the way of the launch of the football pools in Italy"*.

### A TRADITION OF INNOVATION

A tradition of innovation: this has been the distinctive feature, right from the outset, of the business approach behind some iconic products that have become part of Italian culture, but also of the introduction into Sisal retail outlets of services for the public. This means that the brand's signature games, including Totocalcio, Totip, SuperEnalotto and WinForLife, are now joined by SisalPay and over 500 payment services.

Sisal's 70 years in business represent an important heritage that testifies to the company's ability to stay current and establish a lasting bond of trust with local community. The vision of innovation that has guided the company's original spirit is the same key driver that has inspired Sisal's development strategy. To celebrate this anniversary by sharing 70 years of history with the Italian people and giving them back a part of their collective memory, Sisal Group is working on a series of initiatives.







## A STAMP FOR TOTOCALCIO

On May 5, 2016, Totocalcio celebrated the 70th anniversary of the first schedina with the issue of a commemorative stamp in the “Sport” theme series issued by the Italian Ministry of Economic Development, on a joint basis with Poste Italiane.

“It is impossible to express in a few short lines the hopes, passions, anger and illusions that have been a part of the long history of the schedina football pools coupon,” said Antonello Giacomelli, Italian Undersecretary of State at the Economic Development Ministry, during the event to present the stamp. “*This issue is the Italian state’s tribute to a prominent feature of social life in Italy’s progression from the ruins of the war to the digital revolution.*”

Poste Italiane CEO Luisa Todini commented that: “*Entire generations have associated their dream of a better life with getting the legendary schedina right. And in their attempt to do so, they rely not only on luck, but also on the encyclopedic knowledge of football and its leading personalities that comes from a passion which unites practically all Italians. The stamp marking the 70th anniversary of Totocalcio is therefore the right tribute not only to a prize contest, but also to a cultural phenomenon that has a very important place in Italy’s collective memory.*”

Commenting on the issue of the stamp, Sisal Group CEO Emilio Petrone said that: “*today Totocalcio is played online and in our extensive network of retailers. We have moved from paper coupons checked by hand to the speed, immediacy and reliability of our 2.0 world. This revolution in technology, accompanied by diversification, has transformed Sisal into a solid Group with a clear digital identity, able not only to keep abreast of the times, but also to anticipate the new by keeping one eye fixed firmly on the future.*”

## SHARING THE HISTORY OF SISAL WITH ALL ITALIANS

Fully aware that the history of the company and of Italy as a whole are closely entwined, Sisal is opening up its archives to share the history it has in common with all Italians. The process of reorganising the company’s historical archive began in 2012, with the support of CEO Emilio Petrone and Honorary Chairman Rodolfo Molo, the son of founding partner Geo Molo.

### Meic

MEIC (an Italian acronym for memory, evolution and shared identity) was created to promote the cultural dimension of Sisal’s approach to business. The first important milestone is the creation of the Group Historical Archive, now located at the Peschiera Borromeo site, near Milan, which is the result of an ongoing effort to collect, select and catalogue the material.

It contains over 6,000 photographs, the Sport Italia newspaper collection, press reviews, annual reports, information notices, concession contracts and regulations for the products managed through the years, 700 posters, over 3,000 schedine, the serial numbers of the first terminals in the Sisal retail network, from the 1990s to today, sketches, objects and books about the sector, plus 800 video tapes.

In 2014, the Historical Archive joined the Museimpresa network, becoming the partner of and main actor in a series of cultural events.

### The online Historical Archive

In May 2016, the Archive went digital on the website [www.unastorianatapergioco.it](http://www.unastorianatapergioco.it), offering more than just an archive and approaching the public in a more engaging way. For example, in the section “Storie da scoprire” [Stories to discover], users can browse through the history of Sisal seen from two different perspectives: “L’Italia in una schedina” [Italy in a pools coupon], which looks at the games, and “Un salto in ricevitoria” [Popping out to Sisal], which describes the evolution of the retail network. The “Archivio Meic” [MEIC Archive] section tells the story of the project at the Peschiera Borromeo site and the website also includes a section called “Raccontaci la tua Sisal” [Tell us about your Sisal], where you can share your own memories associated with the company.



# Sisal's Approach to Sustainability

## THE PRINCIPLES OF SUSTAINABILITY IN SISAL

Sisal's commitment to sustainability, as reflected in corporate policy, forms an integral part of the Group's history, vision, mission and values. The main strategic objectives of the Group are to consolidate and strengthen its position in the gaming and payment services market, generating sustainable profit growth that creates lasting value for all stakeholders.

By listening to its stakeholders, Sisal has successfully implemented a social responsibility programme whose main beneficiaries are the company's consumers, collaborators and the community, balancing the interests and expectations of all those involved and integrating them in the corporate strategy.

Consumer protection and the definition and application of the Responsible Gaming Programme are priorities in the business strategy. The programme is based on an aware and balanced gaming model, with a focus on entertainment, on the prohibition of children from gaming, and especially on the protection of vulnerable categories.

Sisal also demonstrates its commitment through the concern it shows for all collaborators. Individual talent and rich diversity are Sisal Group points of strength, allowing the company to continue to innovate and deliver on an entertainment and services proposition that is distinctive, responsible and sustainable.

The company's commitment to the community and local areas translates into projects that support sport, talent, culture and scientific research. The company's sustainability strategy is inspired by the conviction that a responsible approach is the only way to guarantee ongoing value creation.

## STAKEHOLDER MAP

[G4-24] [G4-25] [G4-26]

### Management approach

*Sisal regards it as essential to consider the needs and legitimate expectations of all interested parties, balancing them and integrating them in corporate strategy, inspired by the Stakeholder Engagement model. Based on a survey of corporate counterparties and conversations currently underway, a map has been drawn up of the stakeholders involved on an ongoing basis in the company's initiatives throughout the year*

### Customers

Sisal Group works in the entertainment and payment services sectors, with a total of 14 million customers, including both adult game players and service users.

### People in Sisal

[G4-9] 1,798 employees (41% women) who, with great energy and creativity, contribute every day to generating shared value.

### Community

Local communities, non-governmental associations active in local areas, nonprofit cultural and sporting organisations, foundations and scientific research institutes.

### Sales network

Over 45,946 points of sale in a close-knit geographical network that covers all Italy, including Lottery, Sisal Smartpoint, Sisal Matchpoint and Sisal Wincity venues. Sisal also has an online presence.

### The regulator and the public administration

The gaming sector regulator is the Italian Customs and Monopolies Agency, while so far as its payment services are concerned, Sisal Group S.p.A. is a Payment Institution authorised and overseen by the Bank of Italy. Sisal also has relations with the Italian Ministry of the Economy and Finance, the Ministry for Agricultural and Forestry Policy, the Ministry of the Interior and Law Enforcement, parliamentary bodies, regional administrations, municipalities and local authorities, European institutions, IAP (the Italian advertising self-regulatory body), CONI (the Italian national Olympic committee), Agenzia per l'Italia Digitale (the agency for digital Italy) and Sogei.

### Shareholders

Private equity funds Apax, Permira and Clessidra, the family of founding partner Geo Molo and the company's CEO and Managers. [G4-13] At the end of May 2016, CVC Capital Partners announced its acquisition of 100% of Sisal Group S.p.A.

### Banks and the financial community

The main banks operating in Italy and internationally and the main Italian and international investment banks.

### Business partners

Suppliers of materials, technology and services and commercial partners in the gaming and payment services sectors.

### Trade associations

[G4-16] Italian and international gaming sector associations, Associazione Italiana Istituti di Pagamento (AIIP, Italian association of payment institutes).

## MATERIALITY ANALYSIS

### *Sisal Group Materiality Analysis*

In the preparation of this Sustainability Report, Sisal worked for more extensive inclusion of the results of the materiality process while defining the content of the document. This approach has made it possible to identify a broader set of indicators to measure the social, environmental and economic features of the business in more detail and its ability to create sustainable value.

**[G4-18a] [G4-18b]** The “materiality analysis” process is in compliance with the Global Reporting Initiative’s G4 guidelines, for which the principle of “materiality” represents an essential and qualifying aspect of reporting. The results of the materiality analysis contribute to the identification of the theme areas that best reflect the social, environmental and economic impacts generated inside and outside the company.

The specific indicators to report on were updated and extended based on the theme areas identified last year, with the appointment of a person responsible for the data collection process and a more structured organisation of the methods used.

The various stages in the materiality analysis process are described below.

### *Screening of Potential Areas of Interest*

The first stage in the materiality analysis process was the identification of issues of interest.

This was performed by collecting and comparing data and information obtained from various sources, both inside and outside Sisal. The result was an overview of the general issues that can influence business objectives, stakeholder vision and future challenges.

The information analysed was drawn from four macro categories of sources:

- sector standards and regulations;
- the Sisal enterprise system;
- industry initiatives; and
- other stakeholders.

The “sector standards and regulations” category includes the main sustainability reporting standards and the main applicable regulations.

The “Sisal enterprise system” category includes the main guidance communicated by the Group to the outside world, including for example the undertakings set out in the previous Sustainability Report and the information contained in press releases.

“Industry initiatives” refer to issues discussed by gaming sector operators and regarded as best practices in terms of their approach and for the purposes of sustainability reporting.

“Other Stakeholders” refers to information collected from sources other than the above. This involved the analysis of information obtained through media monitoring (for example, by analysing media exposure and press reviews) or through specific studies performed by third parties (the

survey conducted by Great Place to Work, for example, or the customer satisfaction survey performed by retailers and the analysis undertaken by the Reputation Institute), as well as the principles established in the Responsible Gaming Standards and by the main ethical rating agencies.

After collecting the documentation, the corporate functions involved and the internal process owners were identified for each issue.

### *Analysis of Issues of Interest*

The second stage in the process was performed with the support of the corporate functions involved (the Sustainability and Management Committee) and entailed a further selection of the potentially substantive issues, grouped into macro areas, to include in reporting.

Each macro area was then attributed a qualitative relevance score based on a scale of three values (“high”, “medium” and “low”), according to their importance for the Group in terms of current and prospective strategy, the competences and investments specifically assigned to them, and their potential impact.

**[G4-19]** The seven areas identified are:

- responsible gaming;
- people;
- supply chain;
- environment;
- innovation, research and development;
- stakeholder engagement; and
- governance and regulatory compliance.

The theme areas identified have different repercussions inside and outside the company, based on where the effects of the business are greatest and the stakeholders involved.

**[G4-20]** These areas have the biggest repercussions inside the organisation:

- people;
- innovation, research and development; and
- governance and regulatory compliance.

**[G4-21]** Whereas these areas have the biggest repercussions outside the organisation:

- responsible gaming;
- supply chain; and
- stakeholder engagement
- environment.



## Community Support

[G4-27]

### Management approach

*Since 2009, Sisal's commitment to Social Sustainability has been put into practice through a Long Term Community Programme, in which a key role is played by the planning and implementation of projects on a joint basis with qualified partners. The Group's community action initiatives take the form of investments in projects to support talent in the younger generations and initiatives in the areas of culture, art, sport and scientific research.*

### SPORTING SPIRIT AND A PASSION FOR GAMING

The passion for gaming and sport, as forms of entertainment and competition in line with the rules and ethical approach that are distinctive features of Sisal, has encouraged the company to support projects which promote the culture of gaming and sport with important partners.

#### **"Storie di Gioco" - Game Stories**

The "Storie di Gioco" project curated by the Fondazione Giangiacomo Feltrinelli jointly with Sisal has a mission to promote gaming culture in society as an element of play and a source of amusement, entertainment and social interaction over the last seventy years in Italy.

The project was transformed into a research study by professor John Foot, the British historian specialising in Italian and sport history, who draws attention to the central role played by culture in play and describes some of the most important cases in which this practice has been interpreted by the arts. The project also included a multimedia exhibition featuring a series of video interviews on the evolution of how Italians play, from the post war period to the present day.

"Storie di Gioco" therefore represents a litmus test of the transformations in Italy, in which games become the guiding thread that binds the memory of each and every one of us to that which came before, investigating the relationship established between individuals and the dynamics of play and how the latter have modified social relations.

#### **"Oltre il gioco" [More than Sport] Liberi Nantes**

The "Oltre il gioco" project is an initiative promoted by Sisal on a joint basis with Roma Cares and AS Roma to support the 'Liberi Nantes Football Club' ([www.liberinantes.org](http://www.liberinantes.org)), the first Italian football team whose players are all refugees and asylum-seekers, recognised by the UNHCR since 2007. It was also decided to invite the public through social networks to offer their moral support to the cause of Liberi Nantes. The result is the 'Pardo Non Perde' [Pardo Never Loses] project. The initiative's ambassador was famous sports journalist Pierluigi Pardo, who invited all football enthusiasts to send in their forecasts for the main Serie A and Italian cup matches.

Pierluigi Pardo selected the most convincing forecasts received and placed his bets accordingly. All the bets and winnings were donated to Liberi Nantes through a goal-based system (with real time coverage on the website [www.pardononperde.it](http://www.pardononperde.it)), which made it possible to prepare new playing areas and purchase all the equipment needed. The initiative was hugely successful at generating buzz around the project, with over 5,000 posts in about three months, and also received a mention on Blogmeter as one of the best Twitter campaigns.

The first official event in the "Oltre il gioco" project, presented on October 1, 2015, was a charity football match between Liberi Nantes and Roma Legends, the team formed of past A.S. Roma champions, on Sunday October 11.



### European Week of Sport

Sisal played an active role at the European Week of Sport (EWoS), held from September 7 to 13, 2015. The European Week of Sport is an initiative of the European Commission addressed to promoting sport and physical activity, to consolidating existing initiatives at European, national, regional or local level throughout Europe, and to generating new activities. This Europe-wide campaign will inspire European citizens to be active (#BeActive) during the week-long programme of events, as well as encouraging them to stay active year round. Sisal has contributed to this first edition through its partnership with the European Lotteries association and the national coordination office for events and activities organised by the Office for Sport of the Department for Regional Affairs, Independence and Sport of the Office of the Italian Prime Minister.

## AT THE SERVICE OF INNOVATION

### GoBeyond

GoBeyond is the contest launched to transform business ideas into successful companies.

The contest, devised by SisalPay and supported by partners renowned for their excellence, including Condé Nast Group, Google, RTL and Wired, springs from the desire to encourage innovation in Italy, remembering that many brilliant and original ideas are unable to make the transition to successful businesses in this country, often because of a lack of support during the project development stage.

Sisal and its partners wish to contribute to the promotion of an "ecosystem" that involves not only initial funding of the winning startup, but also support and advice from a network of businesses.

The GoBeyond contest, to which 200 ideas were submitted by aspiring entrepreneurs, was won in June 2015 by Nicholas Caporusso and Gianluca Lattanzi with their DbGlove project, for its technology, innovation and powerful social impact. DbGlove is an innovative high-tech glove with special sensors that allows the blind and deaf-blind to use smartphones and tablets to communicate and interact effectively and directly with other people.

A very positive snapshot of Italy emerges from this contest, with aspiring entrepreneurs demonstrating a creative spirit, a desire to invent and a willingness to take risks.

### ItaliaCamp Foundation

Sisal was a Founding Member of the ItaliaCamp Foundation when it was established in 2011 to promote and support social innovation and the development of new answers to real questions, working to fill the gap between the birth of an idea and its realisation. Sisal has confirmed its partnership with ItaliaCamp in 2015 too, encouraging the creation of a model of strategic interaction between the public sector, businesses and the third sector, with the goal of generating economic stimulus and social innovation projects for the country as a whole.

