

The image features a low-angle, upward-looking shot of a building's facade, possibly a stadium or arena, with several flags flying from balconies. The scene is bathed in a strong red and orange light, creating a dramatic and energetic atmosphere. In the lower right, a person is visible with their arms raised in a celebratory gesture. The overall composition is dynamic and celebratory.

tipico

CORPORATE RESPONSIBILITY REPORT 2018

INTRODUCTION



Dear Readers,

Tipico is driven by the values of Trust, Progress and Passion, which are displayed in all our actions. Through our corporate values, we are convinced that economic success goes hand in hand with responsible and trustworthy business practices. Therefore, I am very happy to present our first non-financial report, which discloses extensive information on our efforts to be a trusted and responsible corporate citizen. This report serves as a baseline and direction for future operations. It increases transparency and helps all stakeholders understand our values and commitment.

I would also like to use this opportunity to express my immense gratitude to all our employees who play the most important part by bringing our values to life and supporting Tipico to continuously improve our performance. We trust all employees to follow the highest ethical standards and I am grateful that during the last year, many of us got actively involved in shaping our company through culture project workstreams. In this setting, many initiatives, with the goal of optimizing day to day processes, improving our communication between the entities, reducing negative impact or extending business knowledge and teamwork, became an

important driver of our values. Thus, with the help of employees from all business entities, we managed to convey even more “Spannung” with our product offer, while making it safer at the same time.

In 2018, we have extended our group-wide corporate responsibility management in order to align strategies and expand focus areas. As part of this process, Tipico introduced new roles and responsibilities within the company, increased stakeholder dialogue on corporate responsibility topics and started working on a group-wide strategy, setting up new measurements and KPIs. As it is always possible to achieve even more through good collaborations, I am further proud to mention that we are part of the UN Global Compact, the world’s largest sustainability initiative. We are committed to its principles and will keep working towards our common goals.

I hope you will enjoy reading this report,

Joachim Baca

Chief Executive Officer, Tipico

CORPORATE RESPONSIBILITY REPORT 2018

INTRODUCTION 01

With more than 50 % market share, we are the number one in Germany. How did we get there? Which products and services do we offer? Discover how we increase “Spannung” and *Who We Are*. How do we live up to be a responsible company? Find out about our standards and which topics we focus on in the *Corporate Responsibility* section.

EMPLOYEES: OUR GREATEST ASSET 12

Our employees are a key factor for our success and show high engagement in cultural values. How do we live our values? What does diversity mean for us as *One Tipico*? How we foster *Employee Engagement*? In this section you further get to know how we let our employees shape our culture and maximize their personal and professional skills.

PRODUCT RESPONSIBILITY: IN SAFE HANDS 22

Around 80 % of German adults have used a gambling offer. How do we run our business to increase *Customer Satisfaction*? How are we fostering *Clean Sports* via sports integrity partnerships?

How are we using technology to increase our *Player Protection* and make sure our offer attracts *Adults only*? In this section we offer all the answers concerning our Product Responsibility.

RESPONSIBLE OPERATIONS: OUR APPROACH 31

Business integrity is required for sustainable success. How is our *Governance* structure set up? How do we dynamically adapt to a market in which change is the only constant? How do we prevent of Money Laundering? How do we keep our data safe? In our description of our approach you learn about *Business Ethics* and how we protect our business and our customers from criminal activity.

OUR COMMUNITIES: BEYOND BUSINESS OPERATIONS 38

In 2018, more than 260,000 € were donated in the field of healthcare, prevention research and social development as part of our community involvement. What do *Our Communities* look like and how do we support them? In *Community Involvement*, you will find further information about the amounts donated to charitable causes and hours spent with community work.

OUR ENVIRONMENTAL IMPACT: LESS IS MORE 42

Following the motto “less is more”, we are focussing on reducing *Our Environmental Impact*. How are we reducing negative impact? And how do we manage to save 70,000 plastic bottles per year? Information on CO2 emissions resulting from our *Business Travels* are further described in this section.

SUPPLY CHAIN: KNOW YOUR BUSINESS PARTNERS 49

97% of our business partners come from EU member states. How do we thereby positively support human rights matters? And how do we make sure to get a precise picture of all our business partners? Find out more in *Our Supply*.

WE NEVER SETTLE FOR SECOND 53

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INTRODUCTION

WHO WE ARE: THE TIPICO GROUP

From a single betting shop to the market leader: We are the home for sports betting in Germany.

