

December 11th, 2017

To our Stakeholders,

I am pleased to confirm that NetEnt AB (publ) reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this, our second annual Communication on Progress (COP), we describe our actions taken to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also continue to work hard to examine how our business processes can positively contribute to the UN Sustainable Development Goals (SDG). We commit to sharing this information with our stakeholders using our primary channels of communications.

The UN Global Compact is a wonderful platform to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their progress in contributing to a more sustainable world.

At NetEnt we fully support the initiative and are proud to be participating once again in 2018.

Sincerely yours,

Per Eriksson



CEO of NetEnt AB (publ.)

NetEnt Communication on Progress (COP)

10 Principles of the UN Global Compact

Human Rights

1: Businesses should support and respect the protection of internationally proclaimed human rights, and;

2: Make sure that they are not complicit in human rights abuses

Assessment, policy and goals

- At NetEnt, we support the Universal Declaration of Human Rights and aim to keep the protection of Human Rights at the forefront of all we do.
- NetEnt has an Anti- Slavery and Human Trafficking Policy which is easily accessible to employees and part of the onboarding training that new employees receive when joining the company. The policy:
 - Has the processes for reporting abuses.
 - Includes the explicit expectation that all customers and suppliers must adhere to the same standard as NetEnt adheres to.
- Gender equality is a fundamental human right; it is also essential to expand economic growth, promote social development and enhance business performance. At NetEnt we have a clear vision in this regard and have introduced the following measures to ensure its achievement:
 - The creation of an Equal Opportunities Policy which sets in our core values the guarantee of equal opportunities, rights and obligations for all employees, regardless of gender, ethnicity, age, sexual orientation, disability, religion, transgender identity or expression.
 - A Target to achieve a 50:50 gender balance throughout the entire organization by 2020. This includes a 50:50 target for the senior management team and is ingrained in our operations and in our internal and external communications. *In 2017, NetEnt was ranked first among all tech companies on the Stockholm Stock Exchange by the AllBright Foundation for its gender balance initiatives.*
- We have a dedicated Responsible Gaming & CSR unit which ensures that our products are compliant and that our product is consumed in a responsible way by society. This includes the protection of minors.

Implementation (and Sustainable Development Goal (SDG) affected)

- **SDG 5- Business Action 1: Implement policies and practices that are free from and prevent gender-based discrimination across the workplace, marketplace, and community:** NetEnt has an equal opportunities policy that guides our business practices and supports the advancement of gender equality throughout the technology industry.
- **SDG 5- Business Action 2: Support women's employment and strive for gender balance across the business and supply chain and at all levels:** NetEnt has a goal of achieving a 50/50 male/female split at all levels of the organization by 2020.
- **SDG 5- Business Action 4: Promote gender equality through investment, community initiatives, and advocacy:** NetEnt acts as an advocator on diversity issues across the gaming and technology industry, promoting diversity and highlighting our efforts to achieve a gender balance at our company.
- **SDG 10- Business Action 3: Implement policies and practices to support equality of opportunity, treatment, and outcome for all across own and supply chain operations:** Through our Equal Opportunity policy we aim to ensure that everyone across our own operations is treated equally. We also do our due diligence to ensure that all companies in our supply chain adhere to the same principles as we adhere to.

Measurable Outcomes

- We are working towards our goal of a 50/50 gender balance in all levels of our company by 2020. We currently stand at 38% of the underrepresented gender in staff and 36% in our management level. We are proud to have already reached our target of 50% within our Senior Management Team.
- All of our staff undergo training in regard to Anti- Slavery and Human Trafficking Policies.

Labor

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labor.
5. The effective abolition of child labor.
6. The elimination of discrimination in respect of employment and occupation.