## SUPPORT FOR CULTURE WITH THE PICCOLO TEATRO DI MILANO

The Piccolo Teatro di Milano and Sisal, partners since 2009, support and promote the Theatre's cultural initiatives, offering opportunities for young people to meet leading figures from the world of culture, as well as exposing them to values that encourage their personal education and growth.

The two partners share the desire to support positive socialisation, with the creation of a space devoted to it, Chioostro Nina Vinchi in Via Rovello in Milan, for which Sisal is Special Partner.

Since its opening, the Chioostro has become a favourite meeting point for young people, students and theatre lovers, as well as an important urban space for cultural socialisation. The Chioostro hosts presentations of the works staged at the Piccolo Teatro, workshops, readings, cycles of theme sessions and exhibitions devoted to the world of the theatre. One of the numerous initiatives promoted that deserves special attention is "A teatro con Sisal" [At the theatre with Sisal], the project devised by the company jointly with the Piccolo Teatro to promote a love of theatre among all the people who work with Sisal (see page 44).

## SISAL SOCIAL INITIATIVES

- **Temporary fair trade outlet:** in December 2015, Sisal worked with Fondazione Near to create a temporary outlet on the company's premises to promote fair trade. Fondazione Near has a mission to finance social projects addressed in particular to children and teenagers, in the areas of healthcare, the family and education.
- **Against architectural barriers:** for the seventh year running, Sisal offered its support to Associazione FIABA for "National Fiabaday to eliminate architectural barriers". "Educating about diversity... shaping our future" was the slogan that inspired the day's events, with the promotion of innovative accessibility initiatives that have potentially positive knock-on effects for the social and economic system across the entire country.



## THE SISAL NETWORK FOR SCIENTIFIC RESEARCH

For many years, Sisal has been offering solidarity initiatives access to its retail network to raise funds, mainly to support scientific research into serious illnesses.

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- **AIRC:** In 2016, for the sixteenth year running, Sisal offered AIRC access for a whole month to its retail network, accepting donations at points of sale from April 27 to May 23. Sisal and AIRC share the goal of supporting 104 ongoing long-term projects to study cancer in women. Total funds raised in 2015: €20,410.



- **Fondazione Veronesi:** for the fourth year running Sisal offered its support to the Fondazione Veronesi. In 2015, points of sale in the Sisal retail network promoted the “Pink is Good” initiative, which has a mission to support scientific research to fight breast cancer. The initiative ran from August 31 to September 26. Total funds raised in 2015: €20,470.



- **Telethon:** In 2015, from November 16 to December 20, Sisal partnered with Telethon for the eleventh year running in the #nonmiarrendo [#I'mnotgivingup] initiative, offering its support for scientific research to fight rare genetic diseases. Members of the public could simply make a donation to the Telethon fundraising campaign, or alternatively use the special SuperEnalotto Telethon game cards. Total funds raised in 2015: €27,494.

Sisal employees are also determined to make their own contribution to scientific research and at Easter set up a stand to sell fair trade chocolate Easter eggs on behalf of the Associazione Italiana Lotta al Neuroblastoma (the Italian association for the fight against neuroblastoma), which since 1993 has been supporting scientific research into the treatment of neuroblastoma and childhood cancer, with a special focus on brain tumours.

**DAL 27 APRILE AL 23 MAGGIO**  
**CONTRO IL CANCRO, IO CI SONO.**

Per questo, questo dal cancro 9 anni fa. Lei, figlia di chi regala. FAZALIA della RICERCA per la Festa della mamma. Scopri la sua storia e tutte le altre su girac.it.

Sostieni anche tu la ricerca!  
**DONA ADESSO, GIOCANDO**  
questa speciale scheda  
**SuperEnalotto**

**10 anni insieme ricerca** **Sisal** **AIRC**

ALMS **GIOCATI GIUSTO** IL GIOCO È VISTOSO AI NEGOZI E INDO CALABRE IMPERANZA RETTOLOGICA

**Fondazione Umberto Veronesi**  
-per il progresso delle scienze

**SOLO CON LA RICERCA SCIENTIFICA POSSIAMO SCONFIGGERE il tumore al seno. AIUTACI ANCHE TU.**

**DAL 31 AGOSTO AL 26 SETTEMBRE 2015**  
SOSTIENI LA FONDAZIONE UMBERTO VERONESI GIOCANDO QUESTA SPECIALE SCHEDA SUPERENALOTTO

**SOSTIENI PINK IS GOOD FONDAZIONE UMBERTO VERONESI PER IL TUMORE AL SENO**

**Sisal** **PINK IS GOOD**

ALMS **GIOCATI GIUSTO** IL GIOCO È VISTOSO AI NEGOZI E INDO CALABRE IMPERANZA RETTOLOGICA Per maggiori informazioni sulla possibilità di visita visita il sito [www.giocoalleggerissimo.com](http://www.giocoalleggerissimo.com) o [www.superenalotto.it](http://www.superenalotto.it)

**telethon**

Sosteniamo insieme la ricerca con **#nonmiarrendo**

Sisal è al fianco di Telethon per aiutare chi lotta contro una malattia genetica rara a non arrendersi.

Anche tu puoi donare, giocando questa SPECIALE SCHEDA

**SuperEnalotto**

dal 16 novembre al 20 dicembre 2015

SOSTIENI CON #nonmiarrendo DONA ANCHE SU [WWW.TELETHON.IT](http://WWW.TELETHON.IT) SEGUICI SU

**Sisal** SOSTIENE **telethon**

ALMS **GIOCATI GIUSTO** IL GIOCO È VISTOSO AI NEGOZI E INDO CALABRE IMPERANZA RETTOLOGICA Per maggiori informazioni sulla possibilità di visita visita il sito [www.giocoalleggerissimo.com](http://www.giocoalleggerissimo.com) o [www.superenalotto.it](http://www.superenalotto.it)



### **Management approach**

**[G4-27] *Player satisfaction and security are a strategic objective for growth at Sisal, which is committed to listening to customers' needs and striving to find top quality solutions and services. The Group's actions are based on the values of trust, fairness and care, ensuring that Sisal continues to be not only a reliable company, but also one that provides guarantees of a safe, secure and responsible gaming offering. The Group offers players a certified programme based on a legal, aware and balanced gaming model, with a focus on entertainment and the protection of vulnerable categories.***

# OUR GAMING OFFERING

[G4-4]



## LOTTERY

- **SuperEnalotto**

In 2016, Sisal's storied lottery game, famous for its millionaire jackpot (often one of the biggest payouts in the world), received its first major makeover for 18 years with the introduction of three important novelties: two-point wins, immediate €25 prizes and an even bigger Jackpot.

- **SiVinceTutto SuperEnalotto**

The game in which all the prize money is won on the same evening as the draw.

- **Vinci per la vita – Win for Life**

The first Italian lottery to offer a monthly income as a prize.

- **VinciCasa**

The first game to give consumers the chance to win their dream home as a prize.

- **Eurojackpot**

The first game in Italy that extends the challenge across 17 European countries and offers players the chance to win a huge millionaire jackpot.



## RETAIL GAMING

Three entertainment venue chains:

- **Sisal Wincity**

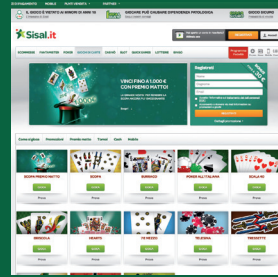
An innovative retail concept based on the "Eat, Drink and Play" model. 21 points of sale in the main Italian cities, including Milan, Rome, Turin, Brescia, Pescara, Florence, Catania and Bologna.

- **Sisal Matchpoint**

This channel offers the full range of Sisal products, with a special focus on betting (horse racing and sports) and on Virtual Races. Over 360 points of sale and more than 3,800 retail corners.

- **Sisal Smartpoint**

This channel was launched in 2014 to offer an innovative entertainment experience based on the latest technology. It presents the entire offering of lottery products and AWP machines, as well as the full range of payment services at over 450 points of sale.



## ONLINE GAMING

- **Sisal.it**

This is the Group's web platform, offering 376 online games (Casino and Slot Machines, Quick Games, Betting and Virtual Races, Poker and other card games, Skill Games, Bingo, lotteries) in a safe, secure and consumer-friendly environment, as well as on mobile devices in the form of dedicated applications (about 250,000 players).



## REGULATORY BACKGROUND: CONSTANT MONITORING BY THE AUTHORITIES

### [G4-27]

In Italy, pursuant to Legislative Decree 496/1948, only the State is authorised to organise games with cash prizes open to the public. Gaming market players may operate exclusively under a single-concession agreement, as in the case of lottery or fixed-odds games, or under a multi-concession agreement, as in the case of AWP machines, betting, bingo and remote gaming. In 2015, the authorities continued to monitor the gaming sector carefully. Today, the legal framework in the gaming sector is more complicated and articulated due to the increasingly frequent introduction of local legislation alongside national laws. As a result, operators have changed their strategy, aligning it with the legislation in force in the local areas where they operate. Sixteen Regional and numerous Municipal Administrations had approved and published municipal laws or regulations which, with differing degrees of severity and extent, impose limits on the provision of legal gaming products in areas in their scope of competence. One of the most important activities performed by the company and trade associations was addressed to strengthening cooperation, in full respect of the roles of concerned parties. The company interacts with the authorities, regional and municipal administrations, law enforcement agencies and the Ministry of the Interior, as well as with its direct institutional counterparts (the Ministry of the Economy and Finance and the Customs and Monopolies Agency), with the aim of tackling local issues in a constructive spirit.



### È BELLO GIOCARE A FARE I GRANDI. MA NIENTE GIOCHI PIÙ GRANDI DI LORO.

I ragazzi amano molto imitare gli adulti, negli atteggiamenti, nei discorsi, nel modo di vestire.

A volte, anche nella scelta dei divertimenti. Ma ci sono giochi che non sono adatti alla loro età: i giochi con vincite in denaro sono vietati ai minori. Per questo Sisal si impegna in un modello di gioco responsabile che tutela i minori e le categorie più vulnerabili. I ragazzi giocano a fare i grandi, non lasciamoli a giochi più grandi di loro.

**I GIOCHI CON VINCITE IN DENARO SONO VIETATI AI MINORI.**

**DIVIETO DI GIOCO  
AI MINORI DI 18**



IL GIOCO È VIETATO AI MINORI  
E PUÒ CAUSARE DIPENDENZA PATOLOGICA.

**Sisal**

Il nostro lavoro è il tuo tempo libero.

# Consumer Protection

## WHAT RESPONSIBLE GAMING MEANS FOR US

To provide players with guarantees of the best possible protection, Sisal has implemented a Responsible Gaming Programme based on international standards to provide information, prevention and education on the subject of responsible and balanced gaming behaviour.

Fundamental factors in the implementation of the Responsible Gaming Programme are:

- collaboration with the Regulatory Authority (see page 26) to protect customers and provide guarantees that gaming products are safe, secure and transparent;
- guarantees of and compliance with the highest international standards of Responsible Gaming, achieved through the certification of all Sisal products and verification by an independent auditor (see box).

The Programme is split into eight areas:

1. Studies and research
2. Game development
3. Human resources training
4. Retail network engagement
5. Responsible commercial communication
6. Raising player awareness
7. Help for problem players
8. Remote gaming

## 1. RESPONSIBLE GAMING STUDIES

Studies and research are essential tools for analysing and monitoring perception and awareness of the issues involved in the Responsible Gaming Programme. The results of research also play a fundamental role in finding suitable solutions to the problem of compulsive gaming.

Over the years, Sisal has lent its support to some major research projects in the area of responsible gaming, from the “Giocare per Gioco” [Playing for fun] study organised by Fondazione per la Sussidiarietà on a joint basis with IGT, ACADI and Giochi e Società, to “Il gioco problematico - fattori di protezione e rischio” [Problem gaming - protection and risk factors] with the Sapienza University of Rome.

In 2015, Sisal performed an in-store mystery shopping study jointly with QT Retail Division (a research center specialising in mystery client surveys), with the goal of monitoring the level of compliance of points of sale in the Sisal network with European Lotteries’ responsible gaming standards. Suitably trained mystery clients visited Sisal retail points and checked:

- the placement of the EGMs (electronic gaming machines) and their monitoring by an operator;
- the application to device screens of notices about responsible gaming;
- that there were no under-age players in the gaming area;
- the availability of all information material about responsible gaming;
- the presence of information about compulsive gaming and support service contact details;
- that no free alcohol is given to players while gaming.

The results of the survey painted a positive, mature picture of the retail network with regard to responsible gaming and the prohibition of children from gaming, in line with the parameters being monitored.

## A CERTIFIED PROGRAMME



### [G4-15]

In 2015, Sisal supplemented the Responsible Gaming Programme with initiatives that fully respect the strict international Responsible Gaming Standards established by European Lotteries (\*) and the World Lottery Association (\*\*) at maximum certification level 4.



Since 2011, the Programme has been certified every three years by the two international associations, in a process that requires an assessment by a third party reviewer.

(\*) **EUROPEAN LOTTERIES (EL)**: This independent international body acts as an umbrella organisation for national lotteries and gaming operators throughout Europe, with a mission to combat illegal gaming and provide a sustainable offering of gaming products.

(\*\*) **WORLD LOTTERY ASSOCIATION (WLA)**: This organisation provides global representation for the world’s top gaming operators and supports the activity of its certified members, requiring a firm commitment to ensuring the highest standards of corporate social responsibility, particularly in relation to the principles of Responsible Gaming.



## 2. AWARE GAME DEVELOPMENT

### [G4-15]

In 2010, to comply with the European Responsible Gaming Standards defined by European Lotteries, Sisal introduced the GAM-GaRD tool to assess the social risk associated with all games before they are marketed. The objective is to define Player protection criteria and implement appropriate strategies to avoid any risks.

GAM-GaRD by GamRes is used to examine game dynamics applied to the development of effective strategies and tools for Responsible Gaming. The tool was developed by an international team of psychologists and researchers to analyse the structural features of a game (length, maximum winnings, regularity of prize draws, etc.) and other parameters (accessibility of gaming venues/shops, opening hours, etc.) based on criteria defined and tested by a panel of global experts. Every new game, including the recently launched New SuperEnalotto, is submitted for GAM-GaRD certification.

## 3. HUMAN RESOURCE TRAINING

### [G4-DMA Training and Education]

Raising the awareness of our personnel is a point of focus of the Responsible Gaming Programme. The employees and management of Sisal receive ongoing training about Responsible Gaming in the form of targeted programmes that vary according to their corporate function.

Classroom and online training involves clinical experts and the use of materials developed specifically for this purpose by psychologists specialising in the prevention and cure of compulsive gaming. Training sessions end with a questionnaire to check the level of understanding of trainees.

## 4. AN ATTENTIVE RETAIL NETWORK

Sisal's retail network plays a key role in promoting the Responsible Gaming Programme. That is why in 2013 the company made it obligatory for all new retailers to take a course on this subject, available on the e-learning platform provided by the retailer portal, and a final self-test.

All retail outlets are supplied with information materials about responsible gaming, the prohibition of children from gaming and the risks of excessive gaming, to promote the Programme's messages with all sector operators and players. Responsible Gaming materials have also been prepared for application to AWP gaming machines.

Newly opened points of sale are now sent instructions on the use and placement of the information material received and a reminder of the sanctions applied in the event such material is not displayed.

