

NOVOMATIC AG



Corporate  
Responsibility Report  
**2015**

**Dear Reader,**

Corporate Responsibility (CR) is an area that is constantly evolving, in particular at NOVOMATIC. Your questions, wishes and suggestions are an important contribution to this process.

We would, therefore, be particularly pleased if you get in touch with us regarding this subject. Simply give us a call or send us an e-mail:

Tel.: +43 2252-606 0. E-mail: [cr@novomatic.com](mailto:cr@novomatic.com).

**I hope you enjoy reading this report.**

A handwritten signature in white ink, appearing to read 'M. Poeckh-Racek', written in a cursive style.

**MONIKA POECKH-RACEK**

Head of Group CR NOVOMATIC



**> 6,490**  
Employees in Austria  
and Germany



**approx.  
23,000**  
Training and further  
education hours in  
Austria



**> 24,000**  
Employees  
around the world



**> EUR 3.9 billion**

Revenues



6<sup>th</sup> NOVOMATIC  
Responsible Gaming  
Symposium 2015

## The NOVOMATIC Group – Overview 2015



**2,137**

Austrian gaming terminals using  
the ADMIRAL-Card System  
(as of December 31, 2015)



Novomatic Forum:  
Green Event  
Organizer Certificate



**-2.5 %**

Energy savings at the  
Gumpoldskirchen location  
against the previous year



**120,000 sqm**

Surface area of headquarter  
Gumpoldskirchen

# What we are proud of in 2015.



Stakeholder Dialogue



Responsible Gaming Symposium



NOVOTeam



Prom of Sports 2015 (Ball des Sports 2015)



Novomatic Forum as a Green Event Organizer

Symbols used in this report:

- ✔ Reference to an indicator according to the Global Reporting Initiative, 4.0, Level core.
- ⓘ Reference to further information or crossreferences within the report.

In order to improve readability, some terminology is used only in its masculine form.



- ✔ **Reporting scope:** January 1, 2015 – December 31, 2015. Austria with NOVOMATIC AG, NOVOMATIC Gaming Industries GmbH, ADMIRAL Casinos & Entertainment AG, ADMIRAL Sportwetten GmbH, HTM Hotel und Tourismus Management GmbH / LÖWEN Group Germany with LÖWEN ENTERTAINMENT GmbH, Crown Technologies GmbH, EXTRA Games Entertainment GmbH, BPA Freizeit- und Unterhaltungsbetriebe GmbH, Admiral Play GmbH / NOVOMATIC-Italia with NOVOMATIC Italia SpA, NOVOMATIC Italia Services s.r.l., Admiral Entertainment s.r.l., Admiral Interactive s.r.l., Admiral Gaming Bolzano s.r.l., Allstar s.r.l., Sogeslot s.r.l., Adria Gaming Vicenza s.r.l., Euromat s.r.l., Electro System S.p.A.

G4-17 / Reporting scope, with regard to companies covered by the report.

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# The world of NOVOMATIC.

*Courage, creativity and innovative strength have always been our hallmark: with these qualities, we conquered the world – and it all began in Gumpoldskirchen, Lower Austria, 35 years ago.*



## NOVOMATIC

✓ G4-3

Name:  
**NOVOMATIC AG** ✓

Primary brands, products and services:  
**Gaming Technology and Gaming Operations; ADMIRAL Casinos & Entertainment AG, LÖWEN Group, NOVOMATIC-Italia Group; ADMIRAL Sportwetten GmbH.**

✓ G4-4

Further information is provided in the annual report 2015. ✓

✓ G4-5

Headquarters:  
**Wiener Strasse 158, 2352 Gumpoldskirchen, Austria.** ✓

✓ G4-6

Number of countries where NOVOMATIC operates:  
**80 worldwide.** ✓  
Further information is provided in the annual report 2015.

✓ G4-7

Nature of ownership and legal form:  
**Public limited company, family-run business.** ✓

✓ G4-9

Size of the organization:  
Further information is provided in the annual report 2015. ✓



● NOVOMATIC competence center

● NOVOMATIC activities

NOVOMATIC in Austria and the world.



NOVOMATIC headquarters.

In 2015, NOVOMATIC proudly celebrated a very special anniversary: 35 years ago, the foundations for what today is the global player NOVOMATIC, were laid in the picturesque wine-making town of Gumpoldskirchen in Lower Austria. Despite its international orientation, the NOVOMATIC Group has remained true to its roots. The Group's headquarters remain in Gumpoldskirchen, even if the corporate premises now span an area the size of 14 soccer fields. Apart from offices and administrative facilities, NOVOMATIC also operates one of Austria's largest joineries at the Gumpoldskirchen location, as well as its own plastics manufacturing plant and a metalworking shop to support the local gaming equipment production lines. <sup>i</sup>

Would you like to have a look behind the scenes at NOVOMATIC and share ideas with our employees, for example regarding Prevention and Player Protection? We would be glad to offer you an opportunity to participate in a guided tour of our Gumpoldskirchen location – only for persons above the age of 18.

R.s.v.p. at:

**[communications@novomatic.com](mailto:communications@novomatic.com)**

NOVOMATIC's activities are divided into two main business segments: on the one hand, there is the area of *Gaming Technology* which includes the production and sale of gaming equipment, as well as online B2B activities. The second segment, which is referred to as *Gaming Operations*, comprises the operation of (terrestrial)



Foyer, headquarters Gumpoldskirchen, Austria.

gaming facilities, including sports betting, as well as the B2C online business. <sup>✓</sup> In this context, it should also be noted that NOVOMATIC is only active in regulated markets: because in our opinion, a sensitive service such as gaming can only be offered in a responsible manner if such offerings are subject to certain regulations that apply to all market participants. This applies in particular to provisions regarding the protection of minors and the prohibition of participating in gaming activities for underage persons. <sup>i</sup>

Our courage to introduce innovations and changes is not only reflected in a large number of patents and trademarks registered in NOVOMATIC's name, but it is also part of the essence of our Group of Companies that we react to current trends and developments quickly and decisively. On the one hand, this includes the resolute closure of electronic casinos in Vienna as of December 31, 2014. On the other hand, however, it also means that we increased the staff at the facilities operated by our wholly-owned subsidiary ADMIRAL Casinos & Entertainment AG in the surrounding areas of Vienna due to the subsequently increased volume of guests. These specially trained employees at the facilities constitute an important component of Responsible Gaming Management at ADMIRAL. <sup>i</sup>

Naturally, we also seize investment opportunities where they arise. In the second half of 2015, NOVOMATIC entered into several purchase agreements regarding the acquisition of direct and indirect interests in Casinos Austria (CASAG). The total volume amounts to a share of approximately 39.5 percent in CASAG. In February 2016, NOVOMATIC entered into a long-term strategic partnership with the Sazka Group, which also purchased shares in CASAG. <sup>i</sup>



G4-8 / Disclosure of the geographic markets.  
G4-9 / Size of the organization, including sales revenues and total capitalization. For further information, see annual report 2015.



See chapter "Responsible Entertainment", page 35.



See chapter "Corporate Governance", page 76.



See chapter "Responsible Entertainment", page 40.



See NOVOMATIC's annual report for the fiscal year 2015.

The following chart offers an overview of the major milestones achieved by NOVOMATIC during the past year. For the events marked with an asterisk (\*), further information is provided in NOVOMATIC's annual report for the fiscal year 2015.



G4-28 / Reporting period.

## Milestones 2015

### January 2015

Closure of electronic casinos in Vienna, Austria due to changes in the legal situation.

Recertification of Information Management System at ADMIRAL Casinos & Entertainment AG according to ISO 27001:2013.



### February 2015

NOVOMATIC Gaming Industries GmbH: Successfully passed monitoring audit for internal Quality Management according to ISO 14001.

### April 2015

Implementation of the academic course "Intellectual Property Rights & Innovations", New Design University St. Pölten, Austria.

### June 24, 2015

Novomatic Forum is awarded the Green Event Location Certificate.



### June 2015

NOVOMATIC is ranked 17<sup>th</sup> among the Top 500 companies in Austria.

### July 8, 2015

NOVOMATIC is ranked 3<sup>rd</sup> among the Top 10 brand companies in Austria (EuroBrand Institute).

### July 26, 2015

NOVOMATIC acquires financial interest in Casinos Austria AG.\*

### October 1, 2015

Internal restructuring of the Group, NOVOMATIC AG as the Group parent company is streamlined, operating units are now assigned to the wholly-owned subsidiary NOVOMATIC Gaming Industries GmbH.\*

### October 6, 2015

Award of certificate "Leading companies Austria".



### October 13, 2015

Responsible Gaming Symposium.

### November 10/11, 2015

5<sup>th</sup> NOVOMATIC Symposium.

### December 1, 2015

NOVOMATIC Stakeholder Dialogue.

### December 14, 2015

Kick-off for the implementation of Corporate Volunteering at NOVOMATIC in Austria.

The following boundaries apply to this CR Report: In principle, only events that occurred during fiscal year 2015 (January 1 through December 31, 2015) are relevant to the report, although an outlook to planned projects and measures is provided where appropriate. Regarding the geographic scope of this report, it includes the NOVOMATIC subsidiaries active in Austria, including the headquarters in Gumpoldskirchen, as well as - for the first time ever - the German subsidiaries within the LÖWEN Group (i.e. including LÖWEN ENTERTAINMENT GmbH, Crown Technologies GmbH and EXTRA Games Entertainment GmbH). In addition to this, we report on CR management in Italy (NOVOMATIC-Italia Group) for the first time. Compared to the previous year, we were able to expand the scope of this report considerably. We must add, however, that the data situation throughout is not equivalent. Due to this, preparations for the implementation of a CR database solution were made during 2015. These projects are planned to complete in Austria and Germany in 2016. The aim is for Italy and Great Britain to be successfully included in this project, as well. As in the previous year, this report for 2015 was prepared according to the provisions of the **GRI Global Reporting Initiative**, Level "core". In this report, we refer to the individual relevant GRI indicators. A complete overview, including the non-reportable indicators, is available for download online at [www.novomatic.com/cr](http://www.novomatic.com/cr).

We continue to attach great importance to critical third-party feedback, as this supports our efforts to continuously improve CR management. In our view, the disclosure of substantial parts of the report to external auditors also significantly enhances transparency. For this reason, the 2015 report was once again subjected to an external and independent audit review. The according confirmation is provided in the appendix to this report.



G4-29 / Annual CR reports, as of April 30.



G4-6 / Boundaries of the report.  
G4-13 / Important change to report boundary.  
G4-23 / Significant changes during reporting period.



G4-30 / Reporting period: Fiscal year / annually.  
G4-32 / Level "core" conformity.



G4-33 / External audit. See appendix, page 112.

# Changing the world.

*What a sense of responsibility has to do with innovative strength.  
Why for us Responsible Entertainment is not a conclusion by analogy.  
Why for us Corporate Responsibility has similarities to a compass.*

✔ Corporate (Social) Responsibility is a term originating from the Anglo-American regions. Today, it stands for a holistic understanding of the sense of responsibility which companies have, according to which companies not only, but also and in particular in their core business should reflect on the consequences and social impact of their activities and therefore manage them in a responsible manner. This fully represents NOVOMATIC's self-conception, even if for a long time the term CR – Corporate (Social) Responsibility was not used internally for this subject.

We publish our annual CR report in order to make our efforts and successes, as well as our setbacks, transparent and understandable. In the implementation of our CR management concept, we follow a process of Continuous Improvement  because, in many cases, change requires a "policy of small steps" if it is to have a lasting and sustainable effect. Despite great effort, it is not always possible to realize all projects in the way originally planned. However, we want to make any such changes in our arrangements as transparent as possible for you: in our eyes, credibility and reputation can only be gained through reliability and transparency. Because of this, we also appreciate the feedback of our stakeholders, which in some cases can be very critical. For us, CR can only be taken seriously if communication with the relevant stakeholders is not a one-way affair and if critical feedback is not only permitted but also desired and appreciated. We, therefore, see our stakeholders as valuable "sparring partners". In a separate section, we offer information on the different communication channels through which we seek a constant exchange.

We would like to invite you to discover the world of NOVOMATIC – please use the contact data provided in the info box.

**Group-CR**  
**Tel.: +43 2252 606 0**  
**E-mail: [cr@novomatic.com](mailto:cr@novomatic.com)**

We are looking forward to hearing from you! ✔



G4-56 / Values and principles.



G4-31 / Contact point for questions regarding the report or its contents.



**Continuous Improvement:** ensuring a continuous improvement of process, product and service quality through constant small steps.

## A conversation with Monika Poeckh-Racek, Head of Group-CR at NOVOMATIC:

Monika Poeckh-Racek has been in charge of the area of Corporate Responsibility for several years. At the same time, she is a member of the Board of Directors of ADMIRAL Casinos & Entertainment AG, the operating subsidiary in the area of machine gaming in Austria. This dual function substantially supports the implementation of operational measures based on strategic CR objectives, in particular in the area of prevention and player protection.

### **What does Corporate Responsibility mean to you?**

*For me, CR is a holistic approach in terms of a strategic sense of responsibility which covers all areas of a company and is also effectively filled with life. In practice, it may be more or less intensive in one area or another, but every employee should be firmly aware and willing to assume responsibility. CR must be a part of the corporate culture if it is to be effective. This also means that top management must commit firmly to CR. I also*

think that unstructured donations or sponsoring activities not linked to the core business have nothing to do with CR.



Monika Poeckh-Racek, Head of Group-CR at NOVOMATIC.

### **Where do you see the benefit of CR to the company?**

*If seen holistically, CR can make a major contribution to a company's success. The decisive keyword here is "add-in" rather than "add-on". Moreover, a clear awareness of responsibility: where can I make a difference on my own? Where is change only possible in collaboration with others?*

*In the end, that is what CR is all about. That is the benefit which CR can create for a company handled credibly, transparently and not seen as a "marketing trick". Employees and customers can identify with such a company. CR motivates employees to achieve peak performance, to "change the world". It also contributes to customer loyalty, because customers – and in the end we are all customers – want to place their trust in somebody. We buy from a company we trust. How do you earn lasting trust? By credibly assuming responsibility, even as a company. That is what practiced CR is about.*

### **What can CR management do for a company or society?**

*What CR can do for a company such as NOVOMATIC is that it can serve as a type of compass: where can we assume responsibility? Where do we want to? Where should we get involved? And where are the limits of our involvement, because certain areas are not subject to our influence? Or simply, because certain responsibilities are more competently assumed by others. This is why we have established an internal CR policy that serves as our guideline for CR management. Employees from all management levels and departments were involved in the creation of this policy, to develop a joint understanding of what CR actually means to us.*

### **What does CR mean for NOVOMATIC?**

*In a nutshell, what CR means for us, for NOVOMATIC: an active sense of responsibility. For us, for example, the term "Responsible Entertainment" is not a contradiction in terms. We hold the strong belief that we can offer entertainment, i.e. gaming services, in a responsible manner. And that is exactly what we do.*

### **In what sense?**

*In many respects. One important example would be our innovative fingerprint system that during the past year was tried and proven in Vienna. The objective is to use biometric data to enhance Player Protection through technical means. In addition, the constant evaluation of our training measures means that we are in constant contact with important addiction research institutions in order to make sure our training and further development activities remain up-to-date. Only recently, during the past year, we further adapted our curricula accordingly.*



G4-56 / Values and principles.



See chapter "Responsible Entertainment", page 40.

## Where we are heading: CR as our compass.

In our view, CR management has a lot to do with innovative strength and vision. As Seneca put it: you need a clear idea of the direction in which you want to set your sails. In a figurative sense, we thereby mean our goals and values which we want to reach through our CR management. Staying with our “sailing image”, our conception of CR serves as our compass, allowing us to orientate our measures and metrics accordingly.

However, we look not only towards the inside but also outwards, allowing for an integration of our stakeholders’ values and ideas into our CR planning. In the section describing our Materiality Matrix, <sup>(i)</sup> we lay out how the issues that we come into contact with were prioritized. In this report, we will place special emphasis on the aspects denoted as material therein. To provide a better overview, we have clustered the topics determined to be material to us into five fields of action. Our CR activities, therefore, focus on these five fields of action.

### Our fields of action

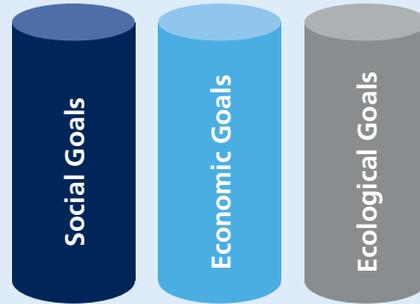
-  **Responsible Entertainment**
-  **Enjoy working with us**
-  **Corporate Governance**
-  **NOVOMATIC goes green**
-  **Together**

Based on the results of our processes for the update of our Materiality Matrix, the names of the fields of action were adjusted compared to the previous year. They now reflect our corresponding strategic orientation.

We will describe our goals on a strategic level (“goals”) immediately hereafter. Our operative goals (“targets”) are described within the individual reporting segments on our five fields of action, where we lay out how and when we plan to achieve which *target* (target figures, metrics and indicators for measurement). Our *goals* are furthermore not least based on the results of the update process for our Materiality Matrix.

are described within the individual reporting segments on our five fields of action, where we lay out how and when we plan to achieve which *target* (target figures, metrics and indicators for measurement). Our *goals* are furthermore not least based on the results of the update process for our Materiality Matrix.

### 3 pillar CR model



#### Social Goals

Secure jobs, improvement of employee satisfaction, health care at the workplace, long-term cooperation agreements / sponsoring partnerships, development of further career opportunities, increase attractiveness as an employer, compatibility of family and career.

#### Economic Goals

Positive and stable long-term corporate development, maintenance and expansion of market leadership, investment in innovation, ensure transparency and Compliance, Responsible Entertainment, Data Protection.

#### Ecological Goals

Intelligent and efficient environmental protection: more efficient use of resources, avoidance of emissions and waste.

*The objectives, formulated in general terms, are concretized within our sustainability program, see appendix to the report on page 107.*

During this year’s update processes related to the creation of our Materiality Matrix, we also dared to take a look outside the box <sup>(i)</sup>: a **peer group analysis** of the market participants relevant to us supported our critical self-reflexion process regarding our CR management system. We were able to take home some valuable suggestions, in particular regarding a SMARTer <sup>(i)</sup> definition of our operative *targets*. In addition to this, the comparison motivated us to communicate our CR vision in an even clearer and more explicit manner within our reporting. These insights were applied directly in preparing this report.



See chapter “Stakeholder-related issue management”, page 15.



See chapter “Stakeholder-related issue management”, page 15.



SMART is an acronym used with regard to the definition of goals: **S**pecific, **M**easurable, **A**ccepted, **R**ealistic, **T**ime-bound. A “good” goal in the sense of a “sensibly worded” goal is one that fulfills these criteria.



**Uta Roseano, Head of Corporate Communications and CR, LÖWEN ENTERTAINMENT GmbH.**

*“An active sense of Corporate Responsibility is based on responsible actions by our employees. It is very important that our employees identify with our corporate values and goals and also assume responsibility for them. The commitment of each*

*and every one of us is required to ensure that our guidelines and policies don't remain a mere piece of paper, but are rather filled with life day after day.”*



**Anette Brücher-Herpel, Head of CR Germany.**

*“Time and again, I am thrilled by the high degree of dedication displayed by our colleagues here in Germany. There are so many initiatives and projects aimed at promoting our CR management, but we also react*

*quickly and in a surprisingly unbureaucratic manner to current events. For example, we recently supported Germany's largest charity shop with our logistics to quickly move goods to where they were needed. Absolutely fantastic.”*

At NOVOMATIC, CR is the responsibility of a separate Group department (Group-CR) which reports directly to our top management. In order to involve other Group departments on a continuous and regular basis, a CR-Board was established, consisting of department heads and dedicated Group employees. This CR-Board holds quarterly meetings. The goal is to ensure an informal exchange on issues relevant to CR and to promote mutual support regarding the implementation of projects. In addition, country officers who implement the requirements agreed on a Group-wide level within their individual areas of responsibility have been appointed. For us, it is particularly important to agree on common goals, the concrete implementation of which, however, can be adapted to meet local demands. To the best of our knowledge, we are the only large Austrian company with the structure whereby the Supervisory Board of NOVOMATIC AG's wholly-owned subsidiary *Austrian Gaming Industries GmbH* (AGI), which is in charge of all operative agendas, has its own sub-committee that deals exclusively with CR issues. Compared to the previous year's reporting on this matter, we would like to point out that the **Group was restructured** during the fourth quarter of 2015: Departments which are relevant to the Group's operating activities (i.e. including Group-CR) were moved to the wholly-owned subsidiary *Austrian Gaming Industries GmbH*. Therefore, the according Supervisory Board Committee for CR was also transferred to this subsidiary. The company's Management Board includes the CEO of NOVOMATIC AG to whom Group-CR reports directly.

As an outlook for the current year 2016, we would also like to point out that in the first quarter of 2016 *Austrian Gaming Industries GmbH* changed its name to **NOVOMATIC Gaming Industries GmbH** (NGI). The current name is used throughout this report to avoid confusion. Additionally, the CR committee at NGI was transferred back to the Group level at the beginning of 2016.

Apart from this minor organizational adjustment, nothing regarding the organizational anchoring of our CR management has changed since the previous year.



G4-22 / Significant changes during reporting period.

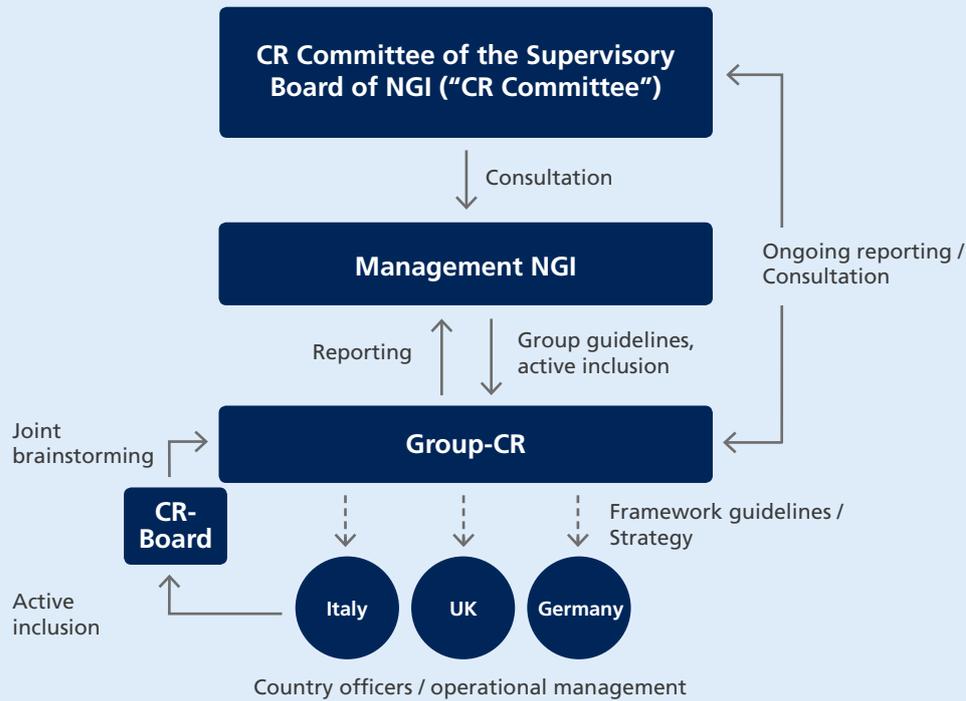


G4-22 / Significant changes prior to publication of the report.



See chapter "Together", page 95.

Organizational anchoring of CR management ✓



G4-34 / Governance structure.

In summary, we conclude that CR can make an important contribution to our corporate success, provided that CR is actively promoted, both internally and externally, as Martina Kurz, member of the CR Committee, confirms:

Barbara Feldmann, also a member of the CR Committee, adds:



Martina Kurz, member of the CR Committee at NOVOMATIC.

*"In my eyes, NOVOMATIC is an extremely generous company. We have a strong employee orientation and offer challenging career perspectives. We offer a lot of support – but also have high demands."*



Barbara Feldmann, member of the CR Committee at NOVOMATIC.

*"At NOVOMATIC, CR has a high priority. But CR must also be authentic – not a fig leaf taken casually. We live CR – all levels of the hierarchy are actively involved in the subject. Because it is mainly up to the company to provide answers to societal questions. We strive to actively play a pioneering role in this respect, for example in the area of diversity."*

# Why gaming requires so much skill and why CR is a no-brainer: An interview with Harald Neumann.

*Harald Neumann has been NOVOMATIC AG's CEO since October 2014. The department for Corporate Responsibility reports directly to him. The following is a brief look back at an eventful year 2015 for a very dynamic international group of companies.*



Harald Neumann, CEO of NOVOMATIC AG.



Harald Neumann has held management positions within the NOVOMATIC Group since August 2011, first as the managing director of the wholly-owned subsidiary NOVOMATIC Gaming Industries GmbH and since October 2014 as the CEO of the Group's parent company NOVOMATIC AG. NOVOMATIC is active in a highly competitive environment, successfully focusing on investments in innovation as well as an international orientation of the existing dual strategy comprising *Gaming Technology* and *Gaming Operations*. Despite some challenging events which NOVOMATIC had to face, the company continued its success story in 2015.

## **2015 was once again a successful year for NOVOMATIC. What were the most defining events in your eyes?**

*The year 2015 began with the prohibition of so-called "low-stakes gaming" in Vienna – a measure which in our eyes was extremely ineffective. Such a development is, of course, noticeable in the company's bottom line. What is much more serious from our perspective, however, is the fact that this prohibition gives an immense boost to illegal activities. According to the Financial Police ⓘ, 420 illegal devices had been confiscated by*

G4-1 / Strategy.  
G4-13 / Significant changes and events during the reporting period.  
G4-34 / Governance / Governance structure.



Source APA  
December 29, 2015

November. But of course, it is also clear that you can never discover all illegal devices. The goal of an effective protection of players and minors has therefore not been achieved. This is why we use all legal means available to us to fight illegal gaming activities together with the authorities.

### And what was particularly positive for NOVOMATIC in 2015?

From an Austrian perspective, there are certainly three events which are particularly noteworthy: For one, our wholly-owned subsidiary ADMIRAL Casinos & Entertainment AG was awarded a legally binding license for state-licensed gaming in Carinthia at the end of 2014 and in early January, we immediately opened nine locations. The tenth and last facility opened its doors in Bleiburg in September. In Styria, we received one out of a total of three licenses for state-licensed gaming in December 2015. Early 2016, we will therefore initiate the rollout of a total of 24 electronic casinos. Both awards clearly support the successful model offered by our ADMIRAL-Card, which ensures effective Player Protection by combining technical and social components. 

During the summer, we were able to acquire a financial interest in Casinos Austria AG and have expanded this to a substantial investment. Together with our Czech competitor, we will contribute these shares to a joint venture to strategically manage this investment.  

### These were the important events in Austria. What about our international business?

We have been very successful in the Baltic States for many years now. At the end of the year, for example, our sixth casino opened its doors in Vilnius. In addition, our subsidiary NOVOMATIC Lottery Solutions has enjoyed considerable success in the lottery segment: in July, we signed a six-year contract with the Catalan lottery Loteria de Catalunya, which includes the entire lottery facility management services for the region of Catalonia, for both online and instant lottery products and services. The contract will take effect on April 1, 2016. Remaining in Spain, we also acquired a machine producer in order to further invest in our production capabilities. We are very well positioned in the international markets. This geographic diversification helps us, if and when local framework conditions change. 

### What challenges await NOVOMATIC in 2016?

There are several. On the one hand, the Vienna State Assembly passed a new betting law in March 2016.  Here, we will have to wait and see how the situation develops and react accordingly. I would like to emphasize that we have already implemented several measures aimed at protecting our sports betting customers. This clearly and positively distinguishes us from other market participants. We already apply limitations to live bets to ensure better protection of the consumer. Apart from this, our subsidiary ADMIRAL Sportwetten GmbH was the first Austrian vendor to join the "Play Fair Code for Integrity in Sports"  initiative that aims at ensuring the credibility and integrity of Austrian sports. We furthermore recently introduced our Responsible Betting Code, an internal Group guideline on how we want to offer fair and safe sports bets. The code includes nine fundamental principles defining our understanding of how to best protect our betting customers. 

In Germany, we will expand our activities as an operator of gaming halls and acquire further facilities. This allows us to react to planned changes to the law – entering into effect in 2018 – in a timely manner. We will also expand our market share in the United Kingdom and Spain through targeted acquisitions.

In short: exciting developments lie ahead.

### What does sustainable growth look like at NOVOMATIC?

First of all, sustainability and Corporate Social Responsibility are often used synonymously. In my opinion, there is a causal relation: sustainable development in the sense of long-term growth is only possible if the company does its homework regarding CSR. At NOVOMATIC, we no longer refer to our responsibility as a company as "Corporate Social Responsibility", as this term tends to denote philanthropic activities. Corporate Responsibility or CR only works if it also makes business sense. This is where we come full circle to sustainable business development. Strictly speaking, CR is therefore really a no-brainer. 

For us here at NOVOMATIC, CR is, on the one hand, a core value: we strive to achieve a balance between the environment, people and corporate profits. This means



See chapter "Responsible Entertainment", page 37.



Further information is provided at [playfaircode.at](http://playfaircode.at)



See chapter "Responsible Entertainment", page 36.



See chapter "Responsible Entertainment", page 38.



G4-13 / Significant changes and events during the reporting period. See NOVOMATIC's annual report 2015.



Colloquial for self-explanatory, obvious.



G4-13 / Significant changes and events during the reporting period.



Further information is provided at [un.org](http://un.org)



G4-15 / UN Global Compact; OECD Guidelines for Multi-national Enterprises. See Progress Report UN Global Compact 2015, page 100.



See NOVOMATIC's annual report 2015.

constantly evaluating and prioritizing a definition of – ideally – equal goals. On the other hand, however, it is also an obligation for us and our company to align our actions with a long-term perspective. This can and should also mean that we react quickly to short-term changes in the market and reasonably anticipate and adjust to possible changes in the general framework conditions. We are indeed a very dynamic company, and this in no way contradicts our drive to achieve long-term corporate success. On the contrary – we are confirmed by international ratings: only recently, in October last year, we were awarded an investment grade rating of BBB by Standard & Poor's, making us the highest rated gaming technology group in Europe.

### **Does Corporate Responsibility pay off for NOVOMATIC?**

Of course it does. We cannot attach an exact monetary value to each and every CR measure within the Group, but if we take a step back, it becomes obvious that our success proves we are on the right track.

### **How do you determine this?**

On the one hand, we can see this very directly in our successes in Austria regarding state-licensed gaming. Our subsidiary ADMIRAL Casinos & Entertainment AG, which is responsible for operative Player Protection in Austria, consistently achieves a top ranking. Without our ongoing commitment and investments in new tools for technical player protection, such a success would not have been possible. We have also become aware of the fact that more and more applicants try to find out as much as they can about our efforts in the area of CR. In the "war for talents", credible CR management is an important asset. Also, our success in the bond markets shows us that we are on a good path with our strategy that aims at long-term, sustainable corporate success. We are a good investment for our investors.

### **Where do you see NOVOMATIC regarding global developments?**

On a global level, the area of human rights is very important to us, in particular regarding fair payment and fair working conditions. Within the Group, we ensure that certain minimum standards are met. However, this is not an issue we can solve on our own. In this respect, we pin our hopes on initiatives based on the

UN Sustainable Development Goals . We intend to participate actively in such projects in the future. We commit, of course, to adherence to the Ten Principles of the UN Global Compact, a global initiative we joined last year. We also undertake to provide an annual Progress Report on our efforts. These disclosures are included in this CR report.

### **One last short question: what makes a company future-proof?**

There are two things that are absolutely essential: employees and balance. Without employees who are willing to adapt quickly to change or to proactively drive such change, a company is not sustainable in the long run. At a first glance, this may sound a bit trivial, but we know that we owe our innovative strength and strong market position to our employees' daily efforts. We offer gaming services in highly competitive markets. It takes considerable skill to ensure long-term survival in such an environment. At NOVOMATIC, we all pull together, and I would like to take this opportunity to thank our employees for this.

With balance, I mean responsibly balancing the different demands of our stakeholders. We cannot fulfill every expectation, but we stand by our responsibility and assume it actively. This regular exchange with our stakeholders offers us important input and suggestions for the further development of our products.

**Thank you very much for the conversation.**

# Stakeholder-related issue management, or: What is truly important?

*What truly counts is our values and our goals. How we align them with our stakeholders' demands and expectations. Why a constructive dialogue pays off.*

✔ At NOVOMATIC, we stand by our responsibility. This requires an intensive and consistent analysis of the demands and expectations of our stakeholders to know the issues and challenges relevant to both sides. In short, it requires what is often referred to by the rather unwieldy term of "stakeholder-related issue management". We realize all of this through our **NOVOMATIC Stakeholder Dialogue**, because only if communication is not a one-way road can we achieve a common understanding and trigger new impulses for innovation. It is not only NOVOMATIC that benefits from such a constructive dialogue, however: our stakeholders also benefit from the lively exchange of experiences among equals. In addition, the critical discussion also results in suggestions for our CR management, which we gladly take up wherever possible. ⓘ

The results from the feedback during the exchanges with our stakeholders – some of which are informal, while others are institutionalized – are included in our CR management. At regular intervals, however, we also question whether the issues which we have determined as being important to both us and our stakeholders actually still have the same priority. This allows us to align our CR management accordingly. Because how else should we achieve a balance between external expectations and our values and ideas?

The last formal stakeholder survey for the identification of the issues that are relevant to NOVOMATIC and its stakeholders was carried out in 2013. We, therefore, decided to implement an update process based on the application of several analytical tools, to be completed by the end of 2015. The results of this process are shown on the following page, together with an illustration of the changes compared to our Materiality Matrix developed in 2013.

