



# CORPORATE SOCIAL RESPONSIBILITY REPORT 2015



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LETTER  
TO OUR STAKEHOLDERS



Almost a year has passed since I took on the role of C.E.O. of the Snai Group and writing the introduction to the corporate social responsibility report 2015 is a great opportunity to sum up how much we have achieved and, above all, to outline the ambitious plans we have going forward.

Today, Snai is coming out of a transition phase, or rather, a strengthening phase, following its merger with Cogetech, which was completed at the end of October 2015. The new Group consolidates Snai's longstanding position as market leader in the sports betting sector with the addition of Cogetech's experience in the gaming machines business, to create a 100% Italian company that is the gaming industry market leader. Strengthening our financial position, better regional coverage, business growth, technological synergies and sharing experience and know-how are just a few examples of what we have gained from the merger. The challenge we are faced with now is how to responsibly utilise this incredible potential and to identify the best possible way of combining the strengths of the two companies. We are all actively involved in the process of cultural integration that we have embarked on, by inheriting the values and actions belonging to both companies, and this process includes the notion of sustainability. Indeed, one of the cornerstones of the new Group will be just that: sustainability.

We firmly believe that the ability to generate business results comes from having good relations with our stakeholders, especially through constructive relationships with institutions and partners, a customer-centric approach, careful selection of suppliers, timely and transparent communication with shareholders, employee skills enhancement and professional development, and respect for the environment, all of which are central themes to the Group's strategies.

The new synergy, made possible by a network of over 2,000 Snai sales points and our ongoing commitment to supporting the world of football and sport in general, allows us to step-up the promotion of sports culture and sporting passion amongst our customers. This approach, aimed at highlighting the entertainment aspect of the industry, will see an increasing number of betting halls rolling out live-streaming of sporting events, technological innovations made to management systems, as well as the promotion of social responsibility within the community in the areas the sales points are operating in.

As a company, Snai has always been committed to promoting a model of sustainable development that respects the needs and expectations of the various stakeholders; it's no coincidence that this is the fifth edition of our corporate social responsibility report. Cogetech too has always been on the front-line in implementing this approach. Their campaigns, *"Gioca con misura" (Bet responsibly)*, *"Il culo non esiste" (There's no such thing as luck)* and *"#giocogiusto" (fair game)* are testimony to this, aimed at raising awareness of the probabilities and risks of gambling and at protecting legal gaming. Cogetech's commitment to sustainability is reflected, amongst others, through its founding of the *"iZilove Foundation"*, an independent non-profit organisation, acting solely for the purposes of social solidarity within the fields of social assistance, education and training and promotion of culture and scientific research, through collaborations with partners such as the Francesca Rava Foundation, Onlus and Telethon.

This edition of the Sustainability Report incorporates the CSR initiatives of both companies, which will join together in 2016 to become a broader, more organic project, to which increasing amounts of focus and resources will be dedicated, with the aim of increasing the business's leadership in the field of social and corporate responsibility.

**FABIO SCHIAVOLIN**  
**CEO SNAI GROUP**



# CORPORATE SOCIAL RESPONSIBILITY REPORT

## 1. SUSTAINABILITY

**SUSTAINABILITY  
IN THE SNAI GROUP**

**1**

THE RESPONSIBLE  
DEVELOPMENT OF  
THE SNAI GROUP: FOCUS ON  
SOCIAL IMPACTS

STAKEHOLDER MAP

SNAI, A SECURE BRAND

# THE RESPONSIBLE DEVELOPMENT OF THE SNAI GROUP: FOCUS ON SOCIAL IMPACTS

The Group is committed to pursuing a program of responsible development, based on strategic choices made with the needs and expectations of its various Stakeholders in mind.

2015 will be the fifth year that the Snai Group writes its CSR report, a process which has enabled it, through adoption of the GRI process, to grow a culture of project evaluation within the company.

After going down this path, the challenge became even more complex and ambitious, namely, to renew the social sustainability policy within a more structured business context.



For the Group, 2015 has been strongly marked by the intensive work on completing the business merger with the Cogemat Group, a process which was completed during October and resulted in the incorporation of one of the largest gaming and betting companies on the Italian market.

The new Group is intent on not only pooling both companies' resources into its core business, but also on maintaining the principles of sustainable development, already long-standing commitments of Snai and Cogetech, a Cogemat group company. The two companies share the belief and requirement that every form of economic activity and every strategic decision must be planned and implemented with the utmost consideration for its various stakeholders' requirements, with particular attention to the CSR policy on responsible gambling.

Snai and Cogetech share common goals when it comes to the company's social responsibility: the need for financial viability must cohere with and integrate into the principles of social development, protection of the environment and a focus on the needs of the community, particularly in local environments.

The Snai Group's own values are also reflected in those of Cogetech, especially as concerns relations between people working within or in contact with the Group: communication, discussion, listening and paying attention to every player involved, alongside the willingness to share abilities and competencies, promote professional development



and draw on unique characteristics.

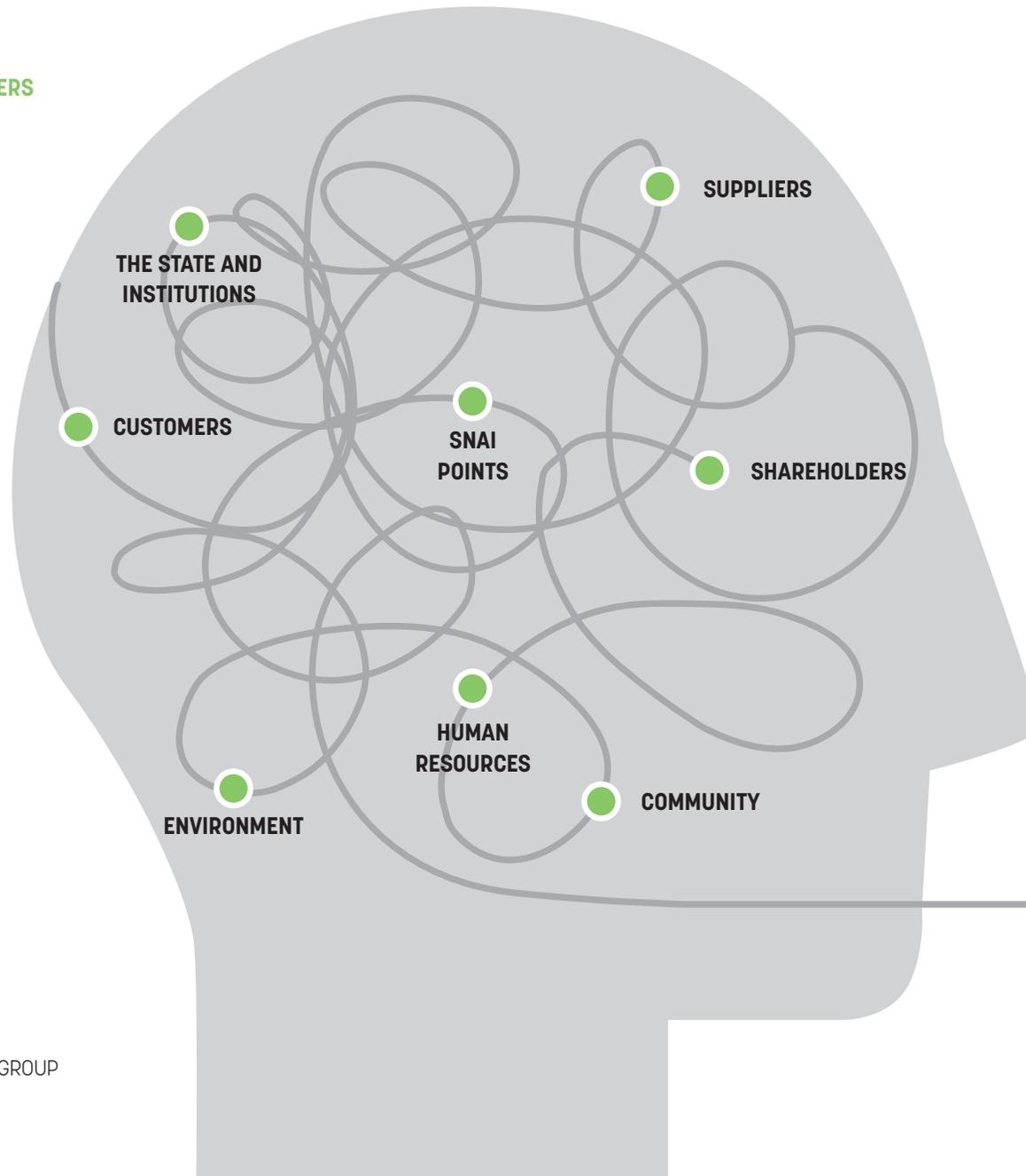
From an operational point of view, innovations in equipment, solutions and technologies have been researched and created in line with the principles of responsibility, so as to maximise and optimise results, whilst simultaneously acknowledging the need to create value for shareholders and stakeholders and a willingness to respect the criteria of

social and sustainable development.

These common principles shared by Snai and Cogetech have had and will continue to play a fundamental role in every process related to the merger between the two companies, with the aim of continuing to improve the social sustainability of the Group, which will be exploring and developing new avenues of growth right from the outset in 2016.

# STAKEHOLDER'S MAP

THE STAKEHOLDER'S MAP IS A SUMMARY OF THE PLAYERS IN THE SNAI GROUP



# SNAI, A SECURE BRAND

The values of the Snai Group can be summarised in four fundamental points:

RESPONSIBILITY 1	PASSION 2	INNOVATION 3	INVOLVEMENT 4
<ul style="list-style-type: none"><li>• Acting respectfully towards all stakeholders, in every activity;</li><li>• Constantly focusing on the attainment of challenging objectives and the economic implications of each activity and initiative;</li><li>• Ensuring continuity of results;</li><li>• Implementing activities in an optimal manner and with the best timing.</li></ul>	<ul style="list-style-type: none"><li>• Remaining constantly committed to project activities;</li><li>• Encouraging people to attack their workload with dedication and responsible participation;</li><li>• Sharing results with colleagues and stakeholders;</li><li>• Nurturing sports culture.</li></ul>	<ul style="list-style-type: none"><li>• Creating value for shareholders and stakeholders;</li><li>• Focusing on the constant introduction of new technologies, solutions and opportunities, offered even by interacting with top professionals;</li><li>• Quantifying the constant improvement in customer services, both internal and external;</li><li>• Rewarding contributions to the Snai Group's growth objectives.</li></ul>	<ul style="list-style-type: none"><li>• Feeling an integral part of the Snai Group and the values it represents;</li><li>• Encouraging the sharing of knowledge and skills in a bid towards constant personal enrichment;</li><li>• Promoting communication to enable the genuine involvement of all stakeholders;</li><li>• Working enthusiastically to reach common goals.</li></ul>



# CORPORATE SOCIAL RESPONSIBILITY REPORT

## 2. WHO ARE WE?

## WHO ARE WE? 2

COMPANY PROFILE

FROM 1990 TO TODAY

THE STRUCTURE  
OF THE GROUP

THE GOVERNANCE STRUCTURE  
OF SNAI SPA

SNAI AND ANTI-MONEY  
LAUNDERING

# COMPANY PROFILE

**The Snai Group, listed on the Milan stock exchange, is a leader in the Italian gaming and betting market.**

The foundations of this leading position lie in a one-hundred-year-old history, that began in 1906, with the founding of Trenno Spa, and have been consolidated following the late 2015 merger between Snai and the Cogemat/Cogetech Group, one of the larg-

est Italian dealers in the gaming machines sector.

The merger of the two companies has resulted in a leading group in Italy in the gaming market, with pro-forma revenue for 2015 of around EUR 1 billion.]



The Snai Group, listed on the Milan stock exchange, is a leader in the Italian gaming and betting market. The foundations of this leading position lie in a one-hundred-year-old history, that began in 1906, with the founding of Trenno Spa, and have been consolidated following the end-of-2015 merger between Snai and the Cogemat/Cogetech Group, one of the largest Italian dealers in the gaming machines sector. The merger of the two companies has resulted in a leading group in Italy in the gaming market, with pro-forma revenue for 2015 of around EUR 1 billion and a total inflow of EUR 10 billion, achieved through online products, its network of 2,200 gaming venues, 63,000 AWP's and a further 10,000 VLTs owned across the country.

Horse racing and sports betting, video lotteries, new slot machines, online games, betting games, lotteries, virtual events: these and many others are the areas in which the Group has developed its business year after year, until becoming a benchmark for Italian sports and gambling fans.

The Group also owns the San Siro Gallop and La Maura trotting racecourses in Milan and Sesana



trotting racecourse in Montecatini Terme as well as holding significant interests in other Italian racecourses such as Rome Capannelle and Pisa San Rossore.

The Group's history is the perfect testament to a customer-centric approach and to investment in innovation, features that set it apart even to this day.

This commitment can be seen in the merger with Cogetech, which has provided the Italian public with a new integrated entity, characterised by unique know-how, incredible experience and by unprecedented geographic coverage.

The operation, of fundamental strategic value both in financial and business terms and which has taken place during a period of market maturity and

consolidation, has led to the incorporation of a group with the expertise, resources and size required to compete at the very top of the game, both in Italy and abroad.

The Group is controlled by Global Games S.p.A., itself owned by Global Entertainment S.A. (37.51%), in turn controlled by Investindustrial

IV L.P., and Global Win S.r.l. (37.51%), in turn controlled by Palladio Finanziaria through Venice European Investment Capital S.p.A. and OI-Games 2 S.A. (24.98%).

Global Games S.p.A. holds 55.53% of Snai's share capital, OI Games has around 15% (in turn controlled by Orlando Italy Special Situations SICAR), whilst the remaining capital is on the market. As a holding company, Global Games is not involved in any of Snai's management or coordination activities, and the Group independently determines its own strategic direction, with full organisational, managerial and negotiating autonomy.

The three registered offices of the Snai Group are in Porcari (Lucca, Tuscany), Milan and Rome.

# FROM 1990 TO TODAY

**THE SNAI GROUP WAS FOUNDED IN 1990 WHEN A GROUP OF HORSE BETTING AGENCIES CREATED SNAI SERVIZI SRL, A COMPANY ENTRUSTED WITH DESIGNING AND REALISING SERVICES FOR THE HORSE BETTING AGENCIES THEMSELVES.**

**SINCE THEN, THE GROWTH IN THE GROUP'S INITIATIVES, PROJECTS AND ACTIVITIES HAS BEEN EXPONENTIAL.**

## 1990

Beginning of the management of Tris betting: start of TV broadcasting of horse races in all connected agencies by using a land-based network with microwave technology.

## 1995

Launch of Snai's new coordinated image: the "logo" is the stylised muzzle of a horse, and the colours are green and blue; in this year, TV broadcasting of horse races occurred by means of a digital satellite platform: this is the first theme-based European channel which utilises this technology.

## 2001

Bingo arrives in Italy; Snai launches the "Global Service Bingo Snai" project for the design, creation and management of Bingo sales.

## 2002

Varenne wins his first Prix d'Amerique and sets an absolute world record over the middle distance and the world and European record over the short distance. Snai creates Best: this is the first self-service terminal for collecting bets in Snai Points, the precursor to the current advanced Fai Con Me systems.

## 2003

Varenne wins his second Prix d'Amerique, retires from his racing career and becomes part of the history of horse racing: he is the trotter with the highest number of finish line wins, a record which is still unbeaten. Snai obtains a license for sports pools: Totocalcio and Totogol become part of the Snai Points.

## 2004

Snai obtains a license for the online connection of the "new slots". It becomes possible to place the first bets online for "national" horse races, the first sports bets with a tote betting system and the first sports pools. For the first time in Italy, it is possible to bet by SMS: Snai presents this new feature just before the start of the European football championships in Portugal and the first "Big Match" contest coupons are created.

## 2008

The website Snai.it allows users to play skill games with cash prizes. These games include poker Texas Hold'em, for which Snai opened [www.pokersnai.it](http://www.pokersnai.it). The new Snai acceptance network is completed. The broadcasting of the new satellite channel, Snai TV, begins: live broadcasting of horse races, in-depth information on the world of horse racing and sports, real time updates through Ansa News on news and sports information; the channel is broadcast in Snai Points as well as on channel 220 of Sky.

## 2009

Snai completes the new and revolutionary self-service terminal "Fai con Me"; a new call for tenders for horse race betting is launched and Snai wins 303 new rights.

## 2010

The brand "Gioca per vincere" ("Play to win") is launched in support of conscious and responsible gambling; Snai obtains ISO 27001 certification.

## 2012

The company Global Games Spa acquires a majority share in Snai SpA. The new video lotteries appear in Snai Points. In the online sector, poker can also be played in cash mode; in addition, Snai launches online casino games. In this year, Snai Radio is also founded and broadcast through the web in all Snai Points. Teleippica wins the European call for tenders of Unire (ASSI) to manage the TV signal for transmitting horse races until 2019.

## 1997

Snai Servizi acquires - from Montedison Spa - the company Trenno Spa as well as the racecourses of Milan and Montecatini as the parent company of Trenno Spa; the company is listed on the Milan Stock Exchange with the stock name "Snai".

## 1998

This is the starting year for sports betting in Italy during the Football World Cup in France; the "horse betting agencies" become Snai Points. In that same year, the Snai Group is created, which participates in the tender for expanding the betting agency network.

## 1999

Snai obtains ISO 9001 certification. The new brand "Snai" and "Punto Snai" is launched, along with the Group and sales points' new corporate image.

## 2000

The new betting network is completed and Snai doubles the number of Snai Points in Italy. The fairy tale of Varenne begins: Snai becomes joint owner with a 50% share and initiates a promotional campaign to launch the image of the horse, destined to become the best trotter in the history of horse racing. The Betsi terminal is introduced into Snai Points, designed and built by Snai for collecting all types of horse and sports bets.

## 2005

Snai accepts its first bets on non-sports events: San Remo Festival, the Oscars, Cannes Festival. New bets with a tote betting system are launched, to go alongside Big Match: these include Big Race - connected to Formula 1, motorcycling and biking - and Big Show, where it is possible to bet on TV events and reality shows. In this year, Italy learns more about betting during an event: live betting. A historical turning point for Snai which launches its new business plan and assumes the role of licensee for collecting bets.

## 2006

Football World Cup in Germany: Snai initiates the collection of bets through a land-based and satellite decoder, followed shortly thereafter with the possibility of using mobile phones with Java technology. Snai acquires an additional 450 licenses for horse racing and sports betting, and opens 250 new betting agencies. During the course of the year, Snai S.p.A.'s share capital begins to increase, and the first bets on reality TV shows are collected. Teleippica wins Unire's European call for tenders to manage the TV signal for transmitting horse races. Snai acquires the real estate property of the area surrounding the racecourses of San Siro and Sesana from the company Trenno, which changes its company name to Trenno Srl and continues to manage the horse racing facilities, including the training centres and the relative tracks.

## 2007

The outcome of the previous year's call for tenders results in Snai acquiring 5,092 rights for horse and sports betting "stores" and "corners". The new network is initiated during the course of the year.

## 2013

Renewal of the license to manage AWP and VLT devices. Outcome of the tender results in 2,000 new betting licenses: Snai acquires 278 rights. Start-up of betting on virtual events: it is possible to place bets - at Snai Points and on the website snai.it - on the outcome of computer simulated sports events (football, cycling, greyhound racing, etc.). Publication of the second edition of the new corporate social responsibility report.

## 2014

Completion of the VLT network: in the spring, Snai completed activation of its VLT network composed of 5,052 devices. Growth and leadership of the virtual events betting market. Publication of the third edition of the corporate social responsibility report.

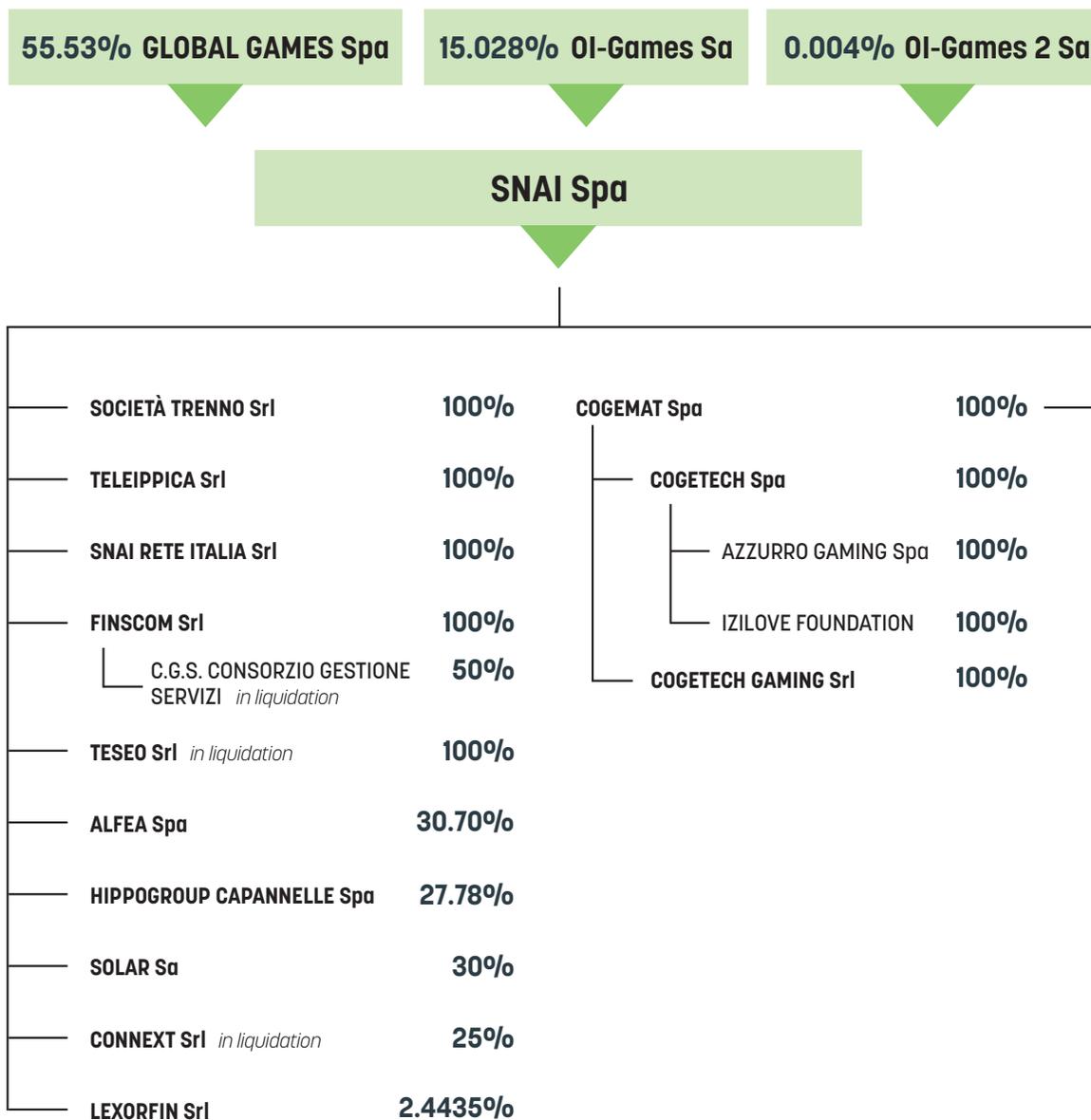
## 2015

Agreement is signed for the merger of the Cogemat/Cotetech Group with the Snai Group. Gabriele Del Torchio is appointed Executive Chairman and Fabio Schiavolin C.E.O. of the Snai Group. Publication of the fourth edition of the corporate responsibility report.

# STRUCTURE OF THE GROUP

as of 30 September 2016

The Group is controlled by Global Games S.p.A. which owns 55.53% of the share capital of Snai S.p.A.



MARKET

**29.438%**

## SUBSIDIARY COMPANIES

### Teleippica Srl unipersonale

This company creates and manages the TV channels (Unire Verde, Unire Grigio, Unire Blu) broadcast at the betting points, Unire Sat on Sky, as well as Radio Snai and three Snai "virtual sports" channels (only visible in Snai Points).

### Società Trenno Srl unipersonale

This company manages activities at the horse racecourses of San Siro and La Maura in Milan and Sesana in Montecatini Terme. These horse racing tracks are amongst the most prestigious horse racing venues in the world. The galloping tracks, set amidst wide expanses of charming green areas, are amongst the most selective in the world due to a wide variety of tracks. As of 2000, Trenno Srl decided to open these venues to specific events such as conventions, meetings, congresses, ads, fashion shows and other special events.