## 5. FAIR AND AWARE COMMERCIAL COMMUNICATION

### *Collaboration with the Italian Istituto di Auto-disciplina Pubblicitaria (IAP) [Italian Advertising Self-Regulatory Institute]*

In 2015, in the framework of gaming and entertainment industry trade association Sistema Gioco Italia, Sisal contributed to the new text of the "Guidelines for the commercial communication of games with cash prizes", introduced by the IAP to strengthen existing regulations. In July 2012, the IAP introduced a specific regulation for the sector (article 28 ter), establishing principles for commercial communication, including the prohibition of encouragement for excessive gaming, of addressing messages to children, and of suggesting that gaming can solve financial problems. In addition, a national law introduced in 2013 prohibits the "encouragement or celebration of gaming", while the IAP Code continues to provide operators with practical examples of how to develop responsible campaigns.

In 2015, the IAP Steering Committee decided to introduce a sort of "consolidation act" on the subject of gaming advertising, in order to provide operators with a more systematic and better defined framework, and consumers with more protection and awareness of their rights. Anyone can report advertising they think is misleading to the IAP, which takes prompt action to analyse the reports and order the blocking of such advertising in the event of non compliance with the Code.

The IAP also intends to align its position with practices in other European countries and the indications of the European Commission, which has not introduced a total ban on gaming advertising (there is no such prohibition in any European country), believing that self-regulation represents an effective soft law system.

The new guidelines set out in a clear and practical way all the advice to emerge from IAP case history on how to advertise in a sector with a high social impact like gaming. Sisal and Sistema Gioco Italia, recognising the central role played by players/consumers, believe that their rights will be better protected, because the Self-Regulatory Code provides special protection to vulnerable members of the public, including those with certain psychological conditions or in certain age bands (children and the elderly).

As a result, companies are provided with clear, precise and binding instructions on how to communicate correctly with their public.

### *A Strict Procedure*

Sisal applies a strict verification and approval procedure to all advertising messages and media planning, in such a way as to guarantee compliance with legislation and regulations on the subject of responsible gaming. Sisal's advertising agency partners, which have already been trained on the subject of responsible gaming, have been updated on the new regulations and limitations introduced in 2014.

Every advertising campaign was submitted to a double legal check process, to verify compliance both with the legislation enacted in 2012 and with the 2013 "Decreto Balduzzi" (see above).

Furthermore, before going on air, all new advertising messages were sent to the IAP for its opinion, in order to verify compliance with the IAP Code and in particular with article 28 ter (see above). The most important advertising campaigns in 2015 for which a prior opinion was requested were to promote EuroJackpot and Matchpoint.

In addition to the application of this procedure, developments are monitored on an ongoing basis in regional and municipal legislation regarding the advertising of games with cash prizes. There is a special focus in this sense on Sisal Wincity venue openings.

Compliance with all the provisions of applicable codes of conduct ensures that advertising messages are consistent both with business goals (to inform people about and promote Sisal games and services, distinguishing them from those offered by other operators) and with responsible gaming objectives.

In 2015, Sisal continued its work to raise consumer awareness on the subject of responsible gaming issues

**Mr. SMART**  
C'È SEMPRE UNA SCELTA GIUSTA. FAI LA TUA.

www.mistersmart.it

IL GIOCO È VIETATO AI MINORI E PUÒ CAUSARE DIPENDENZA PATOLOGICA

## 6. RAISING PLAYER AWARENESS

In 2015, Sisal continued its work to raise consumer awareness on the subject of responsible gaming issues.

### Local Area Initiatives

Sisal makes initial contact with customers through its retail network, which plays a key role in educating people to behave in a safe and balanced way when gaming. It is therefore essential for the company to provide points of sale with suitable communication tools on the subject of Responsible Gaming, offering information on gaming materials and equipment, and on customer displays.

#### • Gaming materials

The gaming materials in points of sale describe both the features of the game in question and its rules, as well as containing useful information to gain a better understanding of the product. This information is also available on the websites of the Concession Company ([www.giochinumerici.info](http://www.giochinumerici.info)) and the Customs and Monopolies Agency ([www.agenziadoganemonopoli.gov.it](http://www.agenziadoganemonopoli.gov.it)). Responsible Gaming messages, and in particular the prohibition of children from gaming and a warning of the risk of addiction, appear in a prominent position on all gaming materials and betting slips. These concepts are summarised in the notice "Gaming is prohibited for children and can cause pathological addiction", which accompanies the mandatory logos: the logo of the Customs and Monopolies Agency; the "Legal and responsible gaming" logo; the "Gioca il Giusto" logo; the +18 logo; and the logo of the Concession Company.

All gaming materials also contain a table indicating the probability of winning in the various categories.

#### • Customer display

Most points of sale in the Sisal network have latest generation terminals equipped with monitors, known as customer displays, which provide a direct communication channel with customers to inform them about Sisal initiatives and the main responsible gaming messages.

#### • PoS materials

Responsible gaming content appears in a prominent position on PoS materials and, like gaming materials, includes an explicit notice that children are prohibited from gaming, a warning on the risk of addiction, all the mandatory logos and the 10 rules for the responsible player.

### Digital Communication Initiatives

In order to advertise the messages contained in the Responsible Gaming Programme, Sisal has developed a web series that promotes an aware approach to gaming, using language that is simple, immediate and ironic, but also effective. The web series consists of 10 episodes in which the protagonist, Mr. Smart, experiences the consequences of irresponsible gaming, as well as reaping the benefits of an aware and balanced approach.

The series engages with users directly and in each episode asks them to reply to a question raised by Mr. Smart about his behaviour, after which they are told whether or not their choice was a good one. Direct interaction engages with users actively, making them think about their own approach to gaming and inspiring them to act in a responsible and balanced way.

Sisal is committed  
to informing players  
and raising their  
awareness about  
the risks associated  
with compulsive gaming  
and gambling



**FeDerSerD**  
FEDERAZIONE ITALIANA DEGLI OPERATORI  
DEI DIPARTIMENTI E DEI SERVIZI DELLE DIPENDENZE

Raggruppa i professionisti dei Dipartimenti e dei Servizi delle Dipendenze e con i suoi 1.500 associati è presente in tutte le regioni italiane. Una associazione di professionisti impegnati a sviluppare e consolidare interventi clinici e preventivi su basi scientifiche, nell'interesse della persona e della società civile.

La mission è migliorare la qualità degli interventi nel settore delle dipendenze patologiche e dei consumi problematici, facendo da riferimento scientifico ed organizzativo ai professionisti che hanno contribuito e contribuiscono a fare la storia e la scienza di questo settore in Italia.

**Strumenti:**

- rivista culturale e scientifica "Mission"
- "FeDerSerD Informa" periodico per la diffusione di studi e ricerche sito [www.federserd.it](http://www.federserd.it) con informazioni, recensioni, link, letteratura, documenti e notizie sull'associazione
- Gambling Newsletter per tutti i professionisti che si occupano di gambling

**Attività:**

- Organizzazione di simposi, congressi, convegni, master e corsi di formazione e di aggiornamento per operatori del settore delle dipendenze
- Sviluppo di contatti e scambi culturali con analoghe organizzazioni presenti in altre nazioni
- Promozione di rapporti con le istituzioni nazionali e regionali, ai fini di garantire la coerenza scientifica e operativa delle scelte legislative e organizzative.
- Promozione di ricerche sperimentali e cliniche atte a valutare conseguenze somatiche, psichiche e sociali di tutte le forme di addiction, allo scopo di individuare e sperimentare i possibili trattamenti efficaci di tali patologie
- Promozione di ricerche sociali e giuridiche sulla sicurezza sociale e sulla giustizia con finalità di prevenzione.

All the episodes in the Mr. Smart web series, available on [mistersmart.it](http://mistersmart.it), are inspired by "The 10 rules for the Responsible Player". These ten rules of behaviour, which promote an aware approach to gaming and gambling, have been prepared with the help of experts and can be found online and at Sisal points of sale. Here are the rules for the responsible player:

1. **Gambling is a way for me to have fun**, not to make money.
2. **Before gambling I decide how much money I want to spend**. I don't play with money I need for my everyday life and only use amounts I can afford to lose.
3. **I don't borrow money to gamble**. If I lose I accept the loss as the cost of having fun. I don't add more money to recover my losses.
4. **Tactics are pointless**, I can't predict the results and I'm aware that the probability of winning is low.
5. **I don't lie about how much I spend** and lose when I gamble.
6. **I decide how much of my day to devote to gambling** and I don't have any trouble stopping or taking breaks.
7. **Gambling isn't my only leisure activity** and it doesn't encroach on the time I devote to my family, friends, sport and hobbies.
8. **I don't gamble after drinking** or taking drugs.
9. **I don't gamble when I feel lonely**. I don't gamble when I feel depressed and I don't feel depressed if I don't gamble.
10. **I don't think about gambling repeatedly** throughout the day, even when I'm not playing.

In addition, all the company's websites contain the "Gioca il Giusto" section, where the following are published:

- the "Ten Rules for the Responsible Player" and the "Useful Tips for Responsible Gaming", to develop an aware and informed approach to gaming;
- a page with contact information for the FeDerSerD service, run by experts to support players (see below);
- the self-evaluation test "What kind of player are you?", developed with the help of experts to check up on your own approach to gaming in real time and receive tips.

## 7. HELP FOR PROBLEM PLAYERS

Sisal is committed to informing players and raising their awareness about the risks associated with compulsive gaming and gambling. That is why the company offers advice to potential problem players and provides competent help to those who have exceeded their own limits by supporting the specialised "Gioca Responsabile" ("Play Responsibly") service, which was created in 2009 on the initiative of FeDerSerD (the Italian federation of addiction departments and services).

This completely free service is managed by a team of professionals who provide an anonymous consulting, orientation and care service for people who have developed problems (psychological, relationship-based, legal) as a result of compulsive gaming, as well as for the family members and friends of people affected by the problems it creates. The team of psychologists is flanked by a staff of consultants (psychiatrist, psychotherapist, lawyer) to deal with specific aspects of gaming-related problems.

The objectives of the “Responsible Gaming” service are to:

- promote an awareness of risk factors and offer ways to avoid them;
- provide care even to those people who do not contact local authority services;
- support players’ families and friends in finding answers to the problems caused by compulsive gaming;
- offer support, consulting (psychological and legal) and professional care;
- provide guidance in finding social and healthcare services suited to this type of situation.

“Play Responsibly” offers:

- expert assistance and advice on the problem of compulsive gaming;
- precise, detailed information about the risks and consequences of problem gaming;
- self-assessment tools;
- online therapy managed by a team of experts in such a way as to protect anonymity;
- information about care solutions offered by local service providers.

The service can be reached on:

- free phone number 800.921.121, Mondays to Saturdays, from 9 am to 10 pm (answering service at night and on Sunday);
- the [www.giocaresponsabile.it](http://www.giocaresponsabile.it) website;
- the website’s chat service.

## 8. REMOTE GAMING: A FOCUS ON DATA SECURITY AND UNDERAGE GAMING

Sisal Group offers players the chance to play online on the company’s websites and digital applications, using leading edge technology to ensure that gaming is safe and that children are prohibited from playing, as well as to promote a responsible and balanced approach to gaming.

In order to ensure that the gaming environment is safe and secure, Sisal continues to develop tools to fight any fraudulent use of personal and credit card information, as well as to prevent potential money laundering, by ensuring an extremely high level of security across all the company’s websites.

Controls include:

- an account statement with all credit and debit transactions in the last three months, available in the “My Account” section of the Player’s personal area;
- self-limitation and temporary/permanent self-exclusion.

Sisal’s online gaming account management system has been certified in compliance with the “Guidelines for certification”, version 1.1, issued on June 7, 2012 by ADM and by TST-GLI (Technical Systems Testing – Gaming Laboratories International). The TST-GLI testing procedures ensure that games comply with the transparency and fairness principles required by law. TST-GLI is one of the bodies approved by ADM to verify the compliance of remote gaming platforms and games. As provided by Decree Law no. 158, September 13, 2012, game websites indicate the probability of winning assigned to players for each type of game.

In order to prevent children from gaming online, Sisal applies both a series of controls linked to the systems operated by the Regulatory Authority (SOGEL), as well as its own registration system, which is always available to check personal details in real time, including date of birth and tax code.

If the person attempting to register is not an adult Italian citizen with a valid tax code, the Sisal registration system automatically rejects the application. To complete the registration and enable the company to verify the data entered, the person who filled in the form is asked to submit a copy of an identity document. Failure to send such a document prevents the withdrawal of amounts credited to the account and, after thirty days, its automatic suspension.

Each year the EGR Italy Awards recognise the most innovative and creative operators on the regulated online gaming market. In 2015, Sisal.it was awarded the prize as Best Operator for customer service and care, Best Operator for Social Responsibility, and Best Casino Operator. The members of the EGR Italy Awards panel include former top managers of notable gaming companies and successful entrepreneurs, as well as highly reputed consultants and journalists in the sector.

## INFORMATION SECURITY MANAGEMENT SYSTEM CERTIFICATION

### [G4-DMA Customer Privacy] [G4-PR8]

Since 2013, Sisal has certified the activities it performs to protect its data and information, in order to ensure their integrity, confidentiality and availability in a scenario in which the risk of breaches in security systems is constantly on the rise. Sisal has also obtained WLA-SCS:2012 certification from the World Lottery Association through an independent organisation, by adopting a number of additional standard controls over data security and integrating them in the company’s risk security and management processes.

Group companies have appointed SISAL S.p.A. as external personal data processor pursuant to articles 4 and 29, Legislative Decree no. 196/2003, and in its turn SISAL S.p.A. has appointed a natural person data processor, who oversees compliance, processes and fulfilment in relation to the processing of data in the possession of group companies. In 2015, no claims were raised in connection with violations of the privacy code and customer data breaches.



# The Rule of Law in Gaming

## PREVENTION OF AND THE FIGHT AGAINST ILLEGAL GAMING

### [G4-27]

To ensure that the gaming experience is legal, safe, secure and balanced, and to discharge its obligations under the terms of the company's Responsible Gaming Programme, Sisal collaborates with industry associations in the promotion of initiatives to fight illegal gaming, helping local authorities to identify gaming-related issues that represent a potential risk for local areas.

In 2015, work continued in the framework of Sistema Gioco Italia (the Federation that represents the Gaming and Entertainment Industry supply chain) to identify the main critical areas and propose solutions in four of them:

1. **Action in local areas:** Lobby the Regulatory Authority on the need for uniform, binding rules for Regional Administrations and Local Authorities. This assumes that prevention and control tools will be made stronger and that forms of dissuasion and limitation of gaming products will be introduced to protect potentially vulnerable categories of people.
2. **The fight against illegal gaming:** Contribute with the public institutions to understanding and studying the so-called "parallel gaming network", to intensifying education initiatives on the subject of legal and responsible gaming, and to strict monitoring of anti money laundering procedures. Initiatives have been proposed in this sense to fight the match-fixing phenomenon, for example, which feeds the gambling black market (see also the paragraph on this specific topic).
3. **Strengthening checks and the prohibition of children from gaming:** Working to promote responsible gaming culture and practices and to guarantee observance of the total prohibition of children from gaming.
4. **The fight against Compulsive Gaming:** Promote initiatives to fight problem gaming through communication and training. In the communication arena, the goal is to introduce stricter shared guidelines for responsible advertising in the sector, while on the training front, the aim is to ensure better preparation for all player support operators. With this in mind, Sisal has worked on a series of research projects to analyse the social impact of gaming and to find ever more appropriate preventive measures that are aligned with other European countries.