Assessment, policy and goals

- Good working conditions, and the safety and health of our workers is at the center of our labor policies. We strive to be an attractive employer, promoting decent work for all, an inclusive and diverse workforce and a positive force in the communities

where we work. To ensure this, we have the following internal policies which guide our working conditions:

- -Work Environment Policy
- -Equal Opportunities Policy
- -Staff vetting policy
- -Crime and Disorder Policy
- -Compliance Management Policy
- -Anti-Slavery and Human Trafficking Policy
- All NetEnt employees are provided a safe and secure working environment with their mental and physical health held at a premium. Further to this end, NetEnt has employed a Health and Energy Inspirer that works full time on promoting, motivating and arranging activities for employees to enhance their physical and mental wellbeing.
- We also have the mission to have a working environment which is both inclusive and diverse. From a gender equality standpoint, we have a goal of achieving a 50/50 male/female split at all levels of the organization by 2020. We have an equal opportunities policy and a diversity group led by senior levels of managements ensuring that this goal is also engrained in our day to day activities. Being a technology company (an industry largely dominated by males), we realize our responsibility to be advocates for gender equality not just within our company but the industry as a whole and support initiatives to further this important issue.
- We also celebrate our diversity by employing staff from over 60 nations which gives us both great perspectives in approaching our business and creates a positive cultural exchange amongst our employees. We have a zero tolerance for any discrimination based on gender, religion, ethnicity, gender identity, sexual orientation, age or disability.

Implementation (and Sustainable Development Goal (SDG) affected)

- **SDG 1- Business Action 3: Ensure decent working conditions for all of its employees across the business and supply chain:** NetEnt has robust policies to ensure that it is a leading employer when it comes to working conditions in all areas of operation.
- **SDG 3- Business Action 1: Ensure the best possible health outcomes for employees and surrounding communities across own and supply chain operations:** NetEnt has a full-time staff dedicated to health and wellbeing of all NetEnt employees.
- **SDG 4: Business Action 1: Ensure that all employees across the business and supply chain have access to vocational training and life-long learning opportunities:** NetEnt offers a comprehensive training program for all employees and encourages further education for personal development in all its offices.
- **SDG 4: Business Action 2: Ensure that all employees across the business and supply chain earn a wage that allows them to support the education of dependents and that there is zero child labor:** NetEnt offers a competitive

salary to all employees and a full benefits package ensuring that all our employees can support the sustainable development of their families. We have a zero tolerance policy with regards to child labor and due our due diligence to ensure that our customers and partners also have the same zero tolerance.

- **SDG 5: Business Action 1: Implement policies and practices that are free from and prevent gender-based discrimination across the workplace, marketplace, and community:** NetEnt has an equal opportunities policy that guides our business practices and supports the advancement of gender equality throughout the technology industry.
- **SDG 5: Business Action 2: Support women’s employment and strive for gender balance at all levels across the business and supply chain:** NetEnt has a goal of achieving a 50/50 male/female split at all levels of the organization by 2020.
- **SDG 5: Business Action 4: Promote gender equality through investment, community initiatives, and advocacy:** NetEnt supports grassroots initiatives aimed at increasing women’s involvement in technology studies and equal employment.
- **SDG 8: Business Action 1: Support decent working conditions for all employees across the business and supply chain, with partnerships to build suppliers’ capacity to do the same:** NetEnt looks to support all of its employees in the supply chain with working conditions which allow them and the company to sustainably develop.
- **SDG 8: Business Action 4: Drive economic growth and productivity by investing in R&D, upgrading skills, and supporting growing businesses, in a way that is compatible with sustainable development:** NetEnt has innovation at the heart of all it does and through our business processes, sustainability reporting, and CSR initiatives we ensure that our company not only grows but grows sustainably.
- **SDG 10: Business Action 1: Assess the distribution of economic value across stakeholder groups and implement policies and practices to make it more equal:** NetEnt takes concrete actions to address gender gaps in salary to ensure equal opportunities for all.
- **SDG 10: Business Action 3: Implement policies and practices to support equality of opportunity, treatment, and outcome for all across own and supply chain operations:** Through our Equal Opportunity policy we aim to ensure that everyone across our supply chain operations is treated equally.

Measurable Outcomes

- We are working towards our goal of a 50/50 gender balance in all levels of our company by 2020. We currently stand at 38% of the underrepresented gender in staff and 36% in our management level. We are proud to have already reached our target of 50% within our Senior Management Team.