### Cogemat 100%

On 30 September 2015 Snai S.p.A. signed a purchase agreement with OI Games 2 S.A. for 100% of the share capital of Cogemat S.p.A. The Cogemat/Cogetech Group is one of the primary Italian dealers in the gaming sector, and their main activity is the management of a gaming machines network ("AWP" and "VLT").

### Snai Rete Italia Srl 100%

Collects public and legal gaming bets made in betting agencies across the whole of Italy.

### Finscom Srl 100%

Collects public and legal gaming bets made in betting agencies across Central and Northern Italy.

### Teseo Srl 100%

In liquidation.

## SNAI'S SHARES

### Alfea SpA 30.70%

Manages the gallop racing track and the training centre of Pisa.

### Solar SA 30%

A Luxembourg company, 30% owned by Snai S.p.A.

### Hippogroup Roma Capannelle SpA 27.78%

Manages the gallop race track in Rome.

### Lexorfin Srl 2.4435%

Subsidiary which manages horse racing activities as well as real estate properties at the horse racecourse of Pisa.

### Connex Srl 25%

In liquidation.

# THE GOVERNANCE STRUCTURE OF SNAI S.p.A.

## ORGANISATIONAL STRUCTURE

The governance system is organised on the basis of traditional principles and can be broken down into:

- Shareholder's Meeting
- Board of Directors
- Board of Statutory Auditors

The Board of Directors includes the Audit and Risks Committee, the Remuneration Committee and the Related Parties Committee, in collaboration with the executive responsible for accounting records.

\* Appointed by cooptation on 13.09.2016

\*\* Independent Directors

### AUDITING COMPANY

Pricewaterhouse Coopers  
S.p.A.

## THE GOVERNANCE STRUCTURE OF SNAI SPA AS OF 30 SEPTEMBER 2016

### SHAREHOLDERS' MEETING

### BOARD OF DIRECTORS

### CHAIRMAN

Mara Caverni\*\*



### AUDIT AND RISK COMMITTEE

#### MEMBERS

Mauro Pisapia\*\*  
Raffaella Viscardi  
Nicola Iorio

### C.E.O.

Fabio Schiavolin

#### DIRECTORS

Giorgio Drago	Salvatore Catapano
Mauro Pisapia	Raffaella Viscardi**
Roberto Ruozi	Angelo Giovannone
Barbara Poggiali**	Nadia Buttignol
Chiara Palmieri**	Paolo Scarlatti
Nicola Iorio	Maurizio Leo*/**

### BOARD OF STATUTORY AUDITORS

#### CHAIRMAN

Mariateresa Salerno

#### STATUTORY AUDITORS

Massimo Gallina  
Maurizio Maffeis

#### ALTERNATE AUDITORS

Enzo Bermani  
Marzia Tremolada

### RELATED PARTIES COMMITTEE

#### MEMBERS

Mauro Pisapia  
Raffaella Viscardi  
Chiara Palmieri

### REMUNERATION COMMITTEE

#### MEMBERS

Chiara Palmieri  
Barbara Poggiali  
Roberto Ruozi

### SUPERVISORY BOARD

#### MEMBERS

Marco Dell'Antonia (Chairman)  
Iole Anna Savini  
Tiziana Panelli

## BOARD OF DIRECTORS

The Board of 14 Directors was appointed by the Shareholders' Meeting of 9th June 2016.

On 13 June 2016 Gabriele Del Torchio resigned from his position as Director.

On 13th September 2016 the Board of Directors appointed Maurizio Leo as Director by co-optation.

BoD members by gender (%)	2015	2014	2013
Male	64	71	79
Female	36	29	21
<b>Total</b>	<b>100</b>	100	100

Board of Director's age 57% is between 30 and 50 years, while the remaining 43% exceeds 50 years.

BoD members by age	Udm	2015	2014	2013
Between 30 and 50 years	(no.)	8	6	7
	(%)	57	43	50
Over 50 years	(no.)	6	8	7
	(%)	43	57	50
<b>Total</b>	<b>(no.)</b>	<b>14</b>	<b>14</b>	<b>14</b>

The Board of Directors expires with the approval of the Financial Statements 31 December 2018: Mr. Maurizio Leo will remain on office until the next Shareholders' Meeting.

### Appointment of directors

Directors are appointed by the Shareholders' Meeting; the letter select from candidate lists presented by shareholders.

The candidate lists are composed on the basis of principles of competence so as to ensure the highest levels of professionalism for the Company. Professionalism and integrity are the fundamental pre-requisites for appointed directors: if a director ceases to retain these qualifications, he/she will cease to hold office.

Candidates for positions on the Board of Directors and any co-opted members, are asked to provide a self-assessment on the possibility of performing the tasks assigned using the necessary diligence. Each candidate is asked to assess the number of offices as director or auditor held in any other listed companies, including foreign companies or those that are particular large in size. Such offices are brought to the attention of the shareholder's meeting, at the moment or the appointment, and of the Board of Directors on the occasion of verifications on whether or not its members meet the requisite conditions for purposes of the performance of the tasks assigned.

The offices are also indicated in the annual corporate governance report. Snai Spa's Board of Directors is not aware of any activities engaged in by its members, in competition with the Company. If such requisite conditions are not met, the shareholder's meeting has not authorized such activities, as provided under art.2390 of the Italian Civil Code.

Snai S.p.A. apply the rules of the Italian Civil Code and the special laws to ensure the protection of minority shareholders.

### Functions of the Board of Directors

The Board of Directors is entrusted with the broadest powers for the ordinary and extraordinary administration of the Company. In this sense, the Board is responsible for decisions concerning the following in addition to the appointment of any delegated bodies:

- the organizational and accounting structure of the Company;
- strategic, financial and industrial plans;
- a general evaluation of operational performance.

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**MEMBERS**

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**Composition**



**AUDIT AND RISKS  
COMMITTEE**

Supports the Board of Directors in making evaluations, decisions and proposals concerning the Internal Audit and Risk Management System as well as the approval of financial reports.

**Composition**



**REMUNERATION  
COMMITTEE**

Submits proposals or gives opinions to the Board of Directors on remuneration matters.

**Composition**



**RELATED PARTIES  
COMMITTEE**

There are 4 categories of Transactions with Related Parties:

- Major transactions with related parties
- Minor transactions with related parties
- Ordinary transactions
- Transactions of minor value

**Composition**



**SUPERVISORY BOARD**

Monitors the company's compliance with the Organisation, Management and Control Model and ensures that the model is kept constantly up-to-date

## Audit and Risks Committee

The **Audit and Risks Committee** supports the Board of Directors, through its research, advisory and consulting functions, in making evaluations, decisions and proposals concerning the Internal Audit and Risk Management System as well as the approval of financial reports.

The Audit & Risks Committee provides its opinion on the following:

- definition of guidelines for the Internal Audit and Risk Management System in order to ensure the precise identification of Company risks and the consistency of Company management practices with the formulated strategic objectives;
- evaluation of the effectiveness of the adopted Internal Audit and Risk Management System;
- approval of the work plan prepared by the Manager of the Internal Audit and Risk Management System;
- overall evaluation of the Internal Audit and Risk Management System and its description within the annual Corporate Governance Report;
- evaluation of the results reported by the regulatory auditor in any letter of recommendations or any reports on fundamental issues which emerged during the regulatory audit.

### Members of the Audit and Risk Committee (\*)

Name	Gender (M/F)	Age	Role
Mauro Pisapia	M	50	Chairman
Raffaella Viscardi	F	41	Member
Nicola Iorio	M	38	Member

\* Updated as of 30 September 2016

## Remuneration Committee

The **Remuneration Committee** supports the Board of Directors in making evaluations and decisions concerning past and future remuneration policies that are applicable to directors and executive managers. The Remuneration Committee is appointed by the Board of Directors and works in collaboration with the latter by exercising advisory and consulting functions for all decisions pertaining to remuneration policies.

More specifically, the Committee performs the following:

- periodical evaluation of the adequacy, consistency and overall application of the remuneration policy with respect to directors and executives with strategic responsibilities;
- presentation of proposals and the formulation of advice to the Board of Directors on issues pertaining to the remuneration of executive directors, managing directors and the primary corporate roles as well as the determination of performance objectives linked to the variable component of remuneration and the monitoring of effective compliance with relevant decisions adopted by the Board of Directors;
- presentation of the Remuneration Report to the Board of Directors, subject to approval of the latter;
- reporting of its activities at the Shareholders' Meeting.

### Members of the Remuneration Committee (\*)

Name	Gender (M/F)	Age	Role
Roberto Ruozi	M	77	Chairman
Barbara Poggiali	F	53	Member
Chiara Palmieri	F	45	Member

\* Updated as of 30 September 2016

Non-executive directors contribute their specific expertise to board discussions and contribute to the adoption of informed decisions, paying special attention to possible areas in which conflicts of interest may occur. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their opinion carries significant weight in Board decisions.

An appropriate number of non-executive directors are independent, in that they do not and have not recently had, even indirectly, any relations of such a significance as to influence their independent judgement, with the issuer or with any persons connected to the issuer. The independence of directors is evaluated by the Board of Directors after their appointment and subsequently on an annual basis.

Independent and/or non-executive directors by gender (*)	2015	2014	2013
Male	2	3	3
Female	4	4	3
<b>Total independent directors</b>	<b>6</b>	<b>7</b>	<b>6</b>

\* Updated as of 30 September 2016



The **Related Parties Committee** provides opinions on transactions with related parties with a view to ensuring their transparency and correctness, in accordance with CONSOB regulations and with Snai Spa's "Procedure governing transactions with related parties".

#### Members of the Related Parties Committee (\*)

Name	Gender (M/F)	Age	Role
Mauro Pisapia	M	50	Chairman
Raffaella Viscardi	F	41	Member
Chiara Palmieri	F	45	Member

*\* Updated as of 30 September 2016*

## Supervisory Board

The purpose of the **Supervisory Board** is to monitor the Company in relation to the efficacy of and compliance with the Organisation, Management and Control Model. It is appointed by the Board of Directors and has a three-year mandate. The selection of members is conducted with the aim of guaranteeing that the Body functions effectively and therefore complies with its fundamental prerogatives:

- autonomy and independence;
- professionalism;
- continuity of operation;
- integrity.

The tasks assigned to the Supervisory Board include the following:

- verification of effective compliance with the adopted Organisation and Control Model within the Company, by all recipients of the model;
- verification of the efficacy and adequacy of the provisions of the Model and its suitability in preventing the crimes identified by the Decree;
- adoption of any measures that are necessary for the Board of Directors to constantly update the Organisation and Control Model in order for the latter to be consistent with any organisational changes as well as any regulatory amendments and changes in Company structure;
- verification that proposals for updates from the Board of Directors have been effectively incorporated into the Model.

## INTERNAL AUDIT SYSTEM

During the course of 2015, a monitoring, assessment and evaluation of the company's **Internal Audit System** was performed, with the aim of ensuring its activities continued to comply with the **requirements of adequacy, effectiveness and efficiency**.

The company consolidated and monitored its own internal audit system with respect to the organisational changes and the Company's current position with particular reference to:

- effectiveness and efficiency of operations;
- reliability of accounting and management data and information;
- compliance with applicable laws, regulations and standards;
- effectiveness and efficiency of company IT systems;
- safeguarding of assets, combined with the effects of previous protection systems.

The activities undertaken, aimed at assessing the suitability of the internal audit and risk management system in accordance with international standards, were performed in compliance with the annual auditing plan, shared between the Audit and Risks Committee and the Director of the Internal Audit System, subsequently approved by the Board of Directors; the plan is based on a structured process of analyses and prioritisations of the main risks and is assigned for use to develop the company's "Internal Control" function.

The suitability of the internal audit system was assessed in relation to available and relevant information, taking into consideration the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the international reference model widely accepted for use in assessing internal control systems.

During the course of 2015, the Board of Directors was regularly updated, by means of weekly discussions with the Audit and Risks Committee, on the state of progress of the activities being carried out and, with the Committee, assessed the suitability of the control system and the activities to be implemented in order to improve it.

Analysis for corruption risks	Udm	2015	2014
<b>Number of organisation units analysed for risks associated with corruption</b>	(no.)	12	9
Percentage of organisation units analysed for risks associated with corruption *	(%)	70	60

\* Number of organisation units monitored for risks related to corruption / total organisation units

## RISK MANAGEMENT

The **Internal Audit System** is a group of organisational rules, procedures and structures which aim to guarantee appropriate and correct management of the company which is consistent with pre-set objectives.

The company has a specific "Internal Audit and Risk Management" department, whose role is related to the function of the Internal Audit process defined in the Governance Code and which is adapted to the provisions contained in said Code.

The department reports directly to the Board of Directors and the President of the Board of Directors.

**The Head of Department, to ensure their full independence and autonomy of opinion, is not responsible for any operational departments.**

Working closely with the company's Audit and Risks committee and in line with the Audit Plan approved by the Board of Directors, the role of the department is to continuously monitor and update, where required, the company's Internal Audit and Risk Management System for the purposes of pursuing integrated compliance.

**The Board of Directors has approved the Department's mandate, which, amongst other things, regulates activities and information flows to and from the supervisory bodies.**

1. ensuring the direction of auditing activities by preparing and coordinating the implementation of the Audit Plan based on a structured process of analysis and prioritisation of the primary Company risks which are linked to the occurrence of any event, of any nature, which could prevent the attainment of the pre-determined operational objectives;
2. evaluating the adequacy and effectiveness of the Internal Audit and Risk Management System while verifying compliance with national and international best practices;
3. providing support in the drafting of Company procedures and verifying their consistency with the regulations of reference, and monitoring their application;
4. identifying and evaluating areas of Company risk and defining any adequate actions to mitigate risks while verifying their effective implementation;
5. verifying the reliability of the process for certifying financial reporting;
6. providing support to the Supervisory Board in managing the company's organisational model pursuant to Legislative Decree 231/01, in correlated monitoring activities, as well as verifying compliance with the company's Code of Ethics.

All of these activities, both with regards to “Risk Management” and the “Internal Audit System”, are performed on the basis of a defined procedural system that includes the methodologies employed and the subdivision of the relative responsibilities as part of defining, maintaining and monitoring the “Internal Audit and Risk Management System”, as well as assessing its effectiveness.

In particular, in relation to financial information, the System has been developed using the CoSO Framework as a benchmark, as referred to in the “CoSO Report”, which defines the Internal Audit Process, in its broadest sense, as a process performed by the Board of Directors, by Managers and other company employees, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operational activities;
- Reliability of financial information;
- Compliance with the laws and regulations in force.

**To ensure these requirements are observed, Snai has a suitable accounting and administrative reporting system in place. The company develops and continuously monitors the adequacy of information flows and reports sent to and from the person in charge of preparing the company’s accounting documents.**

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## CODE OF ETHICS

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Compliance with the Code is an essential condition for achieving Snai’s business mission. The Code of Ethics expresses the commitments and responsibilities which the company assumes during the performance of its activities and is binding for any company employee or any party operating on behalf of it.

Adoption of the Code of Ethics is a **public declaration of Snai’s commitment to pursuing the maximum ethical levels in achieving its corporate purposes**, and, more generally, to sharing the values of a business that believes that respecting the legitimate interests and requirements of all players involved in the company procedures, individually or collectively, is fundamental. Snai undertakes to promote awareness and to respect and to ensure respect of the general principles and ethical rules indicated in the Code, as that respect, as well as having an essential moral purpose, also corresponds with greater protection of the corporate interest, also from an economic perspective.

The Supervisory Body is responsible for supervising compliance with and the functioning of the Code of Ethics.

There are appropriate prevention and control instruments and procedures in place regarding compliance with the Code of Ethics, which are being continuously updated and improved, to ensure that activities and behaviours are fully transparent.

Any failure to comply with the rules contained in the Code will be sanctioned proportionally in a disciplinary venue and, where necessary, in the civil

or criminal courts.

The full text of the Code of Ethics is available to all staff on the company intranet and to third parties on the website <http://www.grupposnai.it/it/governance/codice-etico>.

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## ORGANISATIONAL MODEL

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Snai S.p.A. has adopted an Organisation, Management and Control Model in accordance with Legislative Decree 231/01 on the administrative liability of corporate bodies, which stipulates the priority of preventing possible offences related to corruption, both with respect to relations with the public authorities and relations with private individuals; this is to ensure the correctness, transparency and traceability of the behaviours adopted by the company to prevent any possible offences related to corruption. The model is directed towards all persons involved with the company, who must have knowledge of and comply with the provisions it contains.

In particular, the model is directed at:

- i. the **Corporate Bodies** (board of directors, governing body, board of statutory auditors, as well as any persons exercising powers of representation, decision-making and/or control within the Company, even on a de facto basis) and the Auditing Company;
- ii. **Staff** (that is, employees, semi-subordinate employees, coordinated consultants and freelancers, etc.) of the Company;
- iii. **Third parties**, or rather, any other external persons: consultants, contracted partners, sup-

pliers, clients, partners (where applicable), the sales network, as well as all persons working directly or indirectly for Snai, albeit externally to the Company.

With this in mind, during the financial year 2015, the Company further updated its Management and Control Model following legislative developments and structural changes, to include, amongst other things, some additional offences implicated due to changes made to:

- Art. 25 "Offences against the Public Administration", 25(3) "Corporate offences" and 24(3) "Offences of organised crime" introduced by the Law 69/2015, governing "Provisions on offences against the public administration, mafia-type associations and false accounting";
- Art 25(11) "Eco-crimes" introduced by the Law 68/2015, governing "Provisions on crimes against the environment";
- Art 25(8) "Self-laundering" introduced by Law

186/2014, governing "Provisions on emergence and return of capital held illegally abroad as well as for strengthening the fight against tax evasion. Provisions on self-laundering".

The Supervisory Board, as mentioned in article 6(1) (b) of Legislative Decree 08.06.2001 No 231, is appointed with a three-year mandate, and its role is to monitor the functioning of and compliance with the Organisation, Management and Control model within the Company, and to ensure that the model is kept constantly up-to-date, both as concerns corporate changes and regulatory actions relating to the model itself. The Board of Directors, before appointing members of the Supervisory Board, verifies that the members hold the technical-professional and personal competencies required to perform these tasks.

The full and updated text of the "Organisation, Management and Control Model" is available from Snai's website ([www.snai.it](http://www.snai.it)) under the Investor Relations section.

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## TRANSACTIONS WITH RELATED PARTIES

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On 29 November 2010, Snai adopted its own "Procedure governing transactions with related parties", to comply with Consob Regulation No 17221 of 12 March 2010 and subsequent modifications.

This procedure is published on the website [www.gruppo-snai.it](http://www.gruppo-snai.it) under the "Governance" section. The aim of the Procedure is to guarantee that transactions with related parties comply with the criteria of transparency and are correct both in substance and form. It also identifies the transactions with related parties, assigning the respective bodies involved with either the assessment or approval of said transactions.

Snai S.p.A.'s corporate bodies, each within its own scope, when identifying and analysing potential relationships with related parties, prioritise the substance of the relationship and not simply their legal form. In accordance with Consob notice No DEM/10078683 of 24 September 2010, which recommends that companies evaluate whether to revise their procedures at least every three years, the company proceeded with an assessment of its procedures and, based on the outcome of said assessment, chose to make a few changes/integrations to its "Procedure governing transactions with related parties".

On 27 March 2014 Snai S.p.A.'s Board of Directors, after the favourable opinion of the Transactions with Related Parties Committee, approved certain modifications to the "Procedure governing transactions with related parties".



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## CERTIFICATIONS

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### Snai S.p.A.

#### Snai S.p.A. ISO 9001 Certification

Snai S.p.A.'s Quality Management System is a highly integrated and dynamic system. Its strategic, business and support processes are extensively regulated within the System, both with respect to compliance with the general principles of ISO norm 9001 as well as to the wider setting of the requirements and standards of the sector in question. Snai S.p.A. obtained its first ISO 9001 certification in 1999. From then on, its scope of certified activities has widened to encompass:

- Collection of horse racing and sports events bets
- Sale of sports pools
- Supply of online services for the collection of horse racing and sports events bets
- Operation of networks for the electronic management of legal gambling
- Management, development and sale of remote skill games with cash prizes
- Design and development of SW systems for collecting gambling revenues and accepting bets
- Management of call and contact centre services.

Guaranteeing services of quality is the key factor for Snai in attaining excellent results. The results of the assessments carried out so far have confirmed the active governance of the company's management system and highlight the special attention paid to complying with levels of service and the constant commitment to researching opportunities for improvement and training.

**During the last surveillance audit, the certificate was extended with the testing of Call & Contact Centre processes, implemented according to the SNAI scheme, following the merger by incorporation of the subsidiary Festa Srl.**

#### ISO Certification 27001

The objective of Snai's Information Security Management System (ISMS) is to **guarantee the security of information in terms of confidentiality, integrity and availability**, in accordance with the requirements of Snai's stakeholders and current legislation. To do this, the company has defined and applied "security measures" aimed at reducing or eliminating any vulnerabilities present and, therefore, to counteracting any damage that could be incurred by any threats. To meet these requirements as best as possible, the following specific roles have been created:

- Information Security Committee
- Information Security Manager
- ISMS ISO 27001 Coordinator
- Technological Security Manager.

The development of procedures and guidelines aimed at obtaining certification, could not have been achieved without the full and continuous involvement of all Snai's employees, who have taken part in courses and seminars dedicated to the presentation and consolidation of prescribed norms and provisions.

The approach taken by Snai to define the ISMS, alongside the development of ITIL methods, was aimed at maintaining ISO 27001 certification, which was achieved in 2010 and has been maintained by continuous proposals for improvements and extensions.

Furthermore, adopting this system has opened the door to a series of benefits, including:

- Third party certification assuring internal controls and compliance with company governance requirements and business continuity;
- Impartial compliance with the laws and regulations in force;
- Demonstration of the importance Snai places on the security of information it is entrusted with;
- Definition of processes, procedures and documentation to ensure the security of information;
- Analysis, assessment and management of organisational risks and consequent assessment of the risk reduction further to application of said procedures;
- Frequent assessment and constant monitoring of the company's services, with the aim of continuous improvement.

Snai's constant commitment to consolidating and properly managing the ISMS enabled them to update their certification, in 2015, with the new controls and requirements established by norm ISO 27001:2013, and to extend, where necessary, the reference framework related to the new services offered.

## Teleippica

### ISO 9001 and 27001 Certification

The Company confirmed its organisation in terms of quality and information security, by maintaining and extending the control of the services provided through management systems that were certified in 2007 and 2011.

Every procedure was approved during the inspection process, including those recently commissioned for the provision of video on demand and video streaming services, and its business continuity and disaster recovery plans which essentially guarantee continuity in the provision of its services were also approved; alongside this it implemented a major update and improvement to the company intranet.

**In March 2016, the company re-obtained ISO 9001:2008 certification for its Company Quality Management System and achieved ISO 27001:2013 certification for its Information Security Management System, unified in the Integrated System (IS).** This confirms that all its processes are governed and managed by the systematic application of codified rules. These operational management methods ensure respect for the commitments made towards stakeholders, guaranteeing a high level of trustworthiness. Teleippica plans to upgrade to ISO 9001:2015.