## THE REGULATORY AUTHORITY: THE CUSTOMS AND MONOPOLIES AGENCY

In 2002, the Italian state assigned responsibility for the regulation and control of the entire Gaming and Tobacco segment to the Customs and Monopolies Agency.

The Agency's main objectives include providing guarantees of customer protection and fighting crime.

The Agency is also tasked with:

- defining guidelines for sector development;
- constant monitoring of the good operation of gaming concession companies;
- taking action in the form of sanctions if the obligations set out in concession agreements are not fulfilled.

With respect to digital issues in relation to the control and auditing of gaming revenue data, the Agency draws on the experience of Società Generale di informatica (Sogei S.p.A.), the technology partner of the Italian Ministry of the Economy and Finance, which uses its control systems to verify that Concession Companies fulfill their obligations and constitutes a guarantee of transparency and legitimacy for end users.

Based on current legislation, which requires that every bet be first registered with control systems before users are allowed to play, Sogei has implemented automatic transaction systems which are permanently connected to operators' platforms, making it possible to manage the Italian public gaming segment and the tax revenue that the sector generates.



IL GIOCO È VIETATO AI MINORI  
E PUÒ CAUSARE DIPENDENZA PATOLOGICA

## MEASURES AGAINST MATCH-FIXING

With the aim of combating the match-fixing phenomenon, in late December 2014, the European Commission invited proposals for “New integrated cooperation mechanisms between public and private operators to identify sports betting risks”.

New integrated cooperation mechanisms between public and private operators to identify sports betting risks

Of the proposals received, funding was approved for the project “Antimatch-fixing Formula: Understand, Share, Methodize, Replicate”, presented by the Italian Prime Minister’s Office - Department for Regional Affairs, Independence and Sport, with the support of Sistema Gioco Italia, the Customs and Monopolies Agency and other partners.

This joint national working project draws on the know-how and experience of Sistema Gioco Italia (the federation of the gaming and entertainment industry supply chain in Confindustria) to identify the main risks that match-fixing and corruption represent for the integrity of sport, establishing new integrated mechanisms and activating coop-

eration between public authorities, private individuals and law enforcement authorities, as well as between the police forces of different member states.

Better prevention and a swifter response to suspicious activities at both national and international level therefore represent the main objectives of the project presented by Italy, which should be concluded by spring 2017, with positive and profitable results for the purposes of:

- strengthening prevention measures through public/private cooperation, with direct benefits for Customs and Monopolies Agency licensees, which are today the main victims of match-fixing;
- promoting effective information exchange between licensees, the Customs and Monopolies Agency, the Unità Informativa Scommesse Sportive (UISS - Sport Betting Information Unit) and the Gruppo Investigativo Scommesse Sportive (GISS - Sport Betting Investigation Group) at the Italian Ministry of the Interior;
- effectively fighting illegal gambling and the infiltration of criminals into the world of sport;
- protecting the legal gaming sector, which works to support integrity in sport.

## THE MAIN ACTIVITIES OF THE ANTI MONEY LAUNDERING OFFICE

Sisal has introduced appropriate measures to prevent fraud and money laundering. In 2013, Sisal Group created a special anti money laundering office.

Specifically, pursuant to current legislation, the Group is required to:

- adequately identify and verify customers using extremely strict identification procedures (for transactions involving amounts greater than €1,000.00, while all transactions relating to remote gaming are subject to verification, irrespective of their amount) in certain situations considered to be especially at risk of money-laundering and the financing of terrorism;
- establish a Unified Information Archive (AUI - Archivio Unico Informativo);
- record identification data and other information about relationships and operations and store it in the AUI;
- send aggregate data to the Financial Information Unit;
- flag suspicious operations;
- introduce internal control measures and ensure that employees receive adequate training.

These are the main activities performed in 2015 in the gaming sector:

- Anti money laundering procedures have been reviewed and updated in the three business lines: Retail Betting, ADI-VLT and Online Gaming.
- Key Risk Indicators are now in place to help identify unusual transactions, which may subsequently be reported as suspect.
- The e-learning platform now provides anti money laundering training for all Sisal Entertainment points of sale (agencies, horse race betting corners, Sisal Wincity venues, VLT venues).
- Training has been provided through the e-learning platform for Sisal Entertainment employees.
- Compliance sheets are now in place for VLT corners and venues, as well as for direct agencies and Sisal Matchpoint partners.
- Antiterrorism/compliance checks have been introduced for winners over the registration threshold for Betting and VLT activities, and for the holders of gaming accounts in the Online Gaming area.
- Requests for information were handled from the authorities in connection with anti money laundering measures.

# Q & A

**SIMONETTA CONSIGLIO,  
VP MARKETING, COMMUNICATION  
AND CSR**



## **What is Sisal's approach to responsible gaming?**

We work in a sensitive market and our first commitment is to promote a responsible approach to gaming that is balanced, aware and based on the most advanced standards in the sector, as periodically certified by the European Lotteries and the World Lottery Association. Our main goals are to prohibit children from gaming, to prevent compulsive gaming, to provide orientation for problem players, and to offer assistance to the weakest of them. On the training front, we include Responsible Gaming as one of the subjects studied by all employees and point of sale network staff, as well as monitoring the risk of games and supporting market research to learn about the extent of the phenomenon and identify the best measures to deal with it.

**We work in a sensitive market and our first commitment is to promote a responsible approach to gaming that is balanced and aware**

## **Tell us why the Sisal retail network plays such a fundamental role in the promotion and diffusion of the Responsible Gaming Programme?**

The retail network is one of the company's most important and strategic stakeholders, because it represents the point of contact between Sisal and the consumer. It can be used to convey messages about a responsible attitude that raise awareness of and disseminate good gaming behaviour, as well as offering support tools if players find themselves in difficulty.

That is why Sisal works in an ongoing relationship with its retail network, investing primarily in the quality of the infrastructure, in improving service and consumer conversations, and in providing training about responsible gaming.

## **What do you do to prevent compulsive gaming?**

Knowledge and awareness about the phenomenon are the main focus of our commitment to responsible gaming. That is why we support research projects, constantly monitor the risk associated with our games and support the dissemination of our responsible gaming programme. We also think it is important to offer a helping hand to players and their families. The partnership with FeDerSerD has given us a way to promote the first "systemic" support service addressed to the issues of compulsive gaming. A completely free national helpline ([www.giocaresponsabile.it](http://www.giocaresponsabile.it)) is now operational to provide immediate support for players in the form of detailed information, advice about care services and an assisted treatment programme with the support of expert therapists.



## How does Sisal guarantee the protection of children on its online gaming platforms?

One of the priority goals of our Responsible Gaming Programme is the protection of children. We were committed to enforcing this at both points of sale and online. Sisal Group offers its players the opportunity to play online using the company's websites and digital applications, which use cutting edge technology to make sure that gaming is safe, secure, responsible and legal.



## One of the priority goals of our Responsible Gaming Programme is the protection of children

In order to prevent children from gaming online, Sisal applies both a series of controls linked to the systems operated by the Regulatory Authority (SOGEI), as well as its own registration system, which is always available to check personal details in real time, including date of birth and tax code.

If the person attempting to register is not an adult Italian citizen with a valid tax code, the Sisal registration system automatically rejects the application. To complete the registration and enable the company to verify the data entered, the person who filled in the form is asked to submit a copy of an identity document.

## What are your most innovative projects in this framework?

Our focus has been on awareness raising and responsible communication. We have developed an innovative project to raise the awareness of players with the help of a special testimonial: Mr. Smart. Mr. Smart is the character featured in a web series created to promote an aware approach to gaming, using language that is simple and immediate and making reference to our "The ten rules for the responsible player".

With the aim of promoting the message of responsible gaming, we have also developed two communication campaigns: one about the importance of a balanced approach to gaming and the other about prohibiting children from gaming.

On the communication front, we continue to carefully monitor the commercial messages we release to the public and to apply strict guidelines to ensure our commercial communication is responsible. With this in mind, we were also the promoters of a System Code shared by the main sector operators and institutions. The result of these efforts is the introduction of an article (28 ter) on gaming sector communication in the Commercial Communication Self-Disciplinary Code (IAP).

## Customer Engagement: the Central Role Played by the Digital Channel

Sisal focuses special attention on the development and continuity of its relationship and conversations with customers on digital platforms, which represent the preferred communication channel today for direct, immediate contact. That is why the company is committed to developing solutions that optimise the user experience, also by offering in-depth content linked to the history of the company and the Group's internal and external Corporate Social Responsibility initiatives.

### MAIN ONLINE CHANNELS

#### SISAL.COM

This is the corporate website, which is evolving continuously with a view to creating a solid relationship with the public and encouraging sharing on social channels. As a result of the work performed in 2015, Sisal.com is in the top ten in the web ranking of Italian "non-listed" companies with the best online corporate communication. Simple and intuitive to use, the website guides visitors through the world of Sisal, starting with the Group's organisation and then taking them on a journey to discover the company's values, product offering and social sustainability initiatives. The vertical layout, responsive design, video content and photo galleries are the main tools used to give Sisal customers a more interactive and multimedial digital experience.

#### STORYBOARD.SISAL.COM

Sisal's corporate blog, which tackles issues inspired by the Group's Values, was enhanced in 2015 by the contributions of external influencers in the "Friend's Post" section, on subjects relating to culture, technology, the digital world and work-life balance.

#### MOBILE.SISAL.COM

This is the Group's mobile store, where you can download all the apps in versions for iOS, Android or Windows Phone.

#### SISAL.IT

Sisal.it, the Group's dedicated online games portal (Sisal Entertainment GAD concession number 15155), provides both information material and player care communications. The Customer Care team has also been trained to offer tailored assistance that meets the needs of different types of customer.

#### SISALPAY.IT

This is the digital platform for personal payment management (bills, telephone top-ups, etc.) developed by Sisal Group to meet the needs of customers who are ever more eager to adopt a digital and user-friendly approach. SisalPay.it offers several supplementary services, including a deadline planning tool and the possibility of storing receipts, so making the life of the public easier.

#### SISALWINCITY.IT

This is the information portal about products and services offered by Sisal Wincity. It provides users with updates on initiatives, events and new openings.

As an Italian national lottery licensee, Sisal also manages the [giochinumerici.info](http://giochinumerici.info) portal, the online point of reference for all information about the SuperEnalotto, VinciCasa, Eurojackpot, Win for Life and SiVinceTutto games.



## SOCIAL CHANNELS

### FACEBOOK

Launched in 2013, the aim of Sisal's corporate Facebook page is to strengthen the relationship between the company and its stakeholders. In addition to topics linked to Corporate Social Responsibility and company initiatives that involve employees directly, in 2015 Facebook was used in major brand launches and the first initiatives dedicated to Sisal's heritage (MEIC).

Sisal's corporate web page forms part of the Group's network of brand pages (SuperEnalotto, Vinci per la vita - Win for Life, Eurojackpot, VinciCasa, Sisal.it, SisalPoker, SisalPay, Sisal Matchpoint), which had an aggregate total of 890,000 fans in 2015.

### LINKEDIN

Sisal has been active on LinkedIn since 2013, with the dual aim of entering into a conversation with employees (in 2015 over 40% of employees were following the Sisal page) and of attracting new talent. The editorial strategy adopted by Sisal, based primarily on investing in the value of people, has driven the brand to the top of the gaming sector ranking in 2015 on LinkedIn by number of followers (over 18,000).

### YOUTUBE

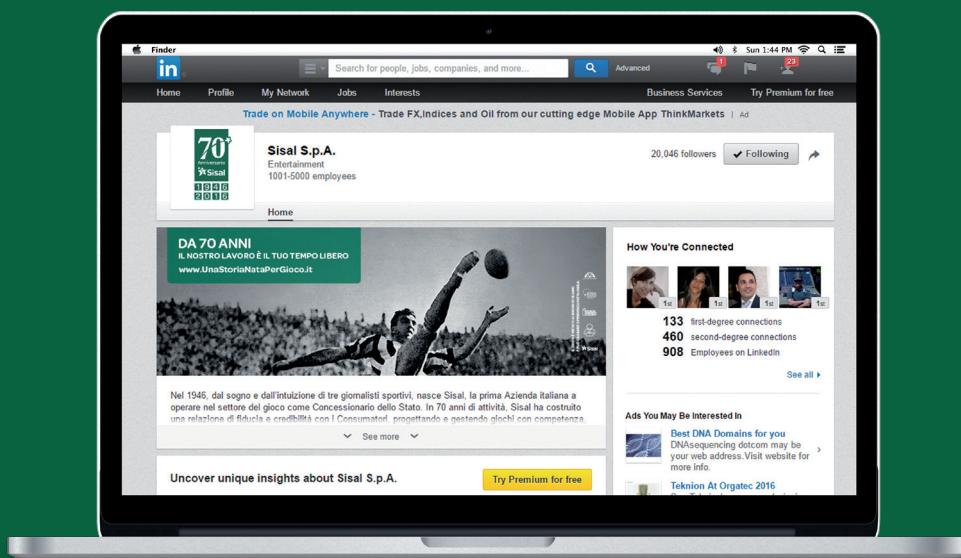
The Group has a presence on YouTube with a corporate channel (Sisal Group) that brings together the heritage of film and video footage produced by the company through the years, as well as with a channel dedicated to SuperEnalotto, offering live coverage of the draws, as well as tutorials, TV commercials, events and brand initiatives.

### TWITTER

Active since 2013, the company uses its Twitter channel, @Sisal\_Group, to talk to the media and "network influencers", with an editorial plan that puts the focus on corporate content, including interviews with top management and acknowledgements received by managers, as well as providing live coverage of Group events, like the presentation of the Sustainability Report and major brand launches. The brand's Twitter presence also includes the accounts @SisalMatchpoint, @SisalPay and @SuperEnalotto, which had an aggregate total of over 20,500 followers in 2015.

### GOOGLE+

In 2015, the Group extended its presence on Google's social media channel, with the aim of increasing the digital visibility of Sisal's retail presence. In addition to the corporate brand page, branded retail outlet locations (Sisal Wincity, Sisal Matchpoint and Sisal Smartpoint) were activated on Google Maps, with an information tab for each store, complete with location, opening hours and the product offering.