Our success story begins in a small betting shop in Karlsruhe. What started as a tiny business of three students quickly evolved into a flourishing company with a strong digital-driven business model. Soon, we became one of the leading European betting providers with online and land-based operations. Since 2004, the company's headquarters have been in St. Julians, Malta. We do not only hold licenses for sports betting and online casino, but also employ 235 people from 30 nations on the Mediterranean island, being one of the most popular employers there. We are licensed by the Malta Gaming Authority (MGA) to conduct betting businesses and operate casino offers.

Furthermore, we operate branches in Germany, Austria, Croatia, Colombia and Gibraltar. Currently, almost 700 people work for the Tipico Group. Including our own retail shops, that number increases to 1300 employees. In total, more than 6,000 people work for our entire Group and the associated franchise network, which consists of over 1,200 retail shops. We stand for sports entertainment products and our customers bets are in safe hands with us.

As a reliable partner for sport, we are committed to integrity and the highest standards of data security, protection of minors and vulnerable players.

Our company can look back with pride on an incredible year in 2018, which culminated in the FIFA World Cup in Russia. During the World Cup, we registered many new records and were able to keep the gratifyingly high level of customer activity stable even after the tournament ended.

In 2018, we increased our market share in Germany to over 50%, making us one of the largest providers in the digital gaming business on an international level. This was confirmed by the leading industry magazine eGaming Review, which ranked us among the Top 10 of the most influential online gambling providers. In addition to financial performance, this evaluation focused on corporate strategy and its impact, the geographical scope of the business and the general influence on the industry. Digital revenues now account for more than 60% of total revenues – and that number is rising. In addition to our position as a digital pioneer, we can build on our successful multi-channel strategy with a strong retail presence in Germany and Austria.





OUR COMPANY VALUES



We **TRUST** that every member of our organization does the right thing to contribute to the overall success of the business. We take the trust placed in us by our customers or other stakeholders as an incentive to continuously maintain a safe environment, integrity and trusted relationships.



PROGRESS describes our constant quest for improvement. We put this endeavour into action through training and further education of our employees as well as constant innovation and further development of our services.



Due to our **PASSION** for sports, we enjoy our work. This also connects us closely to our customers, because we share another common dedication: We never settle for second.

INTRODUCTION

OUR BOARD

Our board does not only share the passion for sports but also possesses many years of experience in the gaming industry: Chief Executive Officer (CEO) Joachim Baca, Chief Commercial Officer (CCO) Marlon van der Goes and Chief Regulatory Officer (CRO) Karin Klein form part of the management board since 2016. Stefan Eck joined the board as the Chief Financial Officer (CFO) in 2017.



Karin Klein



Stefan Eck



Marlon van der Goes

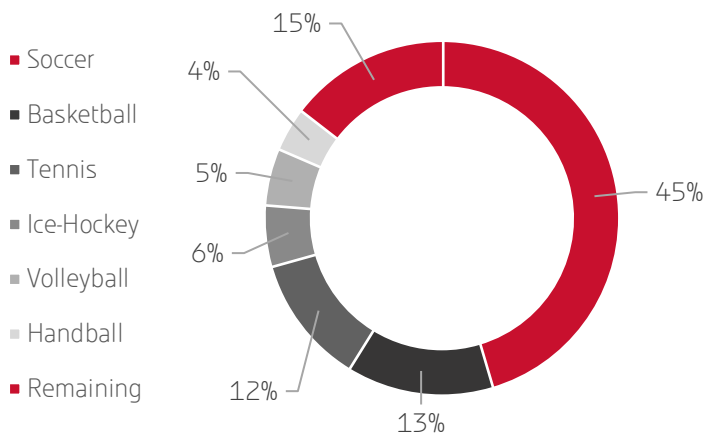


Joachim Baca

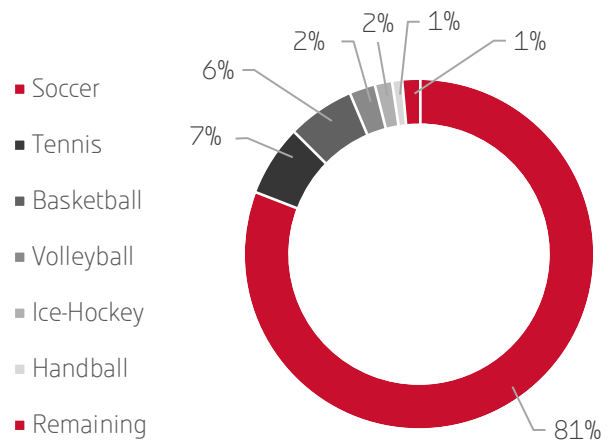
OUR DIGITAL PRODUCT IN NUMBERS

- » We have the #1 sports betting app in the German App Store
- » We own more than 50% of market share in the German sports betting market
- » On average, we handle 5 million bets per day