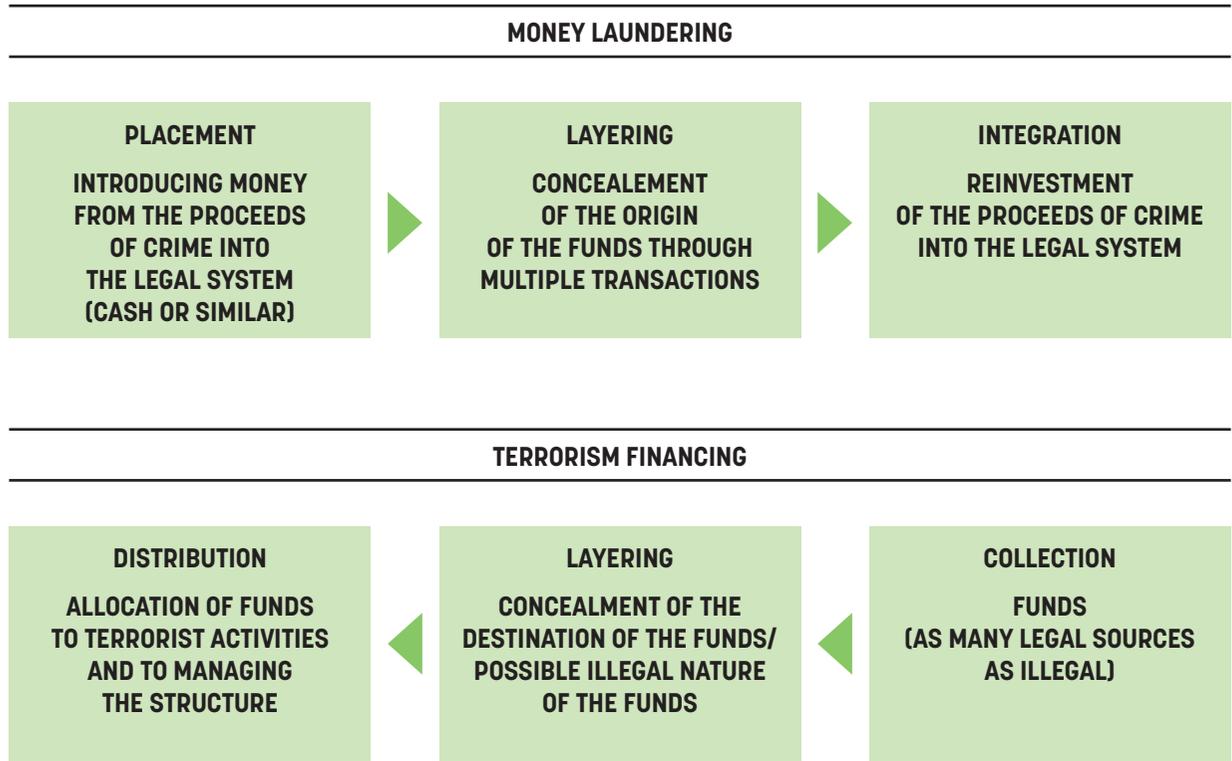


# SNAI AND ANTI-MONEY LAUNDERING

As an Operator whose activities include the management of the games listed in Legislative Decree No 231/2007 and subsequent modifications in article 14(1)(e & e-bis), Snai S.p.A. falls under the category of entities subject to the obligations provided for in said decree as regards anti-money laundering and combatting the financing of terrorism.

Legislative Decree No 151/2009 introduced the "Other Entities" category into the list of entities subject to these obligations (Article 14), defined as:

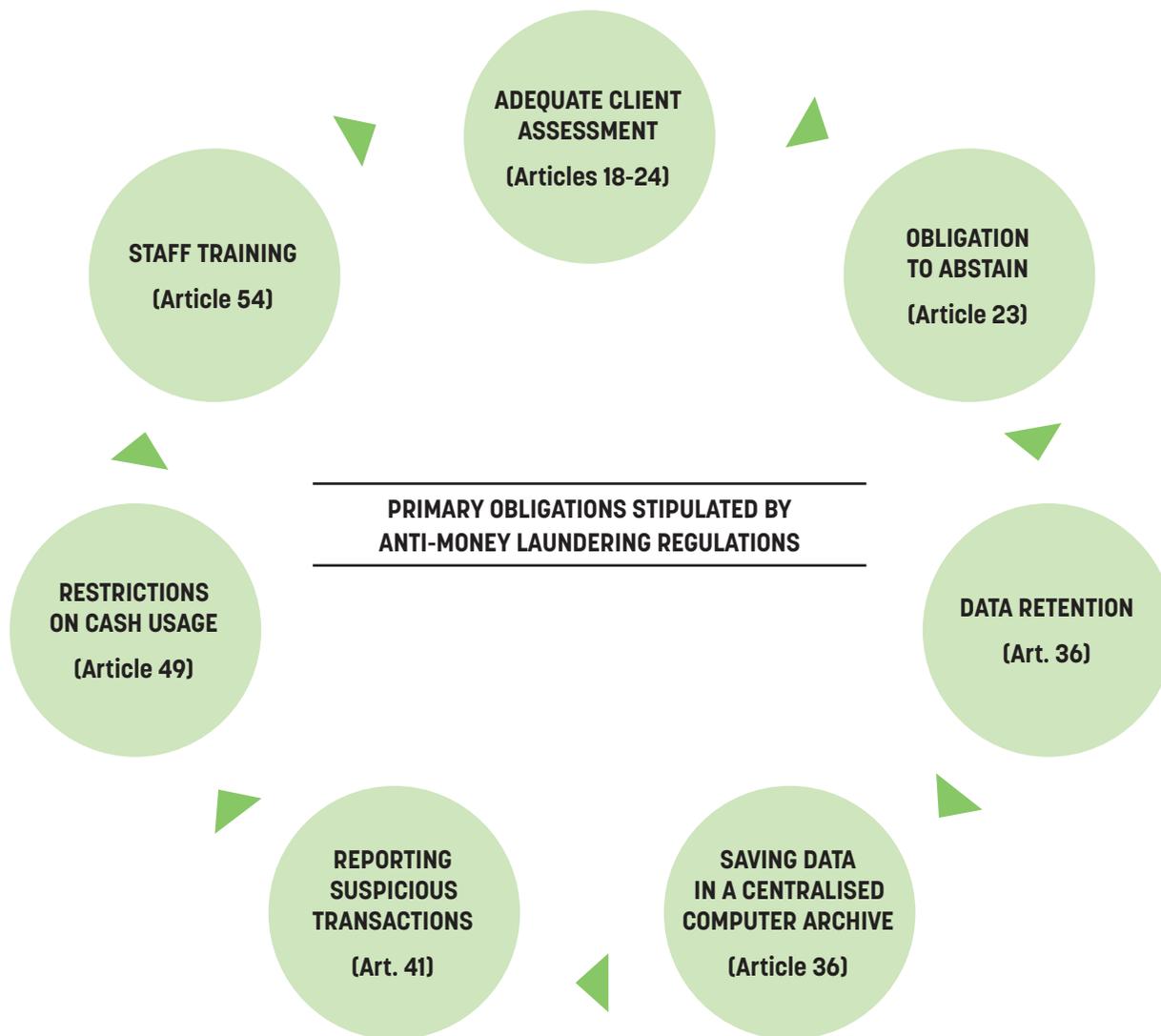
- **Physical gambling operators** (L.Dec. 231/2007 Art. 14(1)(e-bis): "provision of games or betting for cash prizes, excluding the lotto, instant lotteries or deferred withdrawal lotteries and betting pools, via physical networks, by persons owning licenses issued by the Ministry of Economy and Finance - Independent Authority for the Administration of State Monopolies (VLT and AWP sales, etc.);
- **Online gambling operators** (L.Dec. 231/2007 Art. 14(1)(e).



The Company has distributed to its network its "Anti-Money Laundering Management" Procedure, which provides precise instructions on the operating procedures to be implemented when:

- Assessing suitable clients;
- Archiving and conserving documents collected;
- Reporting suspicious operations.

This has been followed up by sending circulars containing various regulatory and operational updates (for example, raising the limit on cash payments further to the entry into force of the Stability Law 2015; Explanation of how to report an anomalous transaction to the Licensee).



The **organisational bodies** involved in the anti-money laundering process are:

- Board of Directors
- Board of Statutory Auditors
- Audit and Risks Committee
- Supervisory Board
- Legal and Corporate Affairs Department
- Administration, Finance and Audit Department
- Sales Department
- Managers (Persons operating on behalf of Snai S.p.A. - as Licensees - authorised to collect money and in possession of the requirements stipulated by the Customs and Monopolies Agency and by the police license issued by the Public Safety Authority, as per article 88 of Delegated Regulation of 18 June 1931, No 773);
- Betting Business Unit;
- Online Business Unit;
- VLT Business Unit;
- Anti-Money Laundering Committee;
- Anti-Money Laundering Department;
- Person responsible for reporting suspicious transactions.

Each department, within its own area of competency, is involved in the proper application of the current legislation on anti-money laundering and the prevention of terrorist financing and, to that end, performs specific activities aimed at complying with said requirements.

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## ANTI-MONEY LAUNDERING DEPARTMENT

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The **anti-money laundering department** performs the following activities:

- Regular verification that the company's anti-money laundering procedures comply with the objective of preventing and counteracting violations of anti-money laundering and terrorist financing regulations;
- Verification of the suitability of the internal procedures and systems regarding the appropriate assessment of clients and registration, as well as the systems for detecting, evaluating and reporting suspicious transactions, for effectively spotting other situations subject to the reporting obligation, as well as the proper conservation of documentation and evidence required by the regulations;
- Performing checks, including on-site (in operational departments and/or at sales points) on a random sampling basis, to check the effectiveness and functionality of the procedures, and to identify any critical areas.

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## HEAD OF ANTI-MONEY LAUNDERING DEPARTMENT

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The head of the anti-money laundering department shall have the appropriate requirements of **independence, credibility and professionalism** and, for all intents and purposes, falls within the category of persons responsible for the company's control functions. They report directly to the C.E.O. and periodically:

- Report to the Board of Directors on the initiatives undertaken, any malfunctions ascertained and the corrective actions taken or to be taken, as well as on the staff training activities. They also send this report to the Supervisory Board for informational purposes;
- Inform and update the Audit and Risks Committee on the activities carried out and any critical areas that have emerged;
- Monitor the proper keeping of the Centralised Computer Archive.

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## PERSON RESPONSIBLE FOR REPORTING SUSPICIOUS TRANSACTIONS

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The person responsible for reporting suspicious transactions is the same as the Head of Anti-Money Laundering Department and:

- Assesses the reports of suspicious transactions sent to them through the Anti-Money Laundering Committee or through individual notifications;
- Accesses the flows of information directly to the company bodies and the structures involved, for various reasons, in the management and counteraction of money-laundering and terrorism financing;
- Sends the Financial Intelligence Unit, through the INFOSTAT-UIF portal, any reports that are considered to be well-founded;
- Communicates with the Financial Intelligence Unit at the Bank of Italy and replies to any requests for further information or clarification from said Unit.



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## ANTI-MONEY LAUNDERING COMMITTEE

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The Anti-Money Laundering Committee is a collective body composed of representatives from each Business Unit, presided by a President and a Secretary. Its main activities are:

- Analysis and investigation of potentially anomalous transactions, including based on anomaly indicators provided from time to time by the Bank of Italy and/or by the Financial Intelligence Unit;
- Analysis and assessment of transactions and behaviours deemed as potentially suspicious, including based on anomaly indicators provided from time by the Bank of Italy and/or by the Financial Intelligence Unit and possible investigation;
- Providing documentation to the person responsible for reporting transactions and/or behaviour deemed as potentially suspicious.

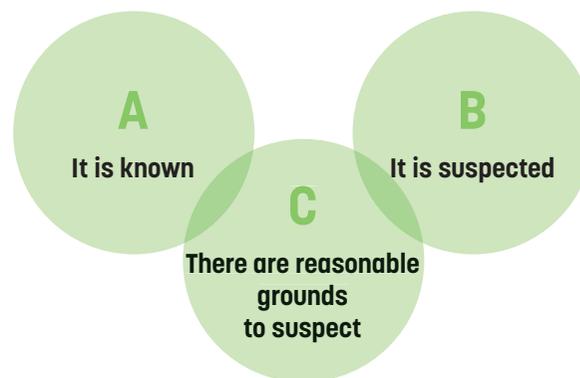
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## REPORTING SUSPICIOUS TRANSACTIONS

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The obligations provided for in Legislative Decree No 231 of 2007 include the obligation of reporting suspicious transactions, which forms the basis of the active collaboration requested of the persons

receiving these reports. Snai S.p.A., as a gambling operator, must report a suspicious transaction to the Financial Intelligence Unit when it “knows, suspects or has reasonable grounds to suspect” that money-laundering or terrorist financing transactions are being or have been carried out. In accordance with the provisions of article 41(1) of Legislative Decree 231/2007, a suspicious transaction must be reported to the Financial Intelligence Unit when:



**A) It is known** = certain knowledge

**B) It is suspected** = suspicion, pursuant to the provisions of article 41(2), is deduced from the following criteria:

- features, size, type of the transaction;
- any other known circumstances based on

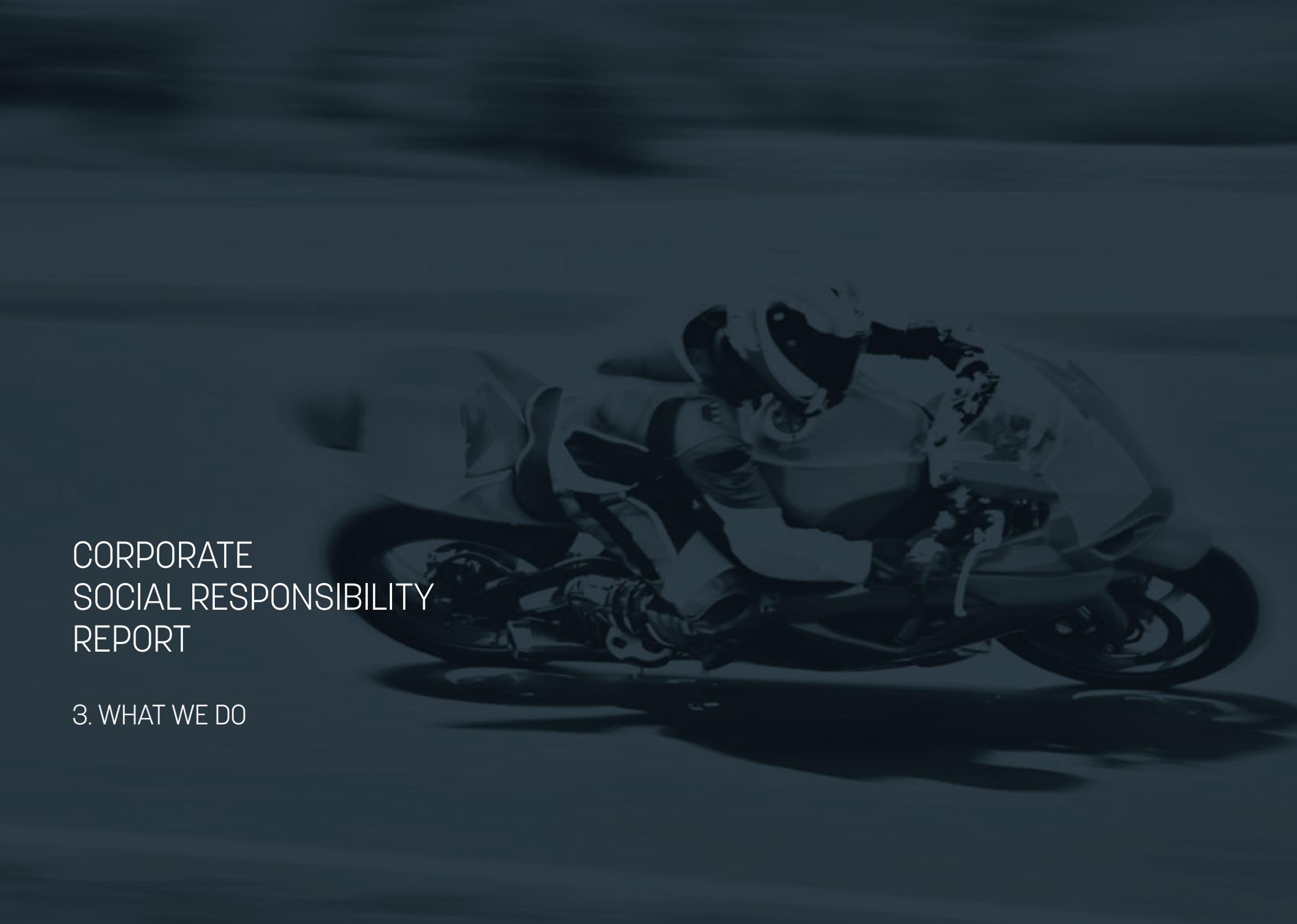
the activities performed by the Reporter;

- taking into account the financial capacity and the activity of the party concerned, based on information available to the reporter, acquired during the course of their activities.

**C) There are reasonable grounds to suspect** that money-laundering or terrorist financing transactions are being or have been carried out by their own clients = legislation provides that suspicion shall occur when the Anomaly Indicators provided by the Bank of Italy are present. Anomaly Indicators include, by way of example, but are not limited to:

- The typical patterns of unusual behaviour pursuant to art. 6(7)(b) of L.Dec. No 231/2007
  - operations connected to the gaming and betting industry;
- The typical patterns of unusual behaviour pursuant to art. 6(7)(b) of L.Dec. No 231/2007
  - operations with payment cards.

Reports that are not motivated by reasonable grounds for suspicion, as well as being of little use for investigative purposes, can in theory expose the Reporter to liabilities, whereas reports made for law enforcement purposes to combat money laundering and made in good faith do not involve any liability on the part of the reporting party.



CORPORATE  
SOCIAL RESPONSIBILITY  
REPORT

3. WHAT WE DO

## WHAT WE DO 3

SNAI'S EVOLUTION  
IN THE GAMING MARKET

THE GROUP'S STRATEGY

SNAI CONFIRMS ITS POSITION AS  
LEADER IN THE BETTING MARKET

THE MOST EXTENSIVE  
SALES NETWORK IN ITALY

DIVERSIFICATION  
AND INNOVATION ARE  
KEY TO THE PRODUCT OFFER

THE RACECOURSES

# SNAI'S EVOLUTION IN THE GAMING MARKET

**SNAI PURSUES DIVERSIFICATION AND TECHNOLOGICAL INNOVATION TO REMAIN A STATE-OF-THE-ART COMPANY.**

**The Italian gaming market is the most relevant and developed in Europe**

The activities of companies operating in the Gaming and Betting sector are performed and regulated under licenses issued by Regulatory Authority the AAMS (pursuant to Legislative Decree 6 July 2012, No 95, of 1st December 2012, the Customs Agency absorbed the AAMS, thus becoming the newly named Customs and Monopolies Agency [“Agenzia delle Dogane e dei Monopoli, ADM.”] Hereinafter referred to as the AAMS or ADM), through the process of European Tenders concluded over time.

Over the years, the gaming market has changed dramatically in terms of the products offered, the way people game, gambling channels, the number of operators and the legal regulatory framework.

The Snai Group has always been a market leader in the betting sector and one of the main operators in the gaming market. From 1st November 2015, through its merger with the Cogemat Group, Snai further strengthened this leading position.

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## THE SECTOR'S OPERATIONAL MODEL

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In Italy, gambling and betting is subject to a state monopoly under the Italian Agency for Customs and Monopolies.

This agency regulates and manages the entire sector for public gambling by assigning each individual product to one or more licensees which are authorised and selected through specific tenders.

**Snai's offer covers every type of gambling or multi-license betting that is authorised in Italy.**



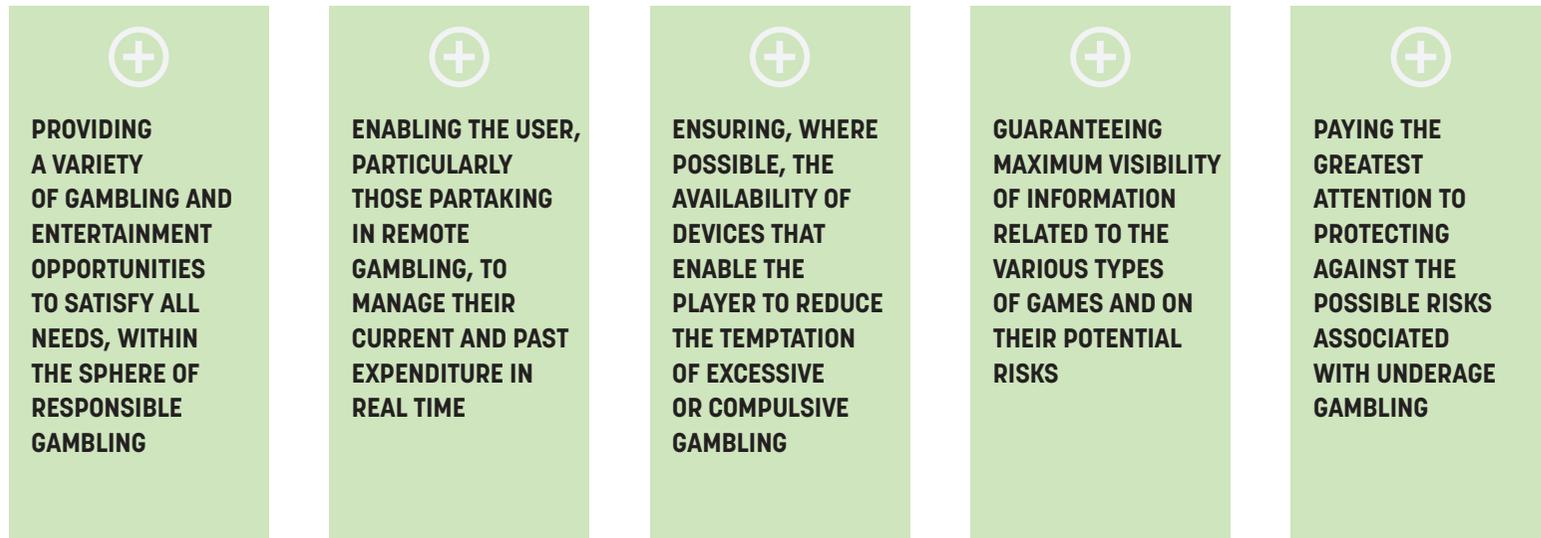
# THE GROUP'S STRATEGY

## EXTEND THE OFFER IN RESPECT OF THE ETHICAL PRINCIPLES OF RESPONSIBLE GAMING

The Snai Group, in respect of the principles of responsible gaming as well as in line with the three-year development plan in place for 2014-2016, is committed to pursuing strategic avenues aimed at marking, alongside its economic objectives of consolidating its leading position in the Italian gaming market, its decades-long tra-

dition of providing its end users with the highest guarantee of professionalism, gamer protection and compliance with regulations on Legal Gaming and Public Gambling.

In this context, the Snai Group is committed to the following objectives:



Because of this attitude, the Snai brand is synonymous in the eyes of the public with **safety** and **reliability**.

The merger with the Cogemat Group was motivated primarily by the desire to improve the effect of the Snai Group's presence in

the market. The companies' complementary specialist areas as well as the correspondence between Snai's historic culture and Cogemat's innovative spirit are the main pillars of the Snai Group's strategic development plan over the next three years.

# SNAI CONFIRMS ITS POSITION AS LEADER IN THE BETTING MARKET

The Snai Group has always been a market leader in the betting sector and one of the main operators in the gaming market. From 1st November 2015, through a merger with the Cogemat Group, Snai further **strengthened this leading position**. Indeed, following the merger, the new Group became the number 2 group in terms of takings in the entertainment device sector. The operation created a **leading Italian group** in the gaming market, with proforma earnings in 2014 of over EUR 960 million and betting takings equal to around EUR 1,500 million.

## ITALIAN GAMING AND BETTING MARKET 2015

	Takings 2015	Takings 2014	Takings 2013	Actual expenditure 2015	Actual expenditure 2014	Actual expenditure 2013	Actual expenditure 2012	Market share	Takings differential
Awp and Vlt	<b>48,391</b>	47,001	47,810	<b>9,577</b>	9,863	9,312	10,287	<b>54.83%</b>	<b>2.96%</b>
Poker, cash and casino games	<b>12,502</b>	11,584	12,429	<b>411</b>	365	377	356	<b>14.17%</b>	<b>7.92%</b>
Lottery and G&V	<b>9,063</b>	9,441	9,612	<b>2,460</b>	2,607	2,656	2,786	<b>10.27%</b>	<b>-4.00%</b>
Lotto	<b>7,077</b>	6,629	6,333	<b>2,283</b>	2,156	2,205	2,111	<b>8.02%</b>	<b>6.76%</b>
Sports betting and virtual betting exchange events	<b>7,200</b>	5,603	3,839	<b>966</b>	1,001	782	700	<b>8.16%</b>	<b>28.50%</b>
SuperEnalotto and Win for Life	<b>1,055</b>	1,188	1,376	<b>676</b>	682	797	1,039	<b>1.20%</b>	<b>-11.20%</b>
Bingo	<b>1,598</b>	1,624	1,664	<b>474</b>	580	622	578	<b>1.81%</b>	<b>-1.60%</b>
Skill games and poker tournaments	<b>727</b>	734	852	<b>71</b>	79	97	147	<b>0.82%</b>	<b>-0.95%</b>
Horse betting	<b>636</b>	682	813	<b>181</b>	198	241	299	<b>0.72%</b>	<b>-6.74%</b>
<b>Total</b>	<b>88,249</b>	<b>84,485</b>	<b>84,728</b>	<b>17,099</b>	<b>17,531</b>	<b>17,089</b>	<b>18,303</b>	<b>100.00%</b>	<b>4.46%</b>

\* The market share of Snai alone for sports betting reached 21.16%.

