



# The Anti-Corruption

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## Giochi del Titano S.p.A.

**FATE IL VOSTRO GIOCO!**

**SLOT HALL**      **KENO HALL**      **POKER ROOM**      **GIOCHI AMERICANI**

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*"The fight against corruption is one of the main global challenges.*

*In fact, corruption is a major obstacle to sustainable development and democracy and has a devastating effect especially on poorer communities. The impact of corruption on the private sector is also considerable; it impedes economic growth, distorts competition between companies and presents serious legal and reputational risks for companies. Corruption is also very costly for companies: according to a World Bank estimate, in many areas of the world, companies have a cost mark-up of around 10% precisely due to corrupt practices. The World Bank has estimated that corruption has become a \$1 billion industry. "<sup>1</sup>*

### Giochi del Titano's Commitment

Giochi del Titano S.p.A. rejects and opposes, as far as it is able, all forms of corruption in the broadest sense of the term, such as "abuse of power for private ends "<sup>2</sup> and corrupt practices involving the promise, inducement, incitement, request or offer of incentives or other benefits as a reward for the performance or omission of actions, whether or not due. The culture of legality is at the heart of Giochi del Titano S.p.A.'s way of doing business, and it is for this reason that the necessary compliance with current legislation and the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities to protect its position and image, the work of its employees and the gaming activities of its customers are constantly affirmed.

These Guidelines contribute to increasing general compliance with laws and international good practices and, in order to concretely implement the culture of legality and the prevention and fight against corruption, Giochi del Titano S.p.A. has strengthened its control system by adopting an organisation, management and control model pursuant to Law 99/2013, and has equipped itself with a management system for the prevention of corruption that complies with the UNI ISO 37001:2016 Standard and Anti-Corruption Guidelines.

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<sup>1</sup> Ref. Principle X of the UN Global Compact.

<sup>2</sup> Transparency International's definition of corruption

Each person carrying out activities on behalf of the Company is required to read and understand the contents of these Guidelines and to behave in accordance with their provisions, the laws and regulations of the countries in which the Company operates.

## 1. Objectives of the Policy for the Prevention of Corruption

These Guidelines set out Giochi del Titano S.p.A's Policy for the Prevention of Corruption, which has the following objectives:

- prohibit corruption and ensure the achievement of higher compliance with national and international anti-corruption regulatory standards.
- ensure the sustainability, honesty and transparency of its *business* by counteracting any wrongdoing.
- contribute to the dissemination of the culture of doing business by upholding loyalty, integrity, honesty, competition and transparency as a fundamental element of work.
- promote and develop ethics in economic relations to protect the market, combating all forms of illegality.
- adopting the management system for the prevention of corruption as a tool for effectively combating corrupt phenomena by requiring continuous management commitment and *leadership* and by strengthening the system of controls at every level of the organisation.
- develop or nurture awareness of the commitment to preventing and combating corruption on the part of all *stakeholders*.
- create an integrated control system that can be easily understood, implemented and monitored to ensure the effectiveness and efficiency of the preventive function of control.
- encourage reports of any suspected corrupt act, whether attempted, certain or alleged, by means of dedicated channels and methods which, while still safeguarding the Company's reputation and image, allow, on the one hand, investigations and in-depth analyses to be carried out in order to assess their justification and prepare effective countermeasures and, on the other hand, to ensure protection of the reporter against any form of retaliation.

## 2. Anti-Corruption Conventions, Guidelines, Good Practices and Legislation

International legislation on corruption is extensive:

- United Nations Convention Against Corruption (UNCAC);
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- OECD Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions and accompanying Good Practice Guidance on Internal Controls, Ethics, and Compliance;
- OECD Guidelines for Multinational Enterprises;
- Business Principles for Countering Bribery by Transparency International;
- Foreign Corrupt Practices Act USA (FCPA);
- UK Bribery Act of 2010 (entered into force 2011) and related Guidance about procedures which relevant commercial organisations can put in place to prevent persons associated with them from bribing';
- the so-called 'seven pillars', i.e. the seven principles set out in the “Federal Sentencing Guidelines Manual – Chapter 8 – Part B Effective compliance and ethics program” “Federal Sentencing Guidelines Manual – Chapter 8 – Part B Effective compliance and ethics program” dated 1.11.2010, of the U.S. Sentencing Commission for compliance with the Foreign Corruption Practice Act;
- UN Global Compact. In particular, Poste Vita S.p.A. was inspired by Principle X according to which:  
***"Companies undertake to fight corruption in all its forms, including extortion and bribes. The adoption of Principle X requires participants in the UN Global Compact not only to avoid corruption in all its forms, but also to develop incisive policies and concrete anti-corruption programmes. Businesses are called upon together with governments, UN agencies and civil society to contribute to a more transparent world economy."***