# Payment Services and the Retail Network

## Payment Services: the Development of SisalPay

### *Management approach*

*Sisal Group listens constantly to the brand's customers and retailers, seizing the challenge of change by developing a new payment system that is convenient, simple and safe, as well as diversifying the business. Sisal has therefore become a Payment Institution authorised by the Bank of Italy.*

### **A DIVERSIFIED BUSINESS**

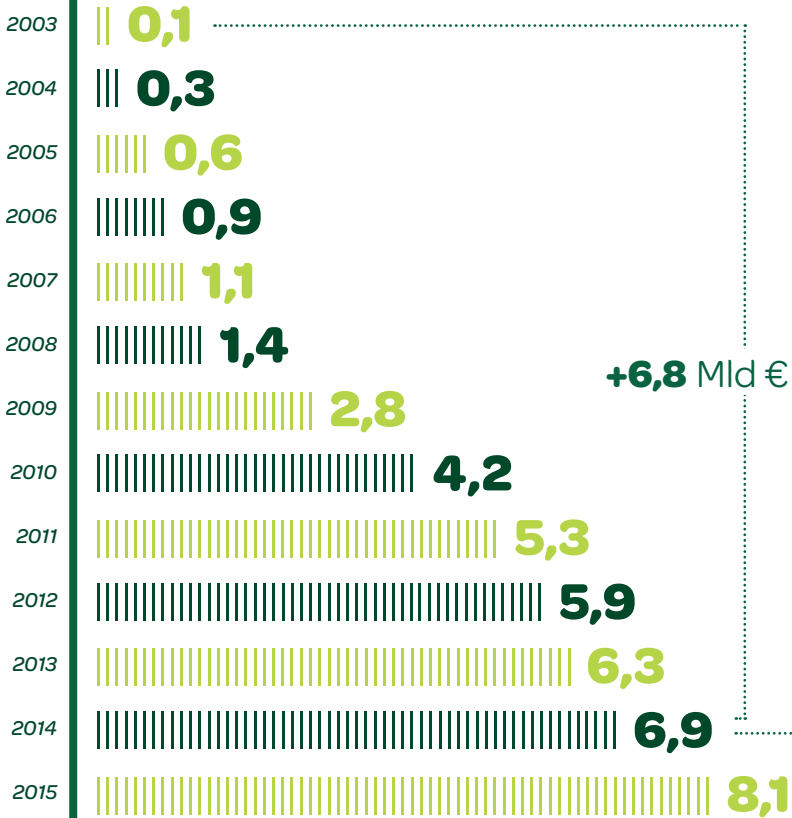
Seizing the major development opportunity offered by the payment system market as far back as 2008, in 2013 Sisal Group launched SisalPay (the first brand created specifically for this market). The frontrunner in this category in Italy, the service offers consumers a fast track method of payment. Based on a solid strategy, a widespread local presence and effective integrated market-

ing and communication initiatives, SisalPay has delivered excellent results, reflected in constant volume and income growth. This strategy has brought about a transformation in the company, with its traditional gaming business joined by payment services, which in 2015 generated turnover in excess of €8bn, or roughly 54% of the Group total.





**SISALPAY TURNOVER 2003-2015**  
(€bn)



**PAYMENTS VS. GAMING**  
(%)



+1,2 Mld € (+17%)

## A BROAD AND ACCESSIBLE OFFERING

The comprehensive, easy-to-access product range represents a value added offering for all consumers who, with the help of SisalPay, can settle their utility and tax bills and top up their mobile phones and prepaid credit cards, all conveniently from home or in their immediate neighbourhood.

SisalPay has over 12 million consumers, offers more than 500 payment services and has agreements in place with over 100 partners, including some of the biggest Italian and international companies and the main banking and payment network players.

The offering includes three main categories of services:

- payment of bills, utilities, traffic fines, taxes and subscriptions;
- top-ups for the main Italian and international mobile phone operators and international phone cards;
- money transfers to prepaid credit cards.

SisalPay is a neighbourhood service that can be accessed from:

- over 40,000 retailers across Italy, including points of sale (cafes, tobacconists, newsagents) and a network of over 6,000 retail outlets devoted exclusively to Services and Payments;
- the SisalPay.it digital platform, for payment management 24/7;
- a smartphone app for mobile transactions too.

## A SECURE, RELIABLE SERVICE WITH CUSTOMER GUARANTEES

Sisal Group provides customers with a reliable, certified payment system through Sisal Group S.p.A., a Payment Institution authorised and overseen by the Bank of Italy, which provides guarantees of security, compliance with international standards and user protection.

The terminals installed at points of sale are connected in real time to the Sisal central system, ensuring that transactions are registered and providing customers with a receipt demonstrating payment to the commercial partner involved.

Sisal has a disaster recovery system which ensures the backup of all transactions and the availability of payment data in the event of critical situations. This mechanism ensures that customers can demonstrate, at any time, that they have made payment through the SisalPay network.

The company has also obtained ISO/IEC 27001 certification to demonstrate that the information security management system is fit for purpose.

At all Sisal points of sale and on the SisalPay.it website, consumers can at any time consult our documents on the transparency of payment operations and keep up to date with economic conditions and delivery and complaint procedures.



## THE MAIN ACTIVITIES OF THE ANTI MONEY LAUNDERING FUNCTION

In 2013, Sisal Group introduced an Anti Money Laundering Function. The main payment service activities performed by the function in 2015 were:

- the publication of the new anti money laundering procedure applicable to the Payment Institution, making provision primarily for a new due diligence form and the prior approval of the Anti Money Laundering Manager before closing any new payment services contract;
- training for the distribution network, with an anti money laundering course available for points of payment on the e-learning platform;
- training for head office staff involved directly in the new procedure, with a joint session with the Administration & Finance and Business Development functions to clarify the main novelties; the introduction of Key Risk Indicators for the purposes of analysing "suspicious" transactions and assessing which of them to report to the Bank of Italy;
- the introduction of anti money laundering inspections at points of payment; and
- the management of requests for information by external anti money laundering authorities.

## THIRTEEN YEARS OF GROWTH AND INVESTMENT FOR SYSTEM ITALY

In an increasingly dynamic world, consumers want two key things from payment services: simplicity and proximity. The success of the SisalPay strategy is based on listening to and anticipating people's needs. That is why the Group has invested a total of €100m on its services network over the last seven years, representing a significant contribution to development in Italy and the implementation of the country's Digital Agenda.

Over the last five years, SisalPay has made some important strategic decisions to introduce innovative network technology, investing over €10m in the Cashless and Stand-Alone projects, with a view to intercepting consumers' desires and needs by offering them the chance to manage payments without disrupting their daily routine:

- *SisalPay Cashless Payments*: SisalPay has created one of the most extensive e-money enabled networks to accept contactless/NFC payments.
- *Stand-Alone project*: a network of over 6,000 points of sale dedicated exclusively to Payments and Services (a total of 10,000 points are planned by the end of 2018), all equipped with an innovative compact terminal developed internally by the SisalPay team, with engineering and production outsourced to a leading Italian producer of retail terminals.

The success of the SisalPay strategy is based on listening to and anticipating people's needs

## The Sisal Network

### RETAIL NETWORK GROWTH

The Sisal Group retail network consisted of 45,946 points of sale at December 31, 2015 (compared with 45,587 in 2014), split between two channels, branded and affiliated, and the online channel.

**Branded channel:** 4,669 points of sale (4,067 nel 2014) operating under Group-owned brands Sisal Wincity, Sisal Matchpoint and Sisal Smartpoint. The development of the branded channel retail strategy contributes to long-term business stability as a result of direct contact and communication with customers, providing a better understanding of their needs and expectations.

**Affiliated channel:** 41,277 third party points of sale (41,520 in 2014) offering gaming products and payment services, with which Sisal has established close and lasting business relations. The channel represents a key asset in the process of reaching a broader public.

	2006	2015
<b>Branded channel</b>	102 (Matchpoint only)	4.669 (including Matchpoint, Wincity, Smartpoint)
<b>Affiliated channel</b>	19.753	41.277
<b>Total</b>	<b>19.855</b>	<b>45.946</b>

### THE RETAIL NETWORK

	31.12.2015
Sisal Wincity	21
Sisal Matchpoint agencies	361
Sports and horserace betting corners	3.835
Sisal Smartpoint	452
<b>Total branded channel</b>	<b>4.669</b>
Points of sale - AWP's and VLT's only	3.766
Multiproduct points of sale - gaming and services	30.906
Points of sale - services only (stand alone)	6.605
<b>Total affiliated channel</b>	<b>41.277</b>
<b>Total distribution network</b>	<b>45.946</b>



## DIRECT CONTACT

The Group sees the distribution network as playing a role of fundamental importance in consolidating its reputation and credibility with customers. Sisal therefore undertakes to inform and train the entire retail network about the offering of gaming products and services, and in particular to maintain a direct and ongoing conversation with points of sale.

### Services for Retailers

A dedicated, controlled-access Contact Centre has been created for point of sale personnel to ensure full confidentiality. It is staffed by operators who receive regular training and who, in 2015, were able to provide first-call resolutions to most queries received about both technical and administrative issues. In 2015, the Contact Centre service answered 96.1% of calls from retailers (so-called inbound calls). The Service Level Agreement (SLA) standards set by ADM for Lottery (NTNG) procedures were met in full (99.9%).

### The Retail Portal

The retail area is supported by a dedicated portal for Sisal retail outlets ([www.rivenditorisisal.it](http://www.rivenditorisisal.it)), managed by the Trade Marketing team. In 2015, the website was given a comprehensive makeover, with a new layout and new functions. Retailers can connect at any time, also from tablets and mobile devices, to find out information about Sisal products, including competition information, to access accounting data for their retail point (packing lists and invoices), and to download the latest posters for their sales outlet.

### House Organ

- **Sisal News.** This publication for retailers provides information about current and upcoming initiatives. Key contents:
  - “Cari Ricevitori” (“Dear Retailers”), a column with editorial content by the Lottery and Services Sales Manager to inform Point of Sale personnel about performance results and future objectives.
  - Sections providing insights into Group initiatives, news about Sisal products (lotteries, services, betting etc.) and information about ongoing Corporate Social Responsibility initiatives.
  - “Zona Rice”, a section in which Point of Sale personnel can voice their opinions and share their point of view, featuring interviews, photographs and comments.

- **La Lavagna (The Whiteboard).** The in-house quarterly magazine published by the Wincity and Matchpoint network is mailed to all points of sale, informing retailers about initiatives, business developments and any news relating to Sisal Group.

### Terminal Messaging

Gaming terminals are the most secure and direct way to communicate with points of sale. Daily messages are sent about new products, special initiatives, wins, pools reports and much more. “Pop up” messages can also be sent to terminals for instant notification.

### Point of Sale Personnel Training

#### [G4-LA10]

Sisal fosters the development of its point of sale network and promotes awareness about its sustainability and corporate social responsibility values by implementing innovative training programmes. These programmes include specific training focused on gaming and payment services (particularly with regard to regulatory and customer protection issues), as well as on more general issues such as entrepreneurial development for point of sale personnel.

#### [G4-DMA Training and Education]

As regards teaching methods, Sisal began using an e-learning management platform back in 2008. The system provides users with online access to self-study courses from any PC with an internet connection (24 hours a day, 365 days a year). With it, retailers can easily learn about content that can be put immediately into practice through audio-visual lessons, descriptions and exercises.

#### [G4-DMA Training and Education]

The online training catalogue comprises six courses and covers three macro areas: Games & Services, Regulations, and Marketing & Communications. The graphics and content of the e-learning platform were fine tuned still further to engage with more point of sale personnel, by making the browsing experience more enjoyable, easier and more profitable.

**NUOVO SuperEnalotto**

**“SORRIDI! IL NUOVO SUPERENALOTTO È ARRIVATO IN TUTTE LE RICEVITORIE. ANCHE NELLA MIA!”**

Lucia Mattoni  
Ricevitoria Mattoni  
Via Georgofili 8B,  
Roma

**IL JACKPOT È ANCORA PIÙ RICCO  
VINCI ANCHE SE FAI 2  
VINCITE IMMEDIATE DA 25 €**

**POI GIOCARE ANCHE ONLINE E DA MOBILE.**

www.superenalotto.it

## ON THE FRONT LINE IN COMMUNICATION

Retailers were also featured in the advertising campaign launched in 2016 to promote the new SuperEnalotto product. Selected in a casting process that involved the entire network of 45 thousand points of sale, eight retailers provided the guiding thread for the communication plan, first in February in the print, outdoor and web channels, then in May in TV commercials, accompanied by the claim “Sorrisi promessi, sorrisi mantenuti” [Keeping our promise of a smile]. In a fresh and genuine new approach, these eight testimonials brought the features of the new SuperEnalotto to life with their voices and emotions. The campaign was created by DLVBBDO.

## Sisal Cares about its Suppliers

### Sisal performs evaluation and qualification procedures on all suppliers of materials and services

**[G4-12]** Sisal works with numerous suppliers who represent important business partners for the company. Sisal maintains an open communication channel with its suppliers and shares responsibility with them, working together both to minimise and manage business risks, as well as to optimise products and services.

**[G4-27]** The gaming and services market evolves continuously and Sisal is aware that building up its competitive edge also involves the continuous improvement of the products and services it offers and the operating models it follows, in terms of both efficiency and innovation. This entails an open-ended process of searching for and enrolling new suppliers, with a special focus on innovation that adds value.

**[G4-27]** At the same time, Sisal carefully monitors its compliance with the special legal requirements applied to the gaming sector and the expectations of its stakeholders. Achieving this objective requires excellent relations across the entire supply chain and ever better performance.

**[G4-12]** Suppliers are split into the following purchasing areas, based on the main activities of the Group:

- Gaming terminals
- Gaming materials
- Logistics and transport services
- HW installation and maintenance services
- Call center services
- Media, events, marketing, market research
- Voice and data communication services
- Hardware and software
- Gaming platform suppliers
- Consulting services
- Refurbishing contracts
- Personal and building/point of sale services
- Food & beverage.

**[G4-12]** The company performs evaluation and qualification procedures on all suppliers of materials and services directly affecting end consumers and processes in the framework of the quality management system. Sisal verifies that all equipment, materials and services purchased meet the requirements specified. Suppliers are assessed on the basis of their compliance with contract and order provisions, as well by monitoring variances between the service levels actually delivered against the levels stipulated by Service Level Agreements (SLAs).

**[G4-12]** Individual suppliers are assessed and a Vendor Rating Index is calculated twice a year by monitoring Service Level Agreements and evaluating specific parameters, such as compliance with delivery times and specifications or the correct preparation of technical and administrative documents. This procedure provides comprehensive and continuous performance monitoring and represents an opportunity for continuous improvement.

The Code of Ethics and Conduct adopted by Sisal pursuant to Legislative Decree 231/01 (see page 50 too) makes provision for a direct and open conversation with suppliers to ensure maximum collaboration and provide assurances that both the company's requirements and those of its end consumers are satisfied in terms of quality, cost and prompt delivery.

The Code of Ethics and Conduct adopted by Sisal is available for consultation by all suppliers on the company's website. The contract between suppliers and the company includes a specific commitment to comply with the regulations and principles set out in the Code.

# Focus on Payment Services

**Maurizio Santacroce, Payments & Services and Online Gaming Business Unit Director, outlines the results, strategy and future challenges of the payment services business area.**

**Our Digital Hybrid model represents a perfect combination of broad-based geographical distribution and digital technology, making it possible to improve and simplify the customer's overall experience**

**Sisal is recognised as a gaming market player. Why did the company decide to enter the payment services business?**

Making a point of always listening to the brand's customers and retailers, some years ago Sisal Group seized the challenge of change and diversification by supplementing the group's traditional gaming business model with payment services, which now generate more than half the Group's turnover.

Drawing inspiration from the company's vision of innovation, of a customer-centric approach and of diversification, a business model has been developed, based on an ongoing conversation with institutional and business partners, which unites Sisal's close-knit geographical network with its digital properties, acting as a point of contact between businesses, the public administration and the members of the public who use the services. This model and the innovative approach to digital evolution it represents offer the best way to meet consumers' needs, without disrupting their everyday routine.

**How does SisalPay contribute to Italy's development?**

Business and the Public Administration must work together with ever greater synergy to sustain digital investment in the country, but most importantly to stay close to Italians' needs. Digital evolution is changing the way we are consumers and citizens.



SisalPay makes a tangible contribution as a partner in Italy's digital development. We have invested over €10m to enable e-payments across a network of over 40,000 retail outlets and developed an integration programme with the Digital Payments Node that by the end of 2016 will allow us to provide the services offered by the public administration in all SisalPay retail points, transforming them into a new, simple and accessible contact and relationship channel.