## COLLECTION OF WAGERS AND GAMING BY SNAI IN 2015

Gaming/betting	Takings 2015	Takings 2014	Takings 2013	Actual expenditure 2015	Actual expenditure 2014	Actual expenditure 2013
Horse betting	<b>319</b>	327	436	<b>87</b>	96	128
Sports betting and virtual betting events	<b>1,523</b>	1,438	1,108	<b>272</b>	285	250
Awp and Vlt	<b>7,473</b>	2,844	2,828	<b>1,439</b>	532	503
Cash casino games	<b>740</b>	706	950	<b>24</b>	24	30
Skill games	<b>27</b>	28	42	<b>3</b>	4	5
Bingo online	<b>4</b>	5	7	<b>1</b>	2	2
<b>Total</b>	<b>10,086</b>	<b>5,348</b>	<b>5,371</b>	<b>1,827</b>	<b>942</b>	<b>914</b>

Total sports betting takings for 2015, in comparison to 2014, increased by 31.5% due in part to completing the activation of around 1000 new shops as a result of the tender Art. 10(9)(8) of Legislative Decree 2 March 2012 No 16, converted with modifications to the Law 26 April 2012 No 44, to the Football World Cup in Brazil, as well as to the growth in online channels, including the arrival of new operators and the increase in the public offering (live betting and additional programme schedule).

OVER **454,000**  
BETS TAKEN EVERY DAY

OVER **70,000**  
SLOT AND VLT MACHINES USED EVERY DAY

**10** BILLION EUROS  
TOTAL TAKINGS

### THE "NUMBERS" OF BETS PLACED WITH SNAI GAME/BET

	2015	2014	2013
Sports betting slips issued	<b>125,600,953</b>	110,935,356	121,450,168
Horse betting slips issued	<b>40,251,672</b>	42,303,381	54,939,964
Maximum number of sports slips/day	<b>919,517</b>	874,712	959,664
Maximum number of horse slips/day	<b>176,944</b>	169,131	244,476
New slots in service on 31 December	<b>63,548</b>	26,298	24,653
Average new slots in service	<b>62,038</b>	25,971	26,790
Video lottery in service on 31 December	<b>9,911</b>	4,950	4,956
Average video lottery in service	<b>9,860</b>	4,832	3,951
Daily average page views per user on www.snai.it	<b>3,09</b>	3,01	3,12
Snai and IZI active gaming accounts	<b>163,767</b>	144,731	129,459
Site visits to www.snai.it and www.izisplay.it	<b>54,531,770</b>	51,291,971	54,545,195
Individual visitors	<b>11,387,008</b>	10,883,913	10,835,700
Page views	<b>169,609,369</b>	154,281,392	169,750,342
Number of cash poker hands played	<b>12,500,000</b>	16,000,000	20,000,000
Number of poker tournaments played	<b>Over 700,000</b>	Over 1,000,000	Over 1,500,000
Number of online bingo cards sold	<b>85,000,000</b>	100,000,000	127,000,000
Number of online casino wins	<b>590,000,000</b>	560,000,000	660,000,000

### SNAI'S MARKET SHARES

Game/betting	2015	2014	2013
Horse betting	<b>50.13%</b>	47.88%	53.63%
Sports betting	<b>21.16%</b>	25.66%	28.86%
Awp and videolottery	<b>15.44%</b>	6.05%	5.92%
Cash casino games	<b>5.92%</b>	6.09%	7.64%
Skill and casino games online	<b>3.68%</b>	3.81%	4.93%
Bingo online	<b>4.55%</b>	5.59%	6.66%

Source: Snai

# THE MOST EXTENSIVE SALES NETWORK IN ITALY

Snai is one of the leading players in the Italian gaming market and the betting industry leader: its presence in Italy spans two networks, one physical (Snai Points and Corners) and one online (web and mobile) which has a large promotional channel in the sales point network.

The acceptance network of Points Snai betting is the largest on the Italian territory and is composed from about **2,200 points game**, of which about 1,600 points with direct gambling licenses and 600 points with specialized services for licensee customers.

SNAI Group acceptance network is operational 364 days a year with betting shops that accept betting on horse racing, sports and other events; betting shops broadcast live sport and horse racing events on tv sets and welcome on average 800,000 people a day.

# 600

POINTS WITH INDIRECT GAMING LICENSES

# 1,600

POINTS WITH DIRECT GAMING LICENSES

# 2,200

TOTAL NUMBER OF SNAI DEALER POINTS AND CORNERS IN ITALY



 Snai sales points are distributed throughout Italy.

**Snai Points are specialist stores** and authorised to accept sport, horse and simulated (virtual) event bets, equipped with cutting-edge technology to communicate notifications and information in real time and to respond to bettors' various requirements.

As well as traditional gambling methods, these specialist operators also enable these types of bets to be made at self-service terminals that are available in many Snai Points, in line with the Group's characteristic innovative spirit: "FaiConMe", "My.Self" and the latest "BiBest".

These specialist shops are complemented by **Snai Corners**, available in public premises (bars, tobacconists, shopping centres, etc.) and use specific furniture and technological solutions depending on the individual locations, to make these corners resemble the feel of the actual sales points as best as possible. The corners also use real time information and bet-placing systems.

**The online network is based on the www.Snai.it website and on dedicated** customer software. Through the digital network, it is possible to place horse or sports bets, play poker, casino and skill games, online slots, bingo and, more recently, virtual event betting. The internet gaming offer can be accessed via smartphone and tablet apps SnaiSport and Snai Ippica for iOS and Android operating systems, which enable betting on certain sports events or horse races, whilst casino games can be played on the SnaiRoulette app.

	2015	2014	2013
Number of Snai Points and Corners	2,200	2,500	3,000
Number of Points with direct gaming connection	1,600	2,000	2,500
Points with specialist services for dealer clients	400	500	500



# DIVERSIFICATION AND INNOVATION ARE KEY TO THE PRODUCT OFFER

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## SPORT AND HORSE BETTING

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In 2015, the Snai Group continues to be a market leader in the betting sector with a market share of 19.45% for sports betting and 48.98% for horse betting, thanks to the investments made into renewing the product offer and the work gone into training staff and technological innovation at sales points.

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## "NATIONAL" HORSE BETTING

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These bets use the tote betting system. They differ from agency horse betting in their takings levels and therefore in their winnings. These bets can be placed from Snai points and corners as well as in specialist betting shops and at the racecourse, which in the latter case, only accept classic horse bets. Bets can be placed "to win", "exacta", "trifecta", "superfecta" and "pick first 5 horses". The market has been waiting for a reform of the sector for several years and takings are in sharp decline. Takings in 2015 were 71 million in comparison to 81 million in 2014. The Group's market share increased to 45.1%.

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## BETTING ON OTHER EVENTS

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By "betting on events different to horse racing" the regulations mean gambling on sporting events that include motorsports (Formula 1, grand prix motorcycle racing, superbikes) and other types of events, such as Miss Italia, the Oscars, the San Remo Festival, reality TV shows, etc.

**Total takings for the Snai Group in this sector in 2015 was EUR 1,081 million, equivalent to a market share of 19.45%.**

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## ENTERTAINMENT DEVICES

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In view of its merger with Cogetech, the Snai Group has consolidated its position in entertainment device management which, over the year, took EUR 7,473 billion.

As for VLTs, the Snai Group aims to meet the needs expressed by its customers by making a larger number of gambling platforms available on the market and by balancing out the offer of individual games. From a commercial point of view. The VLT product has reached a stage of maturity that has allowed

the Group to focus on asset management and on improving the efficiency of its supporting and managerial services.

The partnerships with international suppliers that characterise this sector, broadens the range of the Group's stakeholders, enriching the experience of the resources dedicated to it.

As for AWP, Snai aims to integrate further into the distribution network by selecting national partners. The Group continues to develop proprietary devices at dedicated Snai Points with the aim of improving the quality of the product and services offered as well as the return, by confirming the validity of the disintermediation model.

Snai is also pursuing its work on qualitative development through the creation of partnerships with leading operators to improve the productivity of certain establishments, accelerate the growth of AWP across the network, increase competitiveness and guarantee wider coverage of the territory.

One of the fundamental elements in managing these devices is the continuity of the partnerships with the operators in the sector, who play an extremely important role in disseminating the concept of responsible gambling.

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## ONLINE GAMBLING

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Snai's product range has always been characterised by its strong customer-focus: in this respect, the company is moving towards developing the games offered in online mode, both on computers and on smartphones and tablets.

In this sense, take the launch of the new lobby games which have enabled users to enjoy Casino and slot games on mobile devices and continuous updates to dedicated sports betting apps which are periodically modified to enable the Group to continuously respond to customers' needs and requirements.

The Digital sector (Bingo, tournament and cash card games, casino and online slot games) took EUR 770 million in 2015 against EUR 739 million in 2014.

The greatest activity was seen in the increase in the Casino game offer, especially the online slot segment, and the development of mobile channels.

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## BETTING ON VIRTUAL EVENTS

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Virtual events are fixed odds games of chance where the bettor chooses between several possible outcomes and, if they guess right, win a predetermined prize. Snai provides several types of simulated events: Football matches, car races, cycling, speedway, greyhound and horse races and tennis.

All the events have customised background settings, for example, the horse gallop and trotting races are set at the racetracks of Milan and Montecatini.

The most commonly known bets are offered to the public and the odds offered are calculated based on the probability of the event's outcome.

In 2015, the Snai Group network took EUR 447 million.



# THE RACECOURSES

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## THE PROMOTION OF HORSE RACING

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In 2015, the Snai Group, including through its subsidiary, Società Trenno, continued with the initiatives promoting the Milan racecourses, especially after May 9 with the inauguration of the new trotting racecourse, bringing the number of Snai Group's racecourses in operation to three: in Milan, the San Siro flat and La Maura trotting racecourses, and the Sesana trotting racecourse in Montecatini Terme.

The horse racing world is still awaiting reform to bring greater stability and agility in organisation to the entire division and supply chain. Unfortunately, in 2015, the Ministry responsible was only able to publish the racecourse schedule on a monthly basis, to the detriment of the planning of promotions and finding possible sponsors and partners.

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## THE RACECOURSES

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The subsidiary Società Trenno manages the horse racing complexes in Milan and Montecatini Terme on behalf of the Snai Group.

These areas include both the racecourses and the respective training centres with buildings to accommodate horses and operators, the latter for flat racing alone, with racecourse activities only for trotting.

The Snai Group also holds significant shares in the racecourses of San Rossore in Pisa and Capannelle in Rome.

Initiatives to support and relaunch horse racing, notwithstanding the continuing critical situation for the racing sector, were also renewed and reinforced during 2015.

The San Siro flat racecourse increased the opportunities to involve and engage a non-racing public, hosting events on days when the course was not being used for racing; moreover, a new restaurant, the organic pizzeria Hip Nic, was inaugurated near the location of Leonardo's Horse statue. Initiatives have also been launched at the new La Maura trotting racecourse for Milan families and their children, successfully tested at the San Siro flat racecourse during the most important race meetings.

The Sesana trotting racecourse of Montecatini Terme intensified its services to the public, in the light of the preparation for the events scheduled for 2016, the year of its hundredth anniversary with celebrations of the "Centenary 1916-2016".





## SUMMARY OF ACTIONS

- Website [www.ippodromitrenno.it](http://www.ippodromitrenno.it): extended to activate new pages dedicated to the La Maura racecourse, renewal and enhancement of the images; news and comment on the individual races have been launched with regularly updated content.
- Activation of Facebook, Twitter and Instagram accounts for each of the three racecourses;
- Enhancement of the contribution of the television know-how with the Snai Group which, in addition to guaranteeing support for television productions of all the race meetings, during Grand Prix races - for all the racecourses managed by the Company, took part with supervision of the use of the existing television infrastructure and the additional infrastructure of the Services during special productions, the provision of areas for interviews, the presence of journalist before and after the race.
- Dedicated hospitality spaces in areas reserved for guests at the three racecourses, initiatives for children and families (free entertainment, pony rides etc.) and other collateral initiatives (vintage car show, fox-hunting simulations, side-saddle riding exhibitions etc.)

## THE INTERNET PORTAL AND THE SOCIAL NETWORKS

The portal [www.ippodromitrenno.it](http://www.ippodromitrenno.it) is the online access window for Snai Group's three racecourses: each of the three courses has its own website, updated daily, with complete information on the race schedule, race starts, finishes, notable dates, events and special initiatives.

The updates include the posting of news and comment on each individual race, accompanied by the photograph of the finish.

A special area of each sector is specifically dedicated to horse racing professionals: all the information of a more technical nature is contained here, from ways to sign up for races, runners' declarations, dates and times of opening of the training tracks.

The photographic archive is being supplemented with images of the Gran Prix races and the main events held at the racecourses.

In addition to the websites, there are three Facebook pages, three Twitter accounts and the same number of Instagram accounts: the use of social networks supplements and broadens the communication capacity of the web, enabling it to reach a wider public. The social networks are updated at the same time as the corresponding website.



## PUBLIC ATTENDANCE

At the end of 2015, the San Siro racecourse recorded 93,000 admissions, an increase of 1.35% compared to the previous year.

In its first year of operation, from May 9 onwards, the La Maura racecourse recorded the attendance of nearly 32,000 spectators.

Finally, the Sesana racecourse, with around 27,000 admissions overall from the middle of April until the end of October, recorded an increase in spectators of 10.27%.

## SAN SIRO FLAT RACING COURSE IN MILAN

This is the only racecourse in the world declared a monument of national interest: it was inaugurated in 1920 after six years of work and entirely constructed in the Liberty style to the design of the architect Paola Vietti Violi. San Siro flat racecourse is the stage for some of the more important race days in Italy, in particular the Jockey Club Grand Prix in October, when thoroughbred horses compete over a distance of 2,400 metres on one of the most challenging tracks in Europe.

Federico Tesio, unanimously considered to be the most important breeder and trainer in the history of horse racing, regarded the San Siro course to be the most difficult for horses: "The 2,400 metres of the large track make up the steadiest, most severe and I would say almost homicidal race that can be imagined."

The San Siro tracks are very challenging for horses: the ground is particularly soft and while, on one hand, this protects the wellbeing of the horse enabling easier galloping, on the other, it requires a particularly high degree of endurance. The home straight, after the finish line, continues for another 600 metres and the horses, at the most challenging time of the race, don't "see" the finish and have to completely trust the jockey in using their energy.

The San Siro tracks follow the same original layout designed in 1914 on an oval-shaped surface with east to west orientation:

- Straight track: 34 metres wide, in addition to seven metres of "riding track", it is 1,600 metres long and has three finish lines, at 1,000, 1,200 and 1,400 metres
- Flat racing track: in addition to different courses with different lengths: 2,800 metres of large and medium tracks, 2,400 metres of large, medium and circular tracks, 2,000 metres of medium and circular tracks. The width is 17 metres and reaches 34 metres at the point it joins the straight track.





Within the flat racing tracks, there are racks for hurdle races, renovated in 2014: made with the most modern materials to ensure the maximum safety of horses and riders, they can be used for hurdle, steeple chase and cross-country races. In addition to a lighting system that allows night races, there is an irrigation plant that is technologically unique in Europe, with an automated weather station that, based on the different weather conditions, adjusts the quantity of water required, the irrigation times and even the power of the nozzles, based on the speed of the wind.

The racecourse area includes the training centre of Trenno and Maurina with buildings to stable the

horses and a training track made up, among others, of a 2,500-metre main track on grass, a sand ring of 1,800 metres, a grass ring with hurdles of 1,600 metres, a straight track on grass of 1,800 metres.

The infrastructure includes the restaurants, Canter 1920 and La Bouvette di Leonardo, the organic restaurant-pizzeria Hip-Nic, the Bar del Turf and the Chiosco del Tondino.

The various spaces inside San Siro can be used in different ways, especially the Paddock, which offers free entertainment for children every Sunday with specialist children's entertainers.

The facilities and services in the flat racecourse enable it to also be used for non-horse racing events

like the Annual Fair of the Local Police of Milan in 2015, where orations were given by the Mayor and Corps Commander to the most outstanding officers and agents in the previous year.

### **THE MILAN TROTGING RACECOURSE OF LA MAURA**

La Maura is the new trotting racecourse of Milan. It was inaugurated on May 9, 2015. The name comes from an ancient Lombard farmhouse that once stood on a large part of the land now occupied by the racecourse and which, until last year, was used as a flat racing training track.

The La Maura racecourse was built in record time, in 85 working days, due also to the collaboration and sharing of the project with Lombardy trade associations, institutions and community organisations. The construction was carried out in line with the principle of "minimum environmental impact": in addition to the use of local materials, the existing buildings were used for the properties and the substrate, the base of the track and the racing facilities of the old trotting racecourse of San Siro were recovered.

The track is 1,050 metres long but can be extended up to a mile (1,609,344 metres); it is 32 metres wide, including 4-metre internal escape routes and 3-metre external escape routes, in addition to a training track 13 metres wide.

A covered stand was built for the public and there are accommodation and catering services, betting areas and covered parking.

Boxes can accommodate between 150 and 300 horses.

### **THE SESANA TROTTING RACECOURSE IN MONTECATINI TERME**

Built between 1914 and 1916, at the height of the First World War, the Montecatini Terme is one of most important racecourses of central Italy, with deep local roots in the Tuscan spa town and the whole of Val di Nievole. It operates seasonally, from May until October, with night races from June to September.



Over the years, it has undergone various works of restoration and upgrading of the accommodation and functional capacity, which also included the improvement of the track, as well as the installation and modernisation of the lighting equipment for night races. Moreover, there is a dedicated area for children with merry-go-round, mega slide, go-cart track and other games for the little ones at the racecourse.

The most important season is in the summer, especially August 15 when the Montecatini City Grand Prix race is staged, the only Group 1 trotting course in Tuscany. At the Ferragosto Grand Prix, as it is called by the locals, at least 10,000 people crowd the Sesana racecourse for an evening featuring not only the main race (which, traditionally, involves two qualifiers and a final) but also by different, associated events such as the closing fireworks display.

Thanks to a particularly productive collaboration with the municipal administration of Montecatini Terme, 2015 repeated the public success of 2014, in addition to the staging of various engagements and events when races were not being held, such as the "The Castles and Municipalities Challenge", a historical reconstruction of the Battle of Montecatini, fought in 1315, or the evenings for hoteliers, the emergency services and charitable and welfare organisations operating in the local area.



National Grand Prix of July 4, 2015, "La Maura" trotting racecourse in Milan

The table below gives a summary of the main features of the facilities:

Racecourses	Udm	San Siro flat racecourse	Race Training Centre	La Maura	Montecatini trotting racecourse	Formerly San Siro Trotting racecourse	Formerly Trotting Race Training Centre
racecourse area	m <sup>2</sup>	597,354	582,662	171,400	154,142	130,865	18,323
race track	m <sup>2</sup>	2.805 ml -178.000 m <sup>2</sup>		1.050 ml - 35.872 m <sup>2</sup>	805,30 ml -16.941 m <sup>2</sup>	-	-
internal training track	m <sup>2</sup>	-	Trenno track 2,503 m <sup>2</sup> Maurina 1,520 m <sup>2</sup>	910 ml	588,87 ml	-	-
training rings	m <sup>2</sup>	3.130 m <sup>2</sup> - nr 4	6.401 m <sup>2</sup> - nr 5	-	675 m <sup>2</sup> - nr 1	-	-
stands and paddocks	number of places	Weight Stand 808 Main stand 2,408 Small uncovered stand for grooms 50 finish line 150 Small stand 3 finish line 150 Paddock 6,434	-	Stand 400 Paddock 2,000	Stand with seats for 1,620 Standing and paddock 7,980	-	-
boxes for horses	number	304	551	143	474	305	280
car parks	number of spaces	1.243	465	75	1.039	631	-



CORPORATE  
SOCIAL RESPONSIBILITY  
REPORT

4. THE CLIENT AT THE CENTRE

## THE CLIENT AT THE CENTRE 4

THE PRINCIPLES  
OF SAFE GAMING:  
RELIABILITY AND TRANSPARENCY

THE MAIN INITIATIVES IN 2015

THE PROTECTION  
OF THE PLAYER  
AT THE CENTRE  
OF SNAI GROUP'S ACTIVITY

OUR CLIENT PROFILE

# CSR AND RESPONSIBLE GAMING

**Snai Group's objective is to ensure clients have an environment of legal, safe and monitored gaming, designed to make the public aware of responsible gaming.**

Snai Group has always been committed to ensuring clients have a legal and safe gaming environment in its sales outlets (be they agencies, retail corners or gaming points for entertainment machines) and online at the website [www.snai.it](http://www.snai.it).

Snai, alongside ADM, undertakes to prevent compulsive gambling, ensuring compliance with the existing regulations and with Decree Law of September 13, 2012, no. 158, enacted by the Law of November 8, 2012, no. 189, the so-called Balduzzi Decree. In all Snai agencies and retail corners, on the website and mobile apps, on the gaming receipts, as well as in advertisements on various media, there are warnings about the risks arising from excessive or compulsive gambling.

In particular, Snai Group distributes "Responsible Gaming" information kits to all its sales outlets, produced in compliance with the guidelines provided by ADM and the so-called Balduzzi Decree. The kit is made up of cards, licence plates, stickers, posters and folder that provide:

- warnings about the risk of gambling addiction;
- prohibition of gaming to minors and entrance

to stores where the main activities are games and betting;

- information on the probability of winning the games
- company name and concession no. of the authorised concessionaire;
- logos and hallmarks.

The information materials are displayed in all parts of the sales outlet with particular attention to a targeted location close to the entertainment machines. The shop windows of the new sales outlets that have been opened during the year are personalised with creativity, the focus of which is oriented towards the topics of fun and entertainment in the spirit of a regulation that requires a reduction of the focus on winning. The information materials are also available in digital form for independent use by the sales outlets through the **extranet portal Snai Partner**, should reprinting be necessary in the event of replacement/updating. The Snai sales force **constantly checks the presence and correct display of the information material** during every visit and, in addition, circulars are sent out from headquarters to encourage the sales outlets to display the materials correctly.

The same attention is paid during inspections of the businesses at which entertainment machines are installed.

Snai inserts information messages about Responsible Gaming and the prohibition of gaming to minors in all the creative advertisements in order to ensure the maximum dissemination of its campaigns. Moreover, in 2015, Snai planned **responsible gaming awareness campaigns** through video and audio spots that were scheduled at the sales outlets, major TV and radio broadcasters and the online media.

Snai's commitment to make the public aware of Responsible and Legal Gaming is also fulfilled through digital channels. On the home page of the website [www.snai.it](http://www.snai.it) and **gaming apps**, the following are present:

- ADM guarantee logos and warnings;
- link to the section dedicated to Responsible Gaming;
- link to the section giving the probability of winning;
- link to the section with the anti-money laundering regulations. Moreover, it is always possible to set personal gaming limits and self-exclusion on online accounts.

On Snai's accounts on the main social networks, posts and internal editorial contributions are also periodically published aimed at increasing awareness of Responsible Gaming, the risk of gambling addiction and the prohibition of gaming to minors.

## THE DECALOGUE #GIOCOGIUSTO (#RIGHTGAMING)



**#giocogiusto (#right gaming)** is a Cogetech initiative by Snai Group in support, **protection and promotion of the legal gaming division**. The aims are to contribute to the creation of a culture of responsible gaming, taking it back to the realm of pure amusement and, at the same, giving free space to opinions, proposals, comments and ideas.

A Twitter profile that is not meant to be an inward-looking place, but a virtual public square in which to find information and discuss everything, including potential problems arising from the abuse of gaming products.

In this sector, there is a need for some fixed points of reference and the Snai Group, with its Corporate Social Responsibility project, has identified as many as ten, offering a handbook called **#giocogiusto**.

A social tool for creating debate, frank, healthy discussion that brings together all the opinions with a single purpose: protecting the gambler, the industry and the State Monopoly.