The Global Compact suggests that its participants consider the following three points in their fight against corruption in order to put Principle X into practice: internally, as a first step, introduce anti-corruption policies and programmes within their own structures and in their financial operations; externally, report in their Annual Communication to the Global Compact on actions taken to combat corruption; and share their experiences and good practices

companies by submitting examples and case studies to the Global Compact; collectively join forces with similar companies and other stakeholders.

- In October 2016, the international standard ISO 37001 developed by Technical Committee ISO/PC278 'Anti-Bribery management systems' was published, specifying requirements and providing guidance for establishing and implementing, maintaining, updating and improving a management system for the prevention of corruption.
- Law No. 190/2012 (Italian legislation), containing 'Provisions for the prevention and repression of corruption and illegality in the public administration', which aims to strengthen the effectiveness and efficacy of measures to combat corruption, taking into account both the indications provided by certain supranational instruments for combating corruption (UNCAC and the Strasbourg Criminal Law Convention on Corruption) and international standards for combating corruption.

### 3. Commitments to the Anti-Corruption Policy and Accountability

Giochi del Titano S.p.A. stigmatises, condemns and in any case rejects corruption and incitement to commit corrupt practices, whether active or passive, direct or indirect, involving public officials or persons in charge of a public service (or similar figures in foreign countries) or involving and between private individuals, both nationally and internationally, and undertakes to oppose them, in compliance with national legislation, international conventions and guidelines and *Best practices*.

Giochi del Titano S.p.A. adopts organisational instruments capable of making the prevention of and fight against corruptive phenomena effective and feasible, and to this end adopts an integrated control system that is easy to understand, implement and monitor in order to guarantee the effectiveness and efficiency of the preventive function of the control itself, and monitors and verifies its suitability and implementation status.

The Company undertakes to periodically carry out a *Risk Assessment* in order to assess the potential exposure to the risk of corruption and to prepare any measures necessary to counter it, including by updating and amending the Code of Ethics, these Guidelines, the Organisational, Management and Control Model and the procedures/protocols/other anti-corruption tools, possibly introducing new commitments and obligations.

The risk of corruption is estimated by means of an assessment criterion that is as objective as possible, enabling the organisation to prioritise the risk by defining an acceptable or tolerated level of risk and to develop appropriate control measures.

The Company involves senior management in the prevention of corruption on the part of its employees, making them the promoter of a culture in which corruption is not acceptable, and requires them to make a strong and visible commitment to supervise compliance with anti-corruption measures, ethics, and the implementation of internal controls, as well as to implement all measures deemed appropriate for the prevention, identification and reporting of potential violations.

The Company recognises the need for due diligence concerning its stakeholders, in order to reduce the risk of corruption, with the greater the level of investigation the greater the potential crime risk. More specifically, where a corruption risk above the low level is identified with respect to specific categories of transactions, projects or activities or specific categories of business associates or specific categories of personnel employed in certain positions, the Company assesses the risk by providing any *due diligence* necessary to obtain sufficient information to be updated periodically.

The main control measures aimed at mitigating corruption risk are summarised below.

#### **Administration, accounting and budgeting**

In order to prevent the risk of committing offences of corruption (through, inter alia, the creation of non-accounting funds), Giochi del Titano S.p.A. requires full compliance with the principles of fairness, legality, honesty, transparency and documentability in its administration, accounting and budgeting, and requires the maintenance of adequate accounting standards and internal control systems, as well as the utmost accuracy in the keeping of books and records.

These records must reflect in detail, completely, truthfully, promptly and correctly all transactions and dispositions, receipts and expenditures made, as well as the events underlying each transaction.

The Company stigmatises, condemns and in any case rejects and prohibits the incorrect keeping of accounts or the carrying out of off-book, non-accounting or insufficiently identified transactions, or in violation of the provisions relating to the authorisation process, the registration of non-existent expenses,

the registration of liability items with insufficiently identified object, the use of false or untrue documents, the destruction of accounting documents before the legal deadline, payments in cash, except for routine purchases (e.g. raw materials used for the provision of the catering service). This is also in order to provide reasonable assurance that the manner in which transactions are recorded allows for the preparation of the financial statements in accordance with generally accepted accounting principles, that the Company's income and expenses have been arranged only after the necessary authorisations and in accordance with the same, and, consequently, to prevent or promptly identify potential erroneous or inaccurate accounting entries or unauthorised transactions. **Marketing and promotion**

The Company accepts charitable contributions, donations and sponsorships, provided there is no personal or corporate conflict of interest.