The internally performed analyses included:

- a **PESTLE analysis**, using a bird's eye view of the company, where several different perspectives are evaluated in order to recognize future developments and to verify whether certain risks are dealt with through operative and strategic considerations. In this context, PESTLE is an acronym for **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal and **E**nvironmental.
- a **Stakeholder Analysis** of the stakeholder groups relevant to NOVOMATIC and their influence on the company, and vice versa an analysis of the impact NOVOMATIC has on its stakeholder groups.
- a **Business Model Canvas Analysis** carried out through an intensive internal workshop with all relevant department heads. The business model is fitted into a scalable system on the basis of nine elements. The objective is once again to determine the issues that are most important to a company, in this case from a business perspective.
- a **Peer Group Analysis** during which the performance of NOVOMATIC from a CR perspective was compared to the results of relevant market participants. As an additional international benchmark, an innovative company was chosen which can be considered leading in many CR-related areas. The objective of this analysis was to determine NOVOMATIC's strengths and weaknesses from a CR perspective.
- an **employee workshop** during which representatives of this important stakeholder group were asked about potentially relevant issues based on a standardized questionnaire.

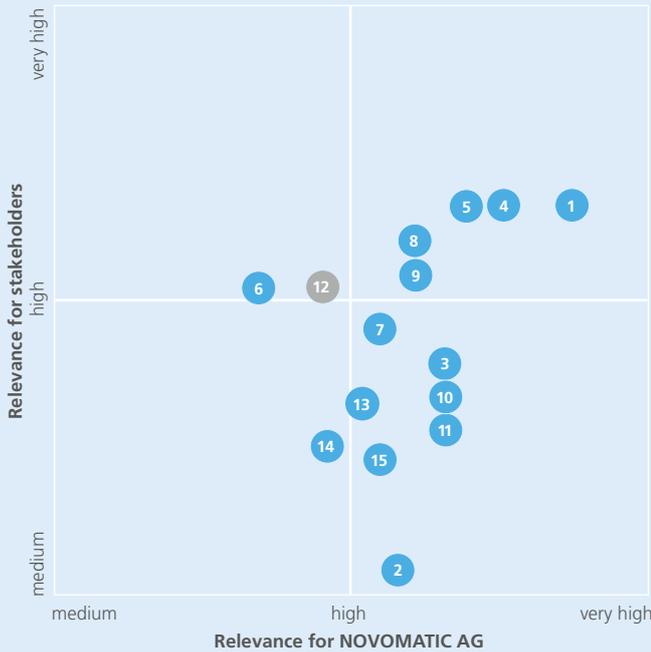


G4-17 / Consolidated companies, for further information, see NOVOMATIC's annual report 2015.  
G4-18 / Process for defining the report content.  
G4-19, G4-20, G4-21 / All material aspects during the reporting period.  
G4-22 / Restatement of information.  
G4-23 / Significant changes in the scope and aspect boundaries.  
G4-24 / Involvement of stakeholders.  
G4-27 / Stakeholder concerns.

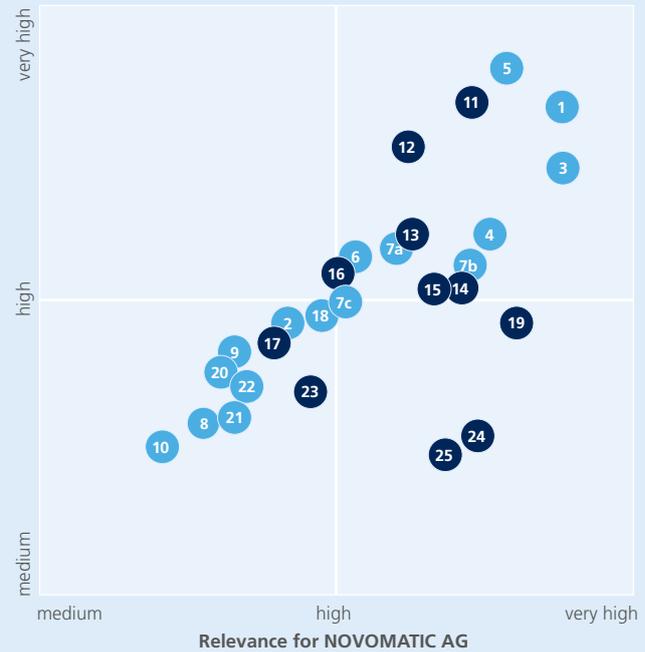


See chapter "One cannot not communicate", page 18.

### Materiality Matrix 2013



### Materiality Matrix 2015



- 1 Corporate Governance & Compliance
- 2 Anchoring in regional economy
- 3 Innovation
- 4 Responsible Gaming and Consumer Health
- 5 Protection of Customer Data
- 6 Responsible Marketing
- 7 Job security and qualified employees
- 8 Satisfaction and health of employees

- 9 Diversity
- 10 Sponsoring
- 11 Fair competition
- 12 Stakeholder involvement
- 13 Environmental Management
- 14 Product Ecology
- 15 Promotion of diversity and education

- Topic areas 2013 and 2015
- Topic areas 2013
- Topic areas 2015 new

- 1 Compliance (2013: 1, 11)
- 2 Local anchoring
- 3 Innovation
- 4 Player Protection
- 5 Data Protection
- 6 Responsible Marketing
- 7a Job stability
- 7b Training and further education
- 7c Occupational Safety
- 8 Health Management
- 9 Diversity of employees
- 10 Sponsoring (2013: 10, 15)
- 11 Financial stability
- 12 Quality Management

- 13 Outward transparency
- 14 Lobbying
- 15 Attractiveness as an employer
- 16 Knowledge management
- 17 Work-life balance
- 18 Recyclability (2013: 13,14)
- 19 Customer Relations
- 20 Energy Efficiency (2013: 13)
- 21 Recycling (2013: 13,14)
- 22 Resource conservation (2013: 13,14)
- 23 Supply chain
- 24 Synergy management
- 25 Inward transparency

- **internal standardized interviews with department heads and members of NGI's Supervisory Board**, in order to mirror the results of the previous analyses and to identify any possible ambiguities.

The results of these analyses were combined into a priority list of the aspects with the greatest relevance to NOVOMATIC, which in turn provided the basis for the preparation of the current Materiality Matrix. The feedback provided by the workshop participants resulted in a list of relevant topics and aspects. This also explains the deviations against 2013, as the questions aimed at determining these topics were intentionally kept open.

In the next step, the topics were prioritized based on standardized questionnaires which were filled in by Group department heads during an externally facilitated workshop, by employees (also during the course of a workshop) and during individual discussions with Group department heads. In contrast to 2013, an additional survey among external stakeholders was not carried out. NOVOMATIC's core markets of Germany, Italy and Great Britain were included in the process for the preparation of the Materiality Matrix through their local CR officers so the current version of this matrix now also applies to these markets.



G4-17 / Significant entities.  
G4-6 / Significant markets.  
See NOVOMATIC's annual report 2015.

The Materiality Matrix for 2015 shown on the left-hand side results in the following **material aspects for NOVOMATIC**, which are taken into consideration for this report, in addition to further information on the comprehensive CR management activities at NOVOMATIC:

#### Aspect Anti-Corruption / Compliance and Prevention of Money Laundering, Anti-Corruption **1**

- ✓ G4-SO4 / Communication and training on Anti-Corruption Policies and Procedures.
- i See chapter "Corporate Governance", page 69.

#### Aspect Innovation / Innovation Management **3**

- i See chapter "Corporate Governance", page 75.

#### Aspect Protection of Customer Data / Data Protection **5**

- ✓ G4-PR8 / Protection of Customer Privacy.
- i See chapter "Responsible Entertainment", page 41.

#### Aspect Customer Health and Safety, aspect customer satisfaction / Responsible Entertainment **4**

- ✓ G4-PR5 / Results of customer satisfaction surveys and G4-PR8 / Protection of Customer Privacy.
- i See chapter "Responsible Entertainment", pages 41 and 42.

#### Aspect training and further education / lifelong learning **7b**

- ✓ G4-LA9 / Average hours of training and further education per year.
- i See chapter "Enjoy working with us", page 54.

#### Aspect Quality Management for services and production **12**

- i See chapter "Corporate Governance", page 72.
- ✓ No GRI indicator to report as per GRI-G4.

#### Aspect economic performance / financial stability **11**

- ✓ G4-EC1 / Distributed economic value.
- i See chapter "Corporate Governance", page 76.

Compared to 2013, the internal and external relevance of certain issues was reevaluated, while for other topics, the considerable importance of CR management at NOVOMATIC was confirmed. By all accounts, this applies to **Compliance Management**, including the related topics of Anti-Corruption and the Prevention of Money Laundering. This topic area was once again ranked highest by both internal and external stakeholders at NOVOMATIC and will, therefore, be discussed thoroughly in a separate section of this report. **i**

The topic area of Prevention and Player Protection, including the related issues of Responsible Marketing as well as Data Protection and IT security, was also seen as a high-priority subject. Compared to 2013, this area was expanded and now also includes customer relationship management. The emphasis of CR management will, therefore, shift towards "Responsible Entertainment". Accordingly, the field of action previously referred to as "Prevention and Player Protection" is now called **"Responsible Entertainment"** in order to take this development into account. **i**

The field of action referred to as "Employees and Employer Responsibility" continues to be seen as highly relevant. The focal points of this area, however, have

also shifted: the main focus is now on our attractiveness as an employer (*employer branding*) and employee satisfaction, complemented by the areas of Occupational Safety and job stability. We see this addition as a mandate to our CR management to act. We have therefore renamed this field of action accordingly, to describe our strategic goal, and now refer to it as **"Enjoy working with us"**. **i**

In comparison to the previously established matrix, the priority of the areas of environment and product ecology increased. Relevant aspects and issues broken down into individual aspects relating to this area have moved up and to the right since 2013. We see this as a clear mandate to act: **"NOVOMATIC goes green"**. **i**



See chapter "Enjoy working with us", page 48.



See chapter "Corporate Governance", page 69.



See chapter "NOVOMATIC goes green", page 80.



See chapter "Responsible Entertainment", page 28.

# One cannot not communicate and **the Second Axiom of Communication.**

*How Paul Watzlawick connects us to our stakeholders. What we consider good communication. What is important to us for a constructive exchange of ideas.*



G4-24 / List of stakeholder groups engaged by the organization.

The Carinthian psychologist and system theoretician Paul Watzlawick achieved fame through his extensive research into the subject of communication. His Five Axioms of Communication are deemed to be accepted for any situation of communicative nature. Communication takes place on different levels: *“One cannot not communicate”*. However, up to a certain degree, communication can be actively controlled by being aware of the fact that every form of communication combines a content aspect as well as a relationship aspect, wherein the latter determines the former. Because of our corporate culture at NOVOMATIC, we attach great importance to mutual appreciation and a constructive exchange of ideas. Among other things, we made sure to involve relevant stakeholders in the preparation of this CR report. In addition, we use different communication channels to reach our stakeholder groups and provide them with information that is relevant to them.

## Constructive exchange: a learning opportunity for both sides.

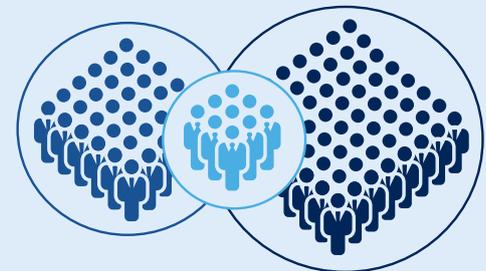
Of course, we want to inform our relevant stakeholders about our CR activities and successes at regular intervals. For us, the “relevant” stakeholder groups are those that (can) have a direct or indirect influence on our corporate development as well as those groups which we (can) have a direct or indirect influence on. This, in particular, includes our employees, our (B2B and B2C) customers, our investors and owners, representatives of regulative authorities on a state and federal level, representatives of player protection institutions and research facilities in the area of addiction prevention, as well as our sponsoring partners. 

Based on an internal analysis carried out in 2015 in the course of the process to update our Materiality Matrix, the following diagram was developed:



G4-25 / Basis for identification and selection of stakeholders with whom to engage.  
G4-26 / Involvement of stakeholders.

## Overview of our stakeholders



- **Internal stakeholders:**  
Employees, management, owner.
- **Stakeholders with direct influence on NOVOMATIC:** Business partners, authorities, politicians and decision-makers, investors and financial institutions, subsidiaries, surrounding environment at our facilities, sponsoring partners, player protection and therapy centers, research partnerships, self-help groups, customers.
- **Stakeholders with indirect influence on NOVOMATIC:** NGOs, interest groups, media, interested public, market participants.

Each stakeholder group naturally pursues its own ambitions and has different expectations toward NOVOMATIC. The objective of our communication with stakeholders is to balance these demands with our own goals and plans. In our opinion, this can only be achieved through fair and transparent reporting. Only transparency and a fair exchange with honest intentions can create trust and credibility. This also includes disclosing failures and new challenges as well as reports on changes to plans and detailed information on the underlying reasons. In this report, we strive to live up to these standards.

Should you still have remaining unanswered questions, we would be glad to hear from you! ✓

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We have discovered that concerning this exchange of information, each one of our stakeholder groups has different wishes and needs. We try to accommodate these through our different communication channels: we participate in intensive individual discussions, while at the same time providing highly formalized reports to authorities and supervisory bodies. Additionally, there are two events, the **NOVOMATIC Stakeholder Dialogue** ⓘ and the **Responsible Gaming Symposium** ⓘ, which are fixed dates in our NOVOMATIC event calendar that we (also) use to actively involve our stakeholders. On the next page, you will find an overview of our different forms of stakeholder involvement.

Apart from our ongoing efforts to stay in touch with our relevant stakeholders and to strengthen a mutual exchange on a Group level, our Group companies are also involved in this matter. For example, our German subsidiary, the LÖWEN Group, is a member of the German umbrella association "German Vending Association" (Die Deutsche Automatenwirtschaft) ⓘ. This

association has been active in the area of information and prevention for several years, with its motto "No game without rules".

LÖWEN furthermore attaches considerable importance to its own regional anchoring: apart from regular support

for charity projects, where LÖWEN apprentices personally lend a hand ⓘ, the main focus is on the economic attractiveness of the locations where the company operates its facilities. Because of this, LÖWEN is a member of the Future Initiative for Rhineland-Palatinate (Zukunftsinitiative Rheinland-Pfalz, ZIRP) as well as the **German Association for Small and Medium-Sized Businesses** (Bundesverband Mittelständische Wirtschaft BVMW Rheinessen-Nahe). Due to a close local involvement, LÖWEN organized a high-caliber event on the occasion of the upcoming state elections in Rhineland-Palatinate at the end of January 2016, offering members of the association an opportunity for direct contact with the political candidates. Four top representatives of state-level politics participated in a podium discussion and responded to the critical questions of the members of the association. As an additional side event, an opportunity for a guided tour of the LÖWEN location in Bingen was offered.



Theme from "No game without rules", German Vending Association.



G4-31 / Contact point for questions regarding the report or its contents.



See chapter "Together", page 98.



For further information, see page 22 of this chapter.



See chapter "Responsible Entertainment", page 43.



Further information is provided at [automatenwirtschaft.de](http://automatenwirtschaft.de)



Panel discussion BVMW, January 2016.



### 3 ways of involving our stakeholders

G4-26 / Organization's approach to stakeholder engagement, incl. frequency of engagement, etc.

Information:	Dialogue:	Participation:
Create transparency, provide information	Open exchange, listen and learn	Active involvement, realization of projects
novomatic.com/cr	<p>annually</p> <p><b>STAKEHOLDER DIALOG</b></p> <p>Nachhaltig. Innovativ. Konstruktiv.</p>	Several research partnerships in the area of addiction prevention
<b>Annual CR reporting:</b> According to the GRI standard, Progress Report according to UN Global Compact	<p>annually</p>  <p><b>Responsible Gaming Symposium 2015</b></p> <p>WISSEN SCHAFFT VERANTWORTUNG</p>	Sponsoring in the area of addiction prevention, science and research, social affairs, and constant financial support for addiction therapy centers
Regular reporting to supervisory authorities	Training and further education for CR officers, as well as internal training for all employees	Member of <b>respACT Austria</b> , regular participation in working groups and workshops
Ongoing communication with state commissioners (ADMIRAL Casinos & Entertainment AG)	Personal talks with relevant stakeholders	Internal CR-Board meetings for ongoing coordination within the NOVOMATIC Group
Continuous coordination and communication with ADM Agenzia delle Dogane e dei Monopoli (Italy)	Participation in press conferences and talks with journalists	<b>NOVOMATIC Symposium</b> twice a year (internal, for employees)
Intranet news for employees, NOVOWelcome Days for new employees	Participation in international expert conferences	Active involvement of specialist departments in the preparation of the annual CR report
Participation in sustainability ratings: TRIGOS, ASRA	Continuous survey among customers of the operating entities (NGI, LÖWEN Group; ACE and ASW for the first time in 2015)	Employee satisfaction survey at the Gumpoldskirchen location as well as in the operational area (in parts already completed or being planned) as well as at the LÖWEN Group (follow-up survey being planned)
Publications and brochures	Regular guided tours at the Gumpoldskirchen facility	LÖWEN Group is a member of the umbrella association German Vending Association (Die Deutsche Automatenwirtschaft)
	LÖWEN long-standing partner of German Association for Small and Medium-Sized Businesses: "Entrepreneurs' Brunch"	
	ICE London: important annual industry trade show	

In 2014, the fifth **LÖWEN Forum Bingen** was held. Similar to the NOVOMATIC Stakeholder Dialogue, it offers an exchange of views with a diverse audience. In 2015, LÖWEN decided not to host a sixth LÖWEN Forum, mainly due to the high number of other stakeholder events. The next event is currently being planned for 2016.

In the area of player protection, LÖWEN has proven to be a reliable cooperation partner. Apart from – in some cases considerable – financial support, LÖWEN attaches great importance to a regular professional exchange. The company cooperates with the addiction counseling center Sigmaringen, the Protestant Society Stuttgart (Evangelische Gesellschaft Stuttgart) or the Caritas Association for the archbishopric of Berlin, to name a few. In addition, LÖWEN collaborates with many local support facilities, offering a tight network of contact addresses which can be provided to guests looking for help or information.

Regarding the institutionalized exchange with our relevant stakeholders, there is one very special fixed date in the NOVOMATIC Group's event calendar which should under no circumstances be forgotten: **ICE Totally Gaming**, one of the largest, if not *the* largest international industry trade show, which is held in London every year at the beginning of February (2016: February 2-4, 2016). In this environment, NOVOMATIC presented itself with the largest stand of the event (4,500 sqm) for

the second time, introducing customers as well as the interested public to its products and services, as well as current innovations. Apart from offering an opportunity to talk to customers and informally meet other market participants, the ICE event in recent years has been accompanied by various specialized information events on the topic of Responsible Gaming. Particularly noteworthy are the **International Casino Conference** and the **World Regulatory Briefing**, both of which focus on different aspects of international player protection. Among other things, best practice examples are presented, allowing for further development of Responsible Gaming Measures. It has become a tradition that the responsible employees, as well as department heads, participate in both events to allow for an "interdisciplinary look outside the box". <sup>i</sup>



See chapter "Corporate Governance", page 77.



ICE London 2015.



ICE London 2015.

## McMindfulness, Green Washing, Pink Painting – from reactive do-goodism to proactive sustainability management?

**McMindfulness** – Describes a commercially productive mindfulness, alienated from the original Buddhist roots.

**Green Washing** – Describes the attempt to achieve an image of being environmentally friendly and responsible, but without a sustainable basis.

**Pink Painting** – Describes the attempt to achieve an image of political correctness by promoting token women to leadership positions.

This was the title of the high-caliber panel discussion, the **NOVOMATIC Stakeholder Dialogue**, which was held at the Novomatic Forum in Vienna on December 1, 2015. The debate focused on the general benefit of CSR for companies and society as a whole. The starting point for the controversial and sophisticated debate

was an article published in 2015 on the causal relationship between CSR and the economic success of a company, which caused quite a stir. The hosts in the elegant ambiance of the Novomatic Forum in Vienna were Daniela Knieling from respACT, the Austrian Business Council for Sustainable Development, and NOVOMATIC represented by Monika Poeckh-Racek, Head of Group-CR.

Apart from Prof. Katja Rost from the University of Zurich, the author of the study according to which scientific evidence for the positive impact of CRS on a company's success is at least doubtful, the participants included Fred Luks from the Competence Center for Sustainability at the Vienna University of Economics and Business, Christine Jasch, Head of Climate Change and Sustainability Services at Ernst & Young, Bettina Lorentschtsch, President of the Julius-Raab-Stiftung and Corporate Sustainability Officer at Wienerberger AG. Prof. Franz-Josef Radermacher from the University of Ulm offered critical contributions: his general opinion is that CSR and sustainability are subjects that must be negotiated on a global level. Minimum standards, including in the area of environmental protection, can only be achieved if global players participate.



The high-caliber panel, from left to right: Fred Luks, Christine Jasch, Prof. Katja Rost, Bettina Lorentschtsch, Monika Poeckh-Racek, Christine Viera Paschoalique.



From left to right: Prof. Katja Rost, Bettina Lorentschtsch.

After the introductory key findings presented by Prof. Rost on her recently published meta-study, Ms. Viera Paschoalique drew the first fundamental conclusion of the discussion: using the example of how to measure the satisfaction of employees, she highlighted the challenges associated with determining the concrete impact of CSR measures: *“How should you measure true employee satisfaction objectively? What is satisfaction, what is happiness?”* Due to the fuzziness of so many terms related to CSR, measuring inaccuracies are inevitable, she claimed. Ms. Jasch expanded on this, stating that in her experience, investments pay off only if they are part of an integrated management system – irrespective of whether they fall into the area of CSR or not. In this context, she quoted a study by Prof. Bob Eccles, according to which U.S. companies with an integrated CSR policy achieve a *“significantly better performance”* than the companies in the control group. Ms. Jasch, therefore, held the view that the benefit of CSR can indeed be determined, but that it depends on a company’s concept of CSR. The benefit of CSR is greater, the stronger CSR is integrated into a company’s management system. Fred Luks summarized this insight pointedly: *“Stone Age-CSR does not pay off, modern CSR, however, does.”*

Prof. Radermacher countered that in his opinion the term “CSR” only makes true sense if it includes an assumption of responsibility not mainly focused on benefits or profits. Otherwise, CSR could be equated to general business management. He added that CSR furthermore should be scrutinized from a global perspective: in his view, CSR is only a substitute for a lack of global regulation in certain areas. Ms. Lorentschtsch agreed with Prof. Radermacher and declared that *“CSR must also be fun”* and not just provide benefits. After the conclusion of the panel discussion, the experts were



The participants of a World Café group in a lively debate.

asked to moderate smaller discussion groups dealing with certain individual aspects of CSR. Based on the classic World Café principle, the audience was asked to rotate, so that each participant was part of at least two brainstorming sessions.

For the first time ever, this event made the NOVOMATIC Stakeholder Dialogue accessible to the wider public. Previous Stakeholder Dialogues had always been held *behind closed doors* following the *Chatham House Rule* (assurance of confidentiality). Based on the extremely positive feedback we received regarding this event, we are considering continuing on this path or to open the Stakeholder Dialogue even further in order to enhance the learning effect for not only NOVOMATIC, but also for the participants and speakers.

If you are interested in a follow-up report on the event, we will be glad to provide it. Please contact us at

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G4-31 / Contact point for questions regarding the report or its contents.

# The individual stages of value creation.

*What our suppliers have to do with CR management. What value creation means. How we control and minimize social, economic and ecological risks along our production stages.*



G4-12 / Description of the supply chain.

✔ Corporate Responsibility is firmly anchored in our company. However, our responsibility does not end at our “doorstep”. On the contrary: we also strive to evaluate our suppliers’ social, economic and environmental risks based on the three-pillar model of sustainability and, if necessary, to work together with them to minimize any such risk. Our suppliers’ products are integrated into our own production processes. So the risks associated with our suppliers’ products also – to a certain degree – become our own risks. It is, therefore, worth taking a closer look at this issue. This is why in 2015 we initiated internal investigations regarding the two largest production locations Austria and Germany.



G4-EN32 / Environmental risks along the supply chain.  
G4-LA14 / Social practices along the supply chain.  
G4-HR10 / Human rights and supply chain.  
G4-S09 / Social impact along the supply chain.

**Germany** sources mainly semi-finished goods or machine components from Austria. Further purchases are handled by a central purchasing department at the Bingen headquarters. All contract partners of our German LÖWEN Group are – just like the ones for the headquarters in Austria – required to recognize our Code of Conduct, which they confirm to us in writing. 100 percent of all suppliers to our German companies have confirmed adherence to our principles. In Germany, contract partners are selected based on certain criteria. In this context, adherence to environmental standards has a high priority. However, it must also be disclosed that we are active in a highly-specialized segment and that this criterion becomes decisive in particular in cases when two suppliers are more or less equal in terms of quality. Due to the high volume of transport in Germany, we also urge our suppliers to use only trucks which comply with certain emission standards (EURO V or EURO VI). Through this, we want to contribute to German forwarders renewing their fleets as soon as possible, thereby reducing their exhaust emissions. ⓘ



For further information on this, see chapter “NOVOMATIC goes green”, page 85.



See chapter “NOVOMATIC goes green”, page 83.

Due to the international orientation of our company, our suppliers also come from all over the world. For

2015, we performed an in-depth analysis of our 25 suppliers with the highest volume. Together, they represent approximately 75 percent of the total purchasing volume **at our Gumpoldskirchen location**. The majority of these suppliers exhibit no economic, environmental or social risk. On the one hand, this is due to our long-standing successful business relationship, and the other is due to the fact that for the majority of suppliers to the Gumpoldskirchen location, European law applies, which stipulates certain minimum standards in the areas of Environmental Protection and Labor Law, as well as Occupational Safety. Any violation entails strict legal consequences. There was only one supplier from South East Asia for whom we were not able to carry out a validated assessment of the economic and social risks due to the current data situation. This will most certainly be remedied in 2016. ✔

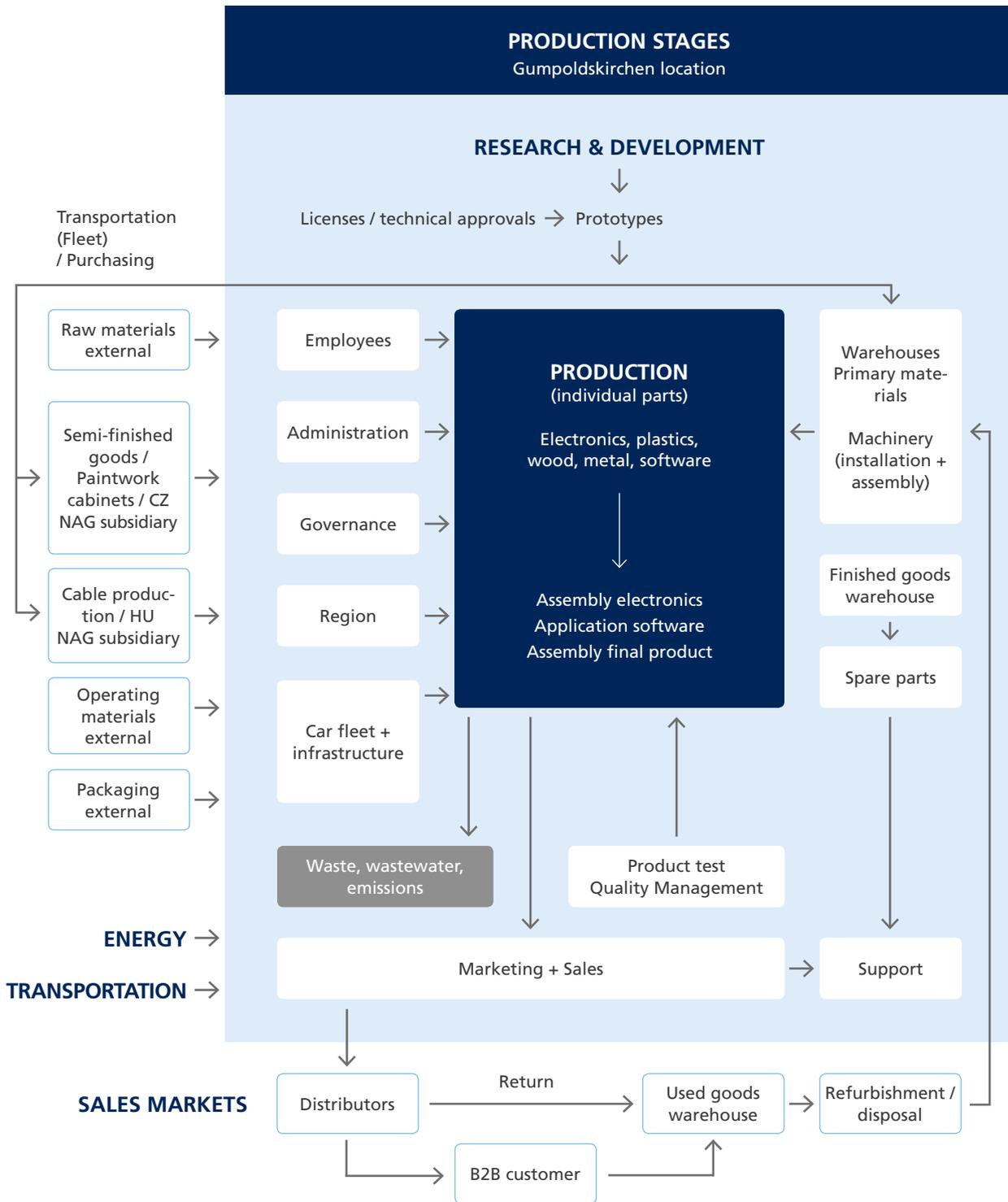
We also carried out an internal analysis of our **production processes and production stages at our Gumpoldskirchen location**. The following chart offers a graphical representation of these processes, illustrated by the example of one of our most popular products.

We not only attach great importance to an above-average degree of vertical integration of approximately 95 percent that ensures adherence to our high-quality standards, we also ensure that after the useful life of our machines has ended, they are either repaired (so-called *refurbishment*) or taken back from our customers, so we can be certain that components which are no longer suitable for use are recycled properly. ⓘ

## Our value chain at the Gumpoldskirchen location <sup>i</sup>



As illustrated by the example of our gaming machine model FV 880F.



Due to the strong international interconnectedness of our production processes, the above chart is limited to an illustration of the production processes as exemplified by one of our most popular products. This visual reduction promotes the clarity and transparency of the process.



ADMIRAL

ENTERTAINMENT  
MIT VERANTWORTUNG



VERANTWORTUNG KOMMT  
MIT DEM GLÜCKSSPIEL

# Responsible Entertainment





# Responsible Entertainment



## Our challenges

Heterogeneous international legal requirements

Changes to legal framework conditions in Germany and Austria

Responsible Entertainment: not a contradiction in terms

Adherence to high-quality standards



## Our solutions

Continuous professional exchange and internal networking of Responsible Gaming Officers;  
Establishment of Group-internal minimum standards: Corporate Responsible Gaming Code, training standards

Expansion of the advantage gained from our pioneering role concerning the protection of players and minors

Implementation of customer satisfaction surveys in Austria and derivation of measures based on the results;  
Enhanced communication of our Responsible Entertainment Approach in Germany, Austria and Italy

Performance of facility audits and mystery tests in Austria;  
Certification of ADMIRAL gaming halls in Germany (by end of 2016)

## What we achieved in 2015:

Enhancement of group-wide minimum standards

Strengthening of our customers' decision-making power

Spiel-bewusst.de, the campaign for Responsible Gaming deployed at the Point of Play

Development of first themes "Responsible Entertainment"

## What we are currently working on:

Development of a Corporate Responsible Gaming Code as well as Responsible Marketing principles;  
Preparation of a template for a "Player Protection Brochure international"

New information brochure for sports betting in Austria;  
New information brochure for machine gaming in Austria

Campaign spiel-bewusst.de to be communicated in a clearly visible location in all facilities in Germany

Enhancement of the ADMIRAL brand communication

## What else we are planning for 2016 / 2017:

Group-wide rollout

Pocket folder as additional information offering

Continuation of campaign

Relaunch of the corporate website ADMIRAL Casinos & Entertainment AG

### State-licensed gaming in Austria 2015

- "Permission states": State-licensed gaming under according state law
- "Prohibition states": State-licensed gaming not allowed

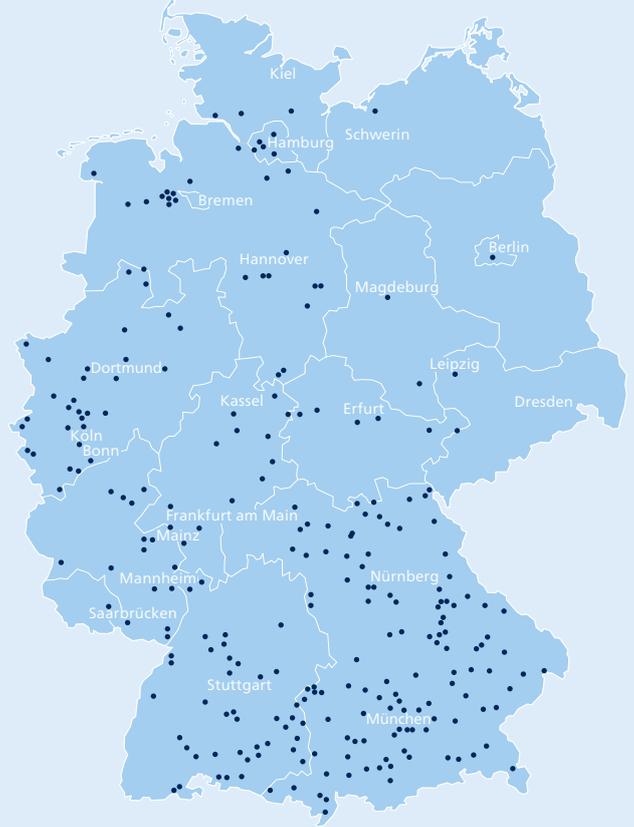


As of December 31, 2015

Burgenland	110 machines / 8 facilities
Carinthia	206 machines / 10 facilities
Lower Austria	1,339 machines / 85 facilities
Upper Austria	363 machines / 20 facilities
Styria	249 machines / 21 facilities as of March 31, 2016 (final: 337 machines / 24 facilities) License received in mid-December 2015 / rollout started in 2016

### Locations of ADMIRAL gaming halls in Germany 2015

- ADMIRAL gaming facilities



### Responsible Entertainment: Active Player Protection and customer service

We interpret the service philosophy for our facilities in fairly broad terms: apart from perfect service in the hospitality area, it is very important for us to offer our guests a comfortable and safe atmosphere for gaming. Further information on our Responsible Gaming Management is provided on the following pages.