1. **#giocogiusto is about doing everything possible against the unlawful, it fights against illegal gaming and defends legal gaming**
2. **#giocogiusto is protected by the concession system as a State Monopoly**
3. **#giocogiusto is a regulatory system that is equal for everyone and every type of gaming**
4. **##giocogiusto is intended to defend an industry that provides more than 75,000 jobs**
5. **#giocogiusto brings back gaming to the realm of pure entertainment**
6. **#giocogiusto is the search for dialogue with all parties to build a gaming culture**
7. **#giocogiusto is the concrete prevention of compulsive gambling**
8. **#giocogiusto is protection for minors and the weak**
9. **#giocogiusto is the rationalisation of the provision and control of advertising**
10. **#giocogiusto is communicating in a clear and responsible way, avoiding misleading and spurious messages**

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## THE REGULATIONS

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The so-called "Balduzzi law", no. 189, of November 8, 2012, introduced, for the first time in our country, certain regulations to combat compulsive gambling and the phenomenon of gambling by minors. In particular, the law imposed limitations on the advertising of gaming and betting, the obligation to warn and give notice of the risk of compulsive gambling, transparency regarding the real probability of winning the various games and competitions, the strict prohibition against access by minors to gambling premises. The advertisements, however they are published, must contain:

- reference to the company name of a Concessionaire whose gaming provision is advertised and the concession number for the games held;
- warning messages regarding the prohibition of gaming to minors and the indication of the 18+ logo;
- warning notices about addiction to gambling, by means of a brief, clear message that makes clear the possibility that gambling can lead to pathological dependency;
- the percentage of probability of winning that the player has in the individual bet. Should it not be possible to define the percentage, the historic percentage for similar games must be indicated;
- the option of consulting information notes on the probability of winning and/or the percentage of the takings earmarked for jackpots, with reference to its availability on the website of the Concessionaire and the Customs and Monopolies Agency, in addition to the gaming collection points.

Moreover, prohibition has also been imposed on:

- issuing advertising messages about gaming with cash winnings during television and radio transmissions, theatrical or cinematographic performances aimed at minors, and in the thirty minutes before and after transmission;
- advertising, in any form, in the daily newspapers and periodicals intended for minors and in cinema theatres that occasionally show films intended to be seen by minors.

# THE PRINCIPLES OF SAFE GAMING: RELIABILITY AND TRANSPARENCY

The Snai Group abides by the principles of safe gaming, ensuring transparent and reliable gaming.

- **Reliability in the gaming management systems** For all gaming products and betting offered to the public, Snai uses technologies and software with the highest standards of reliability and security in order to ensure its clients receive the maximum protection. The transaction management system issues gaming or betting tickets only after the real time connection with Sogei, the Finance Ministry's digital information facility, has confirmed acceptance of the bet. In this way, there is an absolute guarantee of the validity of the bet and, as a consequence, the payment of any winnings. The acceptance system just described is always valid, at agencies and Snai's retail corners, on the website [www.snai.it](http://www.snai.it) and the gaming application on mobile devices (tablets and smartphones).
- **Maximum security in the transactions** Gaming conducted via Internet, tablets and smartphones, is subject to rigorous controls mainly intended to protect the transactions in the management of gaming accounts. In Italy, online betting is only allowed by means of gaming accounts. Account management operations, especially for recharges with

credit cards, are subject to encryption with the SSL128 system. Requests for withdrawals from gaming accounts are met by bank transfer or equivalent systems with fully traceable transactions in order to protect the holders of gaming accounts. The latter may, at any time, contact their dedicated telephone number for any assistance.

- **Respect for the current regulations** Snai Group takes the utmost care to comply with the current regulations on safe gaming. In addition to security guaranteed by applied technologies, the company promptly came into line with the provisions of the so-called "Balduzzi law" on the issue of the prevention of compulsive gambling and the protection of minors, adjusting all its corporate communications and advertising, and making the entire sales network aware of the obligations and prohibitions laid down by the law, including the prohibition against access to gaming premises by minors.
- **Confidentiality** Confidentiality regarding the players and gamblers is guaranteed and respected at all levels, both at the individual bet acceptance point and regarding the gaming accounts for online gaming. Holders of Snai gaming accounts, while having the assistance of the call centre fully available, can manage their

own accounts independently, giving greater protection to sensitive data.

In 2014, no complaints were received regarding any breaches of the confidentiality of players. Other fundamental aspects of Group Snai's responsibility strategy concern the **enhancement of the sales networks and the relaunch of the horse racing sector**.

Starting from the assumption that betting on sports, horse racing and virtual events constitutes the core corporate business and its widespread coverage of the country with agencies and Snai retail corners is a fundamental value, the company constantly promotes activities aimed at protecting its acceptance points, enhancing the offer and gaining customer loyalty at the gaming points with the Snai brand.

The impetus behind this decision also lay in the assumption that only the authorised networks (both "physical" and online), legal and controlled, enable guarantees to be offered on transparency and reliability in protecting players and preventing compulsive gambling.

**THE CONCESSIONAIRE ACTS BY VIRTUE OF STATE AUTHORISATION. IT IS BOUND TO ETHICAL PRINCIPLES THAT IMPOSE FULL COMPLIANCE WITH THE CURRENT REGULATIONS AND THE COMMITMENT TO SAFEGUARD AND PROTECT ITS CLIENTS.**

# THE MAIN INITIATIVES IN 2015

## GAMING PERSONNEL AND RETAILER TRAINING

### Internal personnel

- Snai constantly updates and increases awareness of Responsible Gaming and the prohibition of gaming to minors within the commercial network of its area managers and all personnel dealing with the sales outlets.
- All interlocutors have been trained to check the existence and correct positioning at the Sales Outlets of the “Responsible Gaming communication kits” (produced on the basis of the ADM instructions and the so-called Balduzzi regulation) and to report any anomalies and/or lack directly to the departments assigned by Snai for the control and supply of the materials.

### Retailer

- The communication activity has also been conducted constantly with the retailers through the extranet portal service “SNAI Partner” dedicated to the managers of the sales outlets.
- A dedicated section has been created on SNAI Partner where the materials of the “Responsible Gaming Kit” can be downloaded independently by the managers.
- Reminder circulars were sent out periodically to remind managers to display the materials correctly.

- The specific training activity of retailers at the Sales Outlets by the network of Snai retail managers has also been constant.

Moreover, Snai Group has run training **courses dedicated to the prevention and control of compulsive gambling**, aimed primarily at the staff of all the sales outlets with a Snai concession and the commercial network of the area managers. This opportunity was extended, with costs covered by the Group, to the client sales points with its concession (for which Snai operates as a service provider). At client sales points that have still not complied with the regional laws of Lombardy and Emilia Romagna, the training is mandatory.

The training courses were run by accredited training companies in the respective regions and therefore authorised to issue recognised participation certificates.

## IZILOVE FOUNDATION



As regards Cogetech, its commitment to sustainability has been fulfilled, in part, with the establishment of the **izilove Foundation**, since 2015 the beating heart of the Snai Group’s Corporate Social Responsibility.

## THE SNAI GROUP CONDUCTED VARIOUS INFORMATION AND COMMUNICATION INITIATIVES FOR THE PROTECTION OF LEGAL AND RESPONSIBLE

This is an independent, non-profit organisation established in 2013 that acts exclusively for purposes of **community solidarity** in the fields of social assistance and charity, education and training, the promotion of culture and art and scientific research. Foundation partners included, among others, Fondazione Rava, Care & Share and Telethon.



The new Snai - Cogetech group also wanted to announce the partnership between izilove and Care & Share by sending Christmas cards to its corporate stakeholders.



The Snai Group intends to follow up the foundation's initiatives and continue to promote its activities in the coming years.



#### THE "IL CU\*\* NON ESISTE" CAMPAIGN

Cogetech decided to work on communication with an advertisement that is a step up from the usual campaigns on responsible gaming. And it did it with a campaign against the current. "Il cu\*\* non esiste" is a small step towards what is regarded to be correct communication and the most informative possible on the probabilities and risks of gambling. The communication campaign, represented by a huge elephant that shows its b side, broke the

mould and proposed a different and more immediate concept of gaming. The objective was to come out of the shadows and talk straight with the users of gaming products, underlining how risky is can be to become involved in gaming, if guided by false myths or **the desire for easy money. No wishful thinking, then, but more aware of the probabilities of winning (or losing) and, above all, the return of gaming as a relaxing and entertaining experience.**

#### COMMUNICATION AT THE SALES OUTLETS AND ONLINE IN ORDER TO PROTECT RESPONSIBLE GAMING AND TO COMBAT ILLEGAL GAMING

- **Communication campaign in the sales outlets in favour of authorised gaming**, aimed at informing players of the risks from illegal gaming.
- **Investments in legal actions in defence of the ADM authorised distribution network and to protect consumers.**
- **Dissemination to all Snai sales outlets of a "Responsible Gaming" informing kit** produced in compliance with the guidelines provided by ADM, containing cards, licence plates, stickers, posters with text to protect minors and in support of Responsible Gaming.

The communication materials are displayed close

to entertainment machines. Moreover, retailers were asked to prepare an area of the Sales Outlet dedicated to information on Responsible Gaming. The information covers:

- warnings about the risks of addiction to gaming the prohibition of gaming by minors;
- information on the probability of winning in the games;
- company names and concession no. of the authorised Concessionaire.

The material is available at: gaming/betting shops, premises dedicate to VLTs, gaming halls with VLT areas and bingo halls, racecourses and premises with AWP.

Moreover, in 2015, Snai planned **responsible gaming awareness campaigns through video and audio spots** that were scheduled both at the sales outlets and on major TV and radio broadcasters and online media.

The content of the spot was agreed with ADM with the shared intention of developing an effective creative message aimed at protecting the media audience against excessive and compulsive gambling and, in particular, the weakest categories like minors.

This was in addition to the **awareness campaigns conducted in the press** with the iZiPlay brand, recently acquired as part of the merger with Cogetech.

# THE PROTECTION OF THE PLAYER AT THE CENTRE OF SNAI GROUP'S ACTIVITY

Snai Group has adopted the main codes and directives in the field of communication to the public.

- it has signed up to the **Advertising Self-Regulation Code** promoted by Confindustria. This code is inspired by the guidelines approved by the European Lotteries Association, as well as international best practice, and lays down that gaming should always be promoted and presented responsibly through fair and correct advertising, always protecting minors
- it immediately adopted the regulations on advertising laid down by the so-called **Balduzzi Law** (the law of November 8, 2012, no. 189), which came into force on January 1, 2013 and gives additional, precise instructions not only on communication but also the entire games' management, as well as the measures arising from local, regional and municipal regulations, time and distance restrictions on exercising the activity of gaming with cash winnings and the implementation measures arising from the Stability Law 2016, published at the end of the year, on the prohibition against advertising gaming with cash winnings on general radio and television broadcasts during a certain time band.
- it adopted the **"Services charter for remote gaming"** issued by ADM with the primary aim of "ensuring players have a legal and responsible gaming environment, regulated and constantly monitored, and to guarantee **responsible gaming**, protecting minors and susceptible members of the public from phenomena like problem gambling." Moreover, the Group takes part in the responsible gaming programme defined by G4, the Global Gam-

bling Guidance Group, which proposes to improve social responsibility in gambling and reduce the possible collateral damage to the minimum possible through the promotion of a world programme of accreditation. The Gaming industry has been urged by Governments, the Regulatory Authorities in the sector and by Communities to develop Responsible Gaming programmes.

The Snai Group therefore wishes to emphasise the dimension of recreation in online gaming and encourage its responsible use.

To this end, as part of G4 Certification, it adopts **specific policies** to provide procedures of guidance and assistance for the Players, holders of a Snai Group Account, and help them make aware and informed choices.

G4 is the outcome of the work of a group of international experts in the sector with many years' experience and collaboration with the worldwide gaming industry, aimed at the promotion of responsible gaming and the reduction of damage caused by problem gambling, through dedicated projects and the definition and creation of training programmes for all the personnel who work in gaming areas and/or in contact with problem gamblers.

These experts have drawn up an accreditation programme that has become an international benchmark for Responsible Gaming.

The accreditation programme provides a model for the gambling industry and the possibility for businesses to demonstrate how seriously the concerns of the local communities and the individual clients are taken.

**The protection of the player is fundamental for Snai, which always operates in compliance with the current regulations and adapts to the developments these undergo.**

Snai Group has therefore decided to take part in this programme, both to provide adequate safety and support standards for problem gambling and to ensure its clients enjoy untroubled and aware entertainment.

**Accreditation by G4 takes place every year** following an audit in situ by the organisation's Board, based on a specific audit checklist, of the policies adopted, corporate commitment, mechanisms and tools of assistance and self-exclusion from potential activities that could lead to compulsive gambling.

Snai Group, as part of the policies taken from G4 practices for the protection of responsible gaming, adopts the following minimum **standards**:

- Corporate Code of Ethics;
- Provision of responsible gaming information to the clients, staff and management;
- Policy containing the operating procedures to be adopted in certain situations of possible compulsive gambling;
- Accreditation procedure.

The G4 programme assists Snai in the conduct of its mission, through a series of measures and strategies, including:

- Development and implementation of best practices for responsible gaming;
- Provision of an effective system of voluntary and involuntary exclusion for clients;
- Assistance in the handling of cases that present gambling problems;
- Promotion of responsible gaming practices.

# OUR CLIENT PROFILE

Snai commissioned AstraRicerche to conduct a quantitative survey in order to find out the characteristics of its clients.

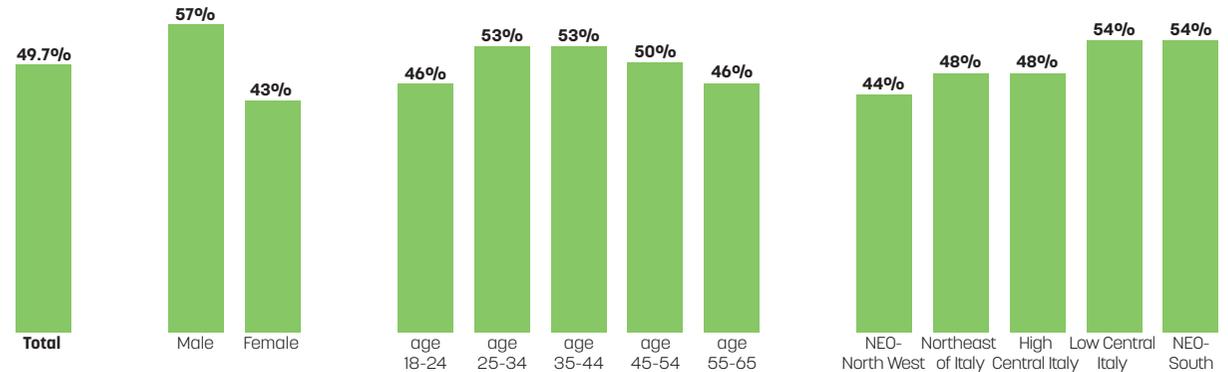
The survey was carried out in February 2015 with 1,517 interviews of a representative sample of Italians between the ages of 18 and 74, the equivalent of around 43,400,000 people. The sample was asked how often they play each of the reported gaming and betting segments.

**49.7% of Italian said they played games or placed bets at least once a month.**

The percentage rises to 57% in men, increased with age (passing from 46% of 18-24 year olds to 53% of 25-34 and 35-44 year-olds, falling off in the following decade to 46%) and increases moving from the northern regions to those in the south (from 48% to 54%).

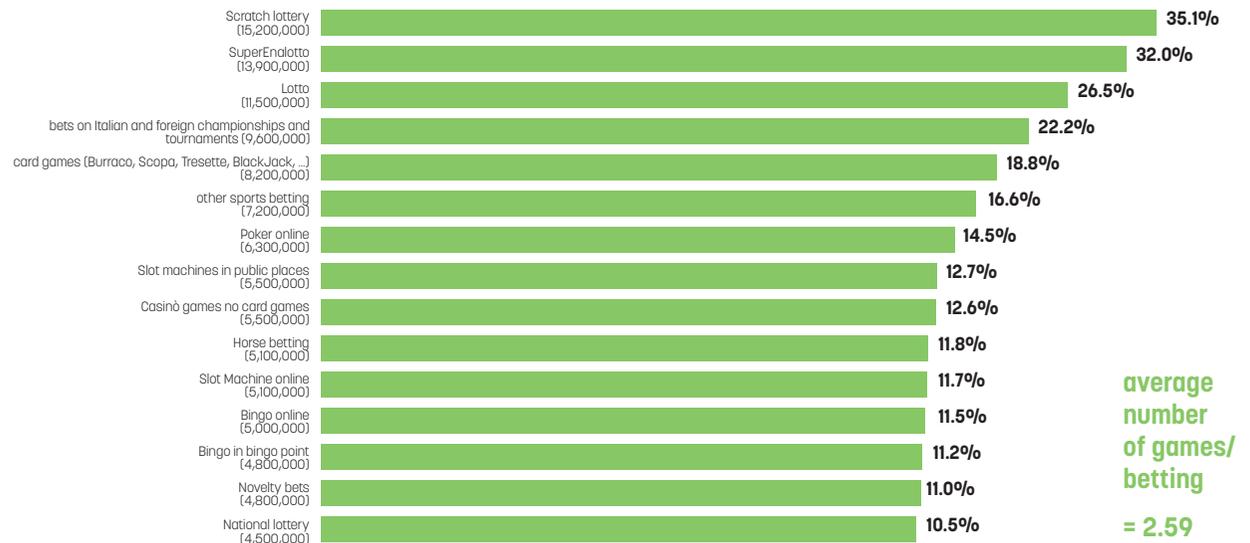
## CURRENT PLAYERS (WEEKLY AND MONTHLY FREQUENCY)

### At least monthly players



## GAMING AND BETTING PRACTISED

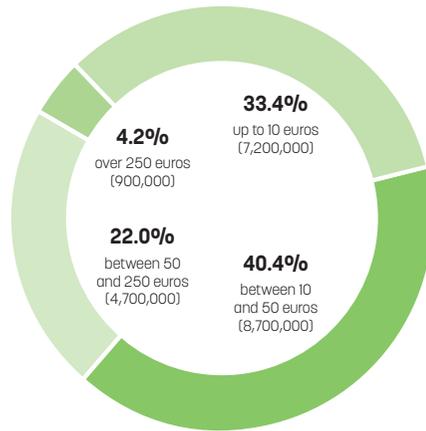
### At least once a month



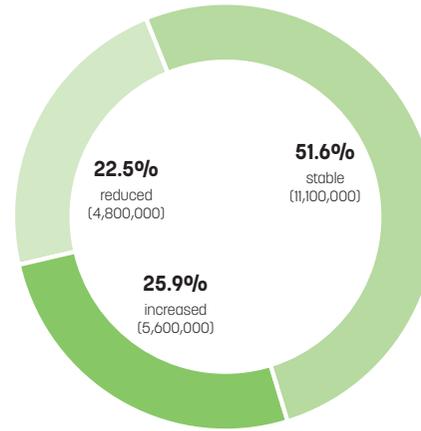
For around a third of interviewees (33.4%), the amount spent is less than 10 euros a month (a reduction compared to the 46.2% in 2013).

From the data that emerged from the Astra survey, it was found that only 2% of interviewees were at a high or very high risk of compulsive gambling and that most players are in fact in a low or zero risk band. No differences were found between the sexes and different geographical areas, while the youngest were found to be increasing their spending in this field.

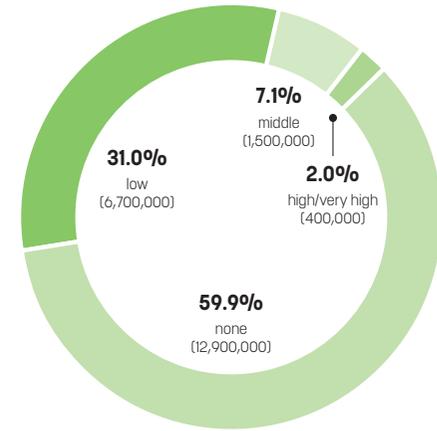
### MONTHLY AMOUNT USED TO PLAY



### THE TREND IN THE LAST 2 YEARS OF MONTHLY AMOUNT USED TO PLAY



### SUPERINDEX GAMBLING ADDICTION RISK



The people at risk of compulsive gambling are the following:

- those who devote more than 5 hours a week to gaming
- those who spend more than €250 a month on gaming and betting
- those who spend a significant part of income or more than they can afford on gaming or betting

every month

- when they play, they feel "the sensation of not be able to stop" and "euphoria, excitement"
- those who describe themselves as "slaves to gaming" and "gambling crazy"
- they say "gaming, betting for me is a vital, very important activity"; "sometimes I feel obliged to play/

bet"; "sometimes I can't stop gaming / betting"; "people regard

- me as an inveterate player/ gamble, a little crazy, obsessive"
- they play because they can't do otherwise
- they are described as "incapable of controlling themselves".



CORPORATE  
SOCIAL RESPONSIBILITY  
REPORT

5. RELATIONS  
WITH STAKEHOLDERS

**THE SNAI GROUP  
AND RELATIONS  
WITH STAKEHOLDERS**

5

STATE AND INSTITUTIONS  
THE PERSONNEL  
OWNER MANAGERS OF SALES OUTLETS  
AND SNAI RETAIL CORNERS  
THE SNAI PARTNER PORTAL  
FOR DIALOGUE WITH ITS SALES OUTLETS  
CONTINUOUS DIALOGUE WITH CLIENTS  
FOR AN IMPROVED OFFER  
SUPPLIERS  
THE COMMUNITY  
SHAREHOLDERS AND INVESTORS  
THE ECONOMIC PERFORMANCE 2015

# STATE AND INSTITUTIONS

In Italy, gaming and betting are the reserve of the State, which, by means of the Customs and Monopolies Agency (Agenzia delle Dogane e dei Monopoli or ADM), controls and regulates the public gaming sector.

Snai Group engages in all types of gaming and betting through multiple concessions authorised by the Italian State and, as a consequence, relations between Snai and ADM are continuous and of vital importance to the Group's activities.

It is the duty of ADM to draw up guidelines for a dynamic and rational evolution in the sector, constantly verify the propriety of the conduct of operators and combat illegality.

The regulatory body is assigned the management of gaming and betting and the control of the correct operation of the individual concessionaires and the certification of winnings, in protection of the complete legality of gaming.

The concession model therefore allows the Italian state, represented by ADM, to control the legitimate gaming market and its players. The concessionaire

IN THE COURSE OF THE YEAR,  
OVERALL TAKINGS ON GAMES AND BETS  
BROUGHT IN AROUND

8.8

BILLION EUROS IN TAX REVENUES

is the holder of the right to exercise a prerogative of the State. The concessionaire's role therefore assumes compliance with the laws and regulations that govern the entire division but also with the strict regulations on matters of money laundering, protection of the players and minors, responsible gaming.

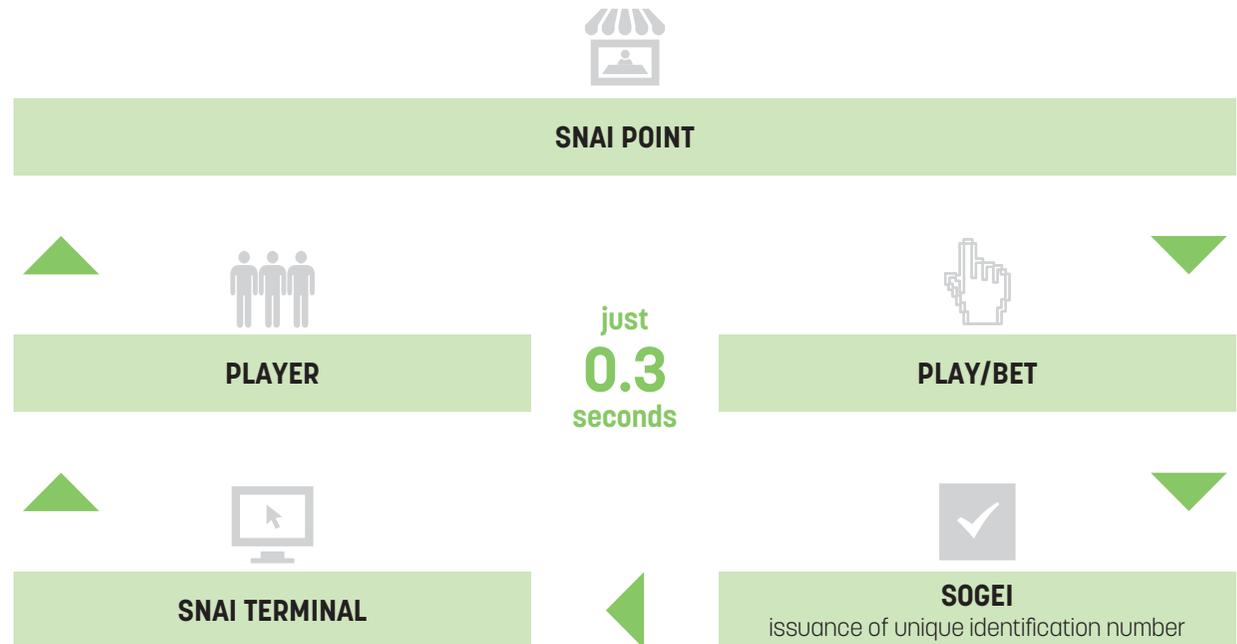
**Sogei** - Società Generale d'Informatica - is a company controlled by the Ministry of the Economy and Finance that is responsible, among other things, for the management of the digital transmission system of public gaming on behalf of ADM.