For all sponsorships, the Company requires the signing of a clause with the following content:

- the sum paid shall be used solely and exclusively as payment for the sponsorship service for which it was paid and shall never be given to a public official or person in charge of a public service or to a private individual for corrupt purposes or to Company personnel or to persons acting in the name of, on behalf of or in the interest of the Company;
- the counterparty is aware of the content of these Guidelines and of all the procedures, protocols and other anti-corruption instruments (including, first and foremost, those relating to resources/financial flows) adopted by the Company, as well as of the obligation to comply with their content, and with the laws in force, providing for sanctions for violation (e.g. penalty and termination clauses);
- the amount received will be duly accounted for.

Expenditure on contributions to charitable organisations, donations and sponsorships must be accurately and thoroughly recorded, documented and accounted for in order to ensure the transparency, documentability and traceability of the process.

### **Human Resources**

During the personnel selection phase (including senior management), the Company carries out checks on references and on any relations with public officials or persons in charge of a public service; it also assesses whether the candidate is subject to criminal proceedings, including at the investigation stage, by



requesting, before recruitment, certificates of criminal records, of pending charges, of registration in the register of suspects, thus carrying out due diligence on the candidate.

At the recruitment stage, selected candidates are specially trained on the tools adopted by the Company in the fight against corruption. In any case, the human resources area is regulated by a specific company procedure that guarantees compliance with the principles of transparency, correctness, documentability and traceability of activities.

### **Managing relationships with *business partners*<sup>3</sup>**

Also, and above all, in its relations with interested parties, the Company bases its activities on strict compliance with the principles of transparency, correctness, traceability, documentability and legality. Where a qualification and selection phase is envisaged (e.g. the supplier qualification activity), the Company conducts a due diligence activity with a degree of detail directly proportional to the degree of potential criticality: it verifies the corporate structure (shareholders, directors, proxies, etc.), the identification of the latter, or the identification of the private party (in the event that the interested party is a natural person) and the relations or connections of said parties with the PA or with Public Officials or persons in charge of a Public Service; criminal records, pending charges, entry in the register of suspects; reputation and possession of ethical requirements; adoption of anti-corruption tools, organisation, management and control model, Code of Conduct or similar regulatory instruments; operation in countries with a high corruption perception index (cf. corruption perception index published by Transparency International); presence on national and international reference lists, etc.

The Company uses control tools aimed at verifying the truthfulness, traceability and consistency of the remuneration between the parties; the correspondence of the remuneration requested to market practice and contractual agreements, prohibiting the payment of fees that are not congruous and/or not supported by adequate justification and/or not consistent with the counter-performance and, in any case, to accounts other than those of the counterparty and/or to numbered accounts or cash accounts.

Accurate archiving of all documentation pertaining to the contractual relationship is ensured.

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<sup>3</sup> *Business associates*', according to the UNI ISO 37001:2016 Standard, are external parties with whom the Company has or plans to establish any form of business relationship (e.g. customers, buyers, partners, suppliers, consultants)

#### 4. Compliance Department for the Prevention of Corruption

Giochi del Titano S.p.A. has established and appointed a specific Compliance Department for the prevention of corruption, endowed with autonomous powers and resources, with the task of supervising and guaranteeing the implementation and operation of the management system for the prevention of corruption. This Compliance Department has been assigned specific powers, faculties and functions for the effective fulfilment of its role.

The Compliance Function for Prevention of Corruption oversees the design and implementation of the management system and, more specifically:

- checks the update status of the management system documentation;
- is responsible for monitoring, measuring, analysing and evaluating the performance of the system;
- monitors the status of implementation of anti-corruption measures resulting from management reviews, risk assessments, internal and external audits or other checks and investigations;
- assesses the suitability, adequacy and implementation of preventive measures;
- plans *audit* activities;
- provides senior management and the Governing Body with the *report* containing performance information on the management system (status of implementation and effectiveness of actions taken, opportunities for improvement);
- promotes and plans the senior management review;
- can receive reports of attempted, alleged or actual acts of corruption;
- sends specific information to the Supervisory Board when it has direct knowledge of events, acts or situations relating to the risk of corrupt offences being committed;
- promotes and participates in regular meetings with the Supervisory Board;
- assesses reports received on acts of corruption/violation of the corruption prevention system and, if necessary, promotes investigations;
- can attribute powers and powers of action to investigators;
- receives and evaluates investigation reports and takes action to implement appropriate actions;
- advises the organisation's staff on how the management system works and how to report.