# Luck and chance: **everything you need for good entertainment.**

*What connects Blaise Pascal with Provence and NOVOMATIC. What Prof. Rudolf Taschner has to do with all of this. What a prevention counselor does differently from a prevention representative and why this difference is necessary. How to credibly link entertainment with responsibility and what Responsible Gaming really means.*



As the name suggests, games of chance are games where you need luck and chance to win. Unless – that is – your name is *Blaise Pascal*, a French mathematician and philosopher living in the 17th century who spent a lot of time trying to figure out how to win against the casino by placing strategically smart bets. This system is called *Martingale* and it can be reduced to one principle: keep increasing the stakes consistently, until you win. Of course, this Martingale has its vagaries. Because this mathematical system only works if certain parameters are provided. For one, you need unlimited financial means in advance. There can also be no betting limits. Only then can you offset your losses and continuously increase the stakes. The Austrian mathematician Prof. Rudolf Taschner also investigated the implications of games of chance. His conclusion:



Prof. Rudolf Taschner.

*“The only gaming strategy is: play according to your whim. Under all circumstances, avoid playing systems. None of them delivers on its promises. However, follow*

*the Three Golden Rules: don’t cry, don’t be jealous and stop in time.”*

With this succinct statement, Prof. Taschner summarized the main characteristics of our Management Approach

for Responsible Entertainment: the combination of a technologically advanced and exciting entertainment offering with different measures to prevent negative concomitant effects of gaming. In order to enhance our external communication regarding our strategic approach for a responsible provision of machine gaming and sports betting, we changed the name of this field of action to **“Responsible Entertainment”** (previously: *Prevention and Player Protection*). For the avoidance of doubt: for us, “Responsible Entertainment” is not a contradiction in terms.

- *“Play according to your whim”* therefore describes the entertainment factor of participating in games – without, however, leading to compulsive behavior.
- *“Avoid playing systems”* stands for open and transparent communication with our customers regarding the gaming terms, as well as signs of problematic gaming behavior.
- *“Don’t cry”* refers to the explicit notice to our customers to limit gaming to their individual financial capacity, so that they can get over any losses they may incur.
- *“Don’t be jealous and know when to stop”* finally stands for relaxed gaming under secure conditions.

Our related measures are based on the principle of enhancing our customers’ personal responsibility. True to the motto *“only a decision based on objective information is a good decision”*, we offer our customers

G4-DMA / Management Approach.  
G4-14 / Precautionary Principle.

extensive information materials, which have been translated into several languages and are made freely available at our outlets. Our sense of responsibility, however, is not limited to the pure provision of information: Wherever necessary or requested by our customers, we support them in maintaining control over their gaming or betting behavior through different technical measures – so they *neither cry nor get jealous, but are able to stop in time*.

Regardless of this, we have committed to certain principles that form the basis of how we want to offer our services in the area of machine gaming and sports betting (*Responsible Gaming Management System*). These principles are currently summarized in our **Responsible Gaming Code**, which is available not only in German, but also in English and Italian. One of our most important projects for 2016, however, is the further development of group-wide minimum standards: we are convinced that in particular with regard to our core business, our sense of responsibility should not be limited to the mere adherence to legal minimum standards. It is rather our goal to set new industry standards with our own internal guidelines.

This is why we are currently developing a **Corporate Responsible Gaming Code** which – similar to our Code of Conduct – sets out certain standards of conduct and principles outlining how we want “Responsible Gaming” to be understood. This Code is intended to become binding within the Group on an international level, supporting us in successfully anchoring further minimum standards, for example in the area of training and further education or protection of minors. We are also currently developing internal standards for Responsible Marketing: for Austria, such principles of responsible communication have already been established. However, it is planned to adapt them to international standards and laws, so that ultimately group-wide binding **Corporate Responsible Marketing Standards** determine how we want to communicate regarding our gaming offering.

In these introductory words, we have already mentioned that the concrete definition of Responsible Gaming Measures primarily depends on the legal framework of the individual markets in which we are active. In this context, it should be noted that we operate only in regulated markets, even if the legal provisions differ from one country to the next. ✓

There are no harmonized EU-wide regulations regarding the protection of players and minors. This also explains why our Responsible Gaming Measures can be structured differently and why it is important to us that we introduce minimum standards – even if only within the Group. We strive for transparency and uniformity to meet our own high-quality standards.

The following section focuses on the three countries included in our reporting scope: Germany, Italy and Austria. It provides a brief overview of the legal framework and highlights the national peculiarities with regard to Responsible Gaming:

## Germany and its State Treaty on Gaming – everything up in the air?

Regarding the legal situation in Germany, it should primarily be noted that compared to Austria the definition of the term “gaming” is much wider. Gaming includes anything that holds out the prospect of winnings but is largely or completely dependent on luck or chance. In Germany, this also includes sports betting and the lottery.

Apart from this, the legal situation in Germany is similarly heterogeneous as in Austria: on a federal level, the **Gaming Ordinance issued by the Federal Ministry of Economics and Energy** applies. An amendment to this ordinance came into force on November 12, 2014, entailing numerous changes. Among other things, the number of permissible gaming machines in restaurants was reduced from three to two (transitional period of five years starting on the day the ordinance came into force). At the same time, the maximum loss or win per hour was lowered. Additionally, the placement period of gaming machines was shortened to four years, and stricter requirements regarding the exact placement position of gaming machines were introduced (including regarding the distance to youth facilities). Apart from the Gaming Ordinance, implementing laws were passed on the level of individual states, stipulating, for example, a prohibition of alcohol as well as outdoor advertising. Gaming facilities must be lit by daylight, but the windows to the gaming area must be opaque (so that it is not possible to look into the gaming area from outside).





BZgA press release  
from March 22, 2016,  
online at bzga.de/presse

In the summer of 2012, an amendment to the so-called **State Treaty on Gaming** came into effect, the objective of which was to ensure a uniform federal regulation of gaming services for the 16 federal states, while providing a solid basis for the protection of players and minors. The State Treaty on Gaming and its amendment agreement regulate the operation of gaming halls in Germany. From 2017 onwards, for example, individual licenses are allowed for a maximum of 12 gaming machines. The employees of gaming facilities are now also required to be trained with regard to the prevention of gaming addiction. It is furthermore required that customers are offered the possibility to personally ban themselves. Due to the prevailing state laws, however, this issue is still handled inconsistently throughout Germany, so that a data exchange between the different federal states is currently not possible.

The State Treaty on Gaming also regulates the procedure for the obtainment of licenses for internet gaming services (limited to sports betting) on German soil. Originally, the Federal State of Hesse was in charge of implementing this award process for twenty licenses. However, the Hessian Ministry in charge was not able to reach a decision in this regard for a long time, resulting in a type of legal limbo. The general objective of this arrangement was to limit the black market, including its related negative implications for society, by providing legal offerings online. So far, however, no licenses have been granted – not least because in the meantime, the European Court of Justice has raised doubts as to whether the awarding of such licenses would comply with EU law. At the time of publication of this report, the outcome of the audit procedure is still unknown.

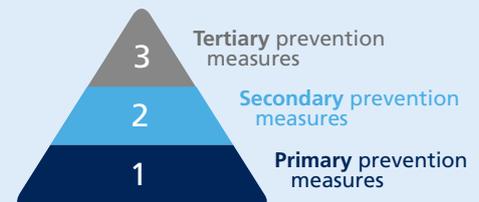
Apart from the negative economic consequences of the forced offering reduction, we see the current legal situation in Germany in a fairly critical state from the perspective of protecting minors and players: as long as the open legal issues remain unsolved, the German authorities will continue to avoid combatting illegal providers, as they fear costly claims for damages. This is also reflected in a **current study published by the Federal Center for Health Education (BZgA)**, according to which participation in illegal sports betting has risen among young men between the age of 18 and 20. According to Peter Lang, department head at the BZgA, *“the gaming behavior of young men in Germany [...] continues to [be] a cause for concern. The participation in illegal sports betting, for example, has increased significantly*

*among men between the age of 18 and 20, from 5.7 percent in 2013 to 12.8 percent in the year 2015. In general, men are affected by problematic or pathological gaming behavior significantly more often than women.”*

## Spiel-bewusst.de and prevention counselors: LÖWEN demonstrates how to implement Responsible Gaming successfully.

As in Austria, the Responsible Gaming Management System in Germany is structured along three prevention phases: **primary, secondary and tertiary prevention.**

### Our Prevention Pyramid



### Prevention levels

- 1 Primary prevention measures:**  
General consciousness-raising aims at reaching all customers and allowing them to make an informed decision.
- 2 Secondary prevention measures:**  
Individualized safety nets aim at allowing customers with problematic or pathological gaming behavior to put an end to gaming and referring them to suitable specialized organizations.
- 3 Tertiary prevention measures / safety nets:**  
Support, help and therapy in specialized institutions ensure an effective treatment of the disease.

**Primary prevention** measures are directed at an unspecified target group. The recipients of the communication measures are generally all customers visiting a gaming facility run by the LÖWEN Group (operating under the ADMIRAL brand in Germany). The objective is to provide information on possible risks of gaming as clearly and transparently as possible – without trivializing or – vice versa – dramatizing the issue. This level aims at providing initial information and at sensitizing customers.

To achieve this goal, LÖWEN initiated the “**Spiel bewusst**” campaign several years ago: apart from an extensive information platform at [spiel-bewusst.de](http://spiel-bewusst.de), consciously designed in an attention-grabbing orange color, several communication instruments are available directly in the gaming halls, drawing the guests’ attention to the principles of Responsible Gaming. Large stand-up displays in the entrance area offer pocket folders with contact details for support facilities. Branded stickers are attached to the gaming devices, drawing attention to the information campaign. In addition to this, brief information is provided on the gaming device’s display (information at the “*Point of Play*”). Furthermore, the campaign logo is always added to the lower third of any advertisement for LÖWEN ENTERTAINMENT GmbH and Crown Technologies GmbH, using this area to draw attention to [spiel-bewusst.de](http://spiel-bewusst.de). The existing information offering is currently being enhanced to include further languages. The [spiel-bewusst.de](http://spiel-bewusst.de) homepage has already been translated into Turkish, Arabic, English, Greek, Russian and French.

Apart from the social component, great importance is attached to process quality and technical standards. Since the beginning of last year, all ADMIRAL facilities

in Germany have undergone or will shortly participate in a certification by a Technical Inspection Agency (TÜV Rhineland). This association audits each ADMIRAL gaming hall according to recognized German industry standards, thereby revealing any previously undetected potential for improvement. These certifications are associated with considerable internal administrative effort, and it is therefore planned that all audits will be completed by the end of 2016. The LÖWEN Group is the first provider in Germany to subject itself to such a strict external audit procedure. 

With regard to **secondary prevention**, there are two crucial factors: Firstly, there are our well-trained colleagues providing services at the gaming facilities who in their daily contact with customers keep an eye out for indications of conspicuous gaming behavior and, if necessary, seek a personal conversation with our customers to discuss these issues. Should this talk fail to achieve the intended result, the customer is then, in a second step, invited to talk to a **prevention counselor**. Apart from the required soft skills such as resistance to stress and a high degree of empathy, these persons also have specific academic knowledge from areas such as psychology, social education and social work.



For further information, see chapter “Corporate Governance”, page 74.



Crown Technologies product ad from 2015.

The prevention counselors are therefore able to competently handle possible crisis meetings, to professionally evaluate a customer's risk potential and to support him or her in accessing support programs offered by according external facilities.

These external support and therapy institutions represent the third level of prevention. The **tertiary prevention** measures are not an immediate part of the LÖWEN Group's Responsible Gaming Management System, as these are medical and therapeutic offerings to people suffering from problematic or pathological gaming behavior. However, LÖWEN supports selected support and therapy institutions through long-term partnerships, not only financially, but also through an active transfer of know-how between practice and theory – an exchange which ideally is beneficial to both sides.

## A look to the south: Italy and Signor Renato Balduzzi.

The current legal situation in Rome can be ascribed to the previous Italian Minister of Health, Renato Balduzzi.

Apart from machine gaming, scratch tickets and lottery are also considered part of the anonymous gaming offering in Italy. No identification check is required to operate a gaming machine or to buy a scratch ticket or a lottery ticket. Only if the payout amounts to more than EUR 1,000, official photo identification is required due to anti-money laundering provisions. While Law No. 111/2011 ("*Balduzzi Law*") generally prohibits minors from participating in games, NOVOMATIC-Italia is well aware of the fact that the prevailing legal situation does little to enforce the protection of minors. Therefore, the company has instructed its employees in its 150 outlets in Italy to ask customers for proof that they have reached legal age. This is a voluntary service aimed at preventing the particularly vulnerable group of young people from participating in gaming activities.

Within the so-called Balduzzi Law, it was also imposed upon the Ministry of Health to carry out regular statistical surveys regarding addictions, particularly gaming addiction. Prevention measures and therapeutic support are to be planned and implemented based on statistical data. The budget allowances for 2015 define an annual amount of approximately EUR 50 million in

government spending for prevention and therapy measures. In addition, NOVOMATIC-Italia will, over the next three years, collaborate with other market participants and invest in the development of software aimed at recognizing risky gaming behavior early on and in supporting customers to better control their gaming behavior themselves.

All in all, the gaming market in Italy is characterized by relatively little regulation for the protection of minors and players. There are currently tendencies in the Roman Senate to introduce stricter regulation of this topic (the "*Binetti Law*"). However, these considerations, which have been around since 2013, have not yet been passed as effective laws. With regard to the existing legislative situation, NOVOMATIC-Italia is, however, already undertaking considerable efforts to assume a nationally pioneering role regarding Responsible Entertainment.

## Responsible Entertainment in Italy and the European Lotteries Association.

Apart from attractively designed information brochures, NOVOMATIC-Italia was also able to sign on **Federica Pellegrini**, a popular Italian Olympic champion in the 200m freestyle for a testimonial regarding its Responsible Entertainment Campaign. The Group now intends to sensitize the public with respect to the topic of Responsible Entertainment through own events, as well as posters and flyers.

NOVOMATIC-Italia is also working towards achieving the basic certificate issued by the **European Lotteries Association (ELA)**, an association of gaming companies pursuing the objective of implementing industry-wide and internationally harmonized minimum standards. Adherence to these minimum standards, which were defined within a catalog comprising various items, is confirmed by the certificate and must be verified by the internal ELA supervisory body at regular intervals.

Apart from separate variants of the ELA Code of Conduct for certain segments of gaming offerings, the requirements include, among other things, intensive contact with representatives of player protection and addiction research institutions. On the one hand, the objective is to ensure a regular exchange between theory and practice to promote the development



Federica Pellegrini in a testimonial for our Responsible Gaming Campaign in Italy.

of player protection measures. On the other hand, ELA-certified companies are obligated to promote scientific studies, so as to achieve an improved understanding of problematic playing behavior. They must furthermore support the ELA financially in the establishment of initiatives for Responsible Gaming.

Apart from this, compulsory annual employee training sessions with modules on prevention and addiction theory are intended. Additionally, an anonymous counseling hotline must be established and objective gaming information for customers, including information on the gaming terms and payout ratios, must be made readily available.

In November 2015, NOVOMATIC-Italia started to carry out a gap analysis, with the support of an external expert, to identify potential for improvement. An own ELA Board, consisting of seven managers from the areas of Compliance, CR, Human Resource Management, IT Management, Legal Affairs and Communications, was established in an effort to obtain the basic certification within one year, i.e. by the end of 2016, if possible.

## Austria – a federal law and nine different state guidelines.

In Austria, the provision of entertainment services also lacks homogeneity: For one, the provision of **sports betting** is not included in the Austrian definition of the term “gaming”. According to this distinction, our Responsible Entertainment Measures for the areas of sports betting and machine gaming are also presented separately, as the legal framework has a considerable impact on the design of concrete measures.

The provision of machine gaming services itself is also subject to different regulations, depending on the legal basis upon which a license was granted. In principle, gaming is regulated by the associated federal law (*Bundesgesetz zur Regelung des Glücksspielwesens i.e. Federal Law on the Regulation of Gaming – GSpG or Gaming Act*) that stipulates a supply monopoly by the federal government. ⓘ This monopoly was and is justified with the argument of a controlled and secure provision. Sec. 4 Gaming Act, however, also provides for an exception to this monopoly by allowing for state-licensed gaming (so-called “Landesausspielungen” [Sec. 5 Gaming Act]), as well. This includes the provision of gaming services through gaming machines. The placement of gaming machines may be allowed either individually or in separate electronic casinos, and the number of gaming devices per facility is limited. NOVOMATIC has decided to offer **machine gaming through its wholly-owned subsidiary ACE exclusively in electronic casinos**: in our opinion, this is the only way to ensure an effective protection of players and minors. ✓

According to this requirement, the individual federal states can determine themselves whether or not they want to allow machine gaming within their area of jurisdiction. The federal law only provides a framework with the minimum requirements that must be met in the event a permission is granted. Each federal state is, of course, entitled to enforce stricter regulations for the award of licenses. As of the end of December 2015, the federal states of Lower Austria, Upper Austria, Burgenland, Styria and Carinthia had allowed machine gaming under state-issued licenses (“**permission states**”). Through its operating subsidiary ADMIRAL Casinos & Entertainment AG (ACE), NOVOMATIC was able to successfully convince the authorities of its competence and now holds valid licenses for the operation of gaming machines in electronic casinos in all five



N.B.: This also explains why the Austrian monopolist in Vienna is allowed to continue to operate casinos, even if gaming was prohibited by state law as of the turn of the year 2014 / 2015. The prohibition relates exclusively to an offering under Sec. 5 Gaming Act.



G4-PR6 / Banned products.

## Our facilities in Austria as of December 31, 2015



● In federal states in which state-licensed gaming is prohibited, we are active with our sports betting offerings.

### Upper Austria

License granted since 2013. 363 gaming devices allowed. One further participant in the market for individual placement, one in the area of electronic casinos.

### Styria

License granted at the end of 2015. 337 gaming devices allowed. Two further market participants in the area of electronic casinos.

### Lower Austria

License granted since 2012. 1,339 gaming devices allowed. Exclusive provider.

### Burgenland

License granted since 2013. 110 gaming devices allowed. Two further participants in the market for individual placement.

### Carinthia

License granted since 2015. 259 gaming devices allowed. Two further market participants (individual placement, electronic casinos).

federal states. In the remaining four federal states, machine gaming is officially prohibited.

State laws are time and again subject to change. The most important recent changes were implemented in Vienna and Styria: in Vienna, machine gaming was prohibited as of the end of 2014. The NOVOMATIC Group was therefore forced to close all its outlets. In 2015, the introduction of a new Viennese betting law was initiated. This law was passed prior to publication of this report on March 18, 2016. The related implications are described in more detail in the section on sports betting. In Styria, however, the provision of machine gaming was allowed. A process for the awarding of

licenses was carried out in 2015 and in mid-December 2015 licenses were granted, including to ACE.

## Play Fair – Responsible Entertainment in the area of sports betting.

Play Fair not only describes an initiative of leading representatives of Austrian sports, the term similarly summarizes the Responsible Betting Approach pursued by ADMIRAL Sportwetten GmbH (ASW), our wholly-owned subsidiary in Austria. It is also reflected in the nine principles on which our internal Responsible Betting Code is based: Apart from a ban on betting for persons under the age of 18, which is clearly indicated in



Further information on this is available in our last CR report for fiscal year 2014.



Further information: [playfaircode.at](http://playfaircode.at)



ADMIRAL Sportwetten Flagship Store at the Vienna Central Station.

the entrance area of our betting facilities through stickers and posters, ADMIRAL Sportwetten attaches great importance on ensuring that its customers are aware of signs of possibly problematic betting behavior. An information leaflet designed specifically for this segment has been translated into several languages and is made freely available at our outlets. In addition, an ADMIRAL customer card (*NB: not to be confused with the ADMIRAL-Card used by ADMIRAL Casinos & Entertainment AG*) and related bonuses aim at collecting data from our customers to track their betting activities. Social observation by specially trained facility employees is particularly important. Any perceived anomalies in a customer's betting behavior are reported to the branch manager in charge. If necessary, a confidential meeting between the customer and the branch manager is arranged. As a last resort, the affected customer is made aware of existing support and therapy offerings and ADMIRAL Sportwetten may make an entry in an internal blacklist.

From a legal perspective, the protection of betting customers is subject to certain limitations, as **Jürgen Irsigler, Managing Director of ADMIRAL Sportwetten GmbH**, frankly admits:

*“In the area of Responsible Betting, we focus on aspects which we ourselves can actually influence. On the one hand, this is the provision of betting services itself. Certain types of bets, where randomness takes on a dominant role, have been eliminated from our service offering. This relates, for example, to the matter of which team in a soccer game gets the first kick-off. In order to keep betting as safe as possible at our facilities and to reduce the risk of manipulation, we also offer no bets on red or yellow cards or on throw-ins. In this type of self-limitation, we have assumed a pioneering role. On the other hand, it is in our very own interest to have highly-trained employees at our outlets, who are not only competent from a technical perspective but are also trained in recognizing indications of possibly problematic betting behavior. What helps us is the fact that approximately 90 percent of our customers are regulars, so we can estimate fairly precisely how often and how intensively somebody is betting. Ideally, there should be a legally prescribed identification requirement to guarantee 100 percent that no minors are able to place bets. When in doubt, we always ask*



**Jürgen Irsigler, Managing Director of ADMIRAL Sportwetten GmbH.**

*for photo identification, of course. However, we would consider it sensible to introduce uniform conditions for all providers. In addition, tracking betting amounts is currently only possible in our online or mobile business. The main reason for this is the lack of legal requirements, as customers tend to be reluctant to provide their data to third parties. While we try to provide incentives through our ADMIRAL customer card, so that customers also register for terrestrial-based gaming, the number of cardholders is only increasing at a slow rate. Generally, a sense of skepticism tends to prevail.”*

We have ambivalent feelings regarding the current changes to the legal situation in Vienna. At the end of 2015, a betting law was introduced in the Vienna State Assembly that provides for stricter measures regarding identification requirements, but also regarding betting stakes and the requirements to holders of a betting license. The law was passed by the Vienna State Assembly in March 2016, prior to the publication of this report. It is not yet possible to accurately predict the impact on the market as well as the areas of Responsible Betting and the protection of minors. In principle, we consider a general identification requirement a positive development, as this certainly enhances the protection of minors. The new legal provisions furthermore prohibit certain live bets – most of which we had previously already limited to a considerable degree. Some of the regulations can also be considered excessive, for example if the new law provides that persons under the age of 18 are no longer allowed to enter a tobacconist's if there is a Gaming Terminal.

## The ADMIRAL-Card System: a success model.

As described above, the area of state-licensed machine gaming differs from the sports betting segment in that machine gaming is significantly more regulated: the associated federal law provides a minimum framework of regulations regarding the protection of minors and players. The federal states, however, are free to pass stricter regulations, as is the case in Lower Austria, for example, the first federal state to allow machine gaming in accordance with the new regime: while the federal law allows for individual placement, Lower Austria has prohibited this within its jurisdiction. Carinthia, on the other hand, deviated from the federal regulatory framework with regard to operating hours, stipulating daily operations of no more than 18 hours. In Burgenland, the maximum number of machines per electronic casino was significantly reduced to no more than 20 gaming machines, compared to a maximum of 50 gaming machines allowed by federal law. In addition, a license is granted only for ten instead of fifteen years. The personal gaming time is furthermore limited to a maximum of 90 minutes per day (instead of three hours) in the case of individual placement. In Upper Austria, meanwhile, a maximum daily gaming time was also introduced for electronic casinos. Similar as in the regulations for individual placement, the maximum time is limited to three hours.



Further information on this matter is provided in this chapter on page 41.

These state regulations are determined by the location of the electronic casino. So if a customer plays in Lower Austria, the provisions of this state apply. If the same customer crosses the state line into Burgenland, the requirements of that state must be observed. There is one requirement, however, that all “permission states” have in common: every licensee must issue a customer card to its customers and use an underlying technical system to ensure that all legal restrictions are automatically enforced. **ADMIRAL Casinos & Entertainment AG (ACE)**, our wholly-owned subsidiary in the area of machine gaming, therefore, implemented its so-called **ADMIRAL-**

**Card System** several years ago. This system is still considered pioneering in Austria, as it allows the company to “overfulfill” the legal requirements. In the following section, we outline the underlying Responsible Gaming System, illustrating the individual steps from registration to actual gaming participation at the Gaming Terminal:

### Registration and issuance of an ADMIRAL-Card:

Each customer who wants to play at an ACE gaming facility in Lower Austria, Upper Austria, Burgenland, Carinthia or Styria must first complete a registration process. During this process, we not only verify that the customer is of legal age **(1)**, we also check to see if there are any reasons that would cause us not to carry out the registration: for example, if the customer is a member of a sensitive group of persons, a so-called *politically exposed person* **(2)**, or if the customer is trying to bypass an existing ban by having another card issued **(3)**.

**(1)** Any registration and thus the issuance of an ADMIRAL-Card is only possible with a valid photo identification card and verification that the customer has reached legal age. An electronic copy of the photo ID is centrally stored in ACE’s IT system to document the verification process. This electronic copy, as well as all other personal data relating to the customer, is stored in an internal high-security database which only a selected group of employees can access and only if they absolutely need the data to perform their functions. 



Issuance of an ADMIRAL-Card (symbolic image).

(2) In order to prevent money laundering in this segment, ACE by default checks every new customer to see if they perform a political function or hold any other public office, or if the customer is demonstrably close to any such person. This verification is carried out by means of a database query specialized on this matter.

(3) The ADMIRAL-Card and its underlying technical systems allow ACE customers to actively control their gaming behavior themselves through different types of bans and limitations. These bans and limitations are centrally stored in ACE's IT system making it impossible to bypass such bans by completing the registration process again. ⓘ

If these checks are carried out successfully, there is nothing more standing in the way of issuing a personalized customer card, the ADMIRAL-Card. Apart from a photo of the customer, generated directly at the facility, the ADMIRAL-Card includes further security features, such as a uniquely identifiable customer and card number, as well as the customer's first and last name. The customer is furthermore requested to enter a four-digit PIN code using a separate entry field at the counter. This code is then linked to the card and only known to the customer. In addition, the ADMIRAL-Card is equipped with a chip, which is required for the check-in process. No customer data is stored on the card itself. Should it be lost, it is therefore not possible for unauthorized third parties to read out any data on gaming behavior or monetary amounts deposited.



Reader field at the turnstile / access to the machine area (symbolic image).

#### Check-in process, in particular for subsequent visits to the outlet:

During the check-in process, a counter-check is carried out with the internal database to see if a ban or limitation has been registered in the system with respect to the customer. Depending on the individual ban or limitation, access to the facility's machine area is automatically denied, i.e. a facility employee is not able to override the ban manually on-site. After registration, i.e. during the second or further subsequent visits, check-in is only possible if the customer presents his or her ADMIRAL-Card together with a photo identification card. If all the "checkpoints" (ADMIRAL-Card and photo identification card can be clearly matched with the respective customer) line up, a check-in is possible. This way, we ensure that card fraud is impossible. It also allows us to provide an additional safety net, enhancing our technical ban and limitation system, to defeat any attempt of bypassing existing bans. Only after check-in has been successfully completed can a customer place his or her card on the reading field by the turnstile, which separates the entrance area from the machine area. The system then lets the customer pass the turnstile.

#### Activation of a Gaming Terminal:

With the ADMIRAL-Card System, a Gaming Terminal can only be started if it has been activated with a valid ADMIRAL-Card and the personal PIN code must also be entered. With this additional hurdle, ACE wants to make it even more difficult to pass on a card in an attempt to bypass a ban. The activation of a Gaming Terminal through the card also serves the purpose of ensuring that a customer can only play one device at a time. This is to support customers in maintaining control over their gaming behavior.

Before a game starts, an information text is automatically displayed on the device's screen, making the customer aware of the



Further information on this matter is provided in this chapter on page 41.

anonymous hotline offered by the Vienna General Hospital, among other things.

Do you need help or support?

**Free anonymous hotline at the Vienna General Hospital (on weekdays from 8 a.m. until 6 p.m.)  
Tel.: +43 (0) 800 205 242**



G4-PR3 / Information on products and services.

By requiring a card to activate a Gaming Terminal, it is furthermore possible to track a customer's gaming data. The data that is recorded includes stakes, as well as playing times and frequency of visits. Database queries based on certain parameters (*screenings*), which are agreed with the state authorities in charge, are carried out at regular intervals to analyze the customers' gaming behavior. Should an abnormality or a deviation in a customer's gaming behavior be noticeable, ACE's graded Responsible Gaming Measures are immediately initiated: apart from a limitation of the visiting days for a pre-defined time, it is also possible to completely exclude the customer from participating in gaming for certain periods of time. In addition, a so-called "loss cap" can be established, likewise for a predetermined period of time. This range of instruments is not only available to ACE itself – we naturally also make these options available to our customers, allowing them to control their own gaming behavior individually with the support of technical measures. Our customers are made aware of these options during the initial registration.

### **Responsible Gaming is a highly complex matter, requiring a strong sense of responsibility.**

The Responsible Gaming Management Approach implemented by ACE includes two important elements: a technical component, as well as a social component. Just as in Germany, the system follows the **three levels of prevention** briefly outlined below:

The level of **primary prevention** principally aims at providing general information to all customers, to make them aware of their own responsibility and to sensitize

them with regard to indications of problematic gaming behavior. The contents of the information folders used for this purpose as well as their layouts are updated regularly. In addition, the existing range of information materials (online, offline) is constantly being expanded. In 2015, for example, we started the development of a **pocket folder**, aimed at motivating even more customers to avail themselves of the information provided ("wallet-sized folder"). During the registration process, each new customer is handed a welcome package, which also includes an information brochure in the desired language. 

On the level of **secondary prevention**, social and technological aspects then start to act in unison: right from the start, our employees who are members of the ACE facility teams are not only trained intensively with regard to player protection and the prevention of money laundering, we also carry out regular follow-up training sessions, in some cases because these are part of the planned internal training curriculum and in other cases due to the results of internal or external audits. Our employees at the individual locations are instructed to report any conspicuous gaming behavior or unclear statements by customers to both their immediate supervisor (branch manager) and the central Responsible Gaming Department, using forms developed especially for this purpose. This central department also has access to all customer data, allowing for an observation of gaming behavior. This way, we can further complement our regular screenings, as the evaluation of key figures can always only convey a part of the actual situation. The branch manager in charge checks the report and subsequently seeks direct contact with the customer to determine whether there may be a plausible explanation for the reported abnormality. Our branch managers are trained as **prevention representatives**. This training course, which is held in collaboration with the **Anton Proksch-Institut in Vienna**, includes not only an extensive theoretical program but also practical elements. While this training can indeed be considered intensive and challenging, it is naturally not equivalent to full medical training. Our prevention representatives are therefore not authorized to make a medical diagnosis. Prior to being admitted to training, participants of the course first need to make it through a strict internal selection process, each and every branch manager can look back on many years of experience in the area of gaming and access a wealth of personal experience to use in direct contact with customers.



Personal talk (symbolic image).

On the secondary prevention level, the technical component of the ADMIRAL-Card System also comes into play. The recorded data on a customer's gaming behavior is checked for abnormalities at close intervals (monthly, semi-annually and even daily) based on pre-defined parameters. Should any abnormality or deviation from previous gaming behavior become apparent for a customer, the first step is to carry out the legally prescribed credit check to determine in advance whether the customer may possibly be in a tight financial situation. An internal comment is then added to the client record, which will appear on the facility employees' screen when this customer checks in the next time. With this, the employee is requested to invite the customer to a confidential meeting with the branch manager. Should the customer refuse the meeting, however, ACE may under certain circumstances also pronounce a ban to prevent the customer from participating in gaming activities until reliable information is available confirming that gaming will not endanger the customer's financial situation.

**Tertiary prevention** measures are outside ACE's sphere of influence, but are rather up to medical professionals at the support and therapy institutions, as these measures are only taken after previous sensitization and limitation measures taken by ACE have proven ineffective. ACE and NOVOMATIC, however, support several renowned counseling and therapy centers throughout Austria. A strong focus is on promoting small-scale initiatives that strengthen local care facilities. We fur-

thermore continuously expand our network of partnerships to allow the institutions receiving such financial support to continue to perform their services.

In this context, it is important to ACE, as well as NOVOMATIC, to facilitate a regular professional exchange with experts from the area of addiction prevention research, which not only occurs within the individual partnerships but also has a positive impact on the annual **Responsible Gaming Symposium** at the Novomatic Forum in Vienna. 