Every individual terminal for the acceptance of bets, every VLT and every individual game offered

through the Internet are connected in real time with the Sogei servers.

This allows **constant monitoring of the activity of the individual concessionaires and offers the maximum protection to players from the perspective of validity**: for each bet or play, **Sogei issues a unique identification number that confirms acceptance of the play or the bet, or the participation in a sweep.**

All this, in addition to enabling complete transparency of monetary transactions - amounts staked, winnings paid, tax deducted - brings the maximum possible level of protection of the player engaged in authorised gaming.



# THE PERSONNEL

Data concerning Snai Group regard the following companies: Snai SpA, Snai Rete Italia Srl single-member company, Società Trenno Srl, Teleippica Srl single-member company, Cogemat group. The data for the Cogemat group only cover the months of November and December.

## COMPOSITION

At December 31, 2015, the workforce of Snai S.p.A and the subsidiary companies was made up of **900 units**, of whom 35 are senior managers, 803 middle managers and office staff and 62 workers.

The increase in the personnel is due to the process of integration with Cogetech.

Men make up 55% of the workforce at 496, while 45% are women, at 404.

Employees by gender		Udm	2015			2014			2013		
			Total	Men	Women	Total	Men	Women	Total	Men	Women
Snai Group	Employees	(no.)	<b>900</b>	496	404	<b>690</b>	350	340	<b>672</b>	341	331
	Employees	(%)	<b>100</b>	55	45	<b>100</b>	51	49	<b>100</b>	51	49

Almost all of the staff work in indeterminate time regime and with full-time employment contracts.

Employees by contract type			2015			2014			2013		
			Total	Men	Women	Total	Men	Women	Total	Men	Women
Snai Group	Permanent contract		<b>870</b>	479	391	<b>664</b>	339	325	<b>648</b>	328	320
	Fixed term contract		<b>30</b>	17	13	<b>26</b>	11	15	<b>24</b>	13	11

Part-time contracts are mainly related to working mothers or staff within the owned stores. In 2015 it was strongly facilitated the use of part-time where required.

Permanent contract employees by schedule of work			2015			2014			2013		
			Total	Men	Women	Total	Men	Women	Total	Men	Women
Snai Group	Full-time		<b>775</b>	460	315	<b>581</b>	326	255	<b>554</b>	304	250
	Part-time		<b>109</b>	26	83	<b>109</b>	24	85	<b>94</b>	24	70

# 18.5%

employees with degrees, of whom 9.1% are women

The number of employees with degrees continues to increase compared to previous years, not just due to the acquisition of Cogetech by, above all, the introduction of highly qualified figures.

Composition of the personnel by academic qualification			2015			2014			2013		
			Total	Men	Women	Total	Men	Women	Total	Men	Women
Snai Group	Degree		167	85	82	123	61	62	117	56	60
	Diploma		488	266	222	400	193	210	392	186	206
	Other		245	145	100	166	57	109	52	20	32

# 53%

incoming female personnel

47% of new hires were male, in contrast to 2014.

Incoming and outbound employees by gender			Udm	2015		2014		2013	
				Incoming employees	Outbound employees	Incoming employees	Outbound employees	Incoming employees	Outbound employees
Snai Group	Men	(no.)		43	55	55	43	53	60
		(%)		47	46	53	54	43	36
	Women	(no.)		49	65	49	37	71	107
		(%)		53	54	47	46	57	64

# 92

incoming personnel

In 2015 the age groups up to 30 years and 30 to 50 years are equally incoming workers, in substantial agreement with the figure reported in 2014.

Incoming and outbound employees by age			Udm	2015		2014		2013	
				Incoming employees	Outbound employees	Incoming employees	Outbound employees	Incoming employees	Outbound employees
Snai Group	up to 30 years	(no.)		41	48	49	34	33	26
		(%)		45	40	46	43	27	16
	30 to 50	(no.)		42	48	48	35	82	108
		(%)		46	40	45	44	67	65
over 50	(no.)		9	24	9	11	8	33	
	(%)		9	20	8	14	7	20	

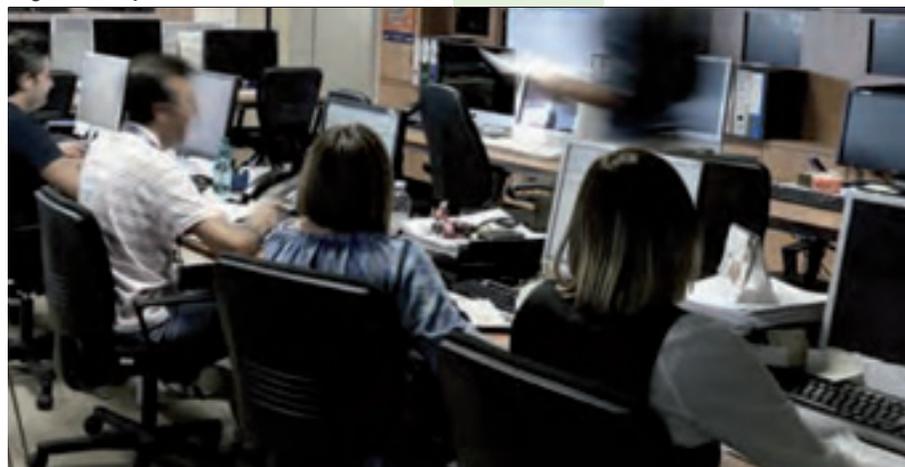
Turnover (+) %	2015	2014	2013
Turnover workers Group	13	12	25

\* dismissed workers / total of the table "Employees by type of contract"

**Snai Group ensures the full application of the principles contained in the collective national contracts** applied by the various companies of the Group. Snai SpA adopts the national collective labour contract of the engineering industry, supplemented with a corporate contract that also lays down the distribution of performance-related pay on the attainment of certain parameters, as well as the National Collective Contract of Commercial Work for employees of the tertiary, distribution and services sector, for the personnel of the agencies, call centres, traders and merchants. Teleippica Srl Unipersonale adopts the national collective labour contract for Private Radio and Television companies and Società Trenno Srl adopts the national collective labour contract for horse racing and an appropriate contract for the classification of the personnel assigned to collecting bets.

The Cogemat Group and Snai Rete Italia Srl Unipersonale adopt the National Collective Contract of Commercial Work for employees of companies of the tertiary, distribution and services sector.

Percentage of employees covered by collective contracts (%) 2015 2014 2013	2015	2014	2013
Snai S.p.A.	100	100	100
Teleippica	100	100	100
Trenno	100	100	100
Cogemat Group	100	n.a.	n.a.



## PERFORMANCE ASSESSMENT

**Snai Group is convinced that the growth of the company is achieved through the development of the people** who work there and therefore their involvement is decisive in the attainment of the corporate objectives. Nevertheless, the organisational changes that occurred in the course of 2015 did not enable Snai and Teleippica to carry out the process of performance management and therefore the assessment of the results achieved and the "cascading" of the objectives. The Cogemat group proceeded with the process of objective assessment, technical capacity and behavioural competence on the part of the managers, as well as the self-assessment process through which each employee conducted self-assessment for the aforementioned working period. The meritocratic policy is one of the tools through which the Group recognises the contribution of each resource to the attainment of the individual, financial and corporate objectives in order to motivate, engender loyalty and promote collaboration and cohesion in attaining the corporate objectives. In 2015, Snai Group's "Management By Objectives" is only linked to the corporate financial objectives. The meritocratic and remuneration policy of the Cogemat Group was based on corporate financial objectives and individual objectives.

## PREVENTION OF THE RISK OF ACCIDENTS AT WORK

Within the Group, the companies identified the Risk Assessment Document as the instrument required to carry out a careful risk assessment and take decisions on the improvement of the conditions of the health and safety of the workers.

The training plans and the health protocol are connected to the RAD. In the Snai Group, health and safety in the workplace is a value and a priority to constantly be pursued through training, updating, monitoring and the sense of responsibility required of each collaborator. Employees are asked to play an active role, applying the prevention measures required to protect themselves, their colleagues and external collaborators.

Annually, in compliance with the measures of Legislative Decree 81/2008, the Employer holds a meeting with the Prevention of Protection Service Manager, Company Doctor and the Worker's Safety Representative to look at the risks and respective assessments and also discuss the planning of interventions that impact on the health and safety of workers.

Thanks to careful, continuous analysis, carried out by the assigned executives and the Prevention and Protection Service Managers, including through inspections and internal audits, the risks can be quickly identified and the countermeasures adopted to improve the working conditions for all the Group's collaborators.

At the time of hiring, and periodically thereafter, all employees receive specific training on safety matters.

Every worker is given the necessary information about the risks to health and safety connected both with the activity of the business in general and any specific task carried out.

The respective training courses were therefore divided into generic modules, also delivered through e-learning methods, and specific modules, completed with training phases carried out by expert personnel on the use of equipment and the personal protective devices.

During the year, training courses were held of matters of health and safety, in particular:

- Training and information for workers in accordance with Legislative Decree 81/08
- Worker Safety Representative training and updating
- Training for Fire Prevention and emergency management staff
- Training for First Aid staff
- Training for Senior Managers on safety
- Specific training on the use of the equipment.

Presence of workers on the Committee for health and safety	Udm	2015	2014	2013
<b>Snai Group</b>	(no.)	<b>48</b>	10	8
	(%)	<b>5.33</b>	1.45	1.19

The occupational disease rate is zero while the accident rate is the following.

Accident rate	Udm	2015			2014			2013		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Snai Group</b>	(no.)	<b>8</b>	5	3	<b>13</b>	8	5	<b>12</b>	7	5
	(%)	<b>6.93</b>	8.26	1.40	<b>13.47</b>	14.64	2.67	<b>13.46</b>	8.15	5.31

Severity index (*)	Udm	2015			2014			2013		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Snai Group</b>	(no.)	<b>197</b>	128	69	<b>378</b>	280	98	<b>163</b>	10	7
	(%)	<b>35</b>	41	28	<b>71</b>	102	38	<b>31</b>	42	18

(\*) number of days lost / Total hours worked \* 200,000

No fatal accidents occurred during the year.

Absenteeism rate	Udm	2015			2014			2013		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Snai Group</b>		<b>24,966.88</b>	11,274.08	13,769.79	<b>27,136.79</b>	9,813.56	17,323.23	<b>31,189.00</b>	12,666.00	18,523.00



## THE DEVELOPMENT OF THE HUMAN CAPITAL

The training activities planned and conducted in 2015 by the Group were mainly directed to meeting the regulatory obligations in the field of health and safety of workers.

The Group is also active on the issue of protecting Legal and Responsible Gaming and on initiatives in support of the respect for the guidelines provided by the Customs and Monopolies Agency and the Balduzzi Decree and so courses were delivered in compliance with the model requested by the regions.

Training courses were also conducted aimed at updating the personnel on the Model 231/01, as well as courses on money laundering aimed at providing practical instructions on combatting the crime of illegal money-laundering and financing terrorism.

Technical/specialist training was also given aimed at the acquisition by the personnel of specific skills and keeping them up to date.

The training was partly financed by the Inter-professional Funds, Fondirigenti and Fondimpresa.

## EQUAL OPPORTUNITIES

The presence of women in the company is mostly concentrated in the office work category.

Composition of the personnel by category		2015			2014			2013		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Snai Group</b>	Senior managers	<b>35</b>	26	9	<b>27</b>	22	5	<b>22</b>	18	4
	Middle managers	<b>62</b>	44	18	<b>42</b>	28	14	<b>38</b>	22	16
	Office workers	<b>741</b>	367	374	<b>556</b>	238	318	<b>541</b>	233	308
	Workers	<b>62</b>	59	3	<b>65</b>	62	3	<b>71</b>	68	3
	<b>Total</b>	<b>900</b>	<b>496</b>	<b>404</b>	<b>690</b>	<b>350</b>	<b>340</b>	<b>672</b>	<b>341</b>	<b>331</b>

Disabled people or those who belong to protected categories		2015			2014			2013		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Snai Group</b>		<b>53</b>	32	21	<b>41</b>	23	18	<b>37</b>	22	15

In 2015, no cases of discrimination by employees was reported or occurred.

Average training hours per head per category		2015
Snai Group	Senior managers	3.41
	Middle managers	3.45
	Office workers	3.37
	Workers	0.56

Average training hours per head per gender		2015
Snai Group	Men	3.06
	Women	3.34

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## WELFARE AND RECONCILIATION

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In 2015 it was extended the welfare introduced in 2013 (as the repayment of the straight seekers). In addition, the restaurant tickets for all employees were confirmed.

In addition to the provision of **bonuses for kindergartens**, the Group initiated agreements with both exercises related to the welfare and health that the purchase of products and services of various kinds.

In addition, the **restaurant tickets** for all employees have been confirmed, with the exception of Italy and Trenno SNAI network that has built a canteen. The Cogemat group also recognizes each employee 20 hours per year (calendar year) of **permission for medical examination** and renewed agreements with the public transportation, offering subscriptions with subsidized amounts and allowing the rescheduling, and with CAF for build service 730.

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## INTERNAL COMMUNICATION

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Internal communication, accountability and lived as a **motivation tool**, plays a strategic role within the Group.

In addition to the common means of communication such as e can ta and the intranet, the main listening tools instances of workers remain certainly the **one to one meetings with the Human Resources Department**.

The Cogemat Group also in 2015 took advantage of the climate as a means to ascertain the **perception of staff in the organization and motivation**, in addition to measuring the level of engagement and commitment. The survey also made it possible to photograph the company's evolution, understanding and identifying areas.



# OWNER MANAGERS OF SALES OUTLETS AND SNAI RETAIL CORNERS

**Relations between Snai and the managers of the Sales Outlets and Snai Retail Corners have always been a strongpoint for the Company: it is in these places that clients must be able to enjoy the best service.**

**IN ORDER TO IMPROVE RELATIONS WITH ITS SALES OUTLETS, SNAI OFFERS INCREASINGLY TIMELY AND EXTENDED TELEPHONE ASSISTANCE SERVICES IN ORDER TO GIVE PROMPT, CLEAR AND EFFECTIVE ANSWERS TO THE NEEDS OF THE MANAGERS.**

Snai has been a key brand in Italy for years for anyone who wishes to bet and play legally and safely, both online and through the network of sales outlets distributed across the entire country.

In Snai agencies, bets can be placed on sports events, horse races and virtual games, and there are dedicated gaming areas with entertainment machines (VLT and AWP). Other services can be bought including, for example, recharges for the main mobile telephone operators, recharges for pay-TV and various payment services.

The Snai Group pays particular attention to relations with its own sales outlets, continuously training and assisting them so that they are able to offer the best service to the clients. The purpose of this constant support is also to encourage managers to develop entrepreneurial abilities and specific professional expertise in the management of commercial businesses.

The training is also carried out through the network of Snai area managers who periodically visit the sales outlets and is extended to personnel who operate on the premises that are direct contact point for clients. Among the main objectives of this activity is the dissemination of the regulations to protect players and engender awareness among all the operators of the supply chain in disseminating the legality and responsible gaming promoted by AAMS. In order to ensure that these messages are clearly received by the clients, all the information materials laid down by the current regulations, with the description of the gaming methods, the probability of winning, the features of the equipment, recommendations and warnings to ensure responsible gaming, are also displayed inside the sales outlets in positions of maximum visibility.

What's more, all the advertising initiatives developed by marketing inside the Snai sales outlets are aimed at the concepts of fun and entertainment in the spirit of the regulations protecting the players. The advertising messages are always designed to show that the objective of gaming is entertainment and must not become a compulsive search for winnings.

Snai has also sought to digitise to the utmost all the communication activities through the use of monitors and PCs at the sales outlets, reducing to the indispensable minimum the printing of paper materials (for example, bills and posters), just as it has also sought to limit the use of furnishings and fittings in order to contain the environmental impact of the sales outlet management.

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## SNAI RETAIL CORNERS

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Unlike Snai agencies, whose main activity covers betting and entertainment machines, Snai Retail Corners are present in commercial businesses in which the acceptance of bets is a secondary activity to the main one (for example, bars, newsagents', kiosks etc.). For this type of sales outlet, Snai has implemented technological systems that guarantee the maximum security and complete reliability of the wager acceptance systems and, at the same time, best meet the needs and expectations of clients who seek entertainment in full compliance with the law. Snai also provides constant support and training for managers of the Retail Corners, always with the aim of offering the best possible service and increasing awareness of responsible gaming for fun and entertainment without excess.

# THE SNAI PARTNER PORTAL

Snai communicates with its sales outlets through the Snai Partner portal, an access point for all Snai services that has been in operation since January 1, 2011. The objective is the concentration of the company's information flow from the acceptance points, the requests from the sales network, in order to optimise

the overall management. Access can take place both from the terminals operating in the sales outlets and via Internet and, as a consequence, can be consulted at any time and in any place.

The portal has three main functions:

## INFORMATION

1

The portal contains all the information for running a Sales Outlet or Snai Corner, or a Snai VLT hall. All the information for bets accepted "physically" (sales network and Retail Corners in the country) or digitally, AWP and VLT, can be found and easily consulted. Each individual manager can be informed in real time about:

- Status of service delivery
- News about the Snai world
- Official documentation issued by Snai
- Snai communications

## ASSISTANCE

2

SnaiPartner is an alternative to the telephone for requesting assistance.

If an urgent intervention is not required, the portal can offer an initial series of indications through the "FAQ" (*frequently asked questions*) and, in the event the answer required is not found, the user can directly open an intervention request, which will be assessed by the Snai department responsible for providing the solution.

## MANAGEMENT MATERIALS

3

Every sales outlet can send Snai requests for consumables, promotional and advertising materials or displays.

The request are forwarded directly to the competent departments, streamlining procedures and reducing waiting times.

# CONTINUOUS DIALOGUE WITH CLIENT FOR AN IMPROVED OFFER

## Listening to and discussing with clients are a fundamental element in Snai's strategy.

Snai S.p.A. has drawn up **procedures for handling official, shared complaints**, aimed at encouraging the rapid solution of problems and making its staff responsible for handling complaints that may come for any reason from the Clients.

Snai S.p.A. has made available its own dedicated, specialist facility, the Services Centre, the first stop for inbound alerts from clients to Snai.

Notifications by clients are received by the Services Centre, which guarantees specialist analysis to resolve problems concerning information, administration and technical problems.

The Services Centre is furnished with an appropriate management platform for managing the tickets and assesses whether it is possible to directly resolve the problem or whether it is necessary to involve specialists in specific areas.

### Total calls handled

Help Desk	236,018
SNAI Card	69,196
SNAI INFO	7,235
<b>Total</b>	<b>312,449</b>

In addition to the Services Centre, other channels for the reports and any complaints are the post and electronic mail managed by General Affairs, which forwards them to the Areas/Departments responsible and, if deemed, necessary, to Legal, Corporate and General Affairs.

The Legal, Corporate and General Affairs Management is responsible for dealing with complaints connected with matters previously dealt with as simple reports to the Services Centre/General Affairs for which no standard resolution is possible through the normal assistance channels.

<p><b>HELP DESK</b> <b>1</b></p>	<p><b>SNAI CARD</b> <b>2</b></p>	<p><b>SNAI INFO</b> <b>3</b></p>
<p>it provides logistical, organisational, administrative, tax and legal assistance on matters directly related to the acceptance and collection of bets and stakes and technical matters with regard to the technological materials; it responds from 8 am to midnight, seven days a week, via toll free number, email and fax. Access to the telephone service takes place through client identification (code LOC-ACC-ARM &amp; PIN) and, once recognised, help menus are offered in line with products available in Snai Outlets.</p>	<p>it is the card for players and gamblers who use the services covered by the "SNAI Card" brand and responds from 8 am to midnight, seven days a week, on the toll free number, email address and the requests channelled through the portal <a href="http://www.snai.it">www.snai.it</a></p> <p>The telephone assistance makes use of IVR able to provide instructions on the most requested issues or direct the client to one of our operators.</p>	<p>it helps players to collect winnings and the inspectors of ADM/SIAE/ Control bodies for AWP checks and is available through a toll free number.</p>

In addition to the aforementioned channels of assistance to the client, the Snai Group also operates through the constant monitoring of the main social networks (Facebook, Twitter, YouTube, Instagram), increasingly considered an instrument for listening and "hot", participatory contact. Through these instru-

ments, comments, advice and first requests for assistance are collected daily concerning problems connected to gaming or regulations or the development of new products. Finally, the constant dialogue with the sales outlets, in addition to the aforementioned channels is achieved through the Snai Partner portal.

# SUPPLIERS

## PARAMETERS FOR SELECTION

The selection of suppliers and the formulation of the procurement conditions for goods and services is dictated by competitive values and parameters, objectivity, correctness, impartiality, fair prices, the quality of the good and/or service, accurately assessing the guarantees of assistance and the panorama of offers in general.

The procurement processes must be marked by the search for maximum competitive advantage for the Company and fairness and impartiality towards every supplier. The stipulation of a contract with a supplier must always be based on relations of extreme clarity, avoiding, where possible, the acceptance of contractual constraints that lead to any form of dependency on the contracting supplier. The need to pursue the maximum competitive advantage for Snai must necessarily ensure that the Snai Group and its suppliers adopt operating solutions in line with the current regulations and, more generally, with the principles of the protection of the person, workers, health and safety and the environment. Snai Spa laid down, in contracts stipulated with the two suppliers assigned to serving Porcari food and drinks (through the installation and free use of automatic distributors), a clause that provides for the annual donation of €500.00 each in favour of two Associations identified by Snai S.p.A. In 2015, the donation was made to the MEYER HOSPITAL OF FLORINCE.

Numero contratti di fornitura		2015	2014	2013
SNAI Spa	Total contracts stipulated with suppliers, contractors and other important commercial partners	1,051	1,093	1,527
TELEIPPICA	Total contracts stipulated with suppliers, contractors and other important commercial partners	381	384	334
TRENNO	Total contracts stipulated with suppliers, contractors and other important commercial partners	645	587	419
SNAI RETE ITALIA	Total contracts stipulated with suppliers, contractors and other important commercial partners	74	n/a	n/a
COGETECH GROUP	Total contracts stipulated with suppliers, contractors and other important commercial partners	651		
<b>Group Total</b>	<b>Total contracts stipulated with suppliers, contractors and other important commercial partners</b>	<b>2,802</b>	<b>2,064</b>	<b>2,359</b>

## LOCAL SUPPLIERS

Snai Group regards as "local" those **suppliers of goods and/or services located in the same geographical area as the organisation or branches for which the procurements are made** (that is, for which cross-border payments are not involved).

Specific policies or practices have not been adopted in favour of local suppliers except with reference to the general selection criteria of suppliers.

It is made clear, however, that:

- For its specific activity connected to the horse racing sector, the company Trenno S.r.l. makes use of local suppliers for the provision of goods and services to the racecourses and training centre, that is, located near the facilities;
- The company Teleippica S.r.l. makes use of EU suppliers for the procurement of highly technological material specific to the sector that can only be found abroad.

## OBSERVANCE OF THE CODE OF ETHICS

Since observance of the Code of Ethics is an unavoidable condition for the Snai Group for achieving its corporate mission, all suppliers are required, as are all stakeholders, to comply with the Code of Ethics of the company. The company's suppliers are therefore obliged to respect the rules and principles expressed in it, with particular reference to human rights violations.