### **Tell us about SisalPay's development projects.**

Today, the development of our services offering must exploit new digital technology and steer business and the public administration towards simplification. The objective is to facilitate the purchasing process and access to services, at the same time as providing a delivery model that embraces users' varying levels of digital competence. This is the real new space on the market, and it is one in which hybrid systems have the winning edge. SisalPay offers, for example, the possibility of booking a concert or train ticket online and then completing the payment at a retail point. Our Digital Hybrid model represents a perfect combination of broad-based geographical distribution and digital technology, making it possible to improve and simplify the customer's overall experience. SisalPay is always evolving and we are working continuously to extend our partnerships and services, with the aim of enriching our offering and satisfying the needs of over 12 million consumers.

SisalPay's Stand Alone project has already provided customers with a network of over 6,000 retail points dedicated exclusively to Payments and Services, all equipped with an innovative compact terminal, and a total of 10,000 points are planned by the end of 2018.

**SisalPay guarantees the highest possible standards of security and transparency through a certified network that manages over 200 million transactions annually today**

### **How does Sisal provide guarantees of secure payments through SisalPay?**

Sisal Group is a Payment Institution authorised by the Bank of Italy and provides guarantees of the highest security and transparency standards for services delivered over a certified network that handles about 200 million transactions annually today.

Our retail network is linked in real time to Sisal's central system, which provides transaction backup and ensures the availability of payment data, so that customers can demonstrate at any time that they have made payment through the SisalPay network.



# Responsible Management

[G4-27]

*Sisal has a strong sense of responsibility towards its customers, partners and suppliers, as well as towards the communities in which it operates, and this is reflected in the company's management, with a view to generating lasting value.*

*Employee advancement and well-being; governance that guarantees transparency and solidity; a business model that satisfies the need for renewal and development; and the improvement of its business activities with a view to the least possible environmental impact are also priorities for sustainability policy in Sisal.*



## Sisal's Commitment to Personal Development

[G4-DMA Employment] [G4-27]

### **Management approach**

*Sisal demonstrates its social sustainability first and foremost by its commitment to all the employees and associates who create value for the company through their daily work. Individual talent and rich diversity are Sisal Group points of strength. That is why the company undertakes to recognise the experience and develop the skills of everyone, promoting cooperation and the exchange of knowledge, so that work is a source of satisfaction and well-being for people, as well as an essential driver of the company's success. The process of change management developed by Sisal in recent years is joined by new programmes and tools, in which the company's values, defined using a participatory approach, underpin all people strategy initiatives and are the drivers of change processes. The key factors are therefore promoting our people's value, a culture of performance based on corporate values, and the guarantee of a secure environment.*



PEOPLE IN SISAL	2015 DATA	
Total employees	1.798	[G4-9]
Total employees by gender	<b>women:</b> 743 <b>men:</b> 1.055	
Total number of employees with open - ended contracts by type of contract (part - time or full - time) and by gender	<b>women:</b> full-time: 476 part-time: 229 <b>men:</b> full-time: 903 part-time: 95	[G4-10]
Percentage variation in total employees vs 2014	-8,60%	
Percentage of employees covered by trade union agreements	100%	[G4-11]
Board members by gender	<b>men:</b> 14 <b>women:</b> 0	
Breakdown of employees by gender and category	<b>women:</b> apprentices: 80 white collars: 606 blue collars: 11 line managers: 39 managers: 7 <b>men:</b> apprentices: 69 white collars: 809 blue collars: 53 line managers: 85 managers: 39	
Breakdown of employees by age band	<b>&lt;30 years old:</b> apprentices: 7% white collars: 14% blue collars: 1% <b>30-50 years old:</b> apprentices: 1% white collars: 52% blue collars: 2% line managers: 5% managers: 2% <b>&gt;50 years old:</b> white collars: 12% blue collars: 1% line managers: 2% managers: 1%	[G4-LA12]
Number of employees in protected categories	47	

In 2015, the Group launched several initiatives and projects to foster the growth and development of Sisal people and improve the organisation of work.

## SMART WORKING

In 2015, a workgroup was set up to look into the concept and practice of Smart Working (the opportunity to work from a remote location outside the workplace and at times that do not necessarily coincide with normal office hours), with the aim of introducing flexible working practices into the company and therefore of:

- improving the effectiveness of the organisation and its flexibility, based on trust and responsibility;
- working increasingly on a goals-oriented basis;
- encouraging a good work-life balance; and
- developing engagement and motivation in people.

An in-depth internal study has been completed and a benchmark established with other active initiatives, in addition to extensive training across the entire corporate population, and management in particular, to encourage the necessary cultural and organisational maturity.

This entailed:

- 11 focus groups involving about 100 managers, to assess the company's level of readiness;
- 4 workshops for line managers and managers, to look into the concept of virtual leadership and its practical applications.

The launch of the initiative was marked by an online training course for everyone in the company. The shared goal, after an initial pilot group with about 100 people launched in February 2016, is to involve around 600 people (i.e. everyone in the company who does not need to be physically present on the premises for some reason) by the end of 2017.



## MANAGEMENT ACADEMY

### [G4-DMA Training and Education]

#### [G4-LA10]

Managerial expertise in Sisal basically means project management and change & complexity management, or in other words at the level of decisions taken to develop innovative services and products that can respond to a market in constant evolution.

The programme was addressed to a dual target, with different objectives:

- top management: introduce methods and behaviours to drive the success of projects;
- senior/middle management: learn project management and monitoring methods and tools.

A lot of practical work was done on corporate projects underway, obtaining immediate feedback on a day-to-day basis and making it possible both to acquire standard Sisal methods and tools (so that we all speak the same language), as well as to receive suitable preparation for obtaining project management certification based on the international standard established by the Project Management Institute (PMI).

## WISE – WOMEN IN LEADERSHIP

### [G4-DMA Diversity and Equal Opportunity]

WiSe – Women in Sisal Experience is a project that began in 2013, with the goal of supporting the development of an effective personal leadership style that is aligned with personal considerations and values, in such a way as to ensure well-being at the same time as creating an inclusive atmosphere in the organisation system.

In 2015, WiSe presented WomenLab, setting itself new generative and self leadership goals.

Based on the need stated by women leaders in Sisal to:

- consolidate the network,
- play a proactive role in their own decisions and those relating to the company, and
- fully develop their potential and values,

the Lab has embarked on a programme of group coaching, alternating with individual interviews, that tackles issues including resilience, learning agility and innovation, with the aim of making women the focus of their professional lives and turning them into a role model for other women.

The work of WomenLab to gather needs and contributions was later merged into the Women in Leadership programme for the purposes of better content planning.

## SKILLS DEVELOPMENT CENTER

### [G4-DMA Training and Education] [G4-LA10]

The Skills Development Center, a novelty introduced late in 2015, is a project with which Sisal tests and promotes a company-wide self-learning model based on blended training programmes that integrate various teaching channels and methods.

Based on an internal survey, Sisal has identified the need for a method of learning that is different from classic classroom teaching, offers greater flexibility and speed, and can be self-managed and personalised.

The survey was undertaken jointly with the internal Market Intelligence Team, which conducted a qualitative (focus groups) and quantitative study (a questionnaire with 52 questions) on a statistically significant sample of the corporate population (43%), split equally between white collars, line managers and managers.

The survey was used to draw up recommendations and insights in order to:

- analyse the training needs of employees;
- understand their skills and learning methods; understand the perception of future skills in view of changing technology and a changing society; and to
- verify new continuous learning approaches.

Based on these considerations, the project alternates between classroom sessions and fully self-managed periods of web learning. The Skills Development Center is addressed to developing organisational soft skills and the acquisition of operating methods and tools.

The center also:

- prefers to leverage self-development as professional effectiveness strategy;
- makes it possible to take stock of personal behavioural skills;
- makes it possible to identify continuous skills learning and improvement priorities, aligning individual and organisational needs; engages with various corporate targets in soft skill learning processes, delegating the timescale and management of training plans to individuals.

## WOW TEAM 2.0

Halfway through 2015, there was a process of renewal in the WoW team, the interfunctional workgroup set up in 2013 to give a voice to ideas for improving the company and to put them into practice. After two years since its creation, the group felt the need for renewal and launched a candidacy process on the WeSisal intranet website. In a specially created section, the group presented its leading members, a history of projects promoted, and a registration page, inviting participatory, enthusiastic and creative people to join the WoW team.

At the end of the period for accepting candidates, with the support of the HR Development function, the WoW team 2.0 was created. Made up of 15 people, it spent the final months of 2015 on team building, as well as on issues relating to Smart Working and the Predictive Index Team (reciprocally recognised behaviours and abilities). The objective of the Wow team 2.0 will be to design internal training courses addressed to the entire population of Sisal on subjects of common interest.



## A TEATRO CON SISAL

“A teatro con Sisal” [At the theatre with Sisal] is the initiative devised jointly with the Piccolo Teatro for all theatre-lovers in Sisal.

Employees have the chance during theatre season to attend performance-related events presented by the main characters in the cast or cultural operators and hosted in the Chiostro's Caffè Letterario in via Rovello.

This proposition in the company's welfare programme is one of the initiatives devised to improve employees' life-work balance, because it promotes opportunities to socialise and ways to make use of leisure time.



TRAINING	2015 DATA	
Average training hours by gender	<b>women:</b> 22 ore medie <b>men:</b> 19 ore medie	[G4-LA9]
Average training hours by category	<b>blue collars:</b> 13 <b>apprentices:</b> 16 <b>white collars:</b> 16 <b>line managers:</b> 39 <b>managers:</b> 10	
Percentage of employees who receive regular assessments of their performance and career development	100%	[G4-LA11]

NEW RECRUITS AND TURNOVER	2015 DATA	
Number of new recruits by age band	<b>&lt;30 years old:</b> 68 <b>30-50 years old:</b> 91 <b>&gt;50 years old:</b> 11	[G4-LA1]
Number of new recruits by gender	<b>women:</b> 67 <b>men:</b> 103	
Percentage of new recruits by age band	<b>&lt;30 years old:</b> 40% <b>30-50 years old:</b> 54% <b>&gt;50 years old:</b> 4%	
Percentage new recruits by gender	<b>women:</b> 40% <b>men:</b> 60%	
Percentage turnover by age band	<b>&lt;30 years old:</b> 27% <b>30-50 years old:</b> 61% <b>&gt;50 years old:</b> 12%	
Percentage turnover by gender	<b>women:</b> 49% <b>men:</b> 51%	

# Corporate Governance in Sisal Group

## Management approach

*Corporate governance is a key component of the Sisal business model. In conjunction with the business strategy, its aim is to support the relationship of trust established with stakeholders, creating sustainable value in the long term and fully respecting the values of integrity, transparency and responsibility.*

## GROUP COMPANIES

### [G4-7]

Sisal Group S.p.A. and its subsidiaries (also referred to here as “the Group”) are active mainly:

- in the gaming sector, primarily on the basis of state concessions granted by the Customs and Monopolies Agency;
- in the payment services sector, on the basis of a special license from the Bank of Italy.

Specific responsibilities are as follows:

#### SISAL GROUP S.P.A.

- Direction and coordination of subsidiary companies
- Management of internal audit, management planning & control, strategy & security, and anti money laundering activities

#### SISAL S.P.A.

- Management of games
- Marketing of goods and services through the retail network

#### SISAL POINT S.P.A.

- Sales network support services

#### SISAL ENTERTAINMENT S.P.A.

- Revenue from public gaming machines
- Implementation and management of the ICT network concession by means of legally authorised gaming machines (Italian Customs and Monopolies Agency)
- Leasing of gaming machines

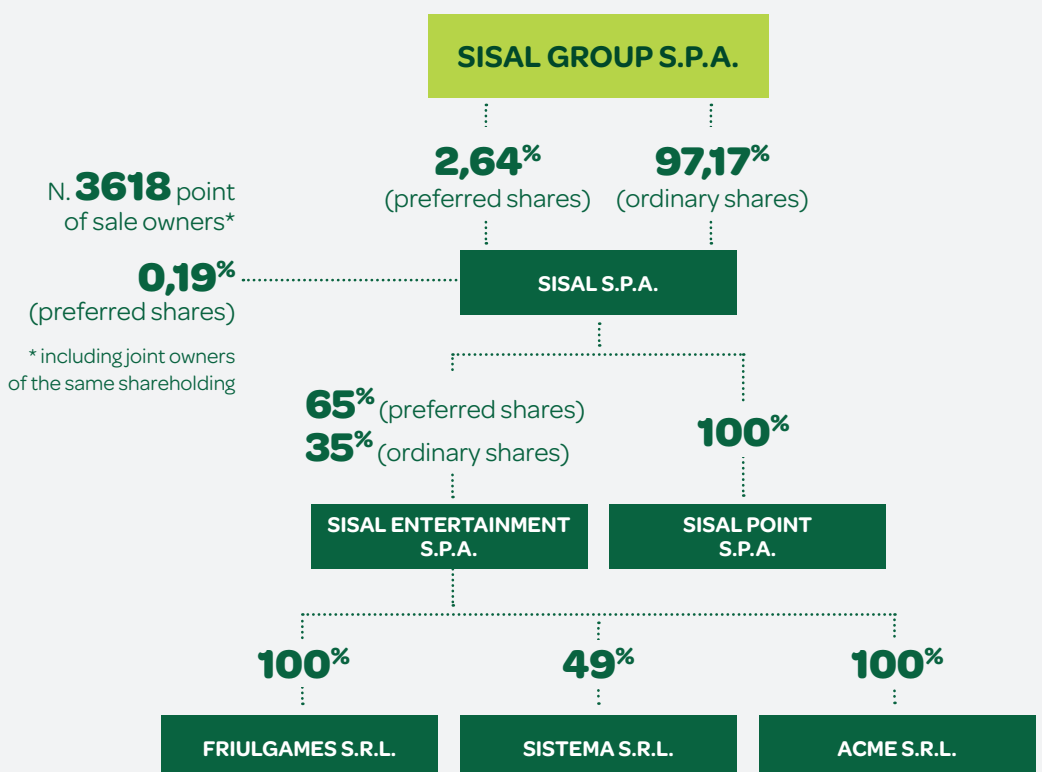
#### FRIULGAMES S.R.L.

- Leasing and maintenance of electronic gaming machines

#### ACME S.R.L.

- Manufacture of electronic gaming machines

## ORGANISATION CHART AS OF DECEMBER 31, 2015



## SISAL GROUP GOVERNANCE

[G4-34]

### General Shareholders' Meeting

Passes resolutions in ordinary or extraordinary session on matters in its scope of competence as established by the law or the bylaws.

### Board of Directors

The company is managed by a Board of Directors consisting of 14 members appointed by the General Shareholders' Meeting as follows:

- Augusto Fantozzi, *Chairman*
- Emilio Petrone, *CEO and General Manager*
- Giancarlo Aliberti
- Simone Bassi
- Roberto Biondi
- Maurizio Cereda
- Gabriele Cipparrone
- Simone Cucchetti
- Giorgio Dinaro
- Giuseppe Farchione
- Stefano Giambelli
- Alessandro Papetti
- Maurizio Santacroce
- Roberto Zanchi

### Board Committees

The Board of Directors has established various Committees among its members. Their composition and operation are inspired by the principles and parameters established by the Code of Conduct of listed companies:

- Committee for the Appointment and Remuneration of the Directors of the company and its subsidiaries, with Directors: Giancarlo Aliberti, Giuseppe Farchione and Roberto Zanchi
- Audit Committee, with Directors: Roberto Zanchi, Giuseppe Farchione and Stefano Giambelli

### Independent Auditors

The company's accounts are audited for legal purposes by PricewaterhouseCoopers S.p.A., engaged by the General Shareholders' Meeting as proposed by the Board of Statutory Auditors.