## Data Protection is a core principle.

 Apart from the fact that adherence to Data Protection regulations is naturally prescribed in the **Code of Conduct** (which is binding throughout the Group), the Protection of Customer Data and our customers' privacy is, of course, one of our core tenets as to how we want to offer gaming services within the NOVOMATIC Group. The issue is therefore also included in NOVOMATIC's **Responsible Gaming Code** that is binding for all employees. Prior to starting work at one of our facilities, each ACE employee receives a hard copy of the Responsible Gaming Code as well as the Code of Conduct. During the introductory training sessions, employees are made aware of how important it is to comply with all Data Protection regulations. In order to thoroughly embed awareness for Data Protection, any violation of these provisions will always result in disciplinary consequences. Our customers trust us – that is both an incentive and an obligation.



Further information on this matter is provided in this chapter on page 43.



G4-PR8 / Total number of substantiated complaints regarding breaches of Customer Privacy.

Furthermore, ACE has had an information security management system (ISMS) in accordance with ISO/IEC 27001 in place since 2011. This standard, which includes 114 individual aspects, describes the requirements for an official certification. Among other things, constructional and personal security measures are defined, as well as compliance rules and means to ensure operational and network security. In January 2015, a recertification audit was successfully completed, so that ACE's certificate was extended until 2018. Accordingly, there are no complaints to report for the reporting period 2015 related to any violation of Customer Privacy or Data Protection rules.

## We voluntarily put ourselves to the test.

While external certifications based on objectifiable standards and guidelines can provide a confirmation, they can also uncover opportunities for improvement. To minimize risks or any blind spots in the operational implementation of management requirements, ACE applies both external and internal tests and audits. At the beginning of each year, the Quality Management department creates an audit plan whereby each location is subjected to an internal standardized audit (**internal quality audit/facility audit**). Apart from adherence to the requirements of authorities, we also evaluate our employees' current level of knowledge in order to obtain objective feedback on our training activities. In addition, ACE subjects itself to regular **mystery tests** to have certain partial aspects of the Responsible Gaming Management system audited by independent third parties.

In November 2015, **mystery tests** were carried out in two federal states (Upper Austria and Carinthia), to verify, in particular, compliance with the provisions for the protection of minors (Upper Austria). The results of these mystery tests are extremely positive with respect to the service competence of our employees. They received good grades throughout (Upper Austria and Carinthia). The same applies to the new registration process. According to the testers' opinion, it is carried out quickly and reliably, and identification checks were carried out in 100 percent of the cases. The testers did, however, find a certain need for follow-up training regarding detailed questions on the technical system and the explanation of games.

However, we did not limit ourselves to audits of the performance of our facilities. In 2015, the Responsible Gaming Department at ACE's corporate headquarters was also subjected to an external audit review. During this audit, a special emphasis was placed on the processes related to the control of player protection measures. All in all, the external auditors gave us good grades. With their critical assessment, they did, however, identify a few areas where there are certain opportunities for improvement. Some of the suggestions for improvement identified by the auditors were already implemented in 2015. However, we do not see our external auditors as "hostile". On the contrary: we view them as our external sparring partners, allowing us to continuously improve. This is why we have already scheduled another audit of our central Responsible Gaming Department for 2017.

## Our customers' opinions are important to us.

Our two operating subsidiaries in Austria, **ADMIRAL Casinos & Entertainment AG (ACE)** and **ADMIRAL Sportwetten GmbH (ASW)**, carried out a first joint satisfaction survey in 2015. This **guest survey**, which was conducted under the guidance of an external market research company, was implemented both directly at the facility with paper / pencil questionnaires, as well as online within the scope of a representative survey.

A total of 4,500 questionnaires were distributed to our facilities and the employees there were instructed to motivate their customers to participate in the survey. In the end, we achieved a response rate of approximately 60 percent. Due to the randomized sample, no information regarding the representativeness of the sample is available. For the online survey, a sample of  $n=1,000$  was defined, which was representative of the internet-enabled population of Austria.

Apart from some interesting insights regarding the perception of gaming among the wider public in general and the offerings of the two ADMIRAL subsidiaries, in particular, the paper / pencil survey also asked about the awareness regarding player protection measures at our electronic casinos. Approximately 85 percent of the participants stated that they knew about the possibilities for self-limitation, while 72 percent of the respondents had browsed our player protection folder at least once. Our branch managers had already made



G4-PR5 / Results of surveys measuring customer satisfaction.

us aware of a general skepticism regarding the value of an informative talk. This motivated us to produce a little short film which we have been showing on the screens at our facilities every 15 minutes since September 2015.



Screenshot from the short film on informative talks, September 2015.

The objective of this short film is to present the informative talk as a confidential discussion between branch managers and customers, held in a comfortable atmosphere, which mainly aims at providing information and enhancing the awareness of prevention concepts. In this way, we tried to dispel the misgiving voiced most frequently behind closed doors, that such a meeting would entail a tough talk during which the customer would have to account for his or her private life.

## Is love an addiction? On the parallels between addictive behavior and being in love.

This was the central question of the certainly challenging *key lecture* at the 6<sup>th</sup> **Responsible Gaming Symposium**, held by **Prof. Donatella Marazziti**, an internationally renowned psychopharmacologist from the University of Pisa. As always, the Responsible Gaming Symposium on October 13, 2015 was held under a certain motto: **"Responsible Gaming International"**. As well as from Prof. Marazziti, we were glad to welcome further internal and external experts on the subject to our event, reporting on current trends and insights in the U.S. and Europe. The declared goal of this year's symposium was to bring the most important international scientific insights from the area of addiction (prevention) research to Austria.

The panel discussion that followed the lecture then bridged the gap to the practical relevance of these current insights for the area of gaming addiction prevention. **Laura DaSilva**, CSR expert from Great Britain, got to the heart of the matter: Responsible Gaming is not just an obligation we must take seriously and a responsible task for the gaming industry. *"Responsible Gaming can be fun, too."* In this sense, Responsible Gaming should also – and predominantly – be seen as a service to customers providing them with relaxing entertainment in a secure environment. It should, therefore, be our goal to select the right strategy to meet these requirements. Ms. Monika Poeckh-Racek, Head of Group-CR at NOVOMATIC, endorsed this initiative and highlighted the efforts by NOVOMATIC and its operative subsidiaries to this effect.

The event's main theme, a "look outside the box", was also the subject of the workshops that were held during the afternoon: four of the five workshops focused on latest scientific insights from the area of prevalence research in the U.S. and Europe. In particular, the workshop titled "Understanding Positive Play" headed by CSR expert Laura DaSilva, which was based on the recently published U.S. study with the same name, offered some noteworthy insights. The core of the workshop was the question of how to make Responsible Gaming Measures not only more entertaining for the guest, but also (even) more effective. Two further workshops under the guidance of **Stefan Bauer** and **Angela Oliva**, two of NOVOMATIC's internal experts on the topic, focused on the current situation in Germany and Italy. The Italy workshop also included a presentation of the recently published prevalence study on gaming addiction in Italy.

The goal of this event is always to offer more detailed information on the latest trends and insights from an international perspective. This year, we not only achieved this objective but also saw a well-founded debate on an issue highly relevant to Austria: **Prof. Gabriele Fischer** from the Medical University of Vienna presented a current meta-study on the subject of "partial vs. total prohibition", reaching the conclusion that based on the insights gained through the meta-study, a total prohibition of gaming can only be considered extremely controversial.

When developing the program for the Responsible Gaming Symposium, it is important for us also to offer internal workshops that are only accessible to our employees. **Prof. Gernot Sonneck**, also from the Medical University of Vienna, therefore, headed a closed workshop on the topic of crisis intervention and provided a brief introduction into optimum conversation techniques in difficult situations.

Lastly, one of the objectives of our symposium is also to shine the light on our colleagues who have successfully graduated from their training to become prevention representatives and to formally present them their course certificates.

## Responsible Gaming international: protecting players around the globe.

Awareness regarding the importance of Responsible Gaming is deeply embedded in our Group. The concrete measures, however, differ from one country to the next, mainly due to the respective national legislation or a lack of international regulations.

The chart on the following page illustrates our efforts regarding Responsible Gaming, while also outlining new developments since the publication of last year's report.



NOVOMATIC Responsible Gaming Symposium, from left to right: Monika Poeckh-Racek, Prof. Donatella Marazziti, Harald Neumann.



Laura DaSilva, speaker at the Responsible Gaming Symposium 2015.



Stefan Bauer (left), speaker at the Responsible Gaming Symposium 2015.

## Responsible Gaming international

in selected operating markets as of the end of 2015  
(all sales channels)

	Albania	Austria	Belarus	Bosnia & Herzegovina	Bulgaria	Croatia	Czech Republic	Estonia	Germany	Great Britain	Italy	Latvia	Lithuania	Macedonia	Montenegro	Paraguay	Peru	Poland	Romania	Serbia	Slovakia	Slovenia	Spain
Information offering	●	●	-	●	●	●	●	●	●	●	●	●	●	-	-	-	●	●	●	●	●	●	●
Helpline	-	●	●	-	-	●	●	●	●	●	●	●	●	-	-	●	●	●	●	●	●	●	-
Website & e-mail	●	●	●	●	-	●	●	●	●	●	●	●	●	-	●	●	●	●	-	●	●	●	●
Cooperation (therapy & counseling institutions)	●	●	-	-	●	-	●	●	●	●	●	●	●	-	-	-	●	●	●	●	-	-	-
Support of self-help groups	-	●	-	-	-	●	●	●	●	-	-	●	-	-	-	-	-	●	-	-	●	-	-
Support of research institutes	-	●	-	-	-	●	●	●	●	●	-	-	-	-	-	-	-	●	-	●	-	-	-
Employee training	●	●	-	●	●	●	-	●	●	●	●	●	●	-	-	●	●	●	●	●	●	●	●
Access control system	-	●	-	-	-	●	●	-	-	-	-	●	●	-	-	-	●	●	-	-	●	-	-
Access restrictions	-	●	●	-	-	-	●	●	●	-	●	●	●	-	●	●	●	●	●	●	●	●	●
Protection of minors	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Technical prevention measures on devices	-	●	-	-	-	-	-	●	-	●	-	-	-	-	-	...	...	-	●	-	●	●	-

\* Access control system currently only implemented for the casino segment.

\*\* In the area of state-licensed machine gaming in Lower Austria, Upper Austria, Burgenland, Carinthia, as of January 2016 also in Styria.

\*\*\* No legal provisions in Paraguay and Peru.

- recently established
- implemented
- in planning





**Enjoy working  
with us**





# Enjoy working with us



## Our challenges

Support the Group Compliance Officer from a labor law perspective

Maintain enthusiasm for NOVOMATIC and creativity

Employer branding - the perception of NOVOMATIC as an employer

Future demographic change

Strengthen employee satisfaction and identification with the company



## Our solutions

Group-wide networking, interdepartmental Compliance Committee

 See chapter "Corporate Governance", page 71.

Promote heterogeneous teams

Collaboration between departments: the "NOVOMATIC brand" as an employer is created through an overall concept, implementation on different levels

Investment in training and further education, focus on apprentices; Expanding Corporate Health Management

Regular surveys for the identification of potential for improvement

## What we achieved in 2015:

Employee satisfaction survey carried out at NOVOMATIC AG and NOVOMATIC Gaming Industries GmbH

Group-wide IT systems: Preliminary preparations completed

Corporate culture and leadership philosophy: uniform value culture

## What we are currently working on:

Implementation of employee satisfaction survey at ADMIRAL Sportwetten GmbH and ADMIRAL Casinos & Entertainment AG

Implementation process started for IT systems

On-going process with various measures aimed at identifying a mission statement for executives as well as "Corporate Values" based on the CR policy

## What else we are planning for 2016 / 2017:

Derivation of measures based on survey results

Continue implementation

**Overview employees (total)**

	2015	2014	2013
LÖWEN Group Germany	3,320	2,813	2,844
Austria	3,170	3,371	3,138
thereof in Gumpoldskirchen	1,361	1,284	1,208
Italy	1,575	1,353	833

**✔ Total number of employees by type of employment contract and gender:**

	2015	2014	2013
Germany apprentices: male	29	30	27
Germany apprentices: female	8	12	16
Austria apprentices: male	17	15	14
Austria apprentices: female	9	6	5
LÖWEN Group Germany part-time	17.4 %	18.16 %	18.14 %
Austria part-time	8 %	7.6 %	7.2 %
Italy part-time	5.14 %	5.25 %	6.48 %



G4-10 / Breakdown employee structure: employment contract, part-time, region, gender.

✔ N.B.: All employment relationships in Austria are subject to a collective bargaining agreement applicable to the service, with the exception of managing directors and members of the board. In Germany, no employment relationships are subject to collective bargaining agreements. All relationships are based on individual contractual agreements based on an internal salary structure. All employment relationships in Italy are subject to a collective bargaining agreement applicable to the service, with the exception of managing directors and members of the board.



G4-11 / Applicability of collective bargaining agreements.



**We want to actively promote our employees' health.**

The image on the left shows the making of our CR photo shoot with our employee who, as a certified yoga instructor, offers yoga classes at our Gumpoldskirchen location – thereby making her the perfect face for our Corporate Health Management. More on this topic can be found on the following pages.

# Something old, something new, something blue.

*How we want to combine tried and trusted methods with new ideas. What we at NOVOMATIC can learn from yoga asanas. What Alfred Herrhausen considers the source of corporate success. How we become part of the NOVOMATIC family.*



GRI-DMA / Management Approach.

It is no coincidence that a separate field of action within our CR management approach is dedicated to our most important (internal) stakeholder group. To quote Alfred Herrhausen, an exceptional German manager and speaker of the board of Deutsche Bank during the 1980s: *“In the end, every problem in a company is a human resource problem.”* A. Herrhausen supported the notion – which at the time was considered visionary – that a company cannot escape its responsibility towards society, but should rather actively embrace it. This also includes the conviction that success or failure of a company is inseparably linked to the commitment of its employees. Ultimately, any challenge can be overcome if well-trained and motivated employees are willing to embrace innovation – but only if the company creates the conditions for such a commitment. He talked about mutual respectful giving and taking, on behalf of the employees as well as the company.



G4-14 / Precautionary Approach. Further details are provided in this chapter on pages 59 and 61.

This attitude reflects our own observations. We have consciously chosen the label **“Enjoy working with us”** for this important field of action, in order to express the balance between NOVOMATIC’s sense of responsibility and the needs of our employees. Based on internal strategy processes, the following **topic areas** on which we plan to place a special emphasis in the coming months emerged:

- **Compliance from a labor-law perspective,**
- **Corporate mission statement and employer branding,**
- **Targeted training and further education measures,**
- **Challenges in recruiting and diversity.**

None of the mentioned topics can be handled by one department on its own, even if Group Human Resource Management obviously has the lead on a management level: Corporate Values cannot be prescribed top-down,

but must rather be felt and filled with life by each and every one of us. However, our executives serve as role models as to how to integrate our Corporate Values into our daily routine at work. The same applies to Compliance: for a large international group of companies such as NOVOMATIC, it is a matter of course to implement an according Group policy. It is up to each and every one of us here at NOVOMATIC, however, to observe these guidelines in our daily work. **We see ourselves as a part of NOVOMATIC**, meaning that every single one of us assumes responsibility for these areas to a certain degree.

A part of our management approach is also to not only actively control the positive effects of this field of action but also to consider the Precautionary Approach and actively integrate it into our operating measures. For us, the Precautionary Principle is particularly important in areas such as Corporate Health Management or Occupational Safety, where we attach great importance to prevention and health care. 

**If you think that Compliance is expensive, try Non-Compliance.**  
**(Paul McNulty, former U.S. Deputy Attorney General)**

Compliance Management is an extremely relevant issue for us, and not just because of our international orientation and the related connections to foreign jurisdictions. In our view, the provisions of the Austrian Stock Corporation Law (Sec. 84 öAktG) already stipulate the implementation of such a system. In addition, we consider it an important part of our internal Risk Management to firmly embed Compliance Management requirements. Our view is confirmed by the analyses carried out during 2015 to update our Materiality Matrix: Compliance and the topic of Anti-Corruption

and fair competition were ranked highest, both from an internal and an external perspective. 

Compliance Management contributes to ensuring that awareness for compliant behavior is firmly anchored within the company. This shows that Compliance Management must naturally be considered an interdisciplinary issue: for questions regarding labor law or any required disciplinary measures in the event of violations of our internal **Code of Conduct**, the Group Human Resource Department or human resource representatives of the operating subsidiaries are involved.

As in all preventive areas, training and the creation of awareness for potentially critical situations are an important part of Compliance Management. Each employee receives a copy of the Code of Conduct together with other important work-related documents when he or she starts working for us. Apart from having the most important points explained during a direct conversation, each employee receives their personal copy for later reference. 



Code of Conduct (symbolic image).

Group Compliance Officer Thomas Veverka summarizes the meaning of a compliance mindset:

*“Compliance is not a fad. Many basic Compliance Principles have already been codified in laws. In many industries, a Compliance Management System (CMS) is already mandatory. And I do not consider it sufficient to limit Compliance merely to the adherence to laws. It is about how a company wants to act. You cannot make people think differently by using purely legal arguments. So we also need an ethical context. Our employees do not need to learn the entire Code of Conduct by heart. But they should have*

*understood in principle the foundation upon which our corporate culture is built and what we generally consider correct behavior.”*

## Remaining true to our long-standing roots to create something new.

 Managing this balancing act is the declared goal of our ongoing internal value process: with the support of an external consultant, we hope to soon develop a **mission statement for executives** based on our “Corporate Values”. During the course of internally facilitated workshops, we want to create a binding foundation of values based on our internal CR policy. Subsequently, this is intended to serve executives as an orientation guide for the exercise of their leadership powers. This way, we want to appreciate what exists, while at the same time creating an opportunity to transport these long-standing values into the future. Something as elusive as a corporate culture requires regular analysis and intensive discussions in order to be able to remain constant.

This internal mission statement for executives will also support us in enhancing the position of our brand as an employer. This process, also referred to as **employer branding**, is intended to help us find employees who are not only highly educated, but also fit well into our NOVOMATIC family because they share our commitment and our *striving for innovation*.

To fill values with life and ensure our brand as an employer credible, it is – in our opinion – not enough to limit ourselves purely to the development of an executive mission statement. While this is an extremely important commitment and the basis for our image as a top employer, many different mosaic pieces, which ultimately form a conclusive overall picture, are needed to create trust and reliability as an employer. Our new **Equal Opportunities Policy**, which is scheduled to enter into force on a group-wide level in 2016, is one example for such a *mosaic tessera* . With this policy, we want to further elaborate our internal attitude regarding anti-discrimination that is already binding to all employees and executives through our Code of Conduct.

A further building block is the planned implementation of a group-wide welcome program for new employees called **NOVOWelcome**. In Austria, these welcome days



For further information, see “Stakeholder-related issue management”, page 16.



G4-56 / Values, principles and standards.



For further information on NOVOMATIC’s Compliance Management System, see “Corporate Governance”, page 69.



Ancient Greek term for mosaic stone.

for new employees have been held at quarterly intervals for quite some time. As fixed components, they always include exciting lectures from different departments, as well as a guided tour of the Gumpoldskirchen location. NOVOMATIC is a rapidly growing group of companies. In our view, this dynamic development makes it necessary to support new employees in finding orientation within the company through targeted *onboarding* measures . At the same time, we hope to also promote a sense of being part of our NOVOMATIC family among our “new arrivals”. In 2015, we began rolling out this NOVOWelcome program, which is supported by eLearning activities. The final rollout will require further time as we operate facilities in more than fifty countries and need to take regional circumstances into account.



Describes the recruitment and integration of new employees.

Lastly, two further projects that were already initiated during 2015 will be continued in Austria in 2016. During the upcoming re-launch of the NOVOMATIC Group’s web presence, which is scheduled for spring of 2016, our careers page [careers.novomatic.com](http://careers.novomatic.com) (a part of our Group’s homepage) will also be fully redesigned in order to make it more attractive and clearly structured for (potential) candidates. We plan to enhance the use of short films to provide information on open positions within the NOVOMATIC Group, allowing our employees to speak for themselves. In addition, we successfully completed preparations for the implementation of a new Group-wide **human resource management software** in 2015. This software will help us by making our internal human resource processes more efficient, while at the same time reducing the workload for our human resource controlling department. We plan to implement the software on a Group level during a first project phase scheduled for the summer of 2017. Until then, we will carry out several trial runs to secure and customize the system according to our needs.

Since the beginning of 2016, we have also been tackling a new challenge in the operational management of ADMIRAL Casinos & Entertainment AG’s facilities. The current branch management concept was completely revamped, creating new opportunities and challenges for our executives in the area of operations. Until the end of the year 2015, we still operated under a dual system (*prevention representative* with responsibility for customer service and – in particular – information / *branch manager* with responsibility for catering and the technical equipment for the facility). We

now have one branch manager in charge of both areas (“**NEW branch manager**”).

On the one hand, this reorganization creates new responsibilities and therefore also new challenges for branch managers. For example, they are now directly responsible for workforce management at their locations and are in charge of conducting job interviews themselves. On the other hand, branch managers are also offered new opportunities and development potential, in particular in the area of human resource development (enhancement of managerial responsibility, communication) and through the varied and multi-faceted new tasks (“*job enrichment*”). For the employees at the facilities, the new system has the advantage that they now have one single competent contact person, which improves the communication channels as well as internal coordination.

### **As long as you talk yourself, you cannot learn anything new. (Marie von Ebner-Eschenbach)**

True to this motto, we carried out an **employee satisfaction survey**, both in Germany and in Austria, availing ourselves of external support. This external participation ensured anonymity, allowing us to receive open and constructive feedback on certain issues related to our corporate culture, as well as regarding internal communication and transparency.

**LÖWEN Germany** carried out such a survey in 2014 and spent the entire year 2015 analyzing the data and deriving appropriate measures. It was determined that the questioned employees were very satisfied with their employer LÖWEN. All in all, the area of internal communication was considered an important topic. This desire is met with the **internal employee magazine “WIR”** which is published quarterly and not only includes product news and Group information but also celebrates company anniversaries and special employee achievements. As a response to the survey results, the training catalog for 2015 was again expanded and a job rotation program was introduced. The success of these measures is currently being evaluated internally. A new employee survey is scheduled for 2016 in order to provide a “satisfaction barometer” in the future. LÖWEN sees the employee survey as an efficient tool to involve employees, as the feedback is used in the development of concrete management measures. With its open and



Company canteen at the Bingen location, Germany.

friendly design, the company canteen at the Bingen location certainly also contributes to the extremely positive working atmosphere. Due to its pleasant ambience, employees also occasionally use it as a meeting place.

In **Austria**, two companies at the **Gumpoldskirchen location** participated in an employee satisfaction survey in 2015. During the course of a "pilot project", the employees of NOVOMATIC AG and NOVOMATIC Gaming Industries GmbH were asked to participate. The objective was to gather valuable practical experience for a further rollout among the operating companies ADMIRAL Casinos & Entertainment AG, ADMIRAL Sportwetten GmbH and HTM Hotel und Tourismus Management GmbH. For these three companies, an employee satisfaction survey is planned for the first quarter of 2016. The external evaluation of the results is expected to be received by June 2016. Subsequently, the survey results are to be discussed in cascading workshops and used as the starting point for further measures. The employees at ADMIRAL Casinos & Entertainment AG exhibit a very high degree of geographic diversity so that the questionnaire also includes a translation aid in four languages (Bosnian-Serbian-Croatian, Turkish, Hungarian and Romanian).

We were pleased to discover that the feedback was also clearly positive at both NOVOMATIC AG and NOVOMATIC Gaming Industries GmbH. The employees of both companies are very satisfied with their employer. According

to the survey, this is mainly due to the close collaboration with colleagues, as well as the good working atmosphere. The employer's perceived sense of responsibility also received high marks: employees reported that they feel their employer takes good care of them. However, we also received feedback regarding our internal communication, just as was the case with LÖWEN Germany. Employees asked for more and current information. We are already taking this request into account and are preparing quarterly bulletins from the Board of Directors. Further internal projects are, of course, currently being planned. For the concrete implementation of measures, we will await the survey results from the three remaining companies. The goal is to work together to implement effective measures that benefit as many employees in Austria as possible.

As far as issues relate only to a certain group of employees, these are already now being involved in the planning of concrete projects: due to the critical feedback from our facilities regarding the **wearing comfort of uniforms**, we are currently working on a redesign. The feedback received from employees is a fixed part of the underlying concept. To offer up-and-coming Austrian fashion designers a platform, **ADMIRAL Casinos & Entertainment AG** initiated a pitch at the end of last year, to which three Austrian fashion schools (Mödling, Herbststrasse and Hetzendorf) were invited. The designs, which are to ensure a uniform appearance and offer greater comfort to the wearer, are expected by the summer of 2016.

## John F. Kennedy and Lifelong Learning.

John F. Kennedy shared the aforementioned views of former Attorney General Paul McNulty that forward-looking investments pay off – although he related this view to lifelong learning. *“In the long run, there is only one thing that is more expensive than education: no education.”*

Truth be told, this quote could also be from **Christian Eberherr, Head of Human Resource Management at ADMIRAL Casinos & Entertainment AG (ACE):**



**Christian Eberherr, Head of Human Resource Management at ADMIRAL Casinos & Entertainment AG.**

*“Personnel costs are usually seen as such: as costs and therefore merely as an expense item in the profit and loss statement. I consider this attitude dangerous, as personnel costs – in particular, costs for training and further education – are in truth investments in the future. On the one hand, because here at ACE we have several job profiles which cannot be learned anywhere else. For this, a clearly structured training plan is absolutely essential. On the other hand, we ensure additional qualifications through offerings such as language courses etc., or special training courses based on special requirements. Even if the expression is a bit overused – I truly believe that our employees constitute our most valuable assets. Without continuous training and further education measures, we would not be able to defend our position as an innovation leader.”*

Due to our Group structure, the control over training and further education measures is decentralized. This accommodates the needs of our individual subsidiaries, as they are able to emphasize the points that are most important to them.

In 2015, **NOVOAcademy**, the central training and advanced education facility at the Gumpoldskirchen location, conducted 2,002 training days (or 16,016 training hours). 124 of these days were made up of measures for personal development and communication training. Not least because of the strong international orientation of our company, by far the largest share of the training activities (1,045 days) consisted of various language courses. In relation to the number of employees at the Gumpoldskirchen location as of December 31, 2015, this results in approximately 1.5 training days per employee at the location.

The training and further education measures at **ADMIRAL Casinos & Entertainment AG** are managed locally by the company’s Human Resource Department: a total of approximately 6,800 training hours were organized for the company’s 691 employees, which corresponds to approx. 1.25 training days per employee. Apart from training in the area of branch management, such as e.g. proper cash handling to avoid suspected cases of money laundering or the provision of optimal service to guests, the program also included customized training activities such as leadership and conflict management seminars. The number of further education hours also includes the participation of the 32 previous prevention representatives (now branch managers) at **ADMIRAL Casinos & Entertainment AG** in the sixth Responsible Gaming Symposium in October 2015. **ADMIRAL Sportwetten GmbH** participates in the comprehensive training program offered by **NOVOAcademy**, as well as interdisciplinary training and further education measures at **ADMIRAL Casinos & Entertainment AG**. In addition to these advanced education activities, more than 220 training days were granted. This corresponds to almost two further education days per employee during the reporting period.

Regarding **LÖWEN Germany**, we can report that a total of 24 apprentices were able to successfully complete their training in 2015. Two-thirds of the 18 apprentices consequently entered into a regular working relationship with the company. Additional data on training and further education measures in Germany is currently not



G4-LA9 / Average training days per employee.



For further information, see “Responsible Entertainment”, page 43.



G4-LA9 / Average training days per employee.



The participants of the outdoor weekend held in August 2015, Austria.

available, as this information is not yet recorded centrally. The data situation should improve significantly in the near future due to the planned implementation of a CR data platform.  

In **Austria**, we also rise to the challenge of training new apprentices. For us, the challenge, which we have created for ourselves, is to offer a training program that goes beyond the legally prescribed training obligations, by also offering our young colleagues an exciting opportunity for personal development. This also includes our annual three-day **outdoor weekend**, which by now can almost be considered a summer tradition. This year, the event was led by two of our internal instructors as well as two external coaches. Twelve apprentices participated in several workshops, practicing speech and presentation training, constructive feedback and teamwork. Naturally, the fun factor did not have to take a back seat in this event: a trip to a climbing garden allowed the participants to push their limits with courage and enthusiasm. 

Due to NOVOMATIC's strong growth in **Italy**, training and further education measures there were enhanced even more. The main focus is generally on the areas of technology, language acquisition and personal development. Separate training programs were developed for individual areas of the Group, to accommodate specific requirements of each area. One example is the program **"The Salesman"**: during this program, participants learn not only team skills but also sales

techniques and technical know-how. In addition, we established a Talent Development Center to support designated future executives with professional knowledge in the area of employee management and development.

## We are all the same, and yet different.

 **Diversity** has been an important topic for NOVOMATIC for a long time. On the one hand, this is due to our international orientation and the fact that this internationality is naturally also reflected in the composition of our workforce. On the other hand, diversity is also an important issue at NOVOMATIC's headquarters: in Austria alone, our employees represent **64 different nationalities**. At approximately 75 percent, Austrian nationals are the majority, followed by the countries of Hungary, Serbia, Germany and Bosnia-Herzegovina, each of which represents around three percent of the total workforce. It should be noted that we can only analyze the citizenship according to the data recorded by the human resource department. Based on this data, we are not able to determine whether an employee may or may not have a migratory background. One reason why we are not interested in this is the fact that our company adheres to a **strict Anti-Discrimination Policy**. For the LÖWEN Group Germany, there is no related data, as it is not recorded. This is also based on the motivation to ensure that nationality or cultural background is not used as a relevant criterion in the



G4-LA9 / Average training days per employee. Further details on NOVOMATIC's Sustainability Program are provided in the appendix.



G4-LA12 / Diversity and opportunities.



Further information at [careers.novomatic.com](https://careers.novomatic.com)  
E-mail contact: [careers@novomatic.com](mailto:careers@novomatic.com)



Formula for the calculation of early turnover: Employees departed in 2015 with a tenure of less than 1 year / number of employees as of December 31, 2015.

selection of employees. We consciously do not differentiate based on nationality when it comes to performance evaluations, training and further education or career opportunities. The same applies to NOVOMATIC-Italia, where again no related data is available.

In our opinion, however, diversity is not limited to nationalities or citizenships. For us, there are other aspects of diversity which are also of considerable relevance. These include, for instance, **age and gender diversity**, but – in our view – also the years of service or the number of trainees or apprentices per location. In our eyes, these are the factors that make NOVOMATIC truly “colorful”.



G4-LA1 / Employee turnover by location.

In this regard, the LÖWEN Group boasts an impressive **average tenure**: for LÖWEN ENTERTAINMENT GmbH, the average is 15 years; at Crown Technologies GmbH it is approx. seven years. This is particularly noteworthy, considering that the company only became a part of the NOVOMATIC Group around eight years ago. We are very pleased with the fact that this data holds true irrespective of genders. For us, this information is furthermore an indicator that the working atmosphere is viewed as extremely positive and that our employees identify strongly with the LÖWEN Group companies. This view is also supported by the

**early turnover rate** , which at LÖWEN ENTERTAINMENT GmbH lies at 0.62 percent. We must disclose, however, that the early turnover rate is considerably higher in the operative gaming facilities, ranging from approximately 14 percent (Admiral Play GmbH) to about 17 percent (EXTRA Games Entertainment GmbH). Based on internal feedback, we can, however, relate these rates to factors that are specific to the hospitality industry. In particular, in 2013 and 2014 we recorded higher turnover rates, including in Italy, due to the corporate acquisitions carried out during this period.

**Early turnover rate as of December 31, 2015 LÖWEN-Group Germany\* **

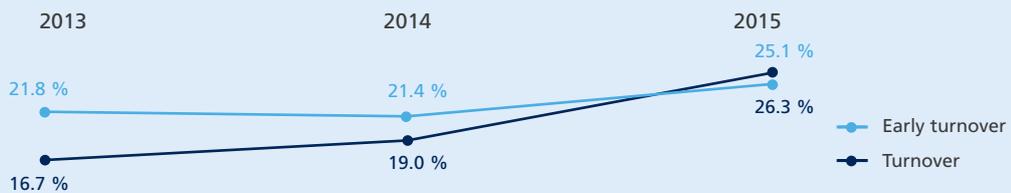
LÖWEN ENTERTAINMENT GmbH	0.62 %
Crown Technologies GmbH	0.66 %
BPA Freizeit- und Unterhaltungsbetriebe GmbH incl. Casino Deluxe	21.81 %
Admiral Play GmbH	13.49 %
EXTRA Games Entertainment GmbH including subsidiaries	17.12 %

\* Data only available for 2015.



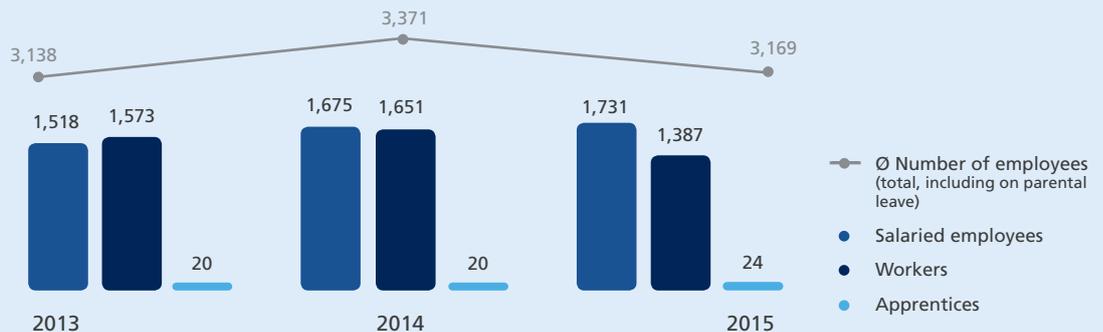
G4-LA1 / Employee turnover by location.