- We have a health and energy inspirer hired full time and health and fitness benefits in all our offices/supply chain.
- 64 Nationalities represented amongst our staff.

Environment

7: Businesses should support a precautionary approach to environmental challenges;

8: undertake initiatives to promote greater environmental responsibility; and

9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

- NetEnt has its own environmental policy which is aligned with the Global Compact Environmental Principles
- In 2016, we began measuring carbon dioxide emissions and our energy consumption with the explicit goal to reduce carbon dioxide emissions per gaming transactions by 20 percent by 2020.
- We have a digital business model and thus our business processes leave a minimal carbon footprint. We realize that energy consumption via our technical equipment (servers, PCs and monitors) is where we leave the biggest footprint and thus we endeavor to limit consumption wherever possible.
- Where possible, travel by air is avoided and virtual meetings and/or greener travel is encouraged.
- We have a recycling program in our offices and encourage the recycling of paper, glass, plastic and metal cans
- Yearly Planet Week (centered around Earth Day) activities encourage engagement of NetEnt staff, improvement of the environment where NetEnt offices are located and encourages goal setting for the coming year.
- All computers, cell phones and other useful technical equipment are donated to charity after their lifespan is over at NetEnt.

Implementation (and Sustainable Development Goal (SDG) affected)

- **SDG 13 Business Action 2: Substantially reduce emissions associated with own and supply chain operations, in alignment with climate science:** NetEnt has a goal to reduce carbon dioxide emissions per gaming transaction by 20 percent by 2020.
- **SDG 13 Business Action 3: Shift to a portfolio of goods and services that have, and promote, negligible emissions from use:** As a digital company, NetEnt has a relatively low carbon footprint compared to traditional land based casinos. We try to donate old hardware to charities when possible and use video conferencing wherever possible to avoid travel between our offices.
- **SDG 13 Business Action 4: Promote climate conscious behavior and build capacity for climate action:** At NetEnt we promote our offices to engage in

environmental volunteerism and have stations for recycling. When moving to new offices, green building considerations are always considered.

Measurable Outcomes

- In 2017 we lowered our emissions per transaction to 22,553mg CO₂/transaction down from 22,875mg CO₂/transaction in 2016.

Anti-Corruption

10 Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

- At NetEnt we realize the hindrance that corruption can have both on business growth and on society. We have a zero-tolerance policy when it comes to corruption, bribery and extortion.
- We also have an anti-money laundering policy and support this by ensuring that 100% of our employees undertake an information security, anti-money laundering and compliance training.
- Our strategy is to operate primarily in regulated markets, applying for licenses on these markets. This adds an extra level of regulation as we undertake efforts to guarantee that both us and our clients are completely compliant with regulations in their respective markets.
- We support the UN Convention Against Corruption and other international bodies tasked with ensuring a corruption free environment.
- A thorough compliance program, a uniform approach, to ensure compliance with gaming industry-specific laws, regulations and standards which impact on the activities of the company.
 - We order audits from independent institutes annually.
 - We require our clients to have licenses needed when offering our products on regulated markets
 - Due diligence on all potential clients and ongoing due diligence on all existing clients

Implementation (and Sustainable Development Goal (SDG) affected

- **SDG 16 Business Action 1: Identify and take robust action against corruption and violence in own operations and the supply chain:** Through our vigorous policies, NetEnt does its due diligence to ensure a zero tolerance towards any forms of corruption or violence.
- **SDG 16 Business Action 2: Work with government to strengthen institutions and increase respect and support for the rule of law:** NetEnt is an associate member of the World Lottery Association (WLA), a global member-based organization that promotes state-authorized lotteries and gaming operators.
- **SDG 17 Business Action 1: Lead on partnerships to develop and share new and existing technology, knowledge, and business models for sustainable development:** We are a member of the Swedish Online Gaming industry

Association (BOS) which advocates for sustainable gaming regulations in Sweden contributing to a safer environment for both players and gaming companies.

Measurable Outcomes

- Our Business Intelligence team continuously monitors all transactions and investigate any abnormalities. We have had zero reported cases of corruption in 2017.
- 100 % of our recruitments receive criminal background checks.