### Board of Auditors

The Board of Auditors consists of three standing and two alternate members:

- Piero Alonzo, *Chairman*
- Massimo Bellavigna, *Standing Auditor*
- Francesco Tabone, *Standing Auditor*
- Carlo Bosello, *Alternate Auditor*
- Andrea Franzini, *Alternate Auditor*

### Supervisory Board

The company has an Organisation, Management and Control Model pursuant to article 6, Legislative Decree 231/01 and a Supervisory Board has been appointed.

The Supervisory Board has three members:

- Fabio Giarda, *Coordinator*
- Andrea Castellani
- Carla Pascucci

### Risk Committee

Established by resolution of the Board of Directors of Sisal Group on March 26, 2013 and made up of the following members:

- Emilio Petrone
- Andrea Castellani
- Marco Caccavale
- Roberto Di Fonzo
- Francesco Durante
- Giovanni Maggi
- Corrado Orsi
- Maurizio Santacroce

### Shareholders

The company is structured to guarantee transparency, cooperation and solidity at all levels in the chain of control. The operating companies are controlled by Sisal Group S.p.A. The sole shareholder of the company is Gaming Invest S.r.l., in which equity stakes are held indirectly, through special purpose vehicles, by:

- Apax and Permira, international private equity funds
- Clessidra, an Italian private equity fund
- The family of founding partner Molo
- The CEO and Managers of the company

[G4-13] At the end of May 2016, CVC Capital Partners announced its acquisition of 100% of Sisal Group S.p.A. from the funds managed by Apax Partners, Permira and Clessidra. The transaction should be completed in 2016 and has an enterprise value of €1bn.

For more information read the press release dated May 30, 2016 on [www.sisal.com](http://www.sisal.com)

The company  
is structured to  
guarantee transparency,  
cooperation and solidity  
at all levels in the chain  
of control



## OUR ORGANISATION

Four Business Units focused on individual market segments and Central Functions to provide operating consistency and efficiency:

### **Retail Gaming Business Unit**

Manages activities relating to gaming machines, fixed-odds betting, traditional horse racing and sports prediction competitions, and Bingo. The Retail Gaming Business Unit also manages the branded channel and some points of sale in the Affiliated Channel.

### **Lottery Business Unit**

Manages the Italian national lottery concessions assigned to Sisal since 2009. Sisal has run the Enalotto concession since 1996.

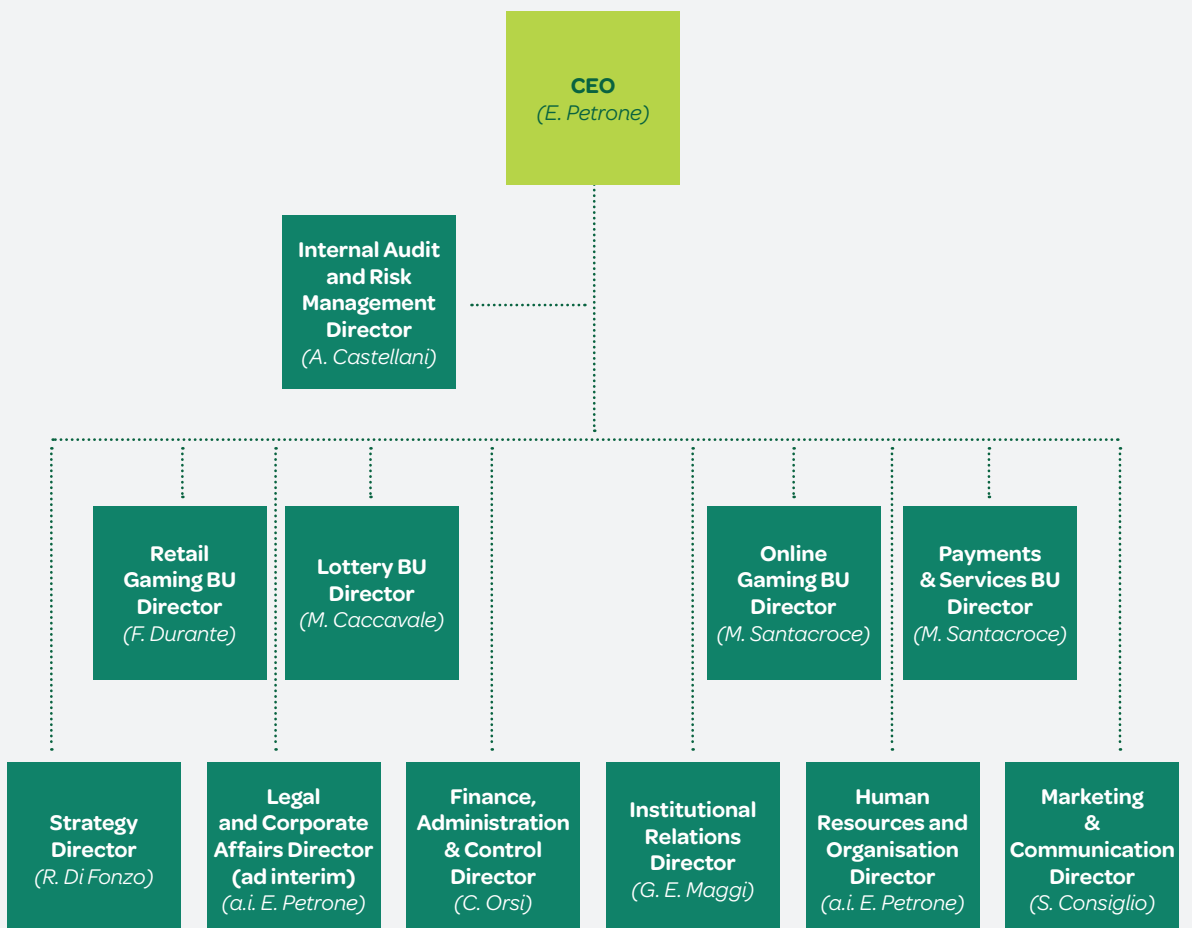
### **Online Gaming Business Unit**

Manages activities in the online gaming and betting segment through the Sisal.it portal and the mobile channel.

### **Payments & Services Business Unit**

Manages activities relating to the payment of utility and other bills, fines, taxes, subscriptions and top-ups for prepaid debit cards, phone cards and pay-per-view TV cards.

## SISAL GROUP ORGANISATION CHART



## THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### [G4-14]

The control system consists of a set of rules, procedures and organisational structures designed to pursue sound and proper business management, in line with predefined objectives, through the identification, measurement, management and monitoring of major risks.

Sisal regards as a “risk” any event that could adversely affect the achievement of a strategic, operating, reporting or compliance goal. To address the risk inherent in the company’s activities, Sisal has designed and implemented an Internal Control System involving various interrelated functions and bodies that allow the company to identify, analyse and assess the risks associated with its activities and objectives, to adopt suitable countermeasures and to monitor activities constantly.

The Board of Directors holds responsibility for the Internal Control System, defining its guidelines, assessing its effectiveness and ensuring that it functions properly and effectively.

The Internal Control Committee met four times in 2015, with the participation of members of the Board of Auditors, the Supervisory Board, the Internal Audit and Risk Management functions, the independent auditors, and managers from various areas of the company. In 2015, the Risk Committee met twice.

### Risk Management

#### [G4-14]

Sisal has implemented its Internal Control System by adopting the Enterprise Risk Management (ERM) model defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

ERM is a strategic process that involves the entire company. Its aim is to identify and measure the potential impact of events on the achievement of the targets set. Two key factors are assessed: the likelihood of their occurrence and their impact on the business. After assessing risk response, the company’s management decides on possible containment options or countermeasures based on the acceptable tolerance threshold and risk appetite of the company. It then determines the control activities that will guarantee the effective implementation of the responses defined. The presence and operation of Enterprise Risk Management functions are monitored continuously for the purposes of managing the Internal Control System and in order to maintain, update and improve it.

In 2008, Sisal introduced a structured system to manage its own risks. Risk assessment and analysis processes have been implemented at various levels and in various contexts within the company. The high degree of coordination and collaboration achieved between control bodies has improved the efficiency of the system as a whole, as well as raising awareness of the importance of the control system as a strategic asset. A summary of risk management activities is periodically presented to the Board of Directors by the executive director responsible for control.

### Organisational Model in Compliance with Legislative Decree 231/01

Legislative Decree no. 231/2001 (also referred to here as the “Decree”) introduced a new model of corporate liability. A company can be held directly accountable, and therefore sanctioned, if a person connected to the organisation commits certain offences in the interest or for the benefit of the company.

In 2006, as part of its risk management activities, Sisal defined and adopted an Organisational, Management and Control Model (also referred to here as the “Organisational Model”) designed to reduce the risk of the offences envisaged in the Decree being committed. This Organisational Model, which is an integral part of the control system, consists of the following elements:

- Code of Ethics
- Set of internal protocols, procedures and countermeasures to prevent crimes and offences
- Supervisory Board
- Map of powers conferred
- Penalty System

The Supervisory Board has the task of monitoring the suitability and effective implementation of the Organisational Model. The Supervisory Board, whose members are chosen from a pool of highly qualified professionals with complementary skills, report directly to the Board of Directors. All interested parties have been informed of the existence and content of the Organisational Model, both by means of its publication on the corporate intranet and through training courses organised based on the status of the interested parties in question and the level of risk in their areas of operation.

The Supervisory Board has developed a training programme, addressed in particular to newly hired managers, with the aim of testing their awareness of the principles and the content of the Internal Control System, and more specifically the Organisational Model.

Sisal has adopted a dynamic Organisational Model based on an ongoing review process. The Organisational Model, including the Code of Ethics and Conduct, was reviewed and updated by the Board of Directors in the last quarter of 2015.

Employees, directors,  
statutory auditors, associates  
and commercial partners  
must observe the principles  
of good conduct defined  
in Code of Ethics  
in the performance  
of their work

### **Code of Ethics and Conduct**

Sisal has defined and introduced a Code of Ethics and Conduct (also referred to here as the “Code”). An integral part of the Organisational Model, it defines the principles of good conduct that employees, directors, statutory auditors, associates and commercial partners must observe in the performance of their work.

All areas of activity in which Sisal operates are subject to the principles and rules defined in the Code and in the Organisational Model. All the partners Sisal works with in the performance of its business activities are required by contract to accept the Code of Ethics and are committed to compliance with it. Compliance with the Code is of fundamental importance for the company to function properly and reliably, as well as to protect its prestige, image and knowledge base.

The Code addresses issues concerning staff relations, professional conduct in the performance of business activities, transparent accounting, health & safety, and the environment.

For more details, the Code of Ethics and Conduct of Sisal companies is available for consultation on the website [www.sisal.com](http://www.sisal.com), while other parts of the Organisational Model can be found on the corporate intranet site, WeSisal.



## Economic Performance

[G4-DMA Economic Performance]

### Management approach

*In response to the need for renewal and growth, Sisal Group has devised a development model that can generate lasting value by investing in technology and innovation, by diversifying its offering through development in the payments sector, and by means of integration between the digital and physical channels.*

### MARKETS: SCENARIO AND TREND 2012-2015

[G4-8]

The Group operates in two markets, games with cash prizes and the “addressable” segment of payment services, which taken together reported a value of over €173 million in 2015, with “addressable” services representing close to half the total. Both markets report an upward trend in 2015 compared with 2014 (+4.5% gaming, +0-2% services).

#### Gaming

[G4-8]

There have been a number of trends in this market in 2015. The payout, or the amount returned to players in the form of winnings, has risen sharply to €71.2bn (+5.3% on 2014). As a result, the real level of spending by the public, defined as the difference between total turnover and payout, dropped sharply (-1.6% CAGR in the period 2012-2015).

Growth in the gaming market last year was driven by the positive trend of sport betting. The CAGR of this segment stands at 16.1% in the period 2012-2015. Online gaming has also been successful, contributing 19.2% to the total in 2015, up from 2.5% in 2007.

GAMING TURNOVER	2012	2013	2014	2015	CAGR 2012/2015
Lotteries	17.765	17.321	17.258	17.195	-1,1%
Betting and Sports pools	5.007	4.651	6.285	7.836	16,1%
Gaming machines	49.764	47.391	46.744	48.161	-1,1%
Bingo	1.763	1.664	1.624	1.598	-3,2%
Skill, card and casino games	13.972	13.281	12.318	13.229	-1,8%
<b>Total gaming market</b>	<b>88.270</b>	<b>84.308</b>	<b>84.229</b>	<b>88.019</b>	<b>-0,1%</b>

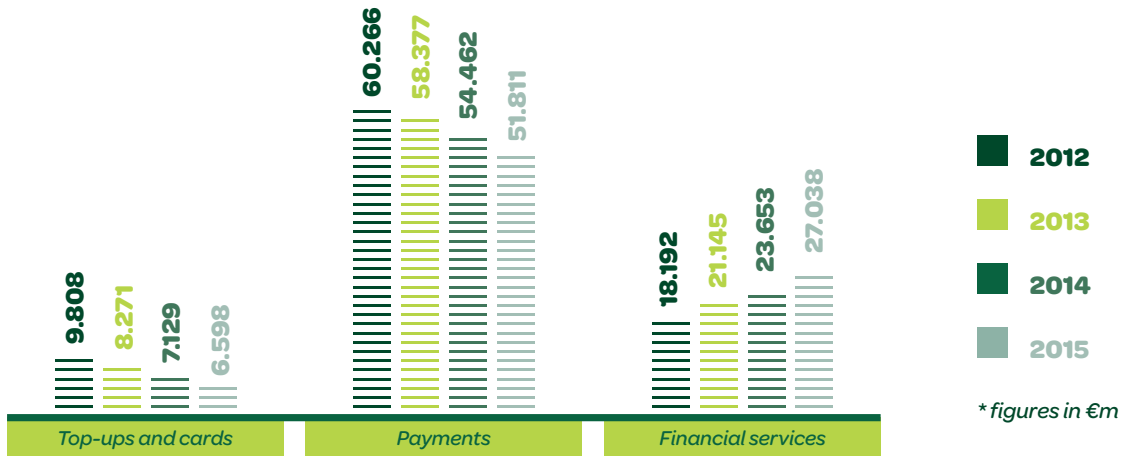
\*(€m)

## Payment Services

### [G4-8]

An analysis of the various market segments reveals the growing importance of the financial services segment, which in 2015 exceeded €27bn in turnover, with a CAGR of 14.1% in the period 2012-2015. The telephone card top-up segment continues its downward trend, on the other hand, due to a radical change in the offering from the main TLC players. Payments are also falling as a result of the increase in direct debit transactions, the shifting of certain tax payments towards typical bank collection methods (F23 / F24) and a slight fall in the average bill amount.

For more information on market trends, please see the Consolidated Financial Statements of Sisal Group at December 31, 2015.



## FINANCIAL PERFORMANCE

During the course of 2015, Sisal Group reported total turnover of €15.1bn (+8.3%), resulting from further growth in the services segment (about €8.1bn or +17.3%), while the gaming market remained more or less at the same level as the previous year (about €7bn).