**Total turnover rate over time in Austria **



G4-10 / Total number of employees by region, employment relationship.

**Overall development of number of employees over time in Austria **



The **average age of our employees** at the LÖWEN Group Germany is about 41, while our employees in Austria are – on average – slightly younger (approx. 37). Accordingly, the average number of years of service is lower at our Gumpoldskirchen location (approximately six years) as well as for Austria as a whole (about four years). We believe that this shorter tenure when compared to the LÖWEN Group in Germany, is due to the rapid growth of our operating facilities in Austria: the many newcomers registered year after year tend to lower the average accordingly. The current comparative data on **turnover and early turnover** in Austria, which shows the development since the previous year, also reflects this growth and the related staff turnover: compared to the previous year, these rates increased to 25.1 percent (turnover) and 26.3 percent (early turnover). This assessment is supported by the extremely

positive feedback from our employee satisfaction surveys carried out in 2015, according to which the working atmosphere as a whole is considered extremely pleasant and productive.

Regarding gender distribution, one thing is clear: the **LÖWEN Group Germany is primarily female**. Approximately 75 percent of full-time and part-time employees are female. In all four companies that make up the LÖWEN Group, the clear majority of employees are female – in particular in the service area. In **Italy**, the percentage of women is also high, coming in at slightly above 52 percent. This trend seems to be accelerating (in 2013 the share of women was still close to 48 percent). In Austria, however, the percentage of women in the workforce has remained fairly stable at approximately 38 percent. We are confident that the

### Overall development of number of employees over time in Germany



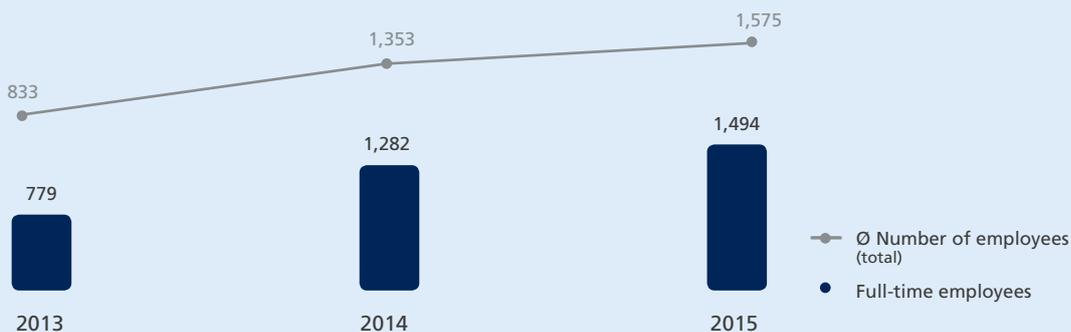
G4-10 / Total number of employees by region, employment relationship.

### Total turnover rate over time in Italy



G4-LA1 / Employee turnover by location.

### Overall development of number of employees over time in Italy



G4-10 / Total number of employees by region, employment relationship.



Award of the basic certificate **beruf+familie** in November 2015, from left to right: Klaus Niedl, Sophie Karmasin, Federal Minister for Families and Youth, Alexandra Lindlbauer.



Further information is available at [familieundberuf.at](http://familieundberuf.at)

basic certificate **beruf+familie** that we received at the end of the year makes us particularly attractive to female applicants. Apart from a conscious effort regarding the compatibility of maternity leave or part-time work to care for family members, which subsequently results in part-time models, we were already able to successfully implement two measures from the mandatory catalog of measures required to obtain the basic certificate.

Since the end of 2015, we have had an **Employee Assistance Program** in place that we offer in cooperation with an external consultant in order to ensure anonymity. Under the title of NOVOHelp, we offer our Austrian employees an opportunity to receive professional support from psychologists, counselors and coaches, if they feel overly stressed – either on the job or in their private life. In addition, we are planning to offer our very first **summer holiday care** at our Gumpoldskirchen location. The project is currently being planned and will shortly be communicated to our employees through various internal channels. The objective is to offer the parents of small children among our employees at the location, a reliable and low-cost holiday care option during working hours. NOVOMATIC assumes a part of the care costs as a measure to improve the compatibility of job and family, as we know the summer months and long summer holidays can, at times, become a considerable logistical challenge.

From a management perspective, we see diversity not as a “problem” or even a “nuisance”, but rather as a

hidden resource. Because only through diversity in many dimensions and aspects does innovation become possible. There are, however, certain dimensions of diversity that we consciously do not approach or use as the basis for operating measures. In particular, religion and world view as well as sexual orientation, we believe are issues within the private sphere of an individual and therefore should not play a role in a professional context. To ensure this privacy, specific provisions were included in the Code of Conduct and are binding for all employees. Our zero-tolerance policy obviously also applies to these areas: we tolerate no form of discrimination based on any aspect of diversity.

We see diversity as an encounter of different expectations and needs. In this context, we quote **Petra Kiss-Schlegel, Human Resource Representative at ADMIRAL Sportwetten GmbH**, according to whom diversity is a “daily challenge to balance the different expectations so that collaboration in harmony is possible. These points of friction are also sparks which can ignite great new ideas and possibilities.”

Overall, we can conclude that for us, good – i.e. sustainable – diversity management starts with *staffing*. The conscious focus on diversity aspects during staff selection can sometimes be quite a challenge, as **Christian Eberherr, Head of Human Resources at ADMIRAL Casinos & Entertainment AG**, openly admits:

*“In branch management, we have a relatively homogenous age structure. Also, most of our employees at the individual facilities are men. Our goal is to increase the share of women working in this area considerably. We furthermore believe that the tasks at our facilities are not very physically taxing – only shift work might be perceived as onerous by older employees. We have therefore set the goal to achieve a greater heterogeneity with regard to this aspect of diversity and will shortly begin with the development of work time models that make the job easier for older employees.”*

Not only hard facts such as origin, age or gender, create diversity. We believe that different life stories and professional experiences have a similar impact. We are open for people with “rough edges” and therefore gladly support initiatives such as the **Vocational Education and Rehabilitation Center** (Berufliches Bildungs- und Reha-

bilitationszentrum BBRZ). The BBRZ supports people who have had an accident or been sick for a long period of time, in finding their way back into working life. Among other things, the center organizes retraining courses or internships at companies. On the initiative of Petra Kiss-Schlegel, ADMIRAL Sportwetten GmbH participated in one such project: in 2015 an employee from such a retraining program successfully graduated from businessadministration training and entered into a stable employment relationship with the company as of January 1, 2016. If we encounter "interns" who are similarly dedicated as this new employee, we would gladly act as cooperation partner again.

The "colorfulness" of a workforce is in large parts influenced by the employees' needs and support requirements: regarding the integration of people with disabilities, LÖWEN in Germany has assumed an internal pioneering role. A designated **representative for employees with disabilities** handles the needs of a total of 30 persons with severe disabilities working at **LÖWEN ENTERTAINMENT GmbH**. LÖWEN rises to the challenge of creating a suitable work environment for employees suffering from illnesses or disabilities of the musculo-skeletal system by purchasing special chairs and electrically height-adjustable desks. The company also employs people with severe visual impairment, as well as deaf and mute persons. Due to their limited sensory perception, special equipment was required to ensure safety at the workplace for these colleagues, for example, special visual aids or optical warnings for the deaf. Additionally, a sign language interpreter is present at all LÖWEN staff meetings in order to allow for self-determined participation in these events.

The representative for employees with disabilities furthermore supports colleagues whose disability has not yet been acknowledged by the authorities in dealing with these authorities in charge. He is further actively involved in operational integration management, the conception of Corporate Health Management, as well as Occupational Safety processes.

At the headquarters in Gumpoldskirchen, preliminary considerations have been discussed to include persons with disabilities in the NOVOMATIC family. As the requirements and needs of this target group are extremely heterogeneous, Group-CR has established contact with several advisory institutions to promote this issue with the support of external expertise.

## Old wisdom from Asia.

✔ True to the old saying that "prevention is better than cure", we endeavor to consistently pursue a Precautionary Approach in all five fields of action. In this context, NOVOMATIC initiated the implementation of strategic **Corporate Health Management (CHM)** in early 2015: insights gained towards the end of 2014 through additional questioning during the evaluation of psychological stress at the workplace in Gumpoldskirchen were directly included in the development of the concept for our CHM. In early 2015, we had kicked off this project by establishing a dedicated CHM steering group. The steering group's goal was and is to advance the implementation of a strategic CHM approach and introduce suitable operating measures that promote the health and wellbeing of our employees at their workplace. We consciously chose the Gumpoldskirchen location as the starting point for our efforts because, as our experience with other strategic management approaches has shown, in order to integrate Corporate Health Management sensibly and effectively into *daily business*, it is best to start with an easily manageable pilot project with limited scope. The experiences from this pilot project are then used to roll out Corporate Health Management *step by step* throughout the entire Group. The objective is to first implement CHM successfully throughout Austria to subsequently successfully anchor the internal principles in Germany, Italy and the United Kingdom as well.

We can already divulge that one of our major CHM goals for 2016 is to obtain the **"Seal of Quality in Corporate Health Promotion"** awarded by the **Austrian Network for Corporate Health Promotion in Lower Austria**. With this certification, we would like to subject our internal CHM projects to an external and objective evaluation, to receive constructive feedback. Our strategic management approach regarding Corporate Health Management displays the following main features: The active involvement of our employees has utmost priority. This applies not only to the implemented measures and required active participation but also to the conceptual development of these measures. While until the end of 2015 mainly representatives of the Human Resource Departments of our companies at the Gumpoldskirchen location were involved, further committed employees will join the steering group in 2016. With this, we hope to take (even) better account of the wishes and needs of our employees when



G4-14 / Precautionary Approach.

planning and developing CHM measures. We furthermore endeavor to take account of the idea of prevention (*pathogenesis*). This includes, for example, seminars which help people to quit smoking. Preparations are already underway to offer such events to our employees working at the facilities of our operating subsidiary ADMIRAL Casinos & Entertainment AG in 2016. However, this issue also includes the physical examinations which our company doctor has been offering during the past years. In 2015, a total of 148 employees in Gumpoldskirchen made use this opportunity. With our Corporate Health Management, however, we do not want to focus merely on the avoidance of illnesses. We rather want to offer attractive resources and programs aimed at maintaining our employees' health (*salutogenesis*). This is why we will be holding our second **Health Day** at the Gumpoldskirchen location on September 15, 2016.

Our kick-off event for our annual Health Day, which was held at the end of June 2015, was a resounding success. The health street with quick health checks supported by the Red Cross Austria proved to be very popular, as were the two lectures held by Andrea Kdolsky on how to prevent burnout. In order to offer employees and executives the opportunity to talk about practical examples, one lecture was offered to employees, the other to executives. Both talks were well attended. The same applied to the many activity workshops such as Shiatsu, Business Yoga or Piloxing,



Andrea Kdolsky at the NOVOMATIC Health Day 2015.

which were offered several times to keep up with the strong demand. We naturally endeavor to achieve continuous improvements in this area, as well. So we were very glad to receive critical and constructive feedback via our anonymous feedback forms.

Apart from the annual Health Day at our Gumpoldskirchen location, we also endeavor to offer our employees an interesting program of activities over the



Member of the Provincial Government Maurice Androsch, Monika Poeckh-Racek, Harald Neumann (from left to right), at the Health Day 2015.

course of the year, including (partial) sponsoring of workshops. In this context, we note, for example, the **yoga class at our Gumpoldskirchen facility** that is held weekly, every Tuesday, under the guidance of one of our employees who is also a certified yoga instructor. You have already met her – it is the employee you saw sitting cross-legged on this chapter's introductory page. This is a yoga pose, as is the so-called "peaceful warrior" who helps us to combat *Avidya* (Sanskrit for "ignorance") and maintain our inner balance.

Of course, the wellness and health of our employees in our subsidiaries in Germany and Italy is also very important to us. The German **LÖWEN Group** was already able to focus on this through several different important elements. For example, the implementation of Corporate Health Management is planned for 2016. Apart from the mandatory company doctors, Crown Technologies employees are currently being offered special counseling with regard to care, as well as support in difficult situations. In Fürstenberg, special psychological counseling is offered to local employees on an anonymous basis. In addition, the LÖWEN Group's concept provides own employee training courses to strengthen employees in crisis situations. These training sessions are conducted by the psychologists' trade association and are subject to mandatory professional confidentiality. **NOVOMATIC-Italia** has also begun to reflect on this issue during 2016 so that hopefully we will be able to report first successes in next year's report.

## Open your eyes and ears: safety comes first.

✔ Apart from our approach to promote health and well-being among our employees, we also attach great importance to safety in the workplace, to avoid any restriction or even damage to our employees' health. We strive to always exceed the legally stipulated minimum standards to ensure a maximum level of safety. Our management approach in this area is based on several pillars. Among these, **enhancing our employees' awareness for possible sources of danger** has the highest priority. Employees from our Health Safety Environment (HSE) department not only hold mandatory briefings according to the Austrian Occupational Health and Safety Act (ASchG), but also conduct regular meetings with their colleagues at the Gumpoldskirchen location in order to constantly remind them to adhere to protective regulations as well as enhance the general awareness for their own health and for safety at the workplace.

A second pillar is the **determination and evaluation of the risks of individual workplaces** at the Gumpoldskirchen location. This was performed with a view to the requirements regarding the planned implementation of the international Standards Occupational Health and Safety Assessment Series (OHSAS). Regarding the time horizon for the successful implementation of OHSAS, we hope to obtain this certification by 2018,



G4-14 / Precautionary Approach.



Participants of a workshop during the Health Day 2015 in Gumpoldskirchen.

as the process will require considerable preparation. The risk potential of a workspace is already classified according to the "Zurich system", an international hazard matrix which allows us to evaluate a risk based on the probability of damage occurring as well as the concrete extent of any such damage. Depending on the degree of the individual risk, immediate measures are taken, or improvement instructions are issued. In some cases, we also follow the STOP principle, where activities are immediately interrupted until the concrete risk can be reduced to an acceptable level.

To continuously optimize our occupational health measures, our plans for 2016 also include improvements regarding **near miss reports** at the Gumpoldskirchen location. The objective is to also investigate any *near miss*, in order to be able to take suitable prevention measures and thereby avoid the occurrence of any incidents. In our last CR report for the reporting period 2015, we had announced that this improvement would be successfully implemented by 2016. We had decided to have these reports documented electronically to track any event with precision. For this, however, equipment is required for those employees who are not issued corporate *technical devices*. This has resulted in delays to the concrete implementation of an improved reporting system for near misses.

We are aware of the fact that regular briefings should also be supported by measures with an event character, so as to raise the awareness for Occupational Safety through as many communication channels as possible. With this in mind, we once again organized a **NOVOSafety Day** at the Gumpoldskirchen location in 2015. Apart from the mandatory evacuation drill to prepare us for any case of emergency, eight different situations relating to the topic of Occupational Safety were offered. The procedure for the evacuation drill itself was once again critically evaluated together with experts from the Gumpoldskirchen Volunteer Fire Brigade. The insights gained will be used to plan the next NOVOSafety Day 2016. We will maintain an exercise station for putting out smaller fires, as well as a first aid station, as the courses offered at our facilities in Gumpoldskirchen were very well received. In 2015, 31 employees were trained in **first aid** by a certified first aid instructor. During these sessions, it was ensured that issues specific to NOVOMATIC were taken into consideration to also make a contribution to the avoidance of accidents.

Happily, the number of work-related accidents and, therefore, also the number of accidents related to professional activities resulting in sick leave of more than three days, have remained very low. After seven work-related accidents at the Gumpoldskirchen location during



For further details on the volunteering activities of M. Posset, see page 98 of this report.

**NOVOSafety Day 2015: in the picture, wearing safety vest, M. Posset, NGL employee and volunteer with the Gumpoldskirchen Volunteer Fire Brigade, talking shop with colleagues.**



Search dog squadron at the NOVOSafety Day.

the previous year, we were able to reduce this number to five reported incidents, affecting four men and one woman. According to our records, these were all non-critical injuries such as light contusions. In 2015, we recorded a total of 52 sick leave days (including holidays and weekends). During the same reporting period, no occurrences of occupational diseases were recorded at the Gumpoldskirchen location. The same applied to work-related fatalities, where we can report zero incidents for the Gumpoldskirchen location. ✓

In 2015, **LÖWEN Germany** recorded a total of 57 work-related accidents, not least because of the long distances within Germany and the related increased risk of traffic accidents. With 3,320 employees as of the end of December 2015, this still corresponds to a percentage of less than one percent of occupational accidents related to the number of employees. This compares to a total of **280 in-house first responders** who have been trained for cases of emergency and take part in regular refresher courses. ✓

**NOVOMATIC-Italia** recorded a total of 40 work-related accidents in 2015. The greatest source of danger is to and from home: only three accidents reported by NOVOMATIC-Italia actually happened directly at the workplace. As Corporate Health Management in Italy

has so far been limited to compliance with legal requirements, initial preparations for the implementation of a comprehensive CHM system in Italy are scheduled for 2016. ✓



G4-LA6 / Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and gender.



G4-LA6 / Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and gender. G4-LA7 / Rate of occupational diseases.



G4-LA6 / Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and gender.





# Corporate Governance





# Corporate Governance



## Our challenges

Diversity as an opportunity for the future

Compliance Management in a dynamic and growing group of companies

Protection of our Customer Data / defense against cybercriminality

Securing and improving our high-quality standards in production and service



## Our solutions

Austria: participation in the NESTOR Gold certification process (ongoing); Basic certificate beruf+familie awarded at the end of 2015

 See chapter "Enjoy working with us", page 58.

Establishment of the Compliance Committee;  
Adaptation of the Code of Conduct

Ongoing investments in IT infrastructure, security measures

Austria (ADMIRAL Casinos & Entertainment AG): internal facility audits, mystery testing

## What we achieved in 2015:

Preparation for the NESTOR Gold certification process

Enhancement of our structures in the area of Compliance Management

Data Protection / protection of our customer data: including successful ISMS recertification at ADMIRAL Casinos & Entertainment AG (ISO / IEC 27001)

Continuation of the Deming cycle : Critical questioning and evaluation through internal and external audits with the objective of a continuous improvement of production and service

 Also referred to as PDCA cycle, denoting four phases aimed at achieving continuous improvements: Plan – planning a process, Do – i.e. implementing the planned process, Check – evaluating the effectiveness of the process, Act – implementing suggestions for improvement based on the evaluation.

## What we are currently working on:

## What else we are planning for 2016 / 2017:

Attainment of the NESTOR Gold certificate and integration of the agreed measures with professional routines

Enhancement of existing structures, assurance of the current quality standard

Ongoing investments in protection measures to prevent cybercriminality

Recertification of NOVOMATIC Gaming Industries GmbH according to ISO 14001; Technical Inspection Agency (TÜV) certification of ADMIRAL gaming halls in Germany

Code of Conduct: Our central compliance document



G4-DMA / Management Approach.



Our challenges for the future.

On the left-hand side a "making of" picture of our photo shoot for our CR report, in this case focusing on our employees' diversity. In the following chapter, we refer to major future issues, such as demographic change, diversity and compliance as well as our roots in Gumpoldskirchen.

# Embrace diversity.

*What diversity means for NOVOMATIC. Why “colorful” is synonymous with “creative” and “innovative”. Where the connection to Ancient Troy lies.*



G4-DMA / Management Approach.



Answer: different areas of responsibility (doorman, member of the permanent cleaning staff, employee in the area of Corporate Investment Management), nationality, age, tenure, gender and much more.



See chapter “Enjoy working with us”, page 58.



See chapter “Enjoy working with us”, page 59.

✔ Please flip back a page and have another look at the two-page spread with the group picture of our three likeable employees: what dimensions of diversity do our colleagues represent?

Maybe you are also asking yourself what exactly we mean with “dimensions of diversity”. **Diversity** as a general term describes a sociological concept according to which people have different needs and expectations, for example with respect to their employer, based on their gender, age, ethnicity or nationality, religion, etc. – the so-called **dimensions of diversity**. The diversity concept aims at ensuring these different dimensions are appropriately taken into consideration and that people are not disadvantaged because they belong to a certain dimension of diversity.

## Diversity Management as a business case.

In addition to our Corporate Values which can be considered a strong driver for development within the NOVOMATIC Group, economic reasons for an effective Diversity Management are also essential for an international group with worldwide activities. As a high-end gaming technology group, we simply cannot afford to do without certain employees only because they do not fit into a certain predefined pattern. On the contrary: we attach great importance to having teams that are as heterogeneous as possible, as the related “diversity of opinions” has proven time and again to deliver better and more efficient problem-solving approaches. “Colorful” teams benefit from the different perspectives and approaches of their members, which in turn results in more creativity and innovation, as the “frictional heat” created by directly grappling with differing views can ignite the “creative spark”. We furthermore do our best to also create an appropriate working environment for persons with disabilities. At our German subsidiary LÖWEN ENTERTAINMENT GmbH, we can already point to first examples of success. We, therefore, intend to undertake similar steps at our headquarters

in Gumpoldskirchen. We will report to you on our progress in our next CR report for 2016.

## NOVOMATIC and NESTOR.

At NOVOMATIC, we always strive to achieve internal improvements to not only appreciate our employees’ different diversity aspects, but also to allow our employees to pursue different life plans while remaining a member of the NOVOMATIC family. For all improvement measures we carry out during a year, great importance is attached to a critical outside perspective, especially in the area of Diversity Management. We, therefore, have subjected and are subjecting ourselves to various certification processes.

In 2015, we were able to obtain the **basic certificate beruf+familie**. For this, the family-friendly nature of a company is evaluated based on a comprehensive catalog of criteria. This set of criteria serves as the basis for an external audit. Here, the objective is not to immediately and completely implement all measures determined during the audit. The goal is rather to kick off an internal rethinking process within the audited company to sensitize employees and executives for this issue, going beyond the award of the certificate. The certificates are only granted for a certain period of time so that after the end of this period a recertification is required. This process aims at ensuring a continuous development of internal measures and processes.

In 2015, we also initiated preparations to successfully participate in a certification resulting in the award of the **NESTOR Gold** seal of approval. With its name, NESTOR Gold refers to a legendary ancient Greek figure, Agamemnon’s old and wise advisor Nestor. Grand Seigneurs of certain scientific disciplines are occasionally awarded such an honorary title referencing this Nestor myth. This also lays out the general objective of this certificate: the main focus is on age and the question as to how companies can offer

**age(ing)-appropriate workplaces.** In this case, “*age-appropriate*” is defined as a work environment suitable for a certain age group, while “*aging-appropriate*” describes an environment offering equal opportunities

for men and women in any phase of life. Our perception is that **thinking in age categories** is still prevalent. Our opinion, however, is that **thinking in competences** will be a crucial issue of the future.

# Compliance: Not a nice-to-have, but rather a must.

*What Compliance has to do with ethics and Corporate Values. Why it takes an entire soccer team. How you can tell that your own employees have an affinity for Compliance.*

✔ Compliance means adhering to (legal) regulations. A Compliance Management System, therefore, offers support in ensuring rule-compliant behavior.

Regarding NOVOMATIC, our understanding of a “**Compliance Management System**” includes several aspects such as an ethical dimension related to morals and Corporate Values. We want to behave correctly – not just in terms of ensuring that we do not violate applicable law. Our objective is to ensure that our employees also comply with certain moral concepts which our company holds. Bullying or discrimination, for example, is completely prohibited through internal guidelines as well as legal stipulations. An own sense of wrongdoing and an individual’s personal attitude towards legally compliant and ethically correct behavior, however, is far more effective than pure regulations or the threat of punishment. We very consciously promote this “inner compass” for our employees through different measures.

Apart from a **Code of Conduct**, which has already been translated into 17 languages and is available on the company’s intranet, there are specific processes which apply already when new employees enter the company. Together with all other documents relevant to his or her employment relationship, each new member of our team receives a hard copy of our Code of Conduct. In 2015, we furthermore sent a large number of hard copies of the Code of Conduct to all of the Group’s branch offices. The respective human resource representative in charge is required to not only hand out the Code of Conduct to new employees but also to explain

the main aspects such as Anti-Money Laundering provisions, regulations regarding Data Protection or even information on how to handle gifts. With his or her signature, each employee confirms not only receipt of the Code of Conduct, but also their willingness to conscientiously comply with the provisions therein. In this way, we want to sensitize our employees for the issue of Compliance as soon as they enter the company.

Subsequently, a lecture on the issue of Compliance and our Code of Conduct is held during the **NOVOWelcome Day**, which is organized for all new employees at our Gumpoldskirchen location on a quarterly basis. Using case studies, we illustrate the relevance for the employees’ professional routines, so that they see Compliance not as an abstract concept, but rather as an entirely practical issue. In addition, training sessions for employees are constantly being organized, including locally by the Compliance Representatives in charge. At the **Gumpoldskirchen location**, for example, a total of 179 employees participated in compliance training sessions in 2015. During executive training sessions, for example during the NOVOMATIC Symposium, we also reached out to 106 executives who have a particularly important role as disseminators. Another 73 employees a without management function participated in compliance training during in the quarterly NOVOWelcome Days held in 2015. ✔

The training measures for new employees at our operating subsidiary **ADMIRAL Casinos & Entertainment AG** furthermore include modules on the Prevention of Money Laundering, Anti-Corruption and Data Protection.



G4-DMA / Management Approach.



G4-SO4 / Training on Anti-Corruption.

In 2015, 148 employees underwent such training measures throughout Austria. In 2015, 659 employees at ADMIRAL Casinos & Entertainment AG (this corresponds to 95 percent of the workforce) also completed the eLearning session on Data Protection. During the regular internal facility audits carried out at our operating subsidiary **ADMIRAL Casinos & Entertainment AG**, we also check to see if the employees working at the facilities know and apply the processes for the Prevention of Money Laundering. During these internal facility audits, we also regularly check for other issues relevant to the topic of compliance, such as adherence to Data Protection provisions, compliance with fire prevention and Occupational Health Requirements. 



Further information is provided in this chapter on page 74.

In our view, a Compliance Management System can be considered successfully implemented if a “Compliance Mindset” has been firmly embedded in the heads of our employees and executives, i.e. if there is a strong awareness within the company that this topic has a positive impact on the company’s success and is simultaneously seen as an active part of internal Risk Management. In a nutshell: when the question “what for” no longer arises. To achieve this goal, a certain “**Compliance Culture**” as well as relevant communication measures are required. In our opinion, we have made excellent progress in this respect. In our Materiality Matrix  that was updated in 2015, the topic area of Compliance had moved to the top right-hand corner compared to the 2013 version. The perceived importance of Compliance has therefore increased – both from a business and a stakeholder perspective. An individual review of the analyses upon which the Materiality Matrix is based clearly shows that this area is particularly important to our employees. We can therefore proudly conclude that our employees indeed have an “affinity for Compliance”.



See chapter “Stakeholder-related issue management”, page 16.

However, the message that Compliance must be taken seriously and considered a relevant issue and that we have to work together to ensure that rule violations are not only prevented but in fact made impossible, cannot be conveyed by a (Compliance) Department alone. This also requires close interdepartmental collaboration between e.g. IT, Human Resource Management, Responsible Gaming, Internal Auditing, Treasury and Environmental Management. Our employees in the reception area or the delivery entrance (doormen) also play an important role in this respect: because Compliance means not only protection towards the outside but also protection towards the inside.

At NOVOMATIC, Compliance Management therefore is an interdisciplinary issue, or, to put it in sports terms: effective Compliance Management requires not only a *team captain* (Group Compliance Officer) and team members in different positions with different qualifications (Compliance Committee, local Compliance Representatives / *soccer team*), as well as a *coach* who assumes the responsibility for winning the game (Board of Directors). Just as in a real soccer team, it is important that all members of the team agree on a common goal and contribute their full effort in trying to achieve this goal. The captain of a soccer team alone is not going to decide a match on his own. It is rather the “*15 minutes for the fans*” (employees) which contributes to a team’s success.

As of January 1, 2016, a separate Group Department was set up for all matters related to Compliance. This area was previously established within the Corporate Auditing Department. As of January 2016, it was “taken out of” this department and a separate Compliance Department under the leadership of the **Group Compliance Officer** was established. As had been the case before, the Group Compliance Officer reports directly not only to the Group’s Executive Board, but also regularly submits a report to the Chairman of the Group Supervisory Board. The international structure with designated local Compliance Representatives who not only ensure adherence to the Group’s internal provisions but also keep an eye on local legislative requirements, was also maintained. It is planned to further extend this existing system.

A new development, on the other hand, is the establishment of a separate **Compliance Committee**, which takes into account that Compliance is an interdisciplinary issue. This Compliance Committee, which reports directly to the Group Board of Directors, bundles the expertise of the Company’s leading domain experts to one single advisory body.

In the future, we also want to take a closer look at proper conduct among our suppliers, as is outlined in the section on our supply chain. Our concept regarding Compliance and CR has, for a long time, been to fill it with life in our daily practice. However, we are in direct business relations with companies throughout the world, where different regulations need to be observed. Even if all our suppliers who have a relationship with either our central purchasing department in

Gumpoldskirchen or the purchasing department at LÖWEN have been made aware of our Code of Conduct and have also acknowledged this in writing, there is certainly a further need for action along our **supply chain**. In a first step, we performed a risk analysis for the 25 largest suppliers to our headquarters, evaluating the likelihood of an occurrence of social, environmental and economic risks. For the reporting year 2016, we are planning to also carry out such an analysis in Germany. 

According to a recent study carried out in 2015 by the *Association of Certified Fraud Examiners*  on an international level, most suspected cases of white-collar crime were either reported through internal whistleblower systems or uncovered during internal audits. In this case, white-collar crime or fraud includes theft, fraud, Money Laundering, abuse of insider information, as well as document forgery and accounting fraud.

## Membership in interest groups NOVOMATIC Gaming Industries GmbH, 2015

NOVOMATIC Gaming Industries GmbH	<ul style="list-style-type: none"> <li>• Membership in different international chambers of commerce</li> <li>• Membership in European State Lotteries</li> <li>• Membership in World Lotteries Association</li> <li>• Membership in European Lottery Association</li> <li>• Membership in respACT Austrian Business Council for Sustainable Development</li> </ul>
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Within its Compliance Management System, NOVOMATIC therefore also operates – among other instruments – a **whistleblowing hotline** through which unclear incidents or violations can be reported anonymously. Such a report triggers an internal preliminary review that is subsequently expanded if a suspected breach of legal provisions is confirmed. The Group Audit Department, which was in charge of this at the time, received a total of nine inquiries via the internal hotline. One request was related to social media activities and the other two were about the general permissiveness of accepting gifts. All other reports were either not relevant to Compliance or were clearly classified as simple information requests. 

Transparency is important to us, not only with regard to GRI indicators. As in the previous year, the following provides an overview of our relevant memberships in different interest groups:



For further information on the supply chain, see introduction on page 24.



Further information is available at [acfe.com/rtn2016/detection.aspx](http://acfe.com/rtn2016/detection.aspx)



G4-SO5 / Confirmed incidents of corruption and actions taken.



G4-16 / Memberships in associations and interest groups.

# Doing the right things **right.**

*What the term “quality” actually means, and what aspect of it can be managed. What the Red Bead Experiment has to do with employee motivation and quality. How certifications help us continuously improve.*



G4-DMA / Management Approach.

**i** In common parlance, quality usually has two meanings. On the one hand, it can be non-judgmental. In this case, the term simply describes the *sum of the characteristics* of an object, a system or a process. The term “quality” can, however, also take on a valence – in this case, the word then refers to the degree of *excellence* of an object, a system or a process. In this context, terms such as product, process or service quality are also commonly used.

When we talk about quality at NOVOMATIC, we always refer to how good a product, a service or a process is. The objective is to achieve the *best quality* possible in these three areas. We consciously use the term *best possible*, i.e. the best outcome under the given circumstances. Certain improvements are, in principle, conceivable, but cannot be implemented at a certain point in time due to a lack of technical requirements.

Additionally, you can see Quality Management from different perspectives: from a product perspective – in this case, the product must mandatorily fulfill certain requirements; from a value perspective – so that the product also ends up being affordable with regard to quality, and also from a *customer perspective*: have all the requirements which a customer has with respect to the product been met? NOVOMATIC attaches great importance to successfully fulfilling our customers' wishes. We are only satisfied if our customers are also satisfied.

From this point of view, Quality Management at NOVOMATIC can also be seen as part of Risk Management: Satisfied customers tend to be long-term business partners so that this attitude ensures the long-term success of the company.



**M. Binder, Head of Quality Management, NOVOMATIC Gaming Industries GmbH.**

*“Quality Management must be seen as a system, like interlocking cogs. In truth, everything is in some way Quality Management. On the one hand, effective Quality Management contributes to cost reductions in production by reducing scrap rates. On the other hand, the quality factor is certainly also an aspect of reputation – one only needs to think about the current example at VW or in general the call-backs within the automotive industry. However, one cannot deny that the greatest challenge in Quality Management is always to actively live Quality Management. The commitment to quality needs to become second nature and should be permanently embedded in our employees' awareness.”*

This quote from our Quality Manager at our wholly-owned subsidiary NOVOMATIC Gaming Industries GmbH refers to the three key aspects according to **William E. Deming**, the “founding father” of Quality Management, which have remained true and valid to this day: in order to effectively implement Quality Management, three convictions must be firmly anchored within a company:

- *Each employee stands for quality in his or her area of responsibility and feels responsible for the achievement of quality goals.* Our facility employees, for example, are constantly sensitized to take care of our guests in an attentive, polite and courteous manner.