SPORTS COVERAGE
OVERALL EVENTS



SPORTS COVERAGE
BY TURNOVER



World Cup 2018 » 57 million bets (50/Sec)
 Number of Offered Sports - Overall » 30+
 Average of Offered Sport Events per Day in 2018 - Overall » 760
 Unique Active Online User » up to 250,000 on a football match day

TOP 3 FOOTBALL COMPETITIONS 2018
BY TURNOVER



TOP 3 COMPETITIONS 2018 OTHER SPORTS
BY TURNOVER

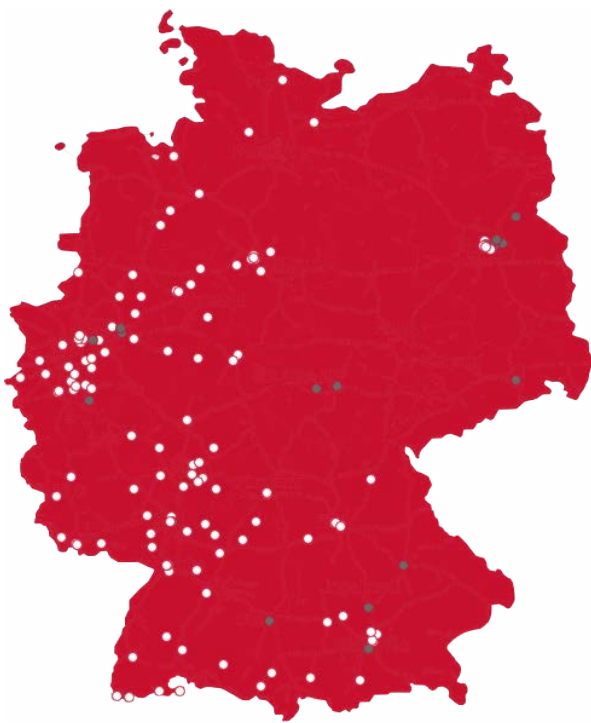


INTRODUCTION

OUR RETAIL NETWORK

We are the home for sports betting. Our large network consists of our own, as well as franchise shops throughout Germany and Austria. In 2018, we increased the network of shops operated by own Group companies to over 150 in both countries (grey dots). Together with the extensive franchise network (white dots we offer our services in more than 1,200 outlets.