### [G4-9]

Consolidated revenues in 2015 stand at €787m, a fall of 4.1% on the 2014 figure. This drop is mainly due to the effects of the 2015 'Stability Law' on the gaming machine segment, resulting specifically in a reduction of €500m in the remuneration of operators across the supply chain (licensees, operators and retailers). The Group reacted to these developments in the legislative framework with a new drive to expand and diversify the offering and to intensify the control and optimisation policies applied to its cost structures.

These initiatives contributed to containing the fall in gross and operating profitability levels (excluding the effects of non-recurring charges) to respectively -3.4% and -5.1% on the figures for 2014. Taken together with careful management of working capital, this allowed the Group to embark on another substantial investment campaign, amounting to a total of approximately €39m, to renovate and expand its systems and technology infrastructures, while also promptly meeting its financial obligations, as is demonstrated by Sisal's compliance with the covenants established by the main outstanding loan contracts.

The table below summarises the key economic and operating results and their evolution over the last two-year period, after excluding some non-recurring expenses for the purposes of EBITDA and operating profit (for more economic and financial information see the Consolidated Financial Statements of Sisal Group S.p.A. at December 31, 2015 – <http://www.sisal.com/investor-relations/documenti-finanziari/bilanci>)

## SISAL GROUP FINANCIAL HIGHLIGHTS IN 2015 (€k)

	2015	2014	CHANGE
Total Revenues and Income	787.077	820.978	-4,1%
Adjusted EBITDA	182.332	188.843	-3,4%
Adjusted Operating Profit	71.609	75.468	-5,1%
<b>Profit (loss) for the year</b>	<b>(39.711)</b>	<b>(999)</b>	<b>n.s.</b>

## RELATIONS WITH BANKS AND THE FINANCIAL COMMUNITY

### [G4-27]

All revenue managed by Sisal Group is channelled through the banking system and as a result the Group has well-established relations with all the leading credit institutions operating at national and international level.

So far as day-to-day operations are concerned, lines of credit and the relative financial activities are not concentrated with one main bank, but distributed uniformly among several, in such a way as to diversify risk and split operations based on loans granted.

For each concession, ADM requires one or more guarantees to fulfil all obligations under the concession, such as tax repayments and payouts of winnings to players. Conversely, payment service partners require guarantees for the capital managed on their behalf, since cash is withdrawn from the Network of points of sale on a weekly basis but individual contracts contain different repayment deadlines.

The corporate bonds issued, which are listed on the market reserved for institutional and professional investors (ExtraMot), provide a financial instrument that publicly classifies and certifies the quality and solvency of the Group through an assessment made by the main rating agencies. The most recent ratings are from Standard & Poor's (B with stable outlook) and Moody's (B with negative outlook). This rating of the bond testifies to the credibility and soundness the Group has demonstrated, despite the difficult market situation in Italy.

By way of confirmation of this, debt covenants continue to be met in full.

## SISAL'S CONTRIBUTION TO ITALIAN TAX REVENUE

The gaming market in Italy makes a substantial contribution to Italy's public finances, although in recent years macro-economic and industry trends have led to a stabilisation of tax revenue, after a period of significant growth in the second half of the first decade in the new millennium. In 2015, total tax revenue from gaming stood at about €8.7bn, with an average growth rate of about 0.4% over the last four years.

Of this figure of €8.7bn, approximately €1bn is attributable to Sisal gaming and of this about €0.5bn is generated by games in the lottery family (SuperEnalotto, Vinci per la Vita – Win for Life, SiVinceTutto, EuroJackpot and, as of 2014, VinciCasa), which are among the most popular and best known by the public, but also some of the most profitable in terms of tax revenue.

Sisal collects cash flows generated by the business activities of points of sale weekly and makes payments to the tax authority and to its commercial partners on the basis of relevant regulations and agreements.

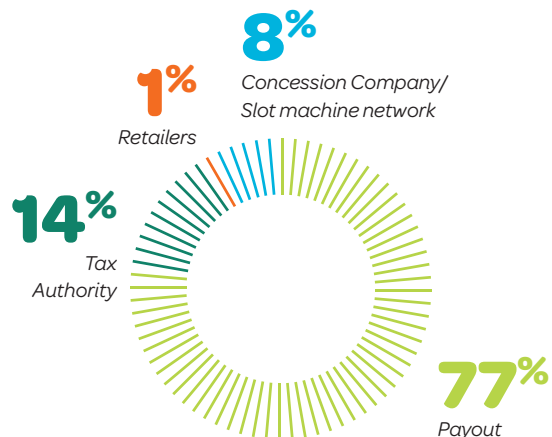
In 2015, cash flows deriving from gaming break down as follows:

- **Revenues:** about €7bn
- **Total winnings payable:** about €5.4bn (just over 77% of revenues against about 74% in 2014)
- **Fees paid to national networks:** about €0.1bn

- **Fees paid to Group Concession Companies:** about €0.5bn (including, with regard to revenues from electronic gaming machines, remuneration remitted to the relative supply chain)
- **Total taxes:** about €1.0bn (about 14% of turnover, compared to a market total of around 10%)

The chart below shows the percentage breakdown of the Group's total gaming turnover.

### TOTAL GAMING TURNOVER





## WEALTH CREATION AND DISTRIBUTION

### [G4-EC1]

The consolidated highlights reported by Sisal in 2015 and set out below have been reclassified to highlight the process of generating value added, i.e. revenue net of intermediate costs.

Value added reflects wealth generated by the Group during the year and then distributed among Stakeholders.

### [G4-EC4]

No government funding was received.

In 2015, the Group was not subject to significant penalties for legal or regulatory non-compliance.

### VALUE ADDED (€k)

	2015	%
<b>A) Value of production</b>	<b>787.077</b>	<b>100,0%</b>
Revenue from sales and services	787.077	
<b>B) Intermediate costs of production</b>	<b>506.298</b>	<b>64,3%</b>
Materials, auxiliaries and consumables	10.394	
Service costs	443.237	
Leases and rentals	24.248	
Provision for risks	(692)	
Other operating expenses	29.111	
<b>GROSS SPECIFIC VALUE ADDED</b>	<b>280.779</b>	<b>35,7%</b>
Financial income	503	
<b>TOTAL GROSS VALUE ADDED</b>	<b>281.282</b>	<b>35,7%</b>
Depreciation/amortisation, impairment and revaluations	130.257	
<b>TOTAL NET VALUE ADDED</b>	<b>151.025</b>	<b>19,2%</b>

The Total Net Value Added in 2015 amounted to about €151m.  
The table below breaks down the allocation to stakeholders.

### DISTRIBUTION OF VALUE ADDED (€k)

	2015	%
<b>A) Staff Remuneration</b>	<b>90.463</b>	<b>59,9%</b>
Staff Costs	85.337	
TFR (Staff severance indemnities)	5.126	
<b>B) Transfers to the Authorities</b>	<b>10.234</b>	<b>6,8%</b>
Direct taxation	7.412	
Indirect taxation	2.822	
<b>C) Loan repayments</b>	<b>84.846</b>	<b>56,2%</b>
Charges on short term capital	1.220	
Charges on long term capital	83.626	
<b>D) Return on risk capital</b>	<b>0</b>	<b>0,0%</b>
Profits distributed to third parties	0	
<b>E) Return for the company</b>	<b>(39.711)</b>	<b>-26,3%</b>
Retained earnings	(39.711)	
<b>F) Community support</b>	<b>5.193</b>	<b>3,4%</b>
Local taxes and duties	2.775	
Donations	194	
Sponsorships	2.224	
<b>TOTAL NET VALUE ADDED</b>	<b>151.025</b>	<b>100,0%</b>

## Care for the Environment

[G4-DMA Emissions] [G4-DMA Products and Services]

### Management approach

*Although Sisal operates in a sector characterised by low environmental impact, the company is committed to monitoring and improving the company's activities, because it is convinced that a systematic effort to save energy and limit the consequences of production activities can contribute to a general improvement in the environment. That is why, since 2009, Sisal has implemented a programme of initiatives to reduce paper consumption, save energy and reduce emissions.*

In 2001, Sisal introduced a quality management system (ISO 9001). The certification of the quality management system has involved the diffusion of a broader concept of quality throughout the company, one in which the environment too, with its impact on the social, political and economic system, plays a crucial role and testifies to the company's concern over its environmental impact.

cleaners. Recycling programmes have been introduced at the Milan, Rome, Peschiera Borromeo and Lecco sites for spent consumables and special waste containers have been positioned near each multifunction printer. Disposing of waste correctly is one of the main areas in which the company and its employees demonstrate their commitment to the environment.

### ENVIRONMENTAL EDUCATION IN SISAL

All the company's employees are encouraged to behave responsibly and use natural resources in a balanced way.

- **"More attention - Less illumination":** this is the slogan used to remind staff about some of the little everyday things they can do to save resources, like turning off all electronic devices and the lights in their offices at the end of the day. Lights in communal areas are also switched off at the end of shifts.
- **Avoiding unnecessary printouts:** a central server receives jobs sent for printing and requires employees to log in with their credentials using the device keyboard to start them. If this is not done within a few hours, the server automatically cancels the print jobs in question. A campaign has also been set in motion to decentralise paper documents, with the aim of optimising their consultation and avoiding the printing of unnecessary copies.
- **Recycling:** containers have been provided in all eating areas and near printers for waste glass, plastic, aluminium and paper to recycle. The Rome office, in a joint initiative with waste collection operator AMA S.p.A., has organised special training sessions for staff and the company's office

### ENERGY CONSUMPTION AND SAVING

#### Energy Saving

- **Replacement of heating and air conditioning systems at the company's Milan site:** this important initiative was set in motion in 2015 and will be completed by the end of 2016. As well as replacing the equipment, it will also convert the systems to use natural gas as fuel, supplemented by geothermal resources. This refurbishment will deliver significant energy savings and reduce environmental impact by using fuels that pollute less.
- **Milan and Rome site initiatives:** in 2015, the air conditioning system for over 500 m<sup>2</sup> of data processing center at the Milan site was renewed. In Rome, work was completed on the installation in offices of overhead LED lights that automatically adjust their brightness.



### Reducing Environmental Impact

Since July 2010, Sisal's Logistics Division has been reviewing its suppliers to select those who not only offer good quality and competitive pricing, but also have a heightened awareness of environmental issues.

- **[G4-EN 27] "100% clean energy" certification:** Sisal is committed to using only energy from renewable sources. This commitment was recognised in 2012 in the form of the "100% Clean Energy" certificate issued by its supplier, Energetic Source. Sisal's Logistics Division also launched a project to invite its Suppliers to use only renewable energy. Energetic Source continued to supply the company with power in 2015, with consumption standing at around 23 gigawatt. The use of energy produced from renewable sources rather than traditional ones cut CO<sub>2</sub> emissions by about 14,600 tonnes.
- **[G4-EN 27] FSC® Certification:** all suppliers of gaming materials are FSC® certified because thermal paper is used extensively at points of sale. Since 2012, in addition to the FSC® logo, the wording "Environment and health friendly paper" has been printed on the back of all rolls of thermal paper distributed by Sisal in acknowledgement of the company's commitment to the Environment. (\*)
- **Paper and printers:** In 2015, new sustainable suppliers were added to the paper supply and multifunction printer service category. There were savings on paper costs, but most importantly the amount of paper in stock was reduced. New printer models were also identified that offer better performance and require less toner and other accessories. The printers will be installed in 2016 to replace the ones previously used, starting with betting shops.
- **[G4-EN 19] Electric cars:** Sisal has four electric cars for staff to use when travelling on business in the cities of Milan and Rome. These cars have driven a total of 30,000 kilometers, avoiding the emission of 3.5 tonnes of CO<sub>2</sub>. In 2016, the fleet of electric vehicles will be replaced by more recent models with a better range and performance.
- **Car fleet modernisation:** following the invitation to tender issued in 2014, with a view to selecting new long term car hire service providers, Sisal replaced over 110 vehicles in 2015. The tender process to select suppliers will be repeated every six months to obtain the latest benefits and upgrade the fleet with newer vehicles that have lower consumption.

- **Optimisation of logistics processes:** the management procedures applied by Sisal's Logistics Division to handling operations constantly monitor the impact of these activities on the environment. Sisal has reviewed and reorganised its logistics processes to optimize shipments and eliminate excess consumption relating to materials delivery and collection. The main points of focus include the calendar of national shipments; the implementation of a new optimised logistics model, designed specifically to satisfy the company's needs; constant real time monitoring of stock levels at retailers; real time shipment tracking; and the reduction of CO<sub>2</sub> emissions.

### Reducing Consumption

The company's main focus is on reducing unnecessary printing.

- **Stock Store programme:** the introduction in 2013 of this programme, which is used by retailers to manage and control stock levels and reorder materials, as well as to monitor paper consumption, made it possible in 2015 to maintain thermal paper consumption by retailers at 2014 levels.
- **Digital signature:** with the aim of further reducing paper consumption, in 2015 the use of digital signatures was introduced not only for distribution network contracts, but also for those in the amusement machine area.



(\*) The FSC® mark certifies that paper is sourced from forests managed in a correct and responsible manner, in accordance with strict environmental, social and economic standards. The Forest Stewardship Council FSC® is an international, independent and non-profit NGO, whose members include pro-environment and social-activism groups, indigenous communities, forest property owners, timber trading and processing industries, and scientists and technical experts, who together strive to improve global forestry management.



## A NOTE ON METHODOLOGY

The Sustainability Report published by Sisal<sup>1</sup> is the Group's main accountability, communication and programming tool for CSR activities.

The document is prepared annually and this seventh edition **[G4-30]** edition refers to the period from January 1 to December 31, 2015. **[G4-28]**.

**[G4-17b]** The reporting perimeter remains substantially the same as the previous year<sup>2</sup>, including all the Companies in Sisal Group, and the consolidation parameters applied are the same as those reported in the Consolidated Financial Statements. **[G4-17a]** The scope of financial consolidation includes the following Companies: Sisal Group S.p.A., Sisal S.p.A., Sisal Entertainment S.p.A., Sisal Point S.p.A., Friulgames S.r.l. and Acme S.r.l. The consolidated financial statements as at and for the year ended December 31, 2013 were prepared in conformity with International Financial Reporting Standards. **[G4-22]** **[G4-23]** No significant changes have been made in this document with regard to boundary and scope issues and there are no restatements of information provided in previous versions.

Data collection and document processing were performed using the internal information system and involved all corporate function managers, each in their own role and within their scope of competence. Continuing in the direction established last year, the Sisal Group Sustainability Report has been prepared in full compliance with GRI-G4 guidelines. The content has been defined on the basis of a materiality analysis conducted according to the provisions of these guidelines.

The methodology applied and the work performed are reported in the paragraph "Materiality Analysis". **[G4-32a]** Based on the current level of coverage of the "Specific Standard Disclosure" indicators, which are associated with material aspects, the level of compliance with the GRI-G4 standard is "in accordance" with the core option.

To guarantee the comparability over time of the indicators held to be most significant, 2015 figures are compared where possible with 2014 data.

The content of the Report is supplemented during the year with additional information published in the Sustainability section of [www.sisal.com](http://www.sisal.com) website.

1. . The wording "Sisal", "the company" and "the Group" refers here to Sisal Group S.p.A., while the individual companies within the Group are referred to by their own registered names.
2. **[G4-29]** The previous Sustainability Report referred to the period from January 1, 2014 to December 31, 2014.

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All the historical photos contained in this report are taken from the Group's Historical Archive.