**Failure to observe the Code is a reason for not continuing with the professional / collaborative relationship in being with Snai and could lead to actions for the compensation of damages caused by such violations.**

As the Code of Ethics says: "All violations committed by third parties could lead, depending on the severity of the case, to the termination of the contractual bond in accordance with articles 1453 and 1455 of the Civil Code and the request of any compensation of damage".

# THE COMMUNITY

## MORE SPACE FOR THE SOCIAL NETWORKS IN EXTERNAL COMMUNICATION

The “social” side of a business’s communication is an aspect that now forms an established part of the tools available to companies.

Snai is no exception and has always regarded the social channels not just as simple showcases for its products and promotions but **a real instrument for discussion and dialogue with its clients**. The clients always feel at the centre of attention since they are not only the recipients of inputs in the form of push notifications, emails and other messages, but are also able to **interactive positively**.

Therefore, the Facebook page with its fan base of almost 50,000 fans, is the ideal place to get the latest news about the Snai universe: from on-air promos to the starting lines of proprietary racecourses, from highlights of major sporting events to the launch of new games and apps, without neglecting, on the contrary, giving full prominence to live betting and the possibility of watching online streaming of major sporting events.

With regard to the latter aspect, Twitter, the social network devoted to the live aspect, has become Snai’s all-news channel: quotes, highlights and special promos.

Following the general trend, 2015 saw the development of the more directly visual aspect of gambling: Instagram hosted a stable and structured programme of promotional images and testimonials of the product by users.

An area destined for further development is YouTube, which has hosted immediate consultation tools to enable users to manage their gaming better.

Facebook	Twitter	Instagram
<b>44,195 fans</b>	<b>around 7,000 followers</b>	<b>591</b>
<b>Average schedule: 3 posts / day</b>	<b>Average schedule: 5-6 posts / day</b>	<b>Average schedule: 3 posts / day</b>
<b>Peak coverage of posts in the year (users who have seen the page’s content): 494.159</b>	<b>Peak coverage of posts in the year (users who have seen the page’s content): 722.000</b>	<b>Peak of likes of the posts in the year: 80</b>
<b>Overall sessions to www.snai.it: 106.062</b>	<b>Overall sessions to www.snai.it: 1810</b>	

Data at December 31, 2015

Contributions to the community (thousands of euros)	2015	2014	2013	Change 2015/2014
<b>F) Transfers in favour of the local community</b>	<b>1,824</b>	1,650	1,867	<b>-217</b>
Local taxes and rates	<b>1,824</b>	1,650	1,867	<b>-217</b>

# SHAREHOLDERS AND INVESTORS

Accuracy, timeliness and transparency are the principles followed by Snai in financial communication in order to create a relationship of firm trust with the market.

CONSISTENCY, TIMELINESS OF INFORMATION AND THE GUARANTEE OF EQUAL ACCESS TO THE CORPORATE INFORMATION ARE FUNDAMENTAL PRINCIPLES THAT INSPIRE THE SNAI GROUP'S INVESTOR RELATIONS DEPARTMENT

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## FINANCIAL COMMUNICATION

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Financial communication is of strategic importance to the Snai Group. The Investor Relations department is specifically assigned responsibility for relations with the community and ensures full, prompt and transparent communication regarding the company and its subsidiaries. The activity is conducted with respect for the treatment of information that could influence the price of financial instruments issued by the company (price sensitive information). All requests for information received by the company are dealt with promptly, providing complete and accurate responses. All this ensures that the Snai Group always maintains an **open and transparent dialogue with analysts and investors**, be they institutions or individuals.

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## TRANSPARENCY OF MATTERS DEALT WITH AT THE SHAREHOLDERS GENERAL MEETING

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The Shareholders' General Meetings of Snai S.p.A. are called and held in full compliance with the general measures of the Civil Code, as well as the specific regulatory provisions referring to listed companies. In particular, the rights of minorities are fully respected and full transparency is guaranteed regarding the matters dealt with and the consequent resolutions to be adopted.

The Shareholders' General Meeting discusses matters reserved to it by the law (annually on the results of the financial statement) as well as any additional matters forwarded for its attention by the administrative body. The Shareholders' General Meeting is held annually, unless special re-

quirements arise during the financial year and any extraordinary sessions.

In guarantee of transparency and full information to the public, the company (in addition to the channels laid down by the current regulations, for example, publication in national newspapers) gives news of the holding of its meetings on its corporate website, where the respective report, with a summary of the resolutions adopted, is usually published.

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## COMMUNICATIONS TO THE MARKET

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The Investor Relations department is the unit responsible for financial communication to the market.

Snai uses all the typical instruments of financial communication and dialogue with institutional investors through one-to-one meetings, analysts' meetings, roadshows, conference calls, press releases, sections of the website for Investor Relations activities, in addition to the economic-financial publications.

The Company publishes the consolidated financial statement in Italian and English, as well as the six-monthly financial report and interim management reports in the first and third quarters. The documents are available in the Investor Relations section and on the company's, corporate website and are published at the same time for filing with Consob and the Italian Stock Market. Information on the main corporate and equity transactions concerning the company is also published on the Group's website.

**All the main events concerning the company are made public through press releases published on the corporate website in Italian and English.**

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## THE STOCK MARKET

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Snai Spa is listed on the electronic stock market of the Italian stock market, which assigns the company the symbol SNA.MI. Snai S.p.A's main shareholders are Global Games S.p.A. and Ol-Games 2 S.A, which hold 55.53% and 13.88%, respectively, of the share capital: the shares held are the conse-

quence, on one hand (i) of the outcome of a public subscription offer by Global Games on May 19, 2011.

The offer's subscription period was between May 27 and June 16, 2011; payment was made on June 23, 2011 (ii) to the share capital increase finalised in the financial year 2015 for an overall maximum value, nominal and premium, of 140,000,000 euros,

with the issuing of 71,602,410 of the company's ordinary shares by means of the contribution in kind of a holding of up to 100% of the share capital of Cogemat S.p.A.

It is noted that this operation constitutes and operation with related parties since:

(a) Snai is subsidiary company of Global Games, 50% of the shares of which are held by In-



vestindustrial IV L.P. through Global Entertainment S.A.

(b) OI-Games 2 S.A., a shareholder of Cogemat with a holding of 72.22%, is 50% owned by Investindustrial IV L.P. (through International Entertainment S.A.).

On December 4, 2013, Snai S.p.A. issued a debenture loan for an overall amount of 480 million euros with the following details:

- 320 million euros repaid at 7.625% and called

Senior Secured Notes expiring on June 15, 2018;

- 160 million euros repaid at 12.00% and called Senior Subordinated Notes expiring on December 15, 2018.

The income from the bonds was used by the company to (i) refinance part of the existing bank debt through repayment of the medium-short term financing granted to the company by a pool of banks in 2011 and certain related derivatives, (i) repay the Series A bonds issued by the company on Novem-

ber 8, 2013. On July 28, 2015, Snai S.p.A. issued a senior secured non-convertible debenture loan for a total amount of the principal of up to 110 million euros at an issue price of 102.5% with a dividend of 7.625% expiring on June 15, 2018. The bonds were initially underwritten by J.P. Morgan Securities plc and Unicredit Bank AG, and then exclusively placed with qualified investors.

The bonds are listed on the Euro MTF market organised and managed by the Luxembourg Stock Exchange.



As part of the integration with the Cogemat Group, the income from the bond issue was used by the company for the early repayment of the cash part of the debt arising from certain financial relations with Cogemat and/or its subsidiaries.

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## IR POLICY

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Consistency, timeliness of information and guarantee of equal access to the corporate information are fundamental principles that inspire the Snai group's Investor Relations (IR) department.

Moreover, the IR department in exercising its activities can count on the support of the top management in terms of transparency and availability with regard to the communities of investors and financial analysts. In its in Snai's interest, as a company listed on the Italian Stock Market, to effectively communicate with the financial community and other subjects concerned for the purpose of ensuring a correct and fair valuation of the share stock.

In order to ensure an efficient communication process, it is fundamental to guarantee the accuracy of the information disclosed, the completeness and transparency on the progress of corporate activities in addition to the commitment to constantly update the information should there be substantial variations with regard to the information previously provided.

Within Snai, the IR department supplements the financial and communication skills and awareness of the current regulations on financial markets, making use of the assistance of the Social and Legal Affairs Office in order to ensure effective two-way communication between the company and the financial community that is indispensable for the purposes of achieving a correct valuation of the share stock.

Snai discloses all the decisions and circumstances that concern the company and its activities that could significantly impact on the value of the company's listed securities.

All investors have equal access to important information through publication on the internet site in the Investor Relations section, or through direct communication with the department involves.



# THE ECONOMIC PERFORMANCE 2015

The Group's revenues rose from 527.5 million in 2014 to 631.8 million in 2015. This increase is mainly due to the variation of the consolidation perimeter arising from the integration with the Cogemat Group, the revenues of which were included in the Group's profit and loss account starting from the month of November for a value of 83.7 million euros.

In 2015, the Group's EBITDA stood at 85.5 million euros, while the EBIT was positive at 13.6 million. The net loss of the Group in 2015 was 45.7 million euros compared to a loss of 26.1 million euros in 2014.

The net financial indebtedness of the Snai Group was 467.6 million euros compared to 419.1 million euros at the end of 2014. Compared to the end of the previous financial year, the net financial indebtedness increased by 48.5 million euros mainly due to the effect of the new debenture loan issued in 2015 (110 million euros).

The economic performance in 2015 benefitted only in a small part from the effects of the integration between Snai and the Cogemat Group, completed in the second half of the year.

The benefits of this operation, which has a fundamental strategic value both from the business and the financial perspectives, have already produced positive impacts on the results of the group in the first quarter of 2016 and will be even more evident at the end of the financial year.

**631.8**

MILLION EUROS

REVENUES ACHIEVED  
BY THE SNAI GROUP  
IN 2015

**85.5**

MILLION EUROS

EBITDA

**13.6**

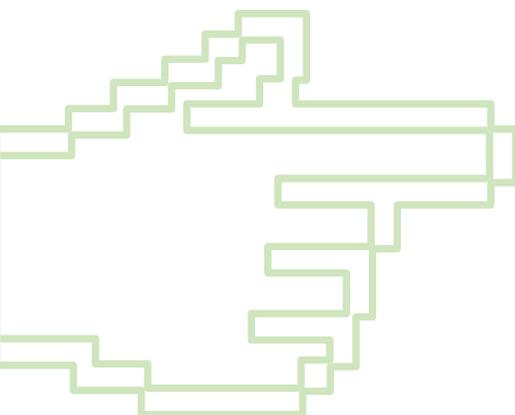
MILLION EUROS

EBIT



# ECONOMIC VALUE GENERATED AND DISTRIBUTED

In 2015, the Snai Group produced gross added global value of 142 million euros, while the net added global value was 60.5 million euros.



The formation of the added value of the Snai Group (thousands of euros)	2015	2014	2013
<b>A) Total revenues</b>	<b>631,809</b>	<b>527,481</b>	<b>478,763</b>
Revenues from typical production	631,809	527,481	478,763
<b>B) Interim production Costs</b>	<b>485,040</b>	<b>390,140</b>	<b>353,816</b>
Raw materials, consumables and supplies	534	917	1,055
Costs for services and use of third party goods	439,594	357,873	324,470
Other management costs	46,304	32,889	29,628
Capitalisation costs for internal works	-1,392	-1,539	-1,337
<b>Gross characteristic added value</b>	<b>146,769</b>	<b>137,341</b>	<b>124,947</b>
Financial income	1,192	1,742	1,267
Deferred (-)/ prepaid (+) taxes	-6,000	698	6,686
<b>Gross global added value</b>	<b>141,961</b>	<b>139,781</b>	<b>132,900</b>
Amortizations and write-downs	70,249	58,669	54,867
Other provisions	11,271	72	2,039
<b>Gross global added value</b>	<b>60,441</b>	<b>81,040</b>	<b>75,994</b>

The added value intended for remuneration of the personnel (wages, severance pay provision, etc.) stood at around 45 million euros (+25% compared to 2014).

In the form of direct and indirect taxes, 6.8 million euros were distributed to the public administration while 1.8 million euros were paid to local community in the form of local taxes and rates.

The distribution of the added value of the Snai Group (thousands of euros)	2015	2014	2013	Change 2015/2014
<b>A) Remuneration of the personnel</b>	<b>45,110</b>	<b>35,969</b>	<b>36,891</b>	<b>9,141</b>
Personnel costs	43,130	34,415	35,340	8,715
Severance indemnity	1,980	1,554	1,551	426
<b>B) Remuneration of the Public Administration</b>	<b>7,046</b>	<b>8,675</b>	<b>71,385</b>	<b>-1,629</b>
Direct taxes	2,372	2,746	301	-374
Indirect taxes	4,418	5,533	4,406	-1,115
Court of Auditors settlement concession and other penalties	256	396	66,678	-140
<b>C) Repayment of the borrowed capital</b>	<b>60,692</b>	<b>60,686</b>	<b>60,381</b>	<b>6</b>
<b>D) Repayment of the risk capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profits distributed	0	0	0	0
<b>E) Remuneration of the business</b>	<b>-54,231</b>	<b>-26,082</b>	<b>-94,530</b>	<b>-28,149</b>
Accumulated profits/coverage of the losses	-54,231	-26,082	-94,530	-28,149
<b>F) Transfers in favour of the local community</b>	<b>1,824</b>	<b>1,792</b>	<b>1,867</b>	<b>32</b>
Local taxes and rates	1,824	1,792	1,867	32
<b>Net global added value</b>	<b>60,441</b>	<b>81,040</b>	<b>75,994</b>	<b>-20,599</b>

# THE MAIN FINANCIAL INDICATORS

The analysis of the economic data of 2015 shows that the Snai Group's EBITDA recorded a decrease compared to the financial year 2014, falling from 105.9 million euros to 85.5 million euros.

The fall in the margin can be attributed to the unfavourable payout in the betting sphere, the additional contribution required by the Stability Law 2015 on entertainment machines (an impact of 12 million on the aggregate figure) and the closure of the SIS network in the first part of the year.

It is also noted that the only effect linked to the different overall payout on the two years (delta payout 3.2%) led to a negative impact of more than 20 million euros on the EBITDA.

Main financial indicators of the Group (millions of euros)	2015	2014	2013	Change 2015/2014
Revenues of Snai Group	<b>632</b>	527	479	105
Group EBITDA	<b>86</b>	106	92	-20
Group EBIT	<b>14</b>	35	-42	-21
Result of the financial year	<b>-46</b>	-26	-95	-20
Net Financial Position	<b>Indebtedness 467.6</b>	Indebtedness 419.1	Indebtedness 443.4	49

(\*) For changes of accounting principles, the financial statement gives the reclassified data.

The Group's EBIT is 13.6 million euros (34.9 million euros in 2014) and the Group's share of net profits is -45.7 million euros, compared to a loss of 26.1 million euros in 2014.

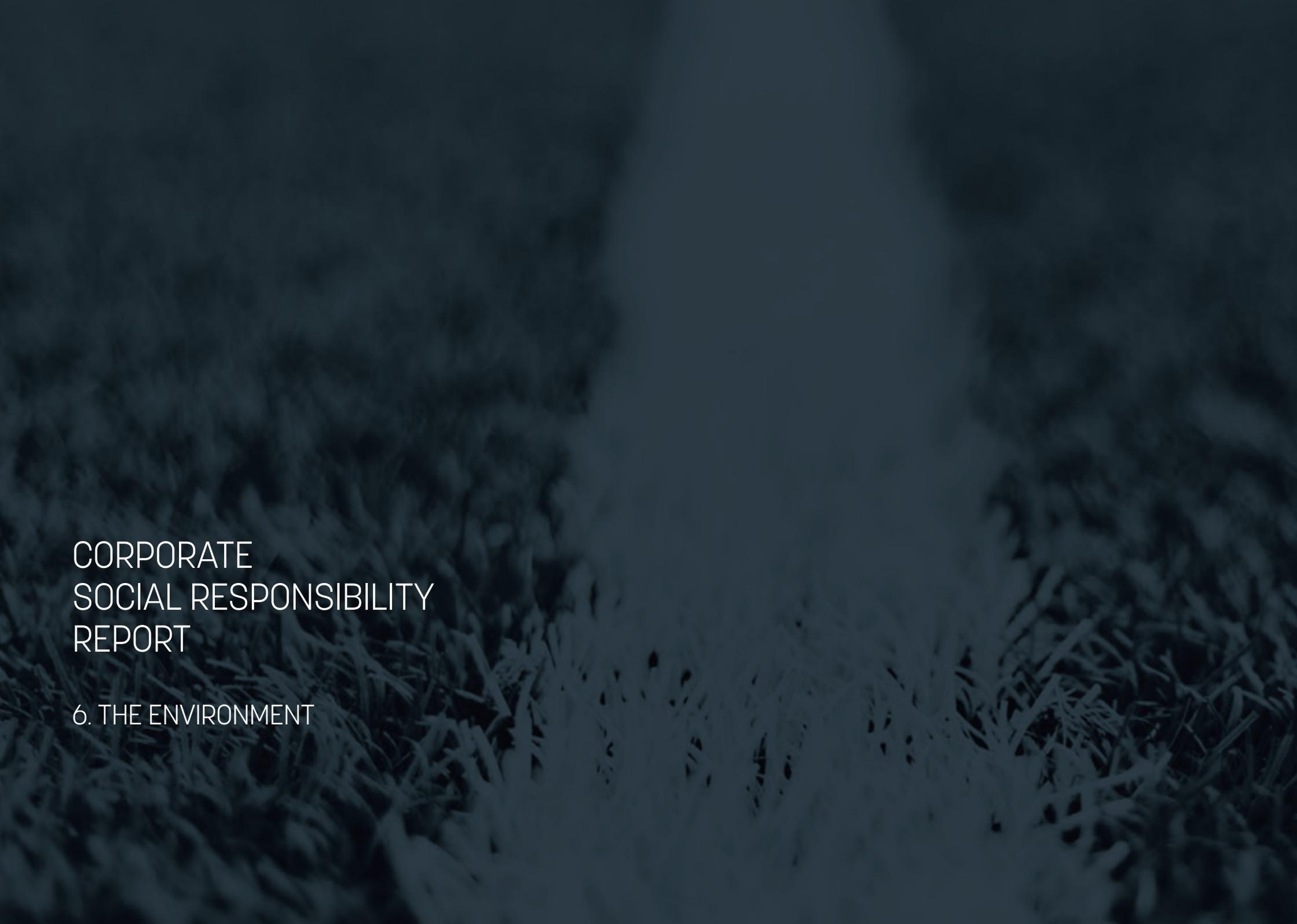
The net financial position of the Snai Group is 467.6 million euros compared to 419.1 million euros at the end of 2014.

Compared to the end of the previous year, the net financial exposure increased by 48.6 million euros.

Main financial indicators of the Holding Company (millions of euros)	2015	2014	2013	Change 2015/2014
Snai SpA revenues	<b>530</b>	513	466	17
Snai SpA EBITDA	<b>81</b>	104	94	-23
Snai SpA EBIT	<b>33</b>	35	-34	-3
Result of the financial year	<b>-48</b>	-28	-94	-20

The holding company Snai S.p.A. produced revenues of 530 million euros, an increase of 3.4% compared to 513 million euros in 2014.

The result of the financial year is negative by 48 million euros (-27.9 million euros in 2014).



CORPORATE  
SOCIAL RESPONSIBILITY  
REPORT

6. THE ENVIRONMENT

**THE SNAI GROUP  
AND THE ENVIRONMENT**

6

PROTECTION  
OF THE ENVIRONMENT

THE GREEN LUNG OF SNAI  
A 1,500,000 M2 PARK  
IN THE CENTRE OF MILAN

ENERGY

WATER

EMISSIONS AND WASTE

# THE PROTECTION OF THE ENVIRONMENT

**Snai Group considers the protection of the environment as an integral part of its business strategy**

The Snai Group is committed to promoting responsible management of resources in order to reduce its ecological footprint and evaluate with the utmost care the consequences of its activities on the environment.

Pursuing the sustainability of its decisions in the environmental sphere is an increasing priority for businesses aware of the potential impact generated directly or indirectly by their activities.

For this reason, Snai Group's commitment is expressed in the adoption of conduct aimed at the continuous improvement of the results in the field of the protection of the environment, concentrating its efforts on the prevention of pollution and the minimisation of the risks of environmental impact, and operating in line with the following principles.

▶ **PLANNING AND IMPLEMENTING** corporate activities with criteria designed to prevent pollution, reduce environmental impact, safeguard the health and safety of employees and the public: defining specific environmental targets and improvement programmes aimed at minimising significant environmental impacts;

▶ **MANAGING** the natural resources and energy in a sustainable way, emphasising their correct use and increasing the use of renewable sources, paying particular attention to reducing waste and the rational use of resources;

▶ **USING** adequate control instruments and monitoring systems of the main environmental aspects generated by its activities and the improvement programmes adopted:

▶ **PROMOTING** environment awareness and training within the company, pursuing growth and the dissemination of ecological awareness and a sense of responsibility.

# THE GREEN LUNG OF THE SNAI GROUP: A 1,500,000 M<sup>2</sup> PARK IN THE CENTRE OF MILAN

The racecourse complex of Milan is an important environmental resource for the Lombard provincial capital.

The racecourse incorporates a valuable **botanical park** that, with 72 different registered and documented species, also contains centuries-old trees and some real rarities. Some trees were planted more than ninety years ago, after being transported to the racecourse on wagons pulled by horses, others were imported from abroad, thanks to the commitment and passion of two enthusiastic botanists, Counts

**4** KM

FROM THE CITY  
CENTRE AND EXPO

**CONNECTED**

TO THE NEW  
UNDERGROUND LINE

**30'**

FROM THE MAIN  
AIRPORTS

Durini and Emilio Turati.

The **lake** at the centre of the flat-racing track should also be noted: over time, it has become a proper microsystem, a **habitat suitable for various species of anatidae** from various continents and, during the migration periods, it is a stopover for passing mallards and teal.



The geographical location of the racecourse complex in Milan, to the right, seen from above: the flat racecourse, the former trotting facility alongside the Giuseppe Meazza stadium and two training tracks, "Trenno" and "Maura". Since May 2015, Maura has also hosted Milan's new trotting racecourse.



Il parco botanico offre oggi otto diversi percorsi tematici di approfondimento:

0

General Botanical Itinerary  
(grey colour)

2

Exotic plants  
(blue/light blue colour)

4

Evergreen plants  
(fuschia colour)

6

Notable specimens  
(orange colour)

1

Unusual plants in Milan  
(red colour)

3

Deciduous plants  
(brown colour)

5

Native plants  
(turquoise green)

7

Common plants in Milan  
(blue colour)



For every plant, a card is available that gives the scientific and common name, country of origin, progressive number and course of origin.

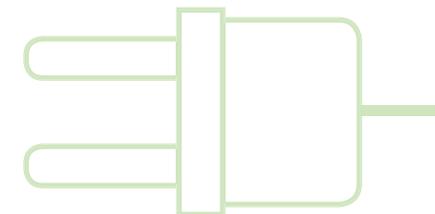
**In addition to its importance from the environmental point of view, the flat racecourse also offers artistic and cultural highlights that should not be undervalued.**

Proof of this is the **Horse statue of Leonardo da Vinci** that stands near the secondary stand of the Milan racecourse. This is a work by the US sculptress Nina

Agamu who created it in 1999 on the commission of the Leonardo da Vinci's Horse Foundation. The work is in cast bronze and was inspired by Leonardo da Vinci's original drawings, dating from the end of the 15th century.

Leonardo's Horse was donated by the Foundation to the city of Milan. Thanks to an agreement between the Municipality and Snai S.p.A., the statue is housed at the racecourse and can be visited freely by the public.

# ENERGY



The direct consumption of electricity increased in 2015, as did overall indirect consumption.

Overall direct consumption (J)		2015	2014	2013
Snai S.p.A.	Natural gas	6,174,077,441,860	5,327,661,976,744	6,414,624,000,000
	Diesel	6,026,785,714	6,026,785,714	0*
	Petroleum products	10,846,860,770,089	9,038,820,033,482	7,409,700,000,000

\* In 2013, the generators were not resupplied.