- *There is nobody who has nothing to do with quality.* This means that each and every one of us makes a contribution to the positive quality of products and services. This is also one of the reasons why, as testimonials for our group picture for this chapter, we selected two colleagues from the area of Facility Management, as well as one colleague from the Corporate Investment Management Department. In order to demonstrate not only the diversity and colorfulness of our company but also to acknowledge the contribution of these colleagues as representatives for all of the Group's employees.
- *Quality is technology and attitude* – either aspect requires the other. Technical progress without an underlying investigative mindset is just as impossible as pure conviction without practical implementation.

Deming adds to his explanations by referring to the so-called **Red Bead Experiment**, according to which it must be ensured, in particular in the area of Quality Management, that only targets are set which are not only appropriate but also likely to be achieved. Otherwise, even the strongest motivation among the implementing employees cannot lead to success. We are aware that we can only meet our strict quality standards if all of us – employees as well as executives – pull together. This teamwork can only be achieved if there is an agreement regarding the common goal and if there is clarity on how this goal can effectively be reached.

Each of the above issues applies not only to our wholly-owned production subsidiary **NOVOMATIC Gaming Industries GmbH** but also to our two operating subsidiaries **ADMIRAL Casinos & Entertainment AG** and **ADMIRAL Sportwetten GmbH**. These two companies do not manufacture a physical product, but rather offer services in the areas of sports betting, gaming and gastronomy. Here, the quality of the service provided is crucial – in particular from our customers' perspective. The commitment to quality and the constant striving for improvements, however, not only drives our Austrian companies. This principle naturally also applies to our companies within the German **LÖWEN Group**, as well as the **NOVOMATIC-Italia** companies.

The concrete manifestations of the respective Quality Management Systems in Austria, however, show differences regarding production and service.

While in the production area there is a strong emphasis on the functioning of internal production processes, the main focus in the operative area is on ensuring service quality, which in contrast to prescribed uniform production steps cannot always be perfectly identical. Quality Management at **NOVOMATIC Gaming Industries GmbH**, our wholly-owned subsidiary in the area of gaming machine production, primarily focuses on the ISO 9001 standard to achieve constant product quality with an increasing degree of quality. This standard also explicitly prescribes certain performance indicators through which **quality** is (also) **to be measured**. We have therefore internally decided on **several indicators** which provide us with information on different aspects of quality. For example, we keep a close eye on supply reliability (the difference between a customer's desired date and the actual delivery date), but also on our internal scrap rate in the area of injection molding technology, which in 2015 dropped to an average in the single digits.

Adherence to the requirements of the standard is verified by an external institute at regular intervals. A so-called monitoring audit is held annually and every three years a recertification audit must be passed in order to be allowed to use the ISO certificate in the external communication for **NOVOMATIC Gaming Industries GmbH**. Recertification of this is planned for 2017. The Quality Management Department additionally carries out internal audits according to a pre-defined audit plan as well as on demand or concrete occasions, in order to ensure continuous monitoring. The objective of the internal audits is not, however, to identify sources of errors. The goal is rather to collaborate to achieve improvements as foreseen by Mr. Deming. We see Quality Management as a managerial responsibility. Executives are informed about any potential for improvement during management reviews and related measures are coordinated with them.

An internal Quality Management Department was also established at **ADMIRAL Casinos & Entertainment AG (ACE)**, our wholly-owned subsidiary in the area of state-licensed gaming. Here, the focus is clearly on the assurance of service quality. The issue of Data Protection is also a major priority: since its establishment in 2011, ACE has had an **Information Security Management System (ISMS)** in place, certified in accordance with the international ISO standard ISO/IEC 27001.

The international standards are also subject to regular updates. Currently, ISO standard 27001:2013 applies to our ISMS. A recertification audit was carried out by an external auditor in January 2015. ACE passed the audit with flying colors and may now continue to use the certificate through 2018. Our ISMS guarantees that our sensitive data is protected as securely as is possible. Accordingly, there were no formal complaints regarding any violation of privacy during the reporting period. ✓



G4-PR8 / Complaints regarding breaches of privacy.

The high-quality standards which ACE sets for itself are ensured through regular **internal facility audits**. The annual audit plan includes a detailed list of the individual steps. For example, each ACE facility is visited once per year by the quality managers. They use a defined checklist to determine if the internal requirements are not only known but also understood and adhered to. The insights from these internal audits are discussed with the ACE board member in charge, to develop suitable measures. In addition, the HR department for training and further education measures is informed about the results, so that – if necessary – they can make changes to training documents or organize follow-up training if uncertainties are determined during the internal audits.

Additionally, ACE subjects itself to a regular certification process regarding its own Quality Management as per ISO 9001. As a supplementary measure, annual **mystery tests** with different focal points are carried out in the federal states where ACE is active. ⓘ An intercompany agreement furthermore specifies that **ADMIRAL Sportwetten GmbH** is also included in ACE's internal audit plan.



For further information, see chapter "Responsible Entertainment", page 42.

In **Germany**, we initiated an external certification of all **ADMIRAL gaming halls** by a Technical Inspection Agency (TÜV-Rhineland) in October 2015. During these audits, the objective of which is to obtain a **certificate "regularly audited gaming facility"**, a total of 120 criteria are checked, including on issues regarding the protection of players and minors. The LÖWEN Group sees this certification as an opportunity to differentiate itself from the competition and to make its own efforts regarding Quality Management and the protection of players and minors more visible to outside parties. All ADMIRAL gaming halls in Germany are scheduled to be certified according to this standard by the end of 2016.

In addition to this, the individual companies within the LÖWEN Group subject themselves to external audits according to ISO 9001:2008. At the end of 2015, LÖWEN ENTERTAINMENT GmbH passed its recertification audit, which is due every three years, with flying colors, while Crown Technologies GmbH, EXTRA Games GmbH, BPA Freizeit- und Unterhaltungsbetriebe GmbH and Admiral Play GmbH successfully passed their annual monitoring audits.

In **Italy**, great importance is attached to external certifications to see how the company measures up against accepted industry standards: in 2015, NOVOMATIC-Italia began preparations for a certification according to the standards of the **European Lotteries Association**, which sets the European Standards for Responsible Gaming. Companies applying for the ELA certificate must fulfill a catalog of eleven items with numerous detailed individual aspects. Apart from requirements regarding reporting, including to external stakeholders, the certified companies also undertake to adhere to certain standards regarding communication and advertising. As ELA members, the companies at the same time commit to supporting this association in launching Responsible Gaming Initiatives. They also provide financial support for research studies and trade conferences for the continued education of member companies. The overall objective of this voluntary association and the voluntary certification is to use peer pressure and the internationally renowned reputation of the certification to implement high industry standards even in regions where this is not explicitly required by law.

# Innovare, erneuern, innovate.

*Why innovations should be actively managed. Which major contribution goes back to an Italian scientist with an unpronounceable name. Why “striving for innovation” is a core value for our company.*

✔ Within our company, innovation and creativity have utmost priority among our Corporate Values. This is reflected in particular in our current Materiality Matrix in which Innovation (Management) was awarded a particularly high priority from a business perspective. ⓘ Why we see Innovation Management as a core value is easily explained: as an internationally leading gaming technology group, it is crucial that we not only recognize trends early on but also trigger and drive new trends, if we want to maintain a strategic position within the market. Innovation Management is therefore understood as systematic planning, management and control of innovation within organizations.

## Five principles of success.

Economic success and in particular a position as the market leader, must literally be earned. Economic success over a longer period of time can only be ensured if there are certain fundamental principles upon which all own activities are based. This also applies to the area of Innovation Management. In this context, our Corporate Values can be broken down into five key items:

- *Striving for innovation must be firmly embedded in corporate culture;* it does not happen on its own, but must be supported by top level management. Accordingly, our internal Research & Development Department reports directly to a member of the Board (CTO Thomas Graf).
- *Should we invest in new products or should we improve what already exists?* We are convinced that both approaches are correct and important. Our internal Quality Management System makes a major contribution to ensuring that existing products and processes are constantly being improved or adapted to new circumstances. But of course we also keep an eye on all current trends and developments and consciously invest in the creation of new technologies and applications.

- *Work has to be more than “just” work.* According to **Mihaly Csikszentmihalyi**, an Italian professor emeritus in psychology at the University of Chicago, creativity and inventiveness only occurs within a system consisting of the individual, the environment and acknowledged domain experts. In order to trigger this process, which is referred to as “**flow**”, you therefore need the creative spirit of an individual, but also a work environment which encourages and demands creativity, as well as the motivating recognition by domain experts.
- *Start small, but think big.* For us, it is important to be able to try out and test new things within protected framework conditions, so-called “pilot projects”. The objective, however, is always to then roll these projects out on a Group-wide level. These small steps also help us in our learning process. After all, we are always on the lookout for constant improvement and continuous innovation, not for immediate perfection. Errors support us in our internal learning process and are therefore appreciated as an important factor.
- *Do not leave creativity and innovation to one single department.* Our internal Research & Development Department naturally plays an important role in developing new business ideas and product improvements. But we also want to benefit from the professional knowledge of each and every NOVOMATIC employee and participate in their individual expertise. In our opinion, each employee is an expert for his or her sub-area and as a company we are well-advised to benefit from this expertise.

This is also the reason why in 2015 we initiated first preparations for the implementation of an **internal Idea Management System** at ADMIRAL Casinos & Entertainment AG. We want to offer our employees a platform through which they can present their suggestions and ideas to the management board. An internal expert jury evaluates the submitted suggestions and



G4-DMA / Management Approach.



See chapter “Stakeholder-related issue management”, page 16.

assesses their feasibility based on a predefined catalogue of criteria. Suggestions which can demonstrably contribute to corporate success are to be rewarded with a prize. **LÖWEN Germany** is a pioneer in this regard: the

company has already been operating an internal platform used to collect the employees' creative and innovative suggestions. Selected projects are regularly highlighted in the quarterly employee magazine "WIR".

# Think global, act local.

*From Gumpoldskirchen, Lower Austria, to Delaware, USA. How financial stability contributes to corporate success. What is so special about Rimini and London. What we mean by local added value.*



G4-DMA / Management Approach.

**i** From Gumpoldskirchen, Lower Austria, to Delaware, USA, in 35 years – NOVOMATIC's development is a story of dynamic growth. Apart from the innovative products and services and the geographic diversification, there is, however, another issue that sets NOVOMATIC apart: the clear commitment to its roots and thus to the headquarters of a global player with activities on all five continents in the picturesque wine-making town of **Gumpoldskirchen in Lower Austria**. Despite our international expansion, we have no intention to relocate our corporate headquarters.

The awareness of our own heritage and our roots is also reflected in the regional added value: on the one hand, local suppliers benefit from the proximity to a large enterprise, on the other hand, NOVOMATIC also sees itself as a member of the community and actively participates in community life. For example, it is a natural part of our self-conception that we provide recurring (financial) support to the local fire brigade or the local Red Cross district office. Other charitable institutions such as e.g. the social market SOMA Lower Austria have also benefited from NOVOMATIC's deep regional roots.

The residence of a large enterprise naturally also pays off for the public sector, due to the taxes and duties we pay.



G4-EC1 / Direct economic value generated and distributed.

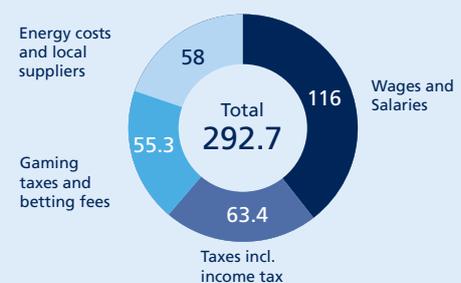


G4-EC9 / Proportion of spending on local suppliers at significant locations of operation.

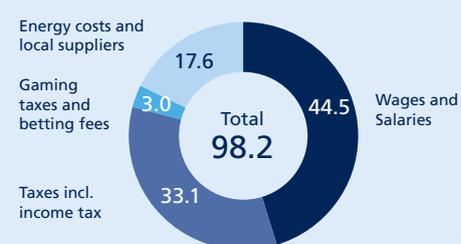
**Value creation in Austria (total)**  
in million EUR, as of December 31, 2015



**Value creation LÖWEN-Group**  
in million EUR, as of December 31, 2015



**Value creation NOVOMATIC-Italia**  
in million EUR, as of December 31, 2015



To enable this corporate success, a **stable financial basis** is required. The necessary awareness is most certainly there, among both internal and external stakeholders. It is, therefore, no coincidence that the term ended up in the far top right-hand corner of our Materiality Matrix 2015. ⓘ This financial stability is due to a strict focus on sufficient liquidity and adherence to the “*Golden Rule of Financing*” – that long-term projects are also financed in the long run. This stable financial development not only allows for our innovative strength – you must be able to afford mistakes. The stable outlook also guarantees secure jobs at NOVOMATIC. Our sense of responsibility as an employer is also part of our Corporate Governance: we pay close attention to ensure a sustainable and stable corporate development, which in turn is the foundation for secure and stable jobs. Approximately 530 employees live nearby the Gumpoldskirchen location alone (this corresponds to about half of the employees working at the location). In this respect, NOVOMATIC is therefore a strong driver for the economic development of the region. ☑

The long-standing positive business development is also appreciated outside of the company: in October 2015, **Standard & Poor’s** awarded NOVOMATIC an **investment grade rating of “BBB”**. This makes NOVOMATIC the highest rated gaming technology Group in Europe.

## From London to Rimini.

In early February 2015, the world’s largest industry trade show for online and offline gaming was held in London: **ICE Totally Gaming**. NOVOMATIC’s stand was literally the size of a soccer field, presenting a total of 18 Group companies. For the first time ever, NOVOMATIC-Italia also participated, showcasing the latest novelties for the Italian market.

Apart from suggestions for new business ideas, ICE Totally Gaming also offers an exciting and internationally-renowned lecture program focusing on various aspects of Responsible Gaming: the **World Regulatory Briefing** as well as the **International Casino Conference**. We use these side-events as an opportunity to enhance the education of our executives. Apart from this, the interdisciplinary program is also a good opportunity to exchange ideas on the latest trends in the area of player protection in an informal setting.



**Monika Poeckh-Racek, Head of Group-CR at NOVOMATIC / ICE Totally Gaming 2015.**

Apart from London, all eyes are also on Rimini, where the **ENADA Primavera** trade show is held in March of each year. In 2015, approximately 26,000 visitors attended the event. NOVOMATIC-Italia has participated with a representative stand ever since the first event was held back in 2010. In addition, the event in Rimini hosts a comprehensive framework program on the subject of Responsible Gaming and Prevention.



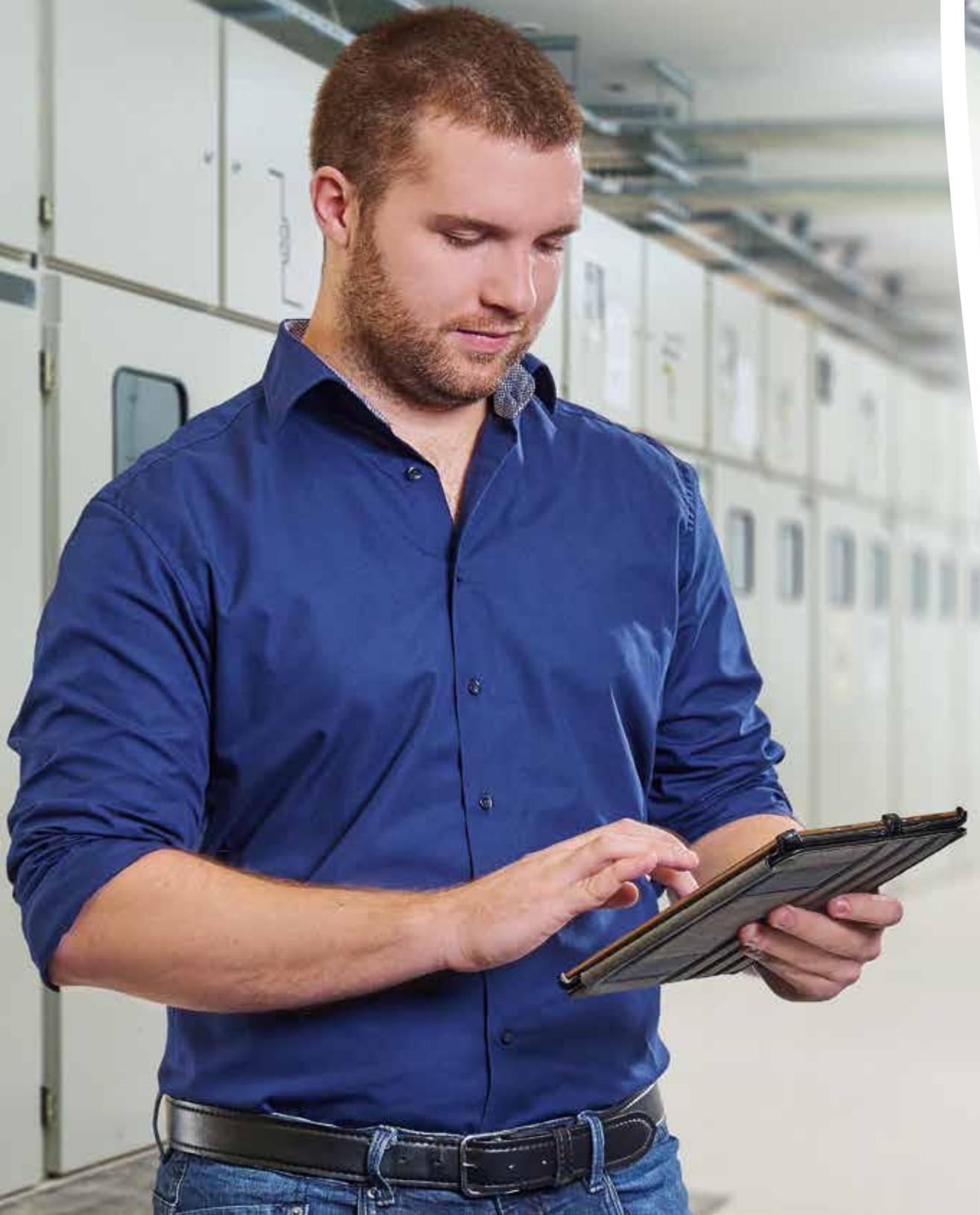
See chapter “Stakeholder-related issue management”, page 16.



G4-EC8 / Type and scope of significant indirect economic impacts.



# NOVOMATIC goes green







# NOVOMATIC goes green



## Our challenges

Enhancement of our energy efficiency  
in production and operation

Strengthening of our Group-wide  
awareness for environmental protection

Continuous improvement of our  
Environmental Management System



## Our solutions

Regular checks and evaluation of the  
production processes and the admin-  
istration buildings regarding energy  
efficiency

Group-wide roll-out of Environmental  
Policy

Austria: annual monitoring audit of the  
Environmental Management System in  
accordance with ISO 14001 in  
February 2016

## What we achieved in 2015:

Energy efficiency audit at the  
Gumpoldskirchen location

Enhance employee awareness  
regarding environmental issues

First steps to integrate suppliers  
in Environmental Management

## What we are currently working on:

Derivation of measures based on the audit results

Monthly tips via NOVONet and notices on the bulletin board;  
Austria: Additional brochure on fuel efficiency;  
Germany: Additional information pillars in front of canteen

Germany: Energy Management System DIN EN ISO 50001 with questions on  
Energy Management among suppliers;  
Austria: First analysis of suppliers for Gumpoldskirchen location with  
regard to social, economic and environmental risks

✔ G4-EN32 / Suppliers screened for environmental risks.

ℹ For further information, see introduction on page 24.

## What else we are planning for 2016 / 2017:

Carbon Footprint / CO<sub>2</sub> emissions for air travel, headquarters Gumpoldskirchen 2015 



G4-EN15 / GHG emissions (CO<sub>2</sub>).



**Headquarters Gumpoldskirchen 2015**

(corresponds to approximately 3,700,000 air miles or approx. 91 trips around the world)



***Lacerta agilis,***  
**the sand lizard.** 



G4-EN13 / Re-naturalized habitats.

In Germany, the sand lizard is considered an animal requiring special protection, not least because of its shrinking habitat. During the construction of a large warehouse in Bingen, particular attention was paid to these small reptiles. Further information is provided in this chapter. Environmental Management falls under the auspices of the HSE Health Safety Environment department. The previous double spread shows an employee from this department. Further information on our Management Approach is provided in this chapter.

# Three worlds and a forest the size of Berlin.

*How Environmental Management can contribute to global environmental protection. What green washing means and why NOVOMATIC is truly becoming greener. What Mozartkugeln have to do with protecting the environment. Who Lacerta agilis is and why there is a connection to LÖWEN.*



G4-DMA / Management Approach.



WWF Forest Loss Ticker 2011.



See introduction, page 25.



G4-EN32 / Suppliers screened for environmental risks. See introduction, page 24.

✓ If you take a closer look at our current Materiality Matrix, you will note that the previous item *“Environmental and Environmental Management”* with its individual aspects of *“Environmental Management”* and *“Product Ecology”* (Materiality Matrix 2013) was replaced with several individual aspects, all of which are awarded a higher priority (when compared to the previous year’s matrix from 2013) by both stakeholders and the company. The aspects of this field of action are now referred to as *“Recyclability of products (incl. sale of used devices)”*, *“Energy efficiency (incl. Energy Management)”*, *“Resource conservation (incl. ecological efficiency and substitution of chemicals)”* and *“Recycling (incl. waste separation and waste management, CO<sub>2</sub> emissions and disposal of packaging)”*. Additionally, it is noted that regarding the item *“Supply chain”* which was added based on the analyses carried out in 2015, a stronger focus is to be placed on the environmental risks along the supply chain. Not least because of these analysis results, we have decided to rename the field of action previously referred to as *“Environment and Environmental Management”*, in order to better communicate our strategic orientation in this area: **“NOVOMATIC goes green”**.

As a manufacturing company with an above-average degree of vertical integration, there are two important perspectives which influence our commitment in the area of Environmental Management: on the one hand, we see it as a part of our Corporate Responsibility and an integral part of our corporate philosophy to ensure a sustainable corporate development by paying attention to raw materials resources, not only in purchasing but also by reducing packaging materials and waste as much as is possible. We are well aware of the fact that we are also responsible for the coming generations. We only have this one world – even if based on the current

consumption of resources we would need three copies of our planet. Every 60 hours, for example, a forest the size of Berlin is destroyed.

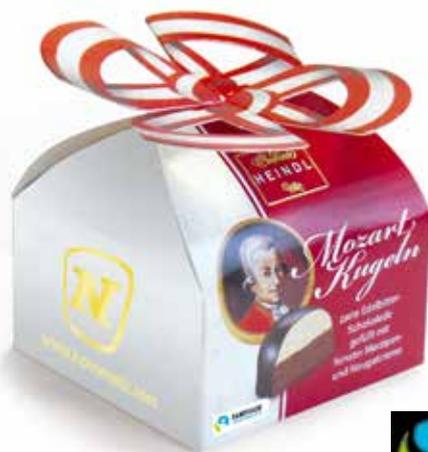
On the other hand, resources such as energy and water as well as waste and waste water constitute an important cost factor for our company. With regard to efficient production, we therefore not only pay close attention to limiting our use of resources as much as possible, we also endeavor to keep non-recyclable waste from production and packaging to a minimum. One stage of our value creation cycle, however, as is described in the introduction to this report, is also what is commonly referred to as **refurbishment**, i.e. the salvaging and restoration of used devices to extend their useful life.

An effective Environmental Management System, which not only pays attention to the own use of resources but also keeps an eye on this factor among suppliers, therefore, contributes significantly to global environmental protection. This responsibility is largely up to multinational enterprises with global activities such as NOVOMATIC. In 2015, we therefore set the goal of rolling out our internal Environmental Policy, which already applies to Austria, Germany and Italy, to further Group companies, thereby encouraging them to use resources wisely. In our view, this also includes keeping an eye on a company’s suppliers and to analyze them, including with respect to ecological risks. In 2015, we completed the first analysis for our suppliers with the highest volume at **our Gumpoldskirchen location** and can conclude that the environmental risks are very limited.

**LÖWEN Germany** has established further rules of procedure for itself and its subsidiaries: external forwarding

agents with whom LÖWEN Germany collaborates regularly must ensure that their truck fleet consists of Class EURO V or EURO VI vehicles, as these standards provide for strict requirements regarding exhaust emissions. With this, LÖWEN Germany intends to contribute to a reduction in emissions which damage our climate. Environmental aspects also influence the selection of our suppliers in Gumpoldskirchen and Germany: environmental risks were included in the list of criteria for the selection of new suppliers. In addition, the **Energy Management System at LÖWEN ENTERTAINMENT and Crown Technologies in Germany has been certified in accordance with DIN EN ISO 50001**. This norm system also provides for a catalog of questions to be answered by the suppliers of a certified company. The records on the information provided by the suppliers must be kept for a period of three years (and must, therefore, be updated at regular intervals).

Improvements in the area of Environmental Management are often small measures which added up, have a strong impact. One example of this is our long-standing cooperation with a Viennese chocolate manufacturer who produces tens of thousands of **sweet giveaways (Mozartkugeln)** for our international trade fair appearances every year. Since October 2014, the company's entire production has been switched to FairTrade cocoa, which supports local producers. In addition to this, the **FairTrade seal of quality** prohibits child and forced labor and **mandatorily requires environment measures**.



Sweet FairTrade give-aways.



These described measures, which entail considerable effort for NOVOMATIC and its subsidiaries, make it clear that NOVOMATIC has linked Environmental Man-

agement Aspects very tightly to its core business and that the underlying management systems are subject to ongoing external audits. At NOVOMATIC, we explicitly reject so-called **"Green Washing"** (*N.B.: individual measures in the area of Environmental Management without strategic direction with the sole purpose of obtaining positive PR*).

This attitude is also and in particular reflected **at the Gumpoldskirchen location** where the **Environmental Management System according to ISO 14001** successfully passed its **monitoring audit** at the beginning of 2016. During this check, the auditors were particularly impressed by two aspects: the effective waste separation at the location and the new instruction concept for all employees, the final rollout of which is expected by mid-2016. A recertification of the Environmental Management System in Gumpoldskirchen is scheduled for 2017.

Our strategic orientation within this field of action is underpinned by clear responsibilities. A designated environmental manager was appointed for the **Gumpoldskirchen location**. Apart from waste management issues, his responsibilities also include ensuring compliance with legal environmental requirements as well as training for the employees on site. At **LÖWEN Germany**, the energy team comes together monthly for a jour fixe, which apart from the responsible persons within the individual subsidiaries of the LÖWEN Group also includes employees from the purchasing and compliance departments. During these regular meetings, possible improvements with regard to Energy Management are discussed. Both our environmental manager at the Gumpoldskirchen location and the members of the energy team in Germany have identified **our employees** as the most important target group for all activities in the area of Environmental Management. Only they can make our Environmental Policies and our guidelines aimed at enhancing our energy efficiency and resource conservation come to life on a daily basis. In order to raise a sense of awareness among our employees that with their daily contributions they have a significant impact on the success of our Environmental Management, we not only publish monthly news in our Group-wide intranet, but have also set up an information pillar near the company canteen at our Bingen location in Germany, which arouses interest with entertaining "Did you know that..." questions.

Apart from the constant external audits of the Environmental Management System at the Gumpoldskirchen location, we also subjected ourselves to an **external energy efficiency audit** in 2015, during which our Energy Management was thoroughly analyzed. During this external energy efficiency audit, several measures for improvement were suggested to further reduce our energy consumption. These are currently being evaluated regarding concrete implementation options.

Apart from the improvement efforts with regard to Energy Management, we can also report optimization successes in other areas of our Gumpoldskirchen facility. For example, the corporate printing shop acquired new printers which now use significantly less ink and primer, resulting in savings of approximately EUR 20,000 per year. In addition, recycling efforts related to old machines resulted in the successful reutilization of 59 tons of scrap metal. All of our waste is transported by specialized companies. Depending on the hazard category, special requirements must be met.



### Energy consumption Gumpoldskirchen location, Austria

G4-EN3 / Energy consumption within the organization.  
G4-EN6 / Reduction of energy consumption.

Energy consumption	Unit	Absolute		Units	Relative (specific)		Change +/- in % 2014–2015 (Relative)
		2014	2015		2014	2015	
Electricity consumption	MWh	9,437.99	9,598.90	MWh/employee	7.57	7.38	-2.52 %
Gas consumption	MWh	6,883.28	7,040.75	MWh/employee	5.52	5.42	-1.96 %



### Energy consumption LÖWEN ENTERTAINMENT GmbH, Germany

G4-EN3 / Energy consumption within the organization.

Energy consumption	Unit	Absolute		Change +/- in % 2014–2015
		2014	2015	
Electricity	kWh	1,213,914	1,258,232	3.65 %
Natural gas	m <sup>3</sup>	14,393	19,100	32.7 %
Heating oil	Liters	104,970	113,282	7.92 %

Note on the data from Germany: The increase in energy consumption is due to the renovation of the logistics warehouse at the Bingen location carried out during 2015, as well as the higher utilization of the production capacity in 2015.



### Water consumption Gumpoldskirchen location, Austria

G4-EN8 / Total water withdrawal by source.  
G4-EN10 / Total volume of water recycled and reused.

Water consumption	Unit	Absolute		Units	Relative (specific)		Change +/- in % 2014–2015 (Relative)
		2014	2015		2014	2015	
Drinking water	m <sup>3</sup>	15,148	15,725	m <sup>3</sup> /employee	12.16	12.10	-0.50 %
Wastewater	m <sup>3</sup>	13,633	14,252	m <sup>3</sup> /employee	10.94	10.89	-0.51 %



### Water consumption LÖWEN ENTERTAINMENT GmbH, Germany

G4-EN8 / Total water withdrawal by source.  
G4-EN10 / Total volume of water recycled and reused.

Water consumption	Unit	Quantity		Change +/- in % 2014–2015
		2014	2015	
Drinking water	m <sup>3</sup>	2,460	2,002	-18.62 %
Wastewater	m <sup>3</sup>	2,215	1,810	-18.28 %

✔ **Waste management Gumpoldskirchen location, Austria**

	Unit	Absolute 2014	Absolute 2015	Units	Relative (specific) 2014	Relative (specific) 2015	Change +/- in % 2014–2015 (Relative)
Non-hazardous waste	t	939.44	920.60	t/employee	0.754	0.708	-6.08 %
Hazardous waste	t	104.52	82.32	t/employee	0.084	0.063	-24.51 %
Total waste	t	1,043.96	1,002.92	t/employee	0.838	0.771	-7.92 %
Residual waste	t	151.42	130.91	t/employee	0.122	0.101	-17.14 %



G4-EN23 / Total weight of waste by type and disposal method.

✔ **Waste management LÖWEN ENTERTAINMENT GmbH, Germany**

	Unit	Waste code (AVV)	Classification (ng/g)	2014	2015
Wood used A IV	t	170204	g	35.7	17.5
Special waste (cans, paints, glues, etc.)	t		g	5.3	7.6
Fluorescent tubes	t	200121	g	0.5	0.2
Electronic waste (electronic parts / devices)	t	200135	g	119.0	4.1
Electronic waste	t	160213	ng/g	594.84	502.0
Mixture of recyclables / residual waste	t	150106	ng	84.9	118.7
Paper, cardboard, carton packaging	t	150101	ng	175.3	208.2
Wood used A II (untreated wood)	t	170201	ng	121.9	154.7
Sheet glass	t	200102	ng	6.3	9.9
Biodegradable kitchen and canteen waste	t	200108	ng	13.3	13.3
Foil (packaging)	t	150102	ng	13.4	16.0
Polystyrene (packaging)	t	150102	ng	0.6	0.6
Metals	t	200140	ng	155.30	135.9



G4-EN23 / Total weight of waste by type and disposal method.

In our opinion, Environmental Management is always an interdisciplinary effort. Environmental aspects should, therefore, be taken into consideration in all areas - including, for example, in our **Travel Management for our headquarters**. That is why in this report we publish, for the first time ever, our **CO<sub>2</sub> footprint** resulting from the international orientation of our Group and travel-related activities. We take these performance indicators as an opportunity to revise our travel policy in order to reduce our CO<sub>2</sub> emissions due to air travel and to choose alternative means of transport.



**Air miles 2015**

G4-EN15 / Direct greenhouse gas emissions (CO<sub>2</sub>).



G4-EN13 / Re-naturalized habitats.



	2014	2015
Air travel within Europe	1,751,540	1,984,842
Air travel Europe - USA	1,246,492	1,670,072
CO <sub>2</sub> emissions in tons	2,343	3,070

The increase in air miles recorded in 2015 is due to the expanded business activities in the United States; it is calculated as: 4.5 liters / kerosene / 100 Pkm × 2.6 kg CO<sub>2</sub> per liter × 2.7 RFI factor. Flat-rate calculation without differentiation between short / long distance flights or type of aircraft.

In **Germany**, we have also initiated various measures in order to continuously improve our performance in terms of Environmental Management. BPA Freizeit- und Unterhaltungsbetriebe GmbH, a subsidiary of the LÖWEN Group, for example, already uses 100 percent green power. Our operating subsidiary EXTRA Games GmbH has been converting the exterior lighting for its facilities to low-energy LED lighting since early 2015. For **Italy**, we currently have no data available regarding corporate Environmental Management, as such information was previously not recorded centrally. In this context, we again draw your attention to the implementation of a CR data platform which was started in 2015. This platform will allow our Italian companies to report such data as of 2016.



At this point, we would like to mention a very special highlight related to the area of Environmental Management: this issue concerns our location in Bingen, Germany. Prior to commencing work on our new state-of-the-art logistics warehouse in Bingen in 2011, renowned biologists were assigned the task of relocating **sand lizards** (lat. *Lacerta agilis*), which are under protection in Germany, to a new area dedicated especially to them, so that the construction work could be carried out without impairing the habitat of these animals. After completion of the construction work in 2015, a protected 25,000 sqm habitat for sand lizards was established to ensure the continued existence of this protected species.