## 5. Reporting

In accordance with the Whistleblowing Policy, Giochi del Titano S.p.A. encourages any suspicion of an attempted, certain, alleged corrupt act, as well as any alleged or overt breach of this Policy as well as these Anti-Bribery Guidelines and management system for the prevention of corruption.

The Company has set up specific reporting channels which, more generally, are reserved for the reporting of alleged violations of rules of professional conduct and/or principles of ethics referred to by current legislation - both internal and external - and/or unlawful or fraudulent conduct attributable to employees, members of corporate bodies, group companies and third parties (customers, suppliers, consultants, collaborators), which may lead, directly or indirectly, to financial and/or reputational damage.

All employees, members of corporate bodies or third parties (customers, suppliers, consultants, collaborators) having business relations and relationships with the Company are entitled to report any relevant information. The report must provide all the elements necessary to carry out the checks and verifications required to assess its justification: it is important to clearly and completely describe the spatial-temporal circumstances of the incident, the personal details or other elements enabling the identification of the person who committed the reported act, or any other persons who may be able to provide information on the events of the report, and indicate/provide any supporting documents.

Although reports can also be made anonymously, it should be made clear that it is important to know the identity and contact details of the reporter to ensure proper investigation. In fact, the Company in any case ensures the confidentiality and anonymity of the whistleblower, thereby excluding the hypothetical risk of retaliation and/or discrimination against the whistleblower.

Any form of retaliation or discrimination affecting working conditions for reasons related to the whistleblowing shall not be permitted against the whistleblower acting in good faith or the person reporting on the basis of reasonable or confidential convictions. Said discrimination includes any unjustified disciplinary action, harassment in the workplace and any other form of retaliation leading to intolerable working conditions.

Similarly, however, it must be emphasised that any form of abuse in relation to reporting, such as, by way of example, intentional defamation or slander, improper use or intentional manipulation of the establishment covered by these Guidelines, is strictly prohibited. The Company reserves the right to pursue an obviously distorted use of this instrument, considering how abuse of the reporting system significantly risks undermining the entire management system.

## 6. Penalty system

The commission of acts in violation of these Anti-Corruption Guidelines, as well as violation of the rules on the prevention management system and the abuse of reporting activities constitutes a breach of contractual obligations and compliance with corporate rules and triggers the imposition of sanctions as provided for in the corporate system, in addition to criminal and civil consequences.

## 7. Training, dissemination and communication

Giochi del Titano S.p.A. establishes and implements specific training plans addressed to its Staff concerning the commitment to the prevention of corruption, the Policy, procedures, protocols and other anti-corruption tools, the international and national anti-corruption legislation and the legislation on the broader prevention of the risk of crime (L. 99/2013), and aimed at ensuring their dissemination and proper understanding. Training is differentiated according to whether it is aimed at employees in general, or at those working in specific risk areas, providing for course content, attendance, compulsory participation, attendance and quality controls on the content of training programmes.

Giochi del Titano S.p.A. undertakes to do its utmost to ensure the dissemination, adoption and implementation of these Policy Guidelines, procedures, protocols and other anti-corruption tools (including, first and foremost, those relating to resources/financial flows) among all stakeholders<sup>4</sup>, to monitor and control their application, providing for a system of

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<sup>4</sup> If 'interested party' or '*stakeholder*' means any person or entity that can influence, be influenced or perceive itself as being influenced by a decision or activity (Standard UNI ISO 37001:2016), Giochi del Titano S.p.A. considers the following to be interested parties and *stakeholders* with respect to its corruption prevention system: shareholders, employees and all those who collaborate with the Company, the local community, local public bodies

sanctions for the relevant violations, and to ensure that they are constantly updated. It is also publicly committed to the fight against corruption, to promote and disseminate the culture of legality and the fight against corruption, including by disseminating the Guidelines through publication on its website.

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State Gaming Authority, suppliers, possible partners and customers as parties interested in being able to use the gaming services provided by Giochi del Titano with the awareness and understanding that they are in a situation that is effectively dedicated to the prevention and suppression of corruption.