Overall direct consumption (J)		2015
Cogotech	Natural gas	10,913,023,256
	Petroleum products	824,743,024,554

Consumi diretti complessivi		Udm	2015	2014	2013
Trenno	Natural gas	(m <sup>3</sup> )	255,587	84,083	249,000
	Automotive diesel	(Lt)	47,318	39,445	37,095
	Petroleum products	(Lt)	7,351	6,430	7,181
	Electric energy	(Kw)	2,420,503	0	0
	Renewable sources	(m <sup>3</sup> )	197,520	228,000	0

Overall direct consumption (J)		2015	2014	2013
Snai S.p.A.	From indirect, non-renewable sources	15,535,455,973,925	14,637,498,715,966	13,742,676,000,000
Cogotech	From indirect, non-renewable sources	558,050,400,000	n/a	n/a

# WATER



The offices of Snai, Trenno and Cogetech withdraw water from municipal water sources. Water consumption is not a significant item for the company since water does not represent one of the main components of the production processes or office activities. Currently, Snai Group does not reuse or recycle water at its offices.

In 2015, there was a slight increase in the consumption of water, however this was barely significant, given that it was at lower levels than in 2011.

Water consumption		Udm	2015	2014	2013
<b>Snai S.p.A.</b>	consumption of municipal water	(mc)	<b>7,942</b>	7,309	19,976
	total water consumed / total collaborator	(mc/coll)	<b>15</b>	16	44
	municipal sewerage network discharge	(mc)	<b>7,942</b>	7,309	19,976
<b>Trenno</b>	consumption of municipal water	(mc)	<b>62,515</b>	81,342	86,314
	consumption of water extracted from wells	(mc)	<b>407,726</b>	364,578	443,043
	municipal sewerage network discharge	(mc)	<b>62,515</b>	81,342	86,314
	land discharge	(mc)	<b>203,863</b>	182,289	221,521
<b>Cogetech</b>	land discharge	(mc)	<b>203,863</b>	182,289	221,521
	consumption of municipal water	(mc)	<b>229</b>	n/a	n/a
	municipal sewerage network discharge	(mc)	<b>229</b>	n/a	n/a

Cogetech carries out chemical and microbiological analyses on water samples, regularly receiving certification. In the same way, external technicians are used for the risk assessment of exposure to electromagnetic fields in the places of work of the Rome office. Analyses show that the values of potential exposure of workers are lower than the legal limits and so in compliance.

# EMISSIONS AND WASTE



The Snai Group mainly operates in the services sector and so any direct environmental impacts are contained and have no significant impact.

Total emissions of greenhouse gases (eq. CO <sub>2</sub> tons)		2015	2014	2013
<b>Snai S.p.A.</b>	<b>Direct emissions of greenhouse gases</b>			
	Electricity grid	<b>2,263.86</b>	2,133.01	2,002.61
	Natural gas	<b>260.58</b>	271.71	327.15
	<b>Indirect emissions of greenhouse gases</b>			
	Diesel	<b>0.32</b>	0.32	0
	Company fleet diesel	<b>572.87</b>	476.75	389.19
	Company fleet petrol	<b>2.83</b>	2.9	3.79
<b>Trenno</b>	<b>Direct emissions of greenhouse gases</b>			
	Electricity grid	<b>1,285</b>		
	Natural gas	<b>97.12</b>		
	<b>Indirect emissions of greenhouse gases</b>			
	Diesel	<b>55.8</b>		
Company fleet petrol	<b>8.86</b>			
<b>Cogetech</b>	<b>Direct emissions of greenhouse gases</b>			
	Electricity grid	<b>81.32</b>		
	Natural gas	<b>0.65</b>		
	<b>Indirect emissions of greenhouse gases</b>			
Company fleet diesel	<b>43.81</b>			

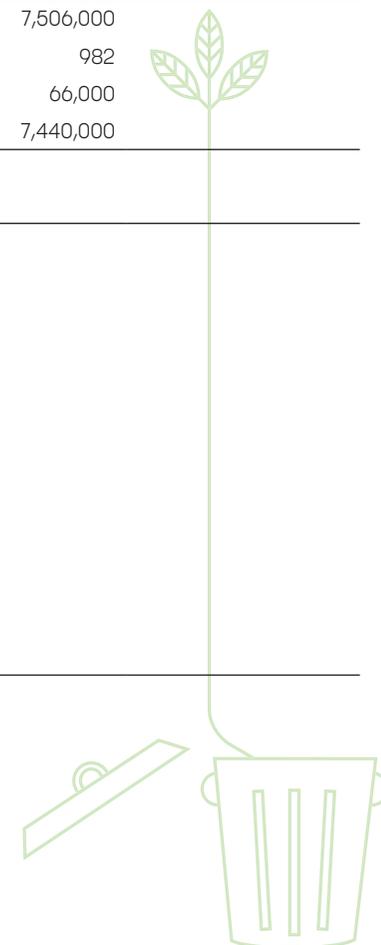
In 2015, Snai S.p.A. recorded a decrease in the production of special and hazardous waste compared to the previous year. The percentage of material sent for recovery remains high.

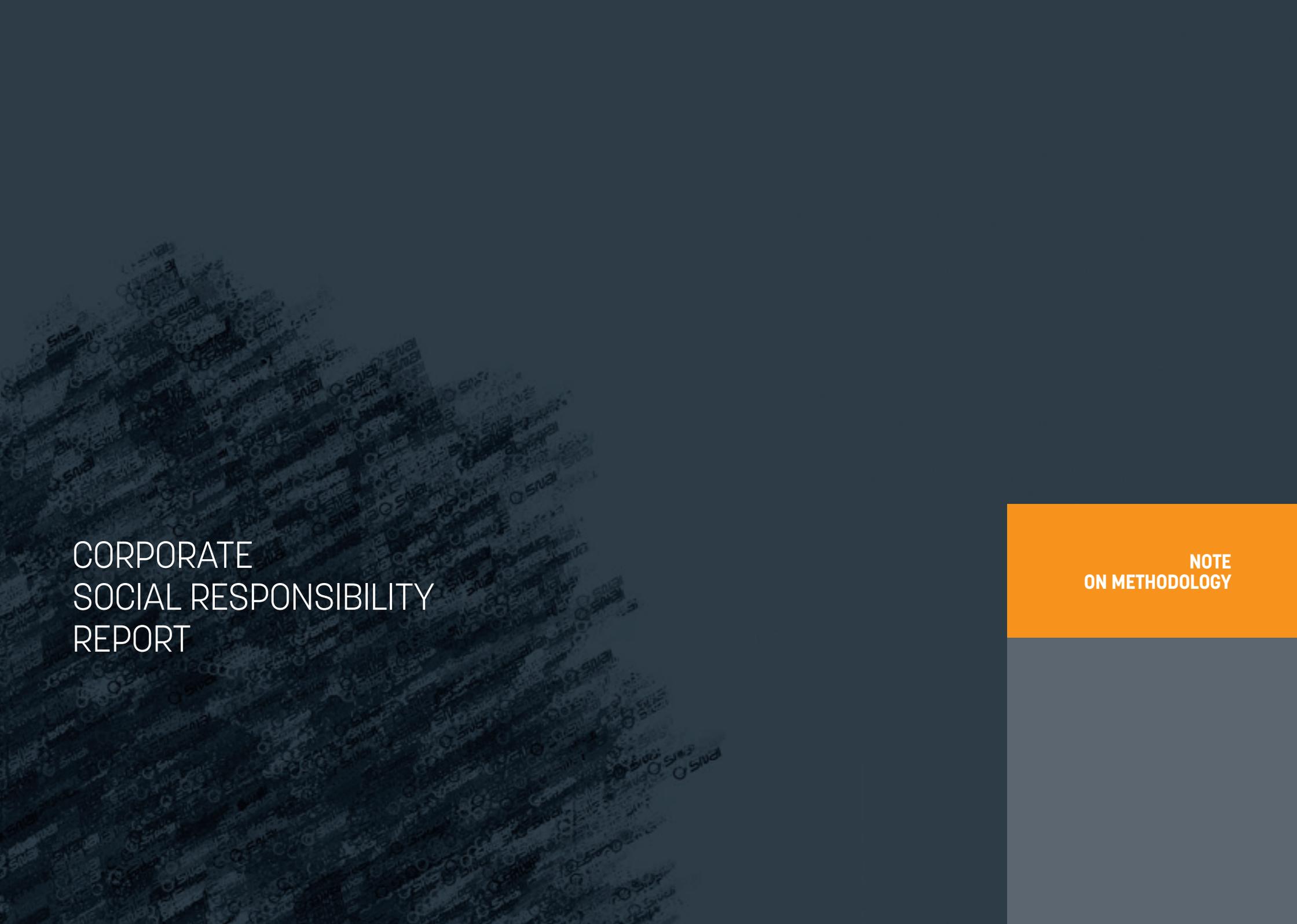
Waste by method of disposal (Kg)		2015	2014	2013
Snai S.p.A.	Special waste	<b>144,345</b>	437,280	45,640
	of which, hazardous waste	<b>21,075</b>	26,520	-
	Waste sent for disposal	<b>24,540</b>	24,360	26,390
	Waste sent for recovery	<b>119,805</b>	412,920	19,250
	Percentage sent for recovery	<b>83%</b>	94.43%	42.18%

Waste by method of disposal (Kg)		2015	2014	2013
Trenno	Special waste	<b>11,619,552</b>	11,257,092	7,506,000
	of which, hazardous waste	<b>5,376</b>	5,662	982
	Waste sent for disposal	<b>699,552</b>	33,092	66,000
	Waste sent for recovery	<b>10,920,000</b>	11,224,000	7,440,000

Waste by type (Kg)		2015	2014
Trenno	Manure	<b>10,920,000</b>	11,224,000
	Bulky waste and similar	<b>27,500</b>	14,295
	Iron and steel	<b>18,600</b>	7,230
	Sludge	<b>3,350</b>	3,900
	Wood	<b>32,800</b>	5,200
	Glass	<b>7,800</b>	0
	Hospital waste	<b>1,446</b>	575
	Oils, lubricants and filters	<b>250</b>	428
	Fluorescent and mercury tubes	<b>75</b>	-
	Varnishes and solvents	<b>520</b>	340
	Lead batteries	<b>120</b>	-
	Mixed waste from building demolitions	<b>607,091</b>	340

To increase the differentiated collection of paper and other materials (plastic, glass, aluminium and tinplate), Cogetech S.p.A. signed an Experimental Protocol with AMA S.p.A. - the Municipal Environmental Agency of Rome in 2013. In 2015, the company was again assessed on the basis of the Ecological Rating, which consists in assigning 1 to 3 "Rs" depending on the points obtained during the control. Cogetech was awarded a triple R, the maximum score. In 2016, differentiated collection was introduced in all Snai Group's offices.





# CORPORATE SOCIAL RESPONSIBILITY REPORT

**NOTE  
ON METHODOLOGY**

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## RELATIONS WITH STAKEHOLDERS AND KEY MARKETS

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Snai S.p.A. is a leading company in the Italian market in gaming and betting. In carrying out its activity, Snai fully complies with all the laws and all the regulations that govern gaming and betting on Italian territory, and maintains constant relations with external and internal interlocutors, primarily with institutions. It stimulates and promotes constant interaction with its stakeholders and is committed to transparency and reliability with regard to each of them. Snai promotes aware, responsible gaming, incorporating the principles enunciated by the independent administration of the Monopolies of State and launching additional initiatives for the prevention of compulsive gambling. Plans, targets and goals in terms of environmental sustainability and responsibility are shared with the key stakeholders.

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## REFERENCE PERIOD

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The first sustainability report was published in August 2012 and has since been published annually. This year's is therefore the fifth edition, published in October 2016, which refers to the financial year 2015. The report refers to the Consolidated Financial Statement of the Snai Group of December 31, 2015 as regards the socio-economic data, the management policies on labour and the workforce. For the environmental data, the perimeter of reference is limited to Snai S.p.A., Cogetech and Trenno Srl.

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## INFORMATION

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Information on the content of the sustainability report can be requested from Snai via the email address [info@snai.it](mailto:info@snai.it)

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## DEFINITIONS

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The following are included in the sustainability report:

- Global Games S.p.A.: the parent company, established jointly by Investindustrial and Palladio Finanziaria
- Snai S.p.A.: the holding company
- Snai Group: Snai S.p.A. and its subsidiary companies.

All data are presented with reference to the operational sectors of Snai S.p.A. and subsidiaries

- with the activity of Snai Group and Snai S.p.A., reference is made to the activities carried out in Italy by the Holding Company and the subsidiaries, especially as regards the provision of gaming, betting and services dedicated to them: betting on sports, horse racing and non-sporting events; video lotteries and new slot machines; online poker and games of skill; online forecast competitions; online bingo; racecourse management;
- the subsidiary companies of with Snai holdings are: Teleippica Srl, Società Trenno Srl, Snai Rete Italia S.r.l., Finscom S.r.l., Teseo Srl (in liquidation), Alfea S.p.A., Solar Sa, Hippogroup Roma Capannelle S.p.A., Lxorfin Srl, Connex Srl (in liquidation).

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## EDITORIAL PRINCIPLES

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The Social Responsibility Statement 2015 was produced and drawn up in accordance with the "Guide-

lines for reporting sustainability," in version 3.1 of the GRI (*Global Reporting Initiative*). The report is not intended to be classified according to one of the levels of application of the GRI, and does not imply its interpretation on this basis. Nevertheless, with the aim of making known the corporate performance in terms of strategy, organisational profile, reporting parameters, governance, commitment and actions, certain GRI indicators were used, entirely or partially, that are considered relevant for these fields (see the GRI indicators summary table in paragraph 8.2).

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## SOURCES AND DATA DETECTION SYSTEM

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Sources used for drawing up the Social Responsibility Report 2015 are:

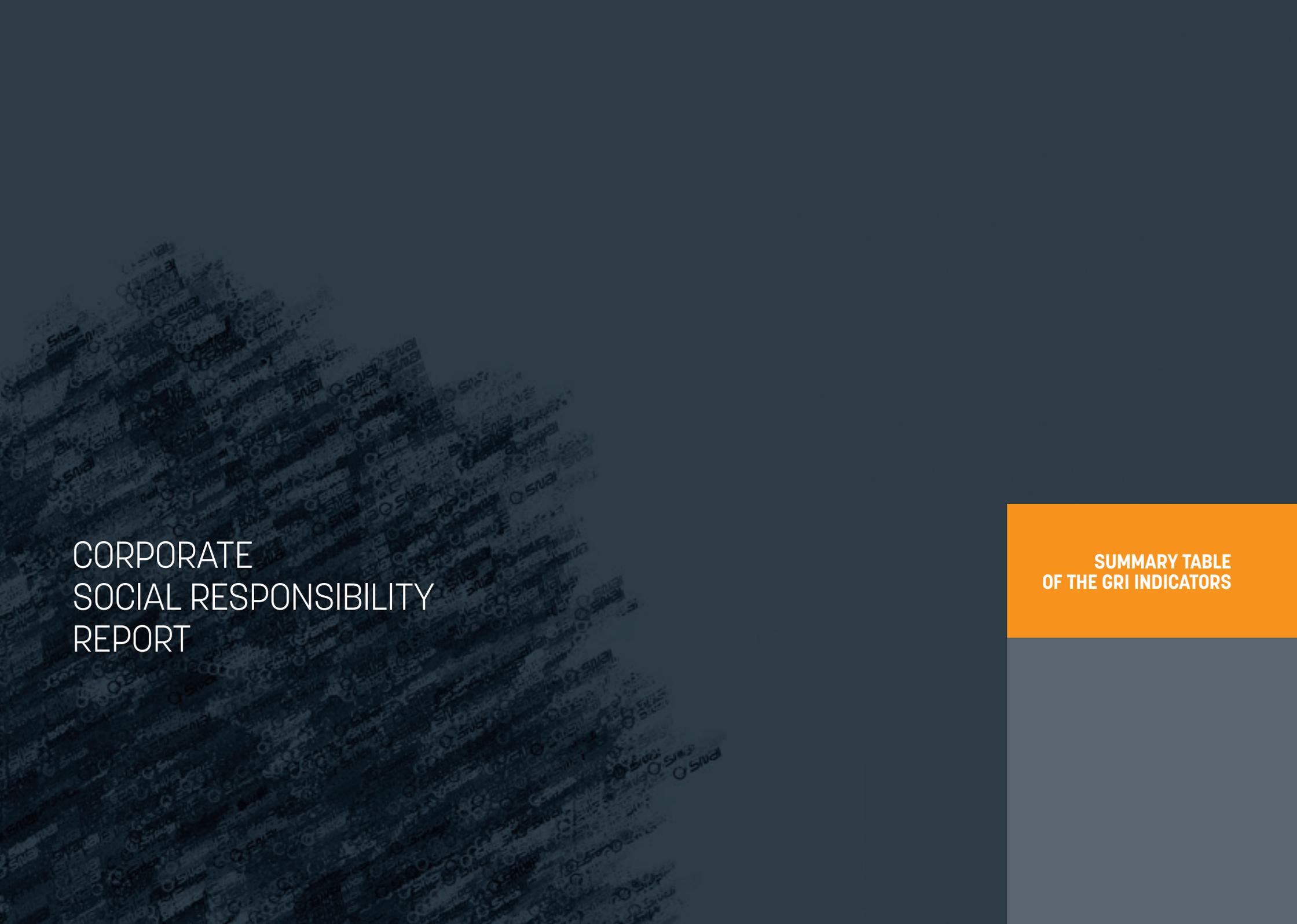
- the various corporate departments of Snai S.p.A. and subsidiary companies
- official data disseminated by Aams (Independent Administration of State Monopolies) with regard to the various segments of the Italian gaming and betting market
- Eurisko and Astra Ricerche market research and surveys. Every individual source has been indicated and specified in various parts of the Report. The economic-financial data and information were dealt with in the Snai Group's Consolidated Financial Statement ending on December 31, 2015.

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## ASSURANCE PROCESS

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Due to the fact that Snai S.p.A. has decided not to declare a level of compliance with the GRI criteria, certification through an assurance process is not envisaged.



# CORPORATE SOCIAL RESPONSIBILITY REPORT

**SUMMARY TABLE  
OF THE GRI INDICATORS**

GRI	DESCRIPTION	COVERAGE	REFERENCE
<b>Strategy and analysis</b>			
1.1	Declaration by the highest decision-making authority on the importance of sustainability for the Organisation	total	page 3 Letter to the stakeholders
<b>Profile of the organisation</b>			
2.1	Name of the Organisation	total	Cover
2.2	Main brands, products and/or services	total	pages 40-41 Diversification and innovation as the key to the offer; pages 42-47 The Racecourses
2.3	Operating structure of the organisation, also considering the main divisions, operating companies, subsidiaries and joint ventures	total	page 18 Group structure
2.4	Headquarters of the Organisation	total	page 38 The largest sales network in Italy
2.5	Number of countries in which the organisation operates and the countries in which the organisation carries out most of its operating activity or that are particularly significant for the issues of sustainability covered in the report	total	pages 12-13 company profiles
2.6	Ownership structure and legal form	total	pages 12-13 company profile, cover III
2.7	Market served (including geographical analysis, sectors served, type of consumers/beneficiaries)	total	pages 36-37 Snai is confirmed as the leader in betting
2.8	Size of the Organisation	total	pages 36-37 Snai is confirmed as the leader in betting
2.9	Significant changes in the size, structure or ownership structure that have occurred in the reporting period	total	page 18 The structure of the Group, page 10, Board of Directors
2.10	Prizes and awards received in the period of reference	total	page 53 The main initiatives in 2015
<b>Report parameters</b>			
3.1	Period of reporting of the information provided (for example, financial year, calendar year)	total	page 90 Note on methodology
3.2	Publication date of the most recent sustainability report	total	page 90 Note on methodology
3.3	Reporting frequency	total	page 90 Note on methodology

GRI	DESCRIPTION	COVERAGE	REFERENCE
<b>&lt; Report parameters</b>			
3.4	Contacts and useful address to request information on the sustainability report and its contents	total	cover III
3.5	Process for the definition of the report's content	total	page 90 Note on methodology
3.6	Report perimeter (countries, structures, joint ventures, suppliers etc.)	total	page 90 Note on methodology
3.7	Declaration of any specific limitation of the objective or the report perimeter	total	page 90 Note on methodology
3.8	Information regarding joint ventures, subsidiaries, leaded plant, outsourcing activities and other matters that may significantly influence the comparability of periods and/or organisations	total	page 17 The subsidiary companies; page 90 Note on methodology
3.10	Explanation of the effects of any amendment of the information entered in the previous report and reasons for these amendments	total	page 77 Economic value generated and distributed
3.11	Significant changes of target, perimeter or measuring methods using in the report, compared to the previous reporting period	total	page 17 The subsidiary companies; page 90 Note on methodology
3.12	Explanatory table of the reports contents giving the page number or internet site of each section	total	pages 92-93 Summary table of the GRI indicators
<b>Governance, commitments and involvement of the stakeholders</b>			
4.1	Governance structure of the Organisation, including the committees that directly answer to the highest governance body, responsible for specific tasks such as the definition of the strategy or organisation control	total	page 18 The governance structure of Snai S.p.A.
4.2	Indicate whether the chairman of the highest governance body also holds an executive position	total	pages 19 Board of Directors
4.3	Number of members of the governance body who are independent and not executives	total	pages 20-21 The committees
4.4	Mechanisms available to shareholders and employees for providing recommendations or directives to the highest governance body	partial	pages 72-75 Shareholders and investors
4.14	List of the stakeholders with whom the organisation undertakes involvement activities	total	page 8 The map of stakeholders

GRI	DESCRIPTION	COVERAGE	REFERENCE
<b>Economic performance</b>			
<b>EC1</b>	Economic value generated directly and distributed, including revenues, operating costs, employees' wages, donations and other investments in the community, profits not distributed, payments to financiers and the Public Administration	total	page 77 Economic value generated and distributed
<b>EC6</b>	Policies, practices and percentage of cost concentrated on local suppliers with regard to the most significant operating bases	total	page 70 Suppliers
<b>Environmental performance indicators</b>			
<b>EN3</b>	Direct consumption of energy, divided by source	partial	page 85 Energy
<b>EN4</b>	Indirect energy consumption, divided by primary energy source	partial	page 85 Energy
<b>EN8</b>	Total withdrawal of water by source	total	page 86 Water
<b>EN16</b>	Total direct and indirect emissions of greenhouses gases by weight	partial	page 87-88 Emissions and waste
<b>EN22</b>	Total weight of waste by type and methods of disposal	total	pages 87-88 Emissions and waste
<b>Performance indicators on working practices and adequate working conditions</b>			
<b>LA1</b>	Total number of employees, divided by type, contract type and territorial distribution	total	page 61 Composition
<b>LA2</b>	Total number and turnover rate of the personnel, divided by age, sex and geographical area	partial	page 62 Composition
<b>LA4</b>	Percentage of dependents covered by collective bargaining agreements	total	page 61 Composition
<b>LA6</b>	Percentage of workers represented in the Committee for health and safety, composed of representative of the management and the works, established for the purpose of controlling and providing advice on programmes for the protection of the health and safety of workers	total	page 64 Prevention of the risk of accidents at work
<b>LA7</b>	Rate of accidents at work, sickness, working days lost, absenteeism and total number of deaths, divided by geographical area	total	page 64 Prevention of the risk of accidents at work
<b>LA12</b>	Percentage of employees who regularly receive assessments of their performance and the development of their careers	total	page 63 Performance assessment

GRI	DESCRIPTION	COVERAGE	REFERENCE
<b>&lt; Performance indicators on working practices and adequate working conditions</b>			
<b>LA13</b>	Composition of the governance bodies of the business and the distribution of employees by category based on sex, age, protected category of origin and other indicators of diversity	total	page 63 Equal opportunities; page 19 Board of Directors
<b>LA16</b>	Average hours of annual training for employees, divided by gender and categories of worker	total	page 65 The development of the human capital as a strategic factor
<b>Performance indicators on human rights</b>			
<b>HR2</b>	Suppliers subject to verification on human rights matters	total	page 70 Observance of the Code of Ethics
<b>HR4</b>	Total number of episodes linked to discriminatory practices and actions undertaken	total	page 63 Equal opportunities
<b>Performance indicators on the company</b>			
<b>S02</b>	Percentage and number of internal divisions monitored for risks linked to corruption	partial	page 22-23 The Internal Control System
<b>Product responsibility indicators</b>			
<b>PR5</b>	Practices regarding customer satisfaction, including the results of surveys carried out to measure it	total	page 69 Continuous dialogue with clients for an improved offer
<b>PR6</b>	Compliance with the laws, standards and voluntary codes regarding the marketing activity	total	page 55 The protection of the player at the centre of Snai group's activity



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