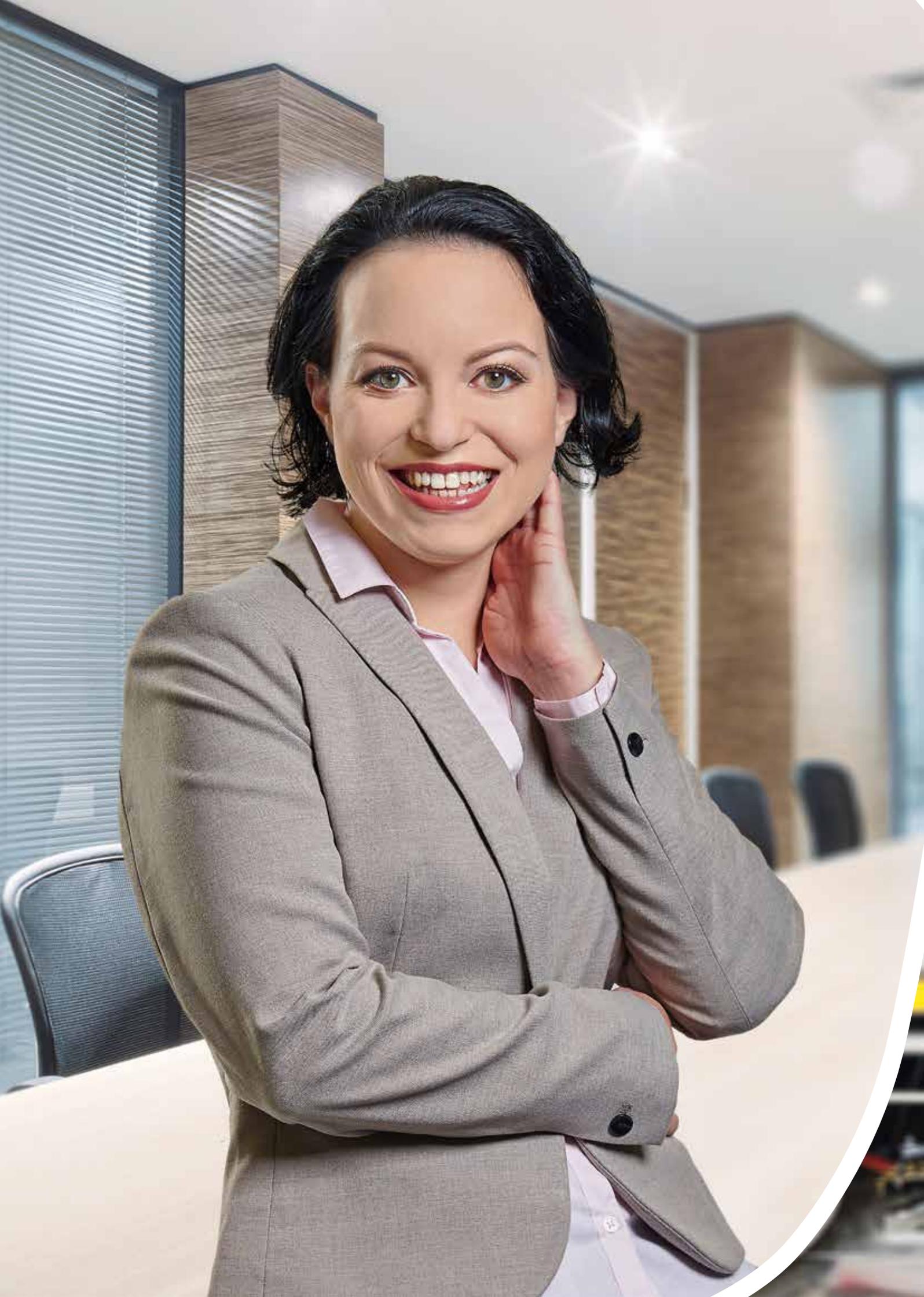
Sand lizard.



The Novomatic Forum team on the occasion of the Novomatic Forum Night 2015.

We can also be proud of a very special achievement in Vienna: **The Novomatic Forum** in Vienna was certified as a **Green Event Organizer in 2015**. In order to obtain this certificate and therefore be allowed to host "Green Events", certain requirements regarding environmentally friendly accessibility, mobility on site, CO<sub>2</sub> reduction and catering, as well as materials and waste management have to be met. The Novomatic Forum with its

professional team demonstrated that first-rate entertainment, an attractive ambiance, great service and environmental protection do not have to be mutually exclusive. As an example, we can mention a gala event held as a **Green Event** at the Novomatic Forum at the end of September 2015, where the "Golden Coffee Bean" was awarded for the 17<sup>th</sup> time to outstanding Austrian companies within the domestic gastronomic scene.





**Together**





# Together



## Our challenges

Social commitment in harmony with our Corporate Values

Targeted sponsoring for the promotion of opportunities and development possibilities, particularly in the areas of social affairs, science and culture

Intensive contact and constructive collaboration with research and counseling institutions in the area of addiction prevention



## Our solutions

Implementation of a Corporate Volunteering Program

Regular adaptation of the Group Sponsoring Policy

Establishment of new partnerships and promotion of small initiatives to strengthen local care facilities

See chapter "Responsible Entertainment", page 41.

## What we achieved in 2015:

Preparatory work for the implementation of the Corporate Volunteering Program NOVOTeam

Analysis of existing sponsoring commitments and adaptation of the Group Policy

Expansion of the network of cooperation partners in the area of addiction prevention

## What we are currently working on:

Establishing contact with possible external cooperation partners, internal embedding of the program

Implementation of the Group Policy and, if necessary, adaptation of the existing sponsorships

Institutionalization of a professional exchange

## What else we are planning for 2016 / 2017:

Concrete implementation of projects planned beginning in September 2016

Potential interlacing of sponsorship with Corporate Volunteering Projects to offer sustainable support to cooperation partners

*Austria:* Due to the recently awarded license for state-licensed gaming in Styria, establishing contact to regional player protection institutions

*Germany:* Continued active support for the German Sports Aid Foundation (Stiftung Deutsche Sporthilfe)

## Our Sponsoring Management Approach



G4-DMA / Management Approach.

*Opportunities are important!* 

*Where and in which areas can we create new opportunities and possibilities?*

### CORPORATE VOLUNTEERING

### OPPORTUNITIES THROUGH SPONSORING

*How can we as NOVOMATIC support volunteer work and make an active contribution ourselves?*

*How can we support others in being a positive role model for young people and society?*

*What contribution can we make to the further development of science and research?*



### **Voluntary involvement, out of love for our fellow humans.**

Image to the left: an employee from the Group-CR department representing an important project in this chapter: the implementation of Corporate Volunteering at NOVOMATIC, NOVOTeam. Further information on the amazing commitment of our employees is provided on the following pages.

# Passing on our passion: we are one team, the NOVOTeam.

*How we actively live social commitment. What the Declaration of Independence of the United States of America has to do with all of this. Who and what the NOVOTeam is. What ISTAF has in common with Licht ins Dunkel and Wiener Mut.*



G4-DMA / Management Approach.  
G4-14 / Precautionary Approach.

At NOVOMATIC, we see ourselves as a vibrant part of society, with regional as well as international points of contact. We are as much part of Gumpoldskirchen as we are a part of Austria, Europe, or America. Our activities have consequences on a local

as well as an international level. Not least because of this, we consider our social commitment an important part of our CR management. However, we are aware of the different conflicting goals which need to be balanced:

## The balancing act of reconciling different interests

Local involvement



International orientation

Local connections and an according regional involvement on the one hand vs. our international orientation as a gaming technology group with global operations, on the other.

Long-term cooperation



Short-term donations

Our need for long-term and stable partnerships with trustworthy partners on the one hand vs. calls for short-term donations in emergency situations, e.g. in the case of natural catastrophes, on the other.

Public expectation



Company interests

The perceived expectation among the public to share corporate success with the community vs. the legitimate entitlement to secure the economic health of the company for the future and therefore being selective with regard to sponsoring activities.

Another important issue must also be taken into account: the **pursuit of happiness**, as Thomas Jefferson phrased it in 1776 in the Declaration of Independence of the United States. Contrary to a general description, this *pursuit of happiness* relates not purely to material aspects: happiness was rather seen as a subjective state which everybody pursues in some form or other. This "ability to be happy" can be promoted by the state, but also by targeted social commitment on behalf of companies. For example, if these enterprises, as is the case for a company within the LÖWEN Group, provide active support regarding the German refugee situation, opportunities for social participation are created which under other circumstances would not have been provided. ⓘ

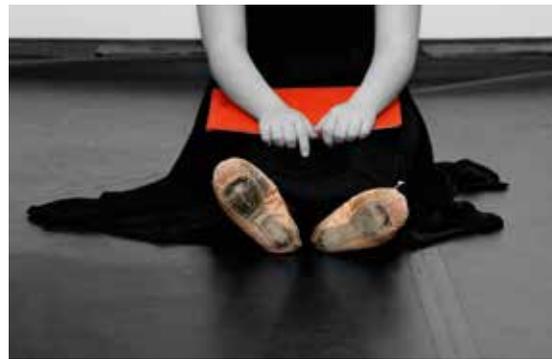
We have taken a close look at these issues and issued a **Sponsoring Policy** ⓘ that applies throughout the Group. With this, we want to ensure clarity – not only for us but also for our (external) stakeholders – as to where we can and want to be involved through sponsorships. This sponsoring guideline is revised at regular intervals and adapted to current requirements. For these updates, we also integrate the feedback received from our sponsoring partners, as we truly see our cooperation partners as *partners* and gladly accept their suggestions for possible further development. In doing so, we strive to not only react passively to social trends but rather try to actively get involved in these and to drive certain developments which we consider positive.

An example from this area would be our renewed focus on "**sports at an advanced age**" in order to positively counteract the demographic change together with the related negative side effects. We recently started to support the **Austrian Senior Citizens National Curling Team** and are glad to be able to allow the four members of the team to participate in the World Championships 2016 in Karlstad, Sweden, thanks to our cooperation.

As a matter of principle, the **promotion of recreational sports** is very important to us, as we consider the related development of social skills – such as the capacity for teamwork,

team spirit and athletic ambition – to be highly relevant. If possible, we combine this cause with a local context. In Germany, for example, we support teams such as Hertha BSC, KSV Hessen Kassel and TV Pfullendorf.

We furthermore admire the commitment of persons with disabilities who make extraordinary achievements in different areas. We gladly support such successes. In this context, we would like to shine a spotlight on two examples: one is the Austrian dance formation **iDance Company**, with which we have had an extremely positive contractual relationship for several years now. The artists from the iDance Company showcase their dancing skills through professional performances. Based on the principle of social inclusion, the members of the ensemble are paid for their artistic work, which creates jobs for persons with Down's syndrome. ⓘ



iDance company.

Another example in this area, this time from an athletic perspective, is our long-standing cooperation with **Wolfgang Schattauer**, the three-time Austrian champion in paracycling and two-time bronze-medal winner at the Paralympics 2012 in London (time trials and road



Hertha BSC team, line-up 2015.



Further information is provided in this chapter on page 95.



Available online at [novomatic.com/cr](http://novomatic.com/cr)



Further information is provided at [idancecompany.at](http://idancecompany.at)

race). Wolfgang Schattauer is a role model in several respects: on the one hand, we admire his perseverance (prior to his serious accident in 1999 he had already participated in more than a hundred triathlons, including five starts at the Hawaii Ironman). On the other hand, we respect his ambition and the fact that he took up his training again only one year after his accident. Wolfgang Schattauers declared goal is to successfully participate in the Paralympics 2016 in Rio de Janeiro, Brazil.

Naturally, we also support top athletes as role models for up-and-coming sports talents in Germany as well, via our German subsidiaries. For example, we support **Robert Harting**, an exceptional discus thrower and the first German Olympic champion in this discipline in more than a decade (gold medal 2012 in London). While he was incapacitated briefly in 2015 due to a torn cruciate ligament, Robert Harting has now set his sights on another gold medal at the 2016 Olympic Summer Games in Rio de Janeiro. The young high diver, **Patrick Hausding** from Berlin, has also pretty much secured his

ticket to Rio de Janeiro 2016: in February 2016, he won the international German indoor diving championships from the three-meter board. But we also want to offer up-and-coming athletes the opportunity to focus fully on competitive sports. This is the context for our support of 19 year-old swimmer **Selina Hocke** who in 2013 became the German champion in the 50 and 200 meter backstroke.

However, we not only support individual athletes or popular sports teams. For us, it is also important to support institutions devoted to sports, such as the **German Sports Aid Foundation** (Stiftung Deutsche Sporthilfe). A particular goal of Deutsche Sporthilfe is to create opportunities to combine professional training with high-performance sports, so that top athletes can look forward to a successful professional "second career" after the end of their athletic activities. All in all, Deutsche Sporthilfe (by its own account) supports approximately 3,800 athletes from more than fifty Olympic and Paralympic disciplines as well as selected further types of sports. 



Further information  
is available at  
[sporthilfe.de](http://sporthilfe.de)



Robert Harting at the ISTAF 2015.



Diver Patrick Hausding.

Apart from long-term partnerships, Deutsche Sporthilfe also hosts annual events in order to generate additional sponsoring revenues. **The Prom of Sports** (Ball des Sports) is one of these events that – with our support – is organized regularly to increase the foundation's income. In 2015, the 45<sup>th</sup> ball was held, resulting in approximately three-quarters of a million euros in addition funds for the charity.

Through our German subsidiaries, we also support sporting events in order to offer top athletes the required conditions for athletic peak performances. One example in this context would be the **International Stadium Festival ISTAF** (Internationales Stadionfest ISTAF) in Berlin which will be held for the 75<sup>th</sup> time only two weeks after the 2016 Olympic Summer Games – thereby proving that athletics competitions can be both rich in tradition and have a strong appeal to the public. In September of 2016, approximately 160 athletes will be performing in a total of fifteen disciplines in front of more than 55,000 spectators.

At this point we would like to come back to *the pursuit of happiness* and our approach for offering opportunities for development where they are needed: in Germany, we have a very unbureaucratic approach for immediate aid. In 2015, for example, our colleagues at



Prom of Sports 2015, show highlight.



Prom of Sports 2015, left: Maria Höfl-Riesch, right: Franziska van Almsick.

Crown Technologies supported the **Hamburg Refugee Initiative** with logistical services. Also in 2015, we supported the provision of German language courses in the city of Rellingen, as learning the language is arguably one of the greatest hurdles for refugees to successfully arrive and feel at home in a new country. In Austria, NOVOMATIC has been supporting the **Association of Business for Integration** (Verein Wirtschaft für Integration) for years. This association advocates sustainable commitment in the areas of opportunities and education, labor market, political participation, as well as information and awareness creation. Ongoing projects in this regard include the organization of an Austria-wide unique careers fair for diversity, **fair.versity 2015**, where the Verein Wirtschaft für Integration organized a business speed dating.

In the context of “offering opportunities”, we can also point to other sponsoring partnerships, for example our long-standing cooperation with the **Vienna State Opera** where we promote and support up-and-coming young singers. Within the scope of this partnership, NOVOMATIC supports the intense and demanding training of a scholarship holder to become a world-class singer. In addition to this, we initiated a new cooperative partnership in 2015 to promote young ballet talents at the Vienna State Opera.

Of course, NOVOMATIC is also a reliable partner for what is arguably Austria’s most famous fundraising activity, **Licht ins Dunkel**. With a generous donation, NOVOMATIC helped to ensure that the 43<sup>rd</sup> fundraising event, which was held around Christmas 2015, was an outstanding success. NOVOMATIC will certainly continue to support this important social institution in the coming years. Our local ties are also important to us when it comes to sponsoring. During the reporting period, we supported various institutions from the area of art and culture: apart from the **Lower Austrian State and Culture Award** (Niederösterreichischer Landes- und Kulturpreis), which is awarded annually for outstanding achievements in architecture, the visual arts, literature and music, we also support the **NÖ Tonkünstler or the City Theatre Baden** (Stadttheater Baden) with significant contributions.

## Social commitment goes beyond donating money – it also and in particular means donating time.



**Bettina Sterner, employee of the Group-CR department at NOVOMATIC and since August of 2000 part of the Austrian Red Cross volunteer family.**

*“Why do I volunteer with the Red Cross in my spare time? Simply because I care about my fellow humans. I want to make a contribution to society and also assume responsibility. At times, this can be quite strenuous and even demanding, for example when I have a night shift as a*

*paramedic in Mödling which doesn’t end until seven o’clock in the morning. There is one thing, though, which I have never had during all these years: I have never gone home without the reassuring and absolutely amazing feeling of having done something useful and positive.”*

These statements from colleagues who volunteer (i.e. work without getting paid, but with a lot of verve and commitment) during their free time make several points very clear: Social commitment does not just mean donating smaller or larger amounts of money. While financial support is indispensable in order to provide resources for sustainable projects, social commitment cannot do without helping hands. According to a survey carried out by IFES in 2013 <sup>(i)</sup>, approximately half of all Austrians are involved in volunteering activities. Every week, approximately 15.5 million working hours are provided free of charge. Calculated based on the minimum wage, this corresponds to an equivalent value of about EUR 134 million. Countless Austrians – including many of our employees – therefore, make an important and indispensable contribution to the common good, by offering immediate help in cases of emergency or by being available if needed.

But why do they do this – our three colleagues whom we shine the spotlight on in this report, as well as the many other unnamed volunteers? Not only for the altruistic love of their fellow humans, but also because each and every one of them, to a certain degree, also benefits personally from this voluntary commitment. By volunteering, the helpers also take away a lot for themselves: they not only acquire skills such as team spirit or self-organization, but also resistance to stress, how to set the right priorities, as well as mindfulness and empathy. These skills are not only crucial for private life, but also offer considerable benefits on the job.

NOVOMATIC has deep respect for both sides of the coin – the promotion of the common good through active participation and support outside of professional obligations and the promotion of the personal development of these volunteer employees. At NOVOMATIC,



Further information:  
on the homepage of  
the Federal Ministry  
for Social Affairs,  
[sozialministerium.at](http://sozialministerium.at)



Ronald Rother, employee in the area of Quality Assurance Production at NOVOMATIC Gaming Industries GmbH and passionate youth soccer team coach.

*“Of course I am a voluntary coach for youth soccer – who else would take care of our young talents if not volunteers? Of course it is a challenge – everybody who has children of their own knows this. Nevertheless I am always standing on the sidelines, simply because it’s cool. I can teach the boys a lot – not only on the soccer field: I also support*

*them in their personal development. And I also keep learning new things. It is never boring and always a lot of fun.”*

we have therefore determined to get involved in this area: if companies want to support the volunteering activities of their employees, this is referred to as **Corporate Volunteering**.

We had already announced in our last CR report that we were planning to create the preconditions for the implementation of Corporate Volunteering at NOVOMATIC. During the conception phase, however, we realized that such a large-scale project requires a more detailed analysis of the subject. That is why in 2015 we availed ourselves of support by an external expert on the matter, in order to ensure that we implement the project in a way that is satisfying for all participating parties. The official kick-off session, during which all human resource representatives at the Gumpoldskirchen location were informed, was held on December 14, 2015. In early February 2016, we announced details regarding

the implementation during a separate internal information event. The objective is to be able to realize first concrete projects as early as September 2016. Subsequently, this concept is to be expanded to Germany, Italy and the United Kingdom.

We want to base our Corporate Volunteering concept on **two pillars**: on the one hand, we want to offer our employees the opportunity to volunteer by **“giving them time”** in the form of one full working day. In our opinion, this is particularly interesting for employees who are already volunteering anyway and who as a reward for this commitment will receive one day as a “gift” from NOVOMATIC. With this, we want to acknowledge and reward their existing involvement. On the other hand, we plan to **enter into long-term partnerships with different charity organizations** in order to support them through joint projects in the



**Maximilian Posset, logistics employee at NOVOMATIC Gaming Industries GmbH and dedicated commanding fireman with the Volunteer Fire Brigade Gumpoldskirchen in Lower Austria.**

*“I have been with the Volunteer Fire Brigade in Gumpoldskirchen, which is located right next to NOVOMATIC’s headquarters, for a long time. “Our spare time for your safety” is the motto of our fire fighters’ association. And that is exactly what this is about. I spend time with my friends, but at the same time I also help people in*

*difficult situations. You never know when you will be called in for an operation. Basically, all of us are always more or less on call. No matter whether it is to pump dry basements after a flood or to open doors so that the emergency team can reach a patient. We are there.”*

form of “action days” or project periods. The goal is to use these offerings to also reach employees and colleagues who, for example because of family obligations, are not able to volunteer, but could generally imagine getting involved in charitable activities. The implementation of these projects will also be carried out during our employees’ working hours. This way, we at NOVOMATIC want to make an active contribution to the public good. The selection of the according projects as well as possible cooperation partners is scheduled to be completed by September 2016.

In order to firmly embed the team concept, the “project Corporate Volunteering at NOVOMATIC” was renamed **NOVOTeam**. We hope that this name, NOVOTeam, will symbolize a positive underlying sentiment regarding the implementation of charitable partnerships as well as the joint achievement of common goals.

At this point we should mention, however, that first steps toward Corporate Volunteering have already been undertaken in Germany under the title of “**LÖWEN apprentices help**” (LÖWEN-Azubis helfen): in 2015, another two social projects near the LÖWEN headquarters in Bingen were carried out with the energetic support of LÖWEN apprentices. In August 2015, sixteen apprentices agreed to renovate the premises of a youth center in **Stromberg**. Apart from thoroughly cleaning the rooms, furniture was assembled, and the walls and ceilings of the center received a fresh coat of paint. All in all, our young colleagues in Germany invested approximately 100 hours of work in this social project, which was also supported by the company.

Shortly thereafter, in October 2015, the LÖWEN apprentices were in action again for the groundbreaking ceremony of the community center in **Bingen-Büdesheim**, where plenty of manpower was needed. Thirteen apprentices joined forces with experienced landscapers to design and create the outdoor facilities in Büdesheim. Apart from laying cobblestones and performing basic

**NOVOTeam**  
ZUSAMMEN SIND WIR STARK 



LÖWEN apprentices help, Stromberg August 2015.



LÖWEN apprentices help, Bingen-Büdesheim October 2015.

work for the creation of green areas, they also helped out with the required earthwork. The special thing about the social project “LÖWEN apprentices help”, which has been in existence since 2013, is the fact that the initiative for the projects in which the team gets involved comes from the LÖWEN apprentices themselves. They come up with the ideas for their next charitable activity and motivate each other to participate. We have recognized that this motivation and commitment is very important for the success of Corporate Volunteering projects. That is why we actively involve our colleagues already during the planning stages, counting on their personal know-how. 

## In Italy, social commitment is an important issue.

The NOVOMATIC-Italia Group is particularly present in two Italian cities: Rimini and Rome. Accordingly, local institutions and organizations are supported in order to create new opportunities for people who are disadvantaged for various reasons. For example, NOVOMATIC-Italia supports an NGO named **Unione Italiana Ciechi e Ipovedenti** (*Italian Association of the Blind and Visually Impaired*), headquartered in Rimini, which among other things pursues the goal of offering special forms of therapy, such as joint sailing trips. With the support of NOVOMATIC-Italia, the organization was able to rig a sailing boat especially for this purpose.

Apart from this, NOVOMATIC-Italia also supports the Italian version of “Licht ins Dunkel”, called **Telethon**. Once a year, a nationwide TV broadcast asks for donations to support medical research projects. Not least thanks to a significant contribution from NOVOMATIC-Italia, it was possible to support a research program for the exploration of rare metabolic disorders.

We are also proud to support another Italian support facility, the **Shelter Project** run by **Associazione Genitori Ematologia Oncologia Pediatrica** (*Association of Parents of Children with Haemato-Oncological Illnesses*). The goal of this project is to provide e.g. children with leukemia and their parents with family rooms during treatment at a hospital. Thanks to NOVOMATIC-Italia's outstanding commitment during 2015, our Italian subsidiary was awarded a prize as “Ethical Company”.



Further information is provided in the CSR report for the LÖWEN Group, which can be found online at [loewen.de](http://loewen.de)

# UN Global Compact: Communication on Progress

Since May 2014, NOVOMATIC has been a member of the **UN Global Compact**, an initiative established in the year 2000 under the guidance of the then UN Secretary General Kofi Annan. The objective of the UN Global Compact is to enhance social and environmental sustainability on an international level and to promote the social commitment of companies. **Ten Principles** define in which areas the network sees a need for action and hopes for according measures by its members. In order to enhance the effectiveness of this global network, certain obligations must be met in order to join: among other things, an annual Progress Report (**Communication on Progress**) must be prepared which documents the reporting member's efforts to promote and implement the ten principles of the UN Global Compact within their own spheres of influence. This Progress Report must also be made available on the homepage of the UN Global Compact. Therefore, our first, as well as our current Progress Report, can be found online. 



Further information:  
sustainabledevelopment.  
un.org/sdgs



Further information:  
unglobalcompact.org/  
what-is-gc/participants/  
36511

During the reporting period, the United Nations passed the so-called **Sustainable Development Goals** which replace the Millenium Goals. In contrast to these, they are also directed at developing countries as well as companies and NGOs. 

All in all, 17 overall objectives (and 169 subordinate objectives) were defined. In item 12.6 of the Sustainable Development Goals, for example, explicit reference is made to the importance of sustainability reporting. As the goals were discussed and passed in 2015 and entered into force on an international level as of January 1, 2016, we have decided to also refer to the Sustainable Development Goals in our Progress Report.

The following overview therefore provides a total of four pieces of information: based on the ten principles of the UN Global Compact, we provide information as to which indicators are equivalent to the Global Reporting Initiative, where there is an equivalent in the Sustainable Development and what progress we achieved in 2015 regarding each of the ten principles of the UN Global Compact.

UN Global Compact	Sustainable Development Goals	Global Reporting Initiative (G4)	Communication on Progress (COP) NOVOMATIC
Human Rights: Businesses should support and respect the protection of internationally proclaimed human rights.	<p>End poverty in all its forms everywhere / Access to land</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture / Access to land</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture / Indigenous Rights</p>	<p>GRI Indicators</p> <p>G4-HR2 / G4-HR9 / G4-HR12 / G4-SO1 / G4-SO2</p>	<p><b>HR2:</b> Not applicable, as NOVOMATIC is not involved in proceedings affecting the rights of indigenous persons.</p> <p><b>HR9:</b> Part of the Compliance Management System at NOVOMATIC.</p> <p><b>HR12:</b> No proceedings relating to human rights violations.</p> <p><b>SO1:</b> GRI interprets this indicator with regard to the involvement of local communities in development programs. This occurs during the course of approval processes to be carried out according to national requirements, e.g. during construction projects.</p> <p><b>SO2:</b> No significant negative impact on local communities recorded, as NOVOMATIC strictly adheres to applicable legal framework conditions.</p> <p><b>COP:</b> In 2015, the suppliers relevant to the Gumpoldskirchen location were subjected to an analysis, including regarding social risks (i.e. also with regard to the observance of human rights). No serious risk was determined. In 2016, the analysis of our suppliers will be extended further.</p>
Human Rights: Businesses should make sure they are not complicit in human rights abuses.		<p>GRI Indicators</p> <p>G4-HR1 / G4-HR10 / G4-HR11</p>	<p><b>HR1:</b> NOVOMATIC has its Group headquarters in Austria, where the Human Rights Charter is considered to be on a constitutional level. Accordingly, these principles are adhered to without requiring any separate agreements. In addition, ensuring that legal requirements are met is the responsibility of NOVOMATIC's internal Compliance Management System.</p> <p><b>HR10:</b> Prior to signing any agreement, all NOVOMATIC suppliers must acknowledge our Code of Conduct and confirm this in writing.</p> <p><b>HR11:</b> No significant negative impact determined along the supply chain, to the degree that this was possible within the initial analysis carried out in 2015.</p>
Labour: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Freedom of association and collective bargaining</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Labor / Management Relations</p>	<p>GRI Indicators</p> <p>G4-11 / G4-HR4 / G4-LA4</p>	<p><b>G4-11:</b> See description in chapter "Enjoy working with us", page 49.</p> <p><b>HR4</b> refers to the risk of the use of forced labor by suppliers. In 2015, a first analysis of the most important suppliers for the Gumpoldskirchen location was carried out. No significant social risk was determined (<b>COP</b>).</p> <p><b>LA4</b> refers to the minimum periods for providing information to operations. This indicator does not apply to NOVOMATIC in this form.</p>
Labour: Businesses should uphold the effective abolition of child labour.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Abolition of child labor	<p>GRI Indicator</p> <p>G4-HR5</p>	<b>HR5</b> refers to suppliers where a significant risk regarding child labor was identified. This indicator does not apply to NOVOMATIC.
Labour: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<p>End poverty in all its forms everywhere / Earnings, wages and benefits</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all / Employee training and education</p> <p>Achieve gender equality and empower all women and girls / Equal remuneration for women and men</p>	<p>GRI Indicators</p> <p>G4-10 / G4-EC5 / G4-EC6 / G4-LA1 / G4-LA3 / G4-LA9 / G4-LA11 / G4-LA12 / G4-LA13 / G4-HR3</p>	<p><b>G4-10</b> (number of employees by gender and form of employment contract) is disclosed in detail in the chapter "Enjoy working with us" on page 49.</p> <p><b>EC5</b> refers to the starting salary in relation to the local minimum salary by gender and does not apply to NOVOMATIC, as the salary schemes at NOVOMATIC do not make a distinction by gender.</p>

UN Global Compact	Sustainable Development Goals	Global Reporting Initiative (G4)	Communication on Progress (COP) NOVOMATIC
	<p>Achieve gender equality and empower all women and girls / Gender Equality</p> <p>Achieve gender equality and empower all women and girls / Non-Discrimination</p> <p>Achieve gender equality and empower all women and girls / Parental Leave</p> <p>Achieve gender equality and empower all women and girls / Women in leadership</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Diversity and Equal Opportunity</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Employee training and education</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Employment</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Equal Remuneration for women and men</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Non-Discrimination</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Parental Leave</p> <p>Reduce inequality within and among countries / Equal Remuneration for women and men</p>		<p><b>EC6</b> refers to the ratio of senior managers who were recruited locally. This also does not apply to NOVOMATIC, as we do not recruit by origin, but rather by qualification.</p> <p><b>LA1</b> refers to the turnover rate and is disclosed in the chapter "Enjoy working with us" on page 56, including, for the first time, for LÖWEN Germany and NOVOMATIC-Italia.</p> <p><b>LA3</b> refers to return rates after maternity leaves and for the first time is not disclosed in this report, as this data is only available for Austria, but not for Germany and Italy.</p> <p><b>LA9</b> (hours of training and further education) is disclosed in the chapter "Enjoy working with us" on page 54.</p> <p><b>LA11</b> refers to regular performance discussions with the employees and is not (yet) provided due to a lacking data basis. This is the purpose of the CR software tool which is scheduled to be implemented in Austria, Germany, Italy and the United Kingdom by the end of 2016. See appendix / sustainability program at NOVOMATIC.</p> <p><b>LA12</b> refers to information regarding the composition of the supervisory board and the management team with respect to gender and other aspects of diversity. With regard to the CR Committee of the Supervisory Board at NOVOMATIC Gaming Industries GmbH, the according information is provided on page 11 of this report; further information is provided in NOVOMATIC's annual report for the fiscal year 2015.</p> <p><b>LA13</b> refers to gender-dependent pay and cannot be disclosed for NOVOMATIC, as salary schemes do not differentiate by gender. This would also be a clear contradiction to our internal Anti-Discrimination Policy which will have entered into force in all areas of the Group by the end of 2016 (COP).</p> <p>Accordingly, <b>HR3</b> (reports of cases of discrimination based on gender) can also not be reported.</p>
<p>Environment: Businesses should support a Precautionary Approach to environmental challenges.</p>	<p>Ensure healthy lives and promote well-being for all at all ages / Air Quality</p> <p>Ensure availability and sustainable management of water and sanitation for all / Sustainable water withdrawals</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Energy Efficiency</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work / Material Efficiency</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation / Environmental Investments</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation / Research and Development</p>	<p>GRI Indicators</p> <p>G4-EC2 / G4-EN1 / G4-EN3 / G4-EN8 / G4-EN15 / G4-EN16 / G4-EN17 / G4-EN20 / G4-EN21 / G4-EN27 / GE-EN31</p>	<p><b>EC2</b> refers to a company's internal Risk Management and the matter of whether environmental risks were included. This can be confirmed for NOVOMATIC.</p> <p><b>EN1</b> refers to the materials used by weight or volume. This indicator cannot be disclosed for business reasons.</p> <p><b>EN3</b> refers to a company's energy consumption and is, for the first time ever, also reported for LÖWEN Germany. In addition to this, the following can be reported as further progress: LÖWEN Germany is currently evaluating all operating units with regard to energy efficiency. This process is planned to be completed by 2016 (certification process). At the Gumpoldskirchen location, an energy efficiency audit was carried out in 2015. In 2016, measures aimed at enhancing the energy efficiency of the local facilities will be determined on the basis of the audit results (COP).</p> <p><b>EN15</b> relates to the emission of greenhouse gases. These were reported for the first time in 2015 with regard to the Gumpoldskirchen location, using the example of CO<sub>2</sub> emissions due to air travel. On the one hand, this disclosure aims at underscoring the transparency approach at NOVOMATIC, on the other hand this data needs to be measured in order to manage it ("if you can't measure it, you can't manage it") (COP).</p>