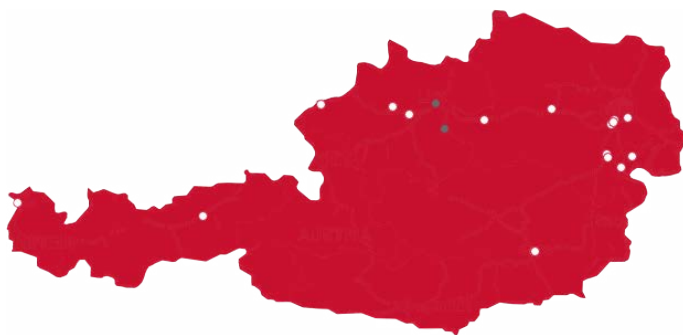
GERMANY
NEW SHOPS IN 2018



GERMANY
SHOPS TOTAL 2018



AUSTRIA
NEW SHOPS IN 2018



AUSTRIA
SHOPS TOTAL



- Tipico
- Franchise

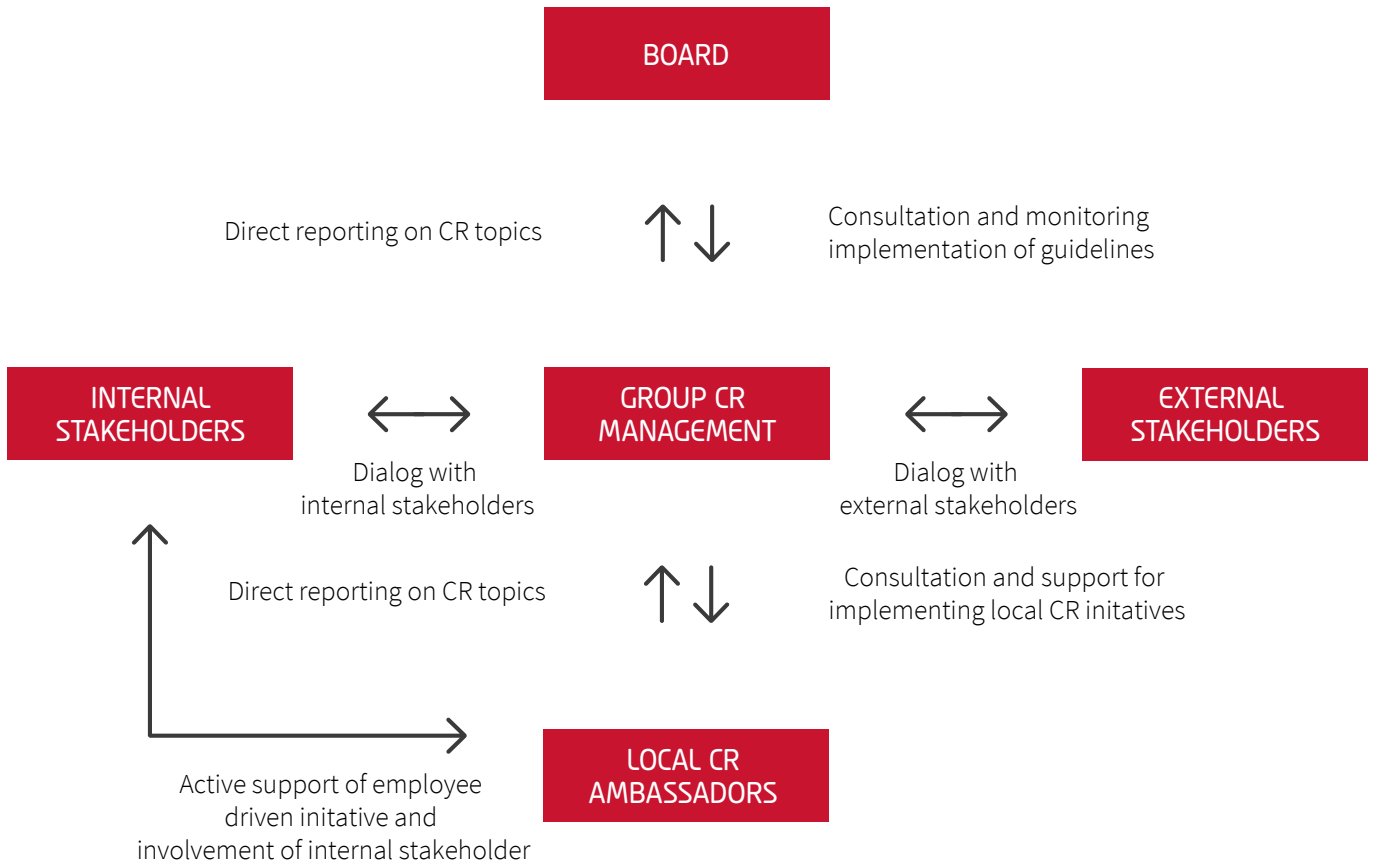
OUR PARTNERS

We are valued as a reliable partner in the sports world: In Germany, as the official partner of the Bundesliga and 2nd Bundesliga, football club FC Bayern Munich as well as the basketball team FC Bayern Basketball. In Austria, we are the title sponsor of the Tipico Bundesliga.



INTRODUCTION

CORPORATE RESPONSIBILITY: FOSTERING RESPONSIBILITY THROUGHOUT THE COMPANY



Fostering responsibility in all aspects of the company is not only the goal of our Corporate Responsibility (CR) team, but also firmly established in our corporate values. Therefore, our CR team, accountable for management of CR topics and implementation of a group-wide CR strategy, directly reports to the CRO who is a member of the Tipico board. On top of monthly reporting to the board and shareholders, regular meetings are held in order to discuss prospective CR challenges, opportunities and Impact, present proposals and to receive strategic guidance. Thus, an active commitment of the board and all business units to CR can be guaranteed.



87% OF EMPLOYEES BELIEVE IT IS IMPORTANT TO WORK FOR A RESPONSIBLE COMPANY



81% OF EMPLOYEES BELIEVE TIPICO IS A RESPONSIBLE & TRUSTWORTHY OPERATOR