UN Global Compact	Sustainable Development Goals	Global Reporting Initiative (G4)	Communication on Progress (COP) NOVOMATIC
			<p><b>EN16, EN17, EN20, EN21</b> are currently not reported yet due to the lack of a valid data base.  <b>EN27:</b> Product Ecology is a very important aspect for NOVOMATIC. This is, among other things, reflected in the updated Materiality Matrix 2015, see page 16 of this report.  <b>EN31</b> is not disclosed for business reasons.</p>
<p>Environment: Businesses should undertake initiatives to promote greater environmental responsibility.</p>	<p>Ensure availability and sustainable management of water and sanitation for all / Sustainable water withdrawals</p> <p>Ensure availability and sustainable management of water and sanitation for all / Water Efficiency</p> <p>Ensure availability and sustainable management of water and sanitation for all / Water-related ecosystems and biodiversity</p> <p>Ensure availability and sustainable management of water and sanitation for all / Water Quality</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all / Energy Efficiency</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all / Renewable Energy</p>	<p>GRI Indicators</p> <p>G4-EN1 / G4-EN2 / G4-EN3 / G4-EN4 / G4-EN5 / G4-EN6 / G4-EN7 / G4-EN8 / G4-EN9 / G4-EN10 / G4-EN11 / G4-EN12 / G4-EN13 / G4-EN14 / G4-EN15 to G4-EN21 / G4-EN22 to G4-EN28</p>	<p><b>COP:</b> The field of action “NOVOMATIC goes green” was consciously given this name in order to communicate the underlying strategic Management Approach to outside parties (previous name: “Environment and Environmental Management”).  NOVOMATIC’s declared goal is to firmly embed Group-wide internal standards in this area of action which provide for certain minimum requirements, e.g. the implementation of a Group Environmental Policy. In addition to this, the CR software to be implemented in 2016 is intended to provide support for an active international control of Environmental Management at NOVOMATIC.  <i>N.B.: in order to avoid overlaps and repetitions, we are not repeating our references to the individual GRI indicators at this point.</i></p>
<p>Environment: Businesses should undertake initiatives to promote greater environmental responsibility.</p>		<p>GRI Indicators</p> <p>G4-EN29 / G4-EN30 / G4-EN31 / G4-EN32 / G4-EN33 / G4-EN34</p>	<p>Regarding <b>EN29</b>, we can provide a zero report, as there are no proceedings against NOVOMATIC because of violations of regulations under environmental law.  <b>EN30</b> cannot (yet) be provided due to a lack of according data.  <b>EN31</b> is not disclosed for business reasons.  <b>EN32</b> and <b>EN33:</b> In 2015, we completed our first analysis of the top suppliers at the Gumpoldskirchen location, which included an evaluation of environmental risks. Further information on this topic is provided on page 24 of this report (<b>COP</b>).  Regarding <b>EN34</b>, NOVOMATIC can report zero incidents for the reporting period and the mentioned reporting scope.</p>
<p>Environment: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>		<p>GRI Indicators</p> <p>G4-EN6 / G4-EN7 / G4-EN19 / G4-EN27 / G4-EN31</p>	<p><i>N.B.: in order to avoid overlaps and repetitions, we are not repeating our references to the individual GRI indicators at this point.</i></p>
<p>Anti-Corruption: Businesses should work against corruption in all its forms, including extortion and bribery.</p>		<p>GRI Indicators</p> <p>G4-S6 / G4-SO3 / G4-SO4 / G4-SO5 / G4-SO6</p>	<p><b>G4-S6:</b> With regard to this topic, we refer to our Code of Conduct, which applies throughout the Group, as well as our CR policy. Further information is provided on pages 7 and 8 of this report.  <b>SO3:</b> No detailed information is provided for this indicator for business reasons. We can merely provide assurance that compliance risks are naturally taken into consideration within our internal Risk Management System.  <b>SO4</b> and <b>SO5:</b> Further information on this topic is provided on pages 69 and 71 of this report.  <b>SO6</b> is not disclosed for business reasons.</p>

# GRI-Index

GRI Index Core	Description GRI	Additional information GRI	Page reference CR Report 2015	External audit review	Commonalities with UN Global Compact	Commonalities with OECD Guidelines	
<b>General standard information</b>							
Strategy and Analysis	<b>G4-1</b> Statement by the most senior decision-maker of the organization regarding sustainability management.	Interview with the CEO of NOVOMATIC AG regarding CR strategy.	Introduction, page 12.				
Organizational Profile	<b>G4-3</b> Name of the organization.	NOVOMATIC AG.	Introduction, page 4.				
	<b>G4-4</b> Primary brands, products and services.		Introduction, page 4.				
	<b>G4-5</b> Location of organization's headquarters.	Wiener Strasse 158, 2352 Gumpoldskirchen, Austria.	Introduction, page 4.				
	<b>G4-6</b> Number of countries where the company operates.	The overview provided within the general standard information for this CR report refers to certain sections of NOVOMATIC's annual report for financial year 2015.	Introduction, pages 4 and 16.				
	<b>G4-7</b> Nature of ownership and legal form.	The overview provided within the general standard information for this CR report refers to certain sections of NOVOMATIC's annual report for financial year 2015.	Introduction, page 4.				
	<b>G4-8</b> Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	The overview provided within the general standard information for this CR report refers to certain sections of NOVOMATIC's annual report for financial year 2015.	Introduction, page 5.				
	<b>G4-9</b> Scale of the organization, including total number of employees, business locations, sales revenues, total capitalization.	The overview provided within the general standard information for this CR report refers to certain sections of NOVOMATIC's annual report for financial year 2015. The amount of products or services delivered is not disclosed in the annual report.	Introduction, page 4.				
	<b>G4-10</b> Total number of employees by employment contract and gender; total number of permanent employees by employment type and gender; total workforce by employees and supervised workers and by gender; total workforce by region and gender; activities performed by self-employed workers; variations in employment numbers.	The number of employees by gender and employment contract as well as by region is presented for Austria in the chapter "Enjoy working with us".	„Enjoy working with us“, page 49.		X	X	
	<b>G4-11</b> Percentage of total employees covered by collective bargaining agreements.	In countries in which there are corresponding provisions for collective bargaining, these also apply to the work contracts.	„Enjoy working with us“, page 49.				
	<b>G4-12</b> The organization's supply chain.		Introduction, page 24.				
	<b>G4-13</b> Significant changes during the reporting period regarding the organization's size, structure, ownership.		Introduction, pages 10, 12 and 13.				
	<b>G4-14</b> Consideration of the Precautionary Approach.	The Precautionary Approach is shown separately for the individual fields of action.					
	<b>G4-15</b> Externally developed economic, environmental and social charters endorsed by the organization.	UN Global Compact (joined in May 2014), OECD Guidelines for Multinational Enterprises (declaration in May 2014).	Introduction, page 14.				
	<b>G4-16</b> Memberships in associations.		„Corporate Governance“, page 71.				
	Identified material aspects and boundaries	<b>G4-17</b> All entities included in the consolidated financial statements / specification of companies that are not within the scope of consolidation.		Annual report NOVOMATIC AG 2015; Introduction, page 16.			
		<b>G4-18</b> Process for defining the report content and the aspect boundaries.	Development Materiality Matrix.  The definition of the materiality of individual aspects is described in the individual reporting scope per chapter.	Stakeholder-related issue management, page 15.  Reporting scope of each chapter / chapter introduction.	X		

	GRI Index Core	Description GRI	Additional information GRI	Page reference CR Report 2015	External audit review	Commonalities with UN Global Compact	Commonalities with OECD Guidelines
	G4-19	List of all material aspects.		Stakeholder-related issue management, page 16.			
Identified material aspects and boundaries	G4-20	Aspect boundary within the organization; specific limitations.	<i>See description of the material aspects below in this overview.</i>				
	G4-21	Aspect boundary outside of the organization; specific limitations.	<i>See description of the material aspects below in this overview.</i>				
	G4-22	Effect of restatements of information provided in previous reports, as well as the reasons for such restatements.		Introduction, pages 10 and 16.			
	G4-23	Significant changes in the scope and aspect boundaries.		Introduction, Page 6 and 15.			
Stakeholder Engagement	G4-24	List of stakeholder groups engaged by the organization.		Introduction, pages 15 and 18.			
	G4-25	Basis for identification and selection of stakeholders.		Introduction, page 18.			
	G4-26	Organization's approach to stakeholder engagement, frequency of engagement.	Our internal stakeholders were actively involved in the preparation of this CR report.	Introduction, page 18.			
	G4-27	Key topics and concerns that have been raised through stakeholder engagement. How the organization responded.		Introduction, page 15.			
Report Profile	G4-28	Reporting period.	Corresponds to NOVOMATIC AG's financial year; January 1, 2015 through December 31, 2015.	Introduction, page 6.			
	G4-29	Date of most recent previous report.	<i>NOVOMATIC publishes a CR report annually. It is published together with the annual report for the corresponding period. Date of the last CR report: April 30, 2014.</i>	Introduction, page 6.			
	G4-30	Reporting cycle.	Annual.	Introduction, page 6.			
	G4-31	Contact point for questions regarding the report or its contents.	<i>The responsibility lies with the Head of Group-CR. The contact details are provided on the back of the report as well as in several highly visible positions throughout the CR report. E-mail: cr@novomatic.com Telephone: +43 2252 606 0</i>	Introduction, page 7.			
	G4-32	"In accordance" option.	Core. GRI Index Version 4. <i>Individual parts of the report were subject to an external audit. These are marked accordingly in this overview.</i>	Introduction, page 6.			
	G4-33	Practice regarding external audit.		Audit statement, see appendix.			
	Corporate Governance	G4-34	Governance structure, committees of the highest governance body.	<i>Since the end of 2014, NOVOMATIC has had a special Supervisory Board committee dedicated to CR and ethics issues.</i>	Introduction, page 11.		
Ethics and integrity	G4-56	Values, principles and norms of behavior.	<i>We refer to our Corporate Values and principles throughout this report, in particular in the section on CR management.</i>	Introduction, pages 7 and 8.			

### Industry-related general standard information

	Required if available for the industry.	<i>Not available for NOVOMATIC's industry.</i>
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### Specific standard information

Category: Economic	Management Approach	<i>The Management Approaches for our five fields of action were presented in the introductions of the individual chapters.</i>		
	G4-EC1	Direct economic value generated and distributed.	Corporate Governance, page 76.	X
	G4-EC8	Type and scope of significant indirect economic impacts.	Corporate Governance, page 76.	
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Corporate Governance, page 76.	

GRI Index Core	Description GRI	Additional information GRI	Page reference CR Report 2015	External audit review	Commonalities with UN Global Compact	Commonalities with OECD Guidelines	
G4-EN3	Energy consumption within the organization.		"NOVOMATIC goes green", page 84.		X	X	
G4-EN6	Reduction of energy consumption.		"NOVOMATIC goes green", page 84.		X	X	
G4-EN8	Total water withdrawal by source.		"NOVOMATIC goes green", page 84.		X	X	
G4-EN10	Reused water.		"NOVOMATIC goes green", page 84.		X	X	
G4-EN13	Biodiversity.		"NOVOMATIC goes green", page 86.		X	X	
G4-EN15	Emission of hazardous substances, in particular GHG.		"NOVOMATIC goes green", page 86.		X	X	
G4-EN23	Total weight of waste by type and disposal method.		"NOVOMATIC goes green", page 85.		X	X	
G4-EN32	Evaluation of suppliers.		Introduction, page 24.		X	X	
Category Social: labor practices and decent employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.		"Enjoy working with us", page 49.	X	X	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.		"Enjoy working with us", page 63.		X	
	G4-LA7	Occupational diseases.		"Enjoy working with us", page 63.		X	
	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	No breakdown by gender currently possible, envisaged for the reporting for 2016.	"Enjoy working with us", page 54.		X	
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Composition of Executive Board and Supervisory Board.	Annual report 2015.			
			Information on the composition of our workforce at the Gumpoldskirchen location, for Austria, Germany and Italy.	"Enjoy working with us", page 55.			
	G4-LA14	Evaluation of suppliers based on labor practices.		Introduction, page 24.			X
	G4-HR10	Evaluation of suppliers regarding human rights.		Introduction, page 24.			X
G4-SO4	Communication and training on Anti-Corruption Policies and procedures.		"Corporate Governance", page 69.	X	X	X	
G4-SO5	Confirmed incidents of corruption and actions taken.		"Corporate Governance", page 71.		X	X	
G4-SO9	Evaluation of suppliers regarding social impact.		Introduction, page 24.		X	X	
The GRI indicators on product health have limited applicability to NOVOMATIC's specific range of services.							
G4-PR3	Product and service labeling; surveys on customer satisfaction.	<i>All products and services are subject to legal requirements regarding the fulfillment of information duties (graded by service and product). This information and labeling requirement is fulfilled without exception.</i>	"Responsible Entertainment", page 40.				
G4-PR5	Results customer satisfaction survey.		"Responsible Entertainment", page 42.	X	X	X	
G4-PR6	Sale of banned or disputed products; violation of advertising regulations.		"Responsible Entertainment", page 35.				
G4-PR8	Total number of substantiated complaints regarding breaches of Customer Privacy and losses of customer data.	<i>NOVOMATIC ensures strict observance of Data Protection regulations, a Data Protection officer continuously reviews the existing processes and is the first point of contact in case of grievances. In particular in the area of sports betting and machine gaming in Austria, Data Protection is seen as an important issue. In 2015, no grievances were reported, neither by individuals nor by the authorities.</i>	"Responsible Entertainment", Page 41.				

# Sustainability Program

## NOVOMATIC 2015

Goal formulation / commitment	Description of measures with focus on the current fiscal year	Implementation status
<b>Responsible Corporate Governance</b>		
<b>Integrity and compliance</b>		
<b>Consciousness-raising:</b>  Active debate on our values and principles; clear communication of our understanding of a sense of responsibility.	<b>Continue and intensify the company-wide dialogue</b>  <b>2015: Development of an eLearning Welcome Training for all employees throughout the Group.</b>  The objective is to introduce new employees to our corporate culture and our common values in a playful manner, thereby providing a sense of orientation.	Ongoing.  Ongoing.
	<b>2015: Implementation of a CR policy ranked on the same level as a Group-wide mission statement.</b>  The creation of the CR policy which puts NOVOMATIC's Corporate Values and our understanding of a sense of responsibility in writing was an interdivisional effort, thereby ensuring enhanced identification.  The CR policy will be translated into several languages and handed out to all employees. The CR policy will furthermore be a part of the NOVOMATIC Welcome Packages for new employees.	Translation into several languages starting in the second half of 2016, ongoing. Communication to employees: Ongoing.
	<b>Sustainable integration of Compliance:</b>  <b>Integration of Compliance:</b> Introduction of an eLearning compliance training module which is rolled out on a Group level.	Ongoing.
	<b>Expansion of the scope of functions:</b> As of January 1, 2016, compliance was "taken out" of the previous Group Audit Department, and a Group Compliance Officer was appointed. Together with a Compliance Committee consisting of Group executives, we are working on a continued expansion and adaptation of the existing Compliance Management System.	Ongoing.
<b>Quality Management</b>		
<b>Consciousness-raising and external evaluation</b>	The Quality Management system at NOVOMATIC Gaming Industries GmbH is subjected to an external evaluation in accordance with ISO 9001 (recertification) at three-year intervals. The same applies to the Quality Management System at ADMIRAL Casinos & Entertainment AG.  LÖWEN Germany is not only certified in accordance with ISO 9001, just as all other German subsidiaries, but in 2015 also initiated a certification of all ADMIRAL gaming facilities by Technical Inspection Agency (TÜV-Rhineland) with regard to a generally accepted industry standard.	Ongoing / recurring.  Completion of certification by the end of 2016.
<b>Dialogue with Stakeholders</b>		
<b>Improvement of the internal reporting system / Expansion of the reporting scope of the annual CR report</b>	In the future, several goals will be attained with support of a CR software platform (WeSustain): on the one hand, the quality of data itself is to be improved through an audit-proof preparation of the data. On the other hand, IT support also allows us to close remaining gaps in our database. The software should furthermore facilitate the implementation of a system of CR indicators in order to measure performance as well as the degree of target achievement. The preparations for the implementation of this software solution were initiated in 2015. The software is scheduled to be successfully implemented in Austria, Germany, Italy and the United Kingdom by the end of 2016.  In this report for the year 2015, the reporting scope was increased with the addition of the LÖWEN Group in Germany as well as NOVOMATIC-Italia. For the next CR report for 2016, the reporting scope is planned to be increased even further by also including the United Kingdom.	Successful implementation of CR software planned for the end of 2016.  Expansion of the scope of the CR report 2016 through inclusion of the United Kingdom.

Goal formulation / commitment	Description of measures with focus on the current fiscal year	Implementation status
Materiality Matrix: regular update	<p>The Materiality Matrix in which the topics which are important to NOVOMATIC and its stakeholders are shown was updated in 2015. Apart from a stakeholder, a peer group and a PESTLE analysis, two workshops under the guidance of external moderators were held in order to obtain an updated list of topics which provided the starting point for a prioritization process. This update process was also subjected to an external audit review.</p> <p>The objective is to perform an evaluation of this Materiality Matrix every two years, as this matrix is fundamental for CR management at NOVOMATIC.</p>	Update of the Materiality Matrix 2015, next update planned for 2017.
External audits	<p>For several years, NOVOMATIC has had every CR report checked by external auditors with regard to certain aspects. The company ensures that the audit has a different main emphasis in each year. In 2015, the areas of Compliance Management / Anti-Corruption Training, Quality Management and customer satisfaction were subjected to an audit review.</p> <p>In addition, NOVOMATIC attaches great importance to ensuring that the individual systemically relevant departments are regularly subjected to an external audit in order to back up the continuous internal audits. The next review of a central department (Responsible Gaming Department / ADMIRAL Casinos &amp; Entertainment AG), for example, is scheduled for 2017.</p>	<p>Annually recurring.</p> <p>Recurring at regular intervals, 2017 as the next date for an audit review of internal processes.</p>
Direct contact / constructive feedback	<p>Once a year, NOVOMATIC hosts a Stakeholder Dialogue in order to discuss topics which are relevant from a CR perspective with external stakeholder groups. The last event was held in December 2015 (further information is provided in this report). NOVOMATIC will maintain this tradition of a direct exchange.</p> <p>In addition, NOVOMATIC organizes the Responsible Gaming Symposium once every year. This event not only serves to enhance the education of employees in charge of Responsible Entertainment, but also offers an opportunity for an informal exchange with representatives of player protection institutions and research organizations (further information is provided in this report).</p> <p>LÖWEN Germany also hosts an annual Stakeholder Dialogue called LÖWEN Forum Bingen, in order to institutionalize the regular contact to external stakeholders. In 2015, the annual interval for the event was interrupted because of several large-scale events at the Bingen location. However, the next LÖWEN Forum Bingen is already being planned for 2016.</p> <p>The quarterly CR-Board meetings under the guidance of Group-CR allow for lively debates with representatives of the internal stakeholder groups (employees and executives) with respect to different CR topics.</p>	<p>Recurring, once every year (next date: December 6, 2016).</p> <p>Recurring, once every year (next date: October 13, 2016).</p> <p>Recurring, once every year (next date: 2016).</p> <p>Quarterly at the Gumpoldskirchen location.</p>
Local involvement	<p>Apart from the informal contact to local stakeholder groups at the locations of the individual Group headquarters (Gumpoldskirchen, Bingen, Rome), NOVOMATIC – for the first time ever – also participated in the event series Days of Action for Sustainability (Aktionstage Nachhaltigkeit) in Lower Austria.</p>	May through June 2016.
<b>Long-term corporate success</b>		
Innovation	<p>ACE wants to provide its employees with the opportunity to fully express their creativity through an internal suggestion scheme. The preparations for the implementation of this tool were initiated in 2015. It is scheduled to be completed by the end of 2016.</p> <p>LÖWEN Germany already successfully implemented such a platform several years ago (further information is provided in this report).</p>	Implementation planned by the end of 2016.
Customer Satisfaction	<p>In order to determine the satisfaction of our customers with regard to our products and services in a targeted manner and, above all, on a regular basis, NOVOMATIC uses several survey tools: B2B customer are requested to provide constructive feedback via an ongoing survey conducted by NOVOMATIC Gaming Industries GmbH.</p> <p>In the operational area of state-licensed gaming and sports betting (B2C customers), a first customer satisfaction survey was carried out in 2015 with support from an external polling institute. Management received the results of this survey early 2016, and in the first quarter of 2016 concrete measures were derived from the survey results. These are scheduled to be implemented by the end of 2016. It is planned to repeat this customer satisfaction survey at two-year intervals.</p>	<p>Ongoing.</p> <p>Implementation 2015, derivation of measures in the first quarter of 2016, next implementation planned for 2017.</p>

Goal formulation / commitment	Description of measures with focus on the current fiscal year	Implementation status
<b>Responsible Entertainment</b>		
<b>Continuous improvement of Responsible Gaming Management Processes</b>		
Internal facility audits	At the beginning of each calendar year, an internal audit plan is created for all facilities of ADMIRAL Casinos & Entertainment AG to ensure that during the calendar year each facility will be subject to an internal facility audit based on a standardized checklist. The results are transparently prepared for the Executive Board and serve as the basis for any additional training measures for facility employees.	Ongoing.
External audits	ADMIRAL Casinos & Entertainment AG (ACE) subjects itself to external mystery tests in at least one federal state in which it is active annually, mainly focusing on aspects of the protection of minors and players. The test report is sent directly to the Executive Board, thereby ensuring that any required improvement measures are taken in a timely manner.	Ongoing / recurring at regular intervals.
	ACE also subjects itself to an external audit review of its internal Responsible Gaming Processes at regular intervals in order to discover additional opportunities for optimization via the external feedback.	Ongoing / recurring at regular intervals.
	Additionally, all operating units, i.e. including ACE itself, are subject to regular external certification audits (Quality Management and Data Protection). This also applies to LÖWEN Germany which has all ADMIRAL gaming halls audited externally by Technical Inspection Agency (TÜV-Rhineland).	Ongoing / recurring at regular intervals.
Corporate Responsible Gaming Code / Group-wide internal standards	NOVOMATIC's goal is to roll out Group-wide internal minimum standards in order to create binding guidelines on how to responsibly offer gaming services and sports bets. These internal standards also include the development of a Corporate Responsible Gaming Code which – similar to the Code of Conduct – is planned to be binding throughout the Group and will replace the current Responsible Gaming Code (valid in Germany, Austria and Italy).	Ongoing / implementation initiated in 2015.
Certification European Lotteries Association	NOVOMATIC-Italia has set the goal of becoming a "full member" of the European Lotteries Association and to pass the strict certification process. The preparations for this were already initiated in 2015, the certification process is planned to be completed by the end of 2016.	Certification process completed by the end of 2016.
<b>Objective information for gaming participants and their relatives</b>		
Information brochures	The internal Group standards also include the development of uniform information brochures which provide not only objective information for the segments of machine gaming and sports betting, but also offer information and contact addresses for local support and therapy centers.	Started at the end of 2014 / ongoing.
<b>Highly qualified employees</b>		
Consciousness-raising: Sensitization of preferably all employees	Apart from all employees active in the operating areas of machine gaming and sports betting who have therefore been trained thoroughly with regard to problematic gaming or betting behavior prior to assuming their responsibilities, new employees at the Gumpoldskirchen location are also informed during the course of the regular NOVOWelcomeDays. Additionally, a Group-wide uniform Welcoming eLearning Training module is being developed which also includes modules on the topic of Responsible Gaming.	Ongoing / rollout eLearning module planned by the end of 2016.
<b>Employees and Employer Responsibility</b>		
<b>Occupational Safety</b>		
Ensuring Occupational Safety, reduction of work-related accidents	All workplaces are subject to a regular evaluation carried out by both external and internal safety experts. Software is used to categorize the workspaces according to the Zurich system with regard to the risk of a work-related accident occurring. Countermeasures are taken based on this categorization, e.g. in the form of special protective clothing or additional tools.	Ongoing / workplace evaluation and training of employees.
	In 2015, preparations were made to integrate existing measures into a strategic Corporate Health Management System. A certification process aimed at obtaining the Lower Austrian seal of quality Corporate Health Promotion (Betriebliche Gesundheitsförderung) is planned for May 2016 in order to receive external feedback on our internal concept. The Corporate Health Management System implemented in Gumpoldskirchen will also be rolled out in Germany in 2016.	Ongoing.

Goal formulation / commitment	Description of measures with focus on the current fiscal year	Implementation status
<b>Employee Development and Promotion</b>		
Ensure qualified new talent, ensure recruitment, development and qualification of academic executives	NOVOMATIC pays great attention to securing qualified new talent and has therefore relaunched its existing trainee program.	Ongoing.
Needs-based training: rebalancing, optimization and expansion of educational offerings	The internal advanced training offering was subjected to an evaluation carried out in collaboration with an external provider of training and further education programs. In addition, the executives at the Group headquarters are actively involved in the development of new advanced training measures.	Ongoing.
<b>Diversity</b>		
Active diversity and work-life balance	NOVOMATIC sees active diversity not only with regard to different nationalities and language skills, but also considers positive compatibility of job and family an important and strategic objective. This is not only about part-time and maternity leave models, but rather about providing future opportunities to adapt the working relationship flexibly to one's individual life phases. The basic certificate beruf+familie and the catalog of measures agreed upon in order to obtain the certificate will support us in achieving this goal.	Ongoing / regular recertification process every three years.
<b>Commitment</b>		
Strengthening employee commitment / enhancing employee satisfaction	In 2015, a survey was carried out among the employees of NOVOMATIC AG and NOVOMATIC Gaming Industries GmbH regarding their attitude towards their employer as well as possible opportunities for improvement. First measures were derived from these results in 2016. Another survey was conducted among the employees of ADMIRAL Casinos & Entertainment AG, ADMIRAL Sportwetten GmbH and HTM Hotel und Tourismus Management GmbH at the beginning of 2016. The results of this survey are expected by the second half of 2016.  LÖWEN Germany is planning another employee satisfaction survey for 2017. The last one was carried out in 2015, so that in 2016 there was enough time and opportunity to implement according measures.	Recurring at regular intervals / every two years.
<b>Generation change</b>		
Investment in the future	NOVOMATIC is well aware of demographic change and the related implications. Therefore, preparations for a certification process aimed at obtaining the NESTOR Gold seal of approval were initiated in 2015. The certification process is planned to help NOVOMATIC in creating a working environment which offers suitable conditions for all of its employees' life phases, while at the same time creating opportunities to keep the company's older employees healthy and motivated for a longer time.	Certification process completed by the end of 2016, recurring recertification.
<b>Environment and Environmental Management</b>		
Environmental Management System in accordance with ISO 14001	In its operating subsidiaries, NOVOMATIC maintains an Environmental Management System certified in accordance with ISO 14001. A monitoring audit was recently completed for NOVOMATIC Gaming Industries GmbH. The recurring recertification is carried out at three-year intervals. The objective is to be granted the permission to continue using the certificate.	Ongoing / recurring.
Product Ecology and Resource Conservation	In 2015, NOVOMATIC subjected itself to an energy efficiency audit during which measures for an improvement of the company's resource efficiency were suggested. Additionally, a clear goal was stipulated: to enhance the efficiency by reducing energy consumption at the Gumpoldskirchen location by minus 0.6 percent by the end of 2016.	Achievement of goal by the end of 2016.
Expansion of a system of indicators for environmental controlling	In the future, several goals will be attained with support of a CR software platform (WeSustain): on the one hand, the quality of data itself is to be improved through an audit-proof preparation of the data. On the other hand, IT support also allows us to close remaining gaps in our database. The software should furthermore facilitate the implementation of a system of CR indicators in order to measure performance as well as the degree of target achievement. The preparations for the implementation of this software solution were initiated in 2015. The software is scheduled to be successfully implemented in Austria, Germany, Italy and the United Kingdom by the end of 2016.	Implementation of CR software by the end of 2016.

Goal formulation / commitment	Description of measures with focus on the current fiscal year	Implementation status
<b>Social Commitment</b>		
Employees actively get involved	In 2015, NOVOMATIC began the implementation of a Corporate Volunteering Program in Austria, availing itself of the support and expertise of an external specialist. The first Corporate Volunteering Projects are already planned to be implemented at the end of September under the title of "NOVOTeam". After an evaluation in the second half of 2017, the concept will also be rolled out in Germany and Italy.	Currently being implemented, first projects in September 2016, rollout Germany and Italy planned for 2017.
Sustainable donations and sponsorships	<p>With the implementation of the CR software (WeSustain), NOVOMATIC will, in the future, be able to effectively evaluate its generous donations and sponsorships.</p> <p>During recurring updates to the Group's sponsoring strategy, it is furthermore planned to provide clarity regarding the limitations for donations and sponsorships. NOVOMATIC's focus is clearly on long-term sponsoring partnerships.</p>	<p>Implementation of CR software successfully completed by the end of 2016.</p> <p>Publication of the new Group sponsoring strategy in the third quarter of 2016.</p>
<b>Sustainability management</b>		
Strategy process	In 2015, internal meetings and workshops were held in order to determine the CR management strategy for the next few years. The results of these internal discussions included renaming the fields of action in order to better communicate their strategic orientation to outside parties.	Ongoing.
Communication: Strengthening the employees' awareness and knowledge regarding the Company's sustainability goals and activities	Expansion and intensification of executive communication regarding sustainability issues and the importance of the subject for NOVOMATIC, including through separate presentations to the NOVOMATIC Executive Board as well as a regular exchange with the members of the CR Committee of the Supervisory Board of NOVOMATIC Gaming Industries GmbH.	Ongoing.
Risk Management	Systematic evaluation of potential risks from a CR perspective: CR is actively involved in the ongoing Risk Management activities at NOVOMATIC, in order to evaluate all relevant risks from a CR perspective, as well.	Ongoing.



## **Certificate on the independent audit with limited assurance in accordance with the provisions on other audits (KFS/PG 13)**

### **To Novomatic AG, Austria**

In accordance with our engagement, we performed an audit with the objective of obtaining a limited assurance regarding selected information within Novomatic AG's CSR report 2015. This engagement was performed on the basis of the "General Conditions of Contract for the Public Accounting Professions," as issued by the Chamber of Public Accountants and Tax Advisors on 21 February 2011 (AAB 2011). Our liability towards the company as well as third parties is limited according to Section 8 of the AAB 2011.

### **Responsibility of the legal representatives**

The preparation of the CSR report 2015 under observance of the principles mentioned in the Sustainability Reporting Guidelines Vol. 4 of the Global Reporting Initiative (GRI G4) regarding the determination of reporting contents and the determination of the reporting quality ("GRI principles")

- Materiality
- Involvement of stakeholders
- Sustainability context
- Completeness
- Balance
- Clarity
- Accuracy
- Timeliness
- Comparability
- Reliability

is the responsibility of Novomatic AG's Board of Directors. This responsibility includes the selection and application of suitable methods for the preparation of the sustainability report, the use of assumptions and estimates regarding individual sustainability disclosures which under the prevailing circumstances are plausible, as well as the design, the implementation and the maintenance of systems and processes, as far as these are relevant to the preparation of the CSR report 2015.

### **Limitation of the scope of the audit**

Our responsibility is to express, on the basis of our work, an opinion as to whether anything has come to our attention which would cause us to believe that the selected indicators in the chapter "Corporate Governance" on the aspects of "Anti-corruption" (page 69-70, GRI SO4) and "Product responsibility" (page 73, scrap rate for injection-molded parts), as well as the selected indicator in the chapter "Responsible Entertainment" on the aspect of "Product and service labeling" (page 42, section "Our customers' opinions are important to us", GRI PR5) of the CSR report 2015 were not prepared in accordance with the GRI principles mentioned in the Sustainability Reporting Guidelines Vol. 4. Our audit was limited to the Gumpoldskirchen location.

### **Responsibility of the independent auditor**

We performed our audit in compliance with the principles of our profession in Austria regarding other audits (KFS/PG 13). These require us to comply with our professional duties, including provisions regarding independence, and to plan and perform the engagement such that we are able to express our conclusion with limited assurance.



## Auditing procedure

In a limited assurance engagement, the auditing procedures are less comprehensive than in a reasonable assurance engagement, and the certainty obtained is therefore more limited. The scope of the work performed by us, including the use of appropriate samples, was determined on the basis of our professional judgment in order to obtain limited assurance. Within the scope of our engagement, we therefore gathered suitable evidence based on risk and materiality criteria in order to obtain such limited assurance regarding the conformity of the disclosures within the scope of the audit with the GRI criteria mentioned. For this, our audit procedures included in particular the following work performed at Novomatic AG's headquarters in Gumpoldskirchen, Austria:

- Inspection of the relevant documentation of the process for the preparation of the CSR report 2015 and the existing documents and systems for sustainability management, as well as random examinations thereof
- Inquiries among the employees involved in the main preparation of the contents of the report from the areas of Corporate Social Responsibility, Group Compliance, Internal Auditing, HR Training and Further Education, Responsible Gaming and Quality Management.
- Random sample tracing and recalculation of a selection of the indicators contained in the CSR report 2015 included in the scope of the audit

## Conclusion

Based on our work, nothing has come to our attention which would cause us to believe that the quantitative disclosures in the chapters "Corporate Governance" (page 69-70, GRI SO4 as well as page 73, scrap rate for injection-molded parts) and "Responsible Entertainment" (page 42, Section "Our customers' opinions are important to us", GRI PR5) of the CSR report 2015 relating to the Gumpoldskirchen location are not, in all material respects, in accordance with the criteria of materiality, involvement of stakeholders, sustainability context, completeness, balance, clarity, accuracy, timeliness, comparability and reliability of the GRI Sustainability Reporting Guidelines Vol. 4.

PwC Wirtschaftsprüfung GmbH

Vienna, 29 April 2016

A handwritten signature in black ink, appearing to read 'Aslan Milla', written in a cursive style.

Dr. Aslan Milla  
Auditor

# Space for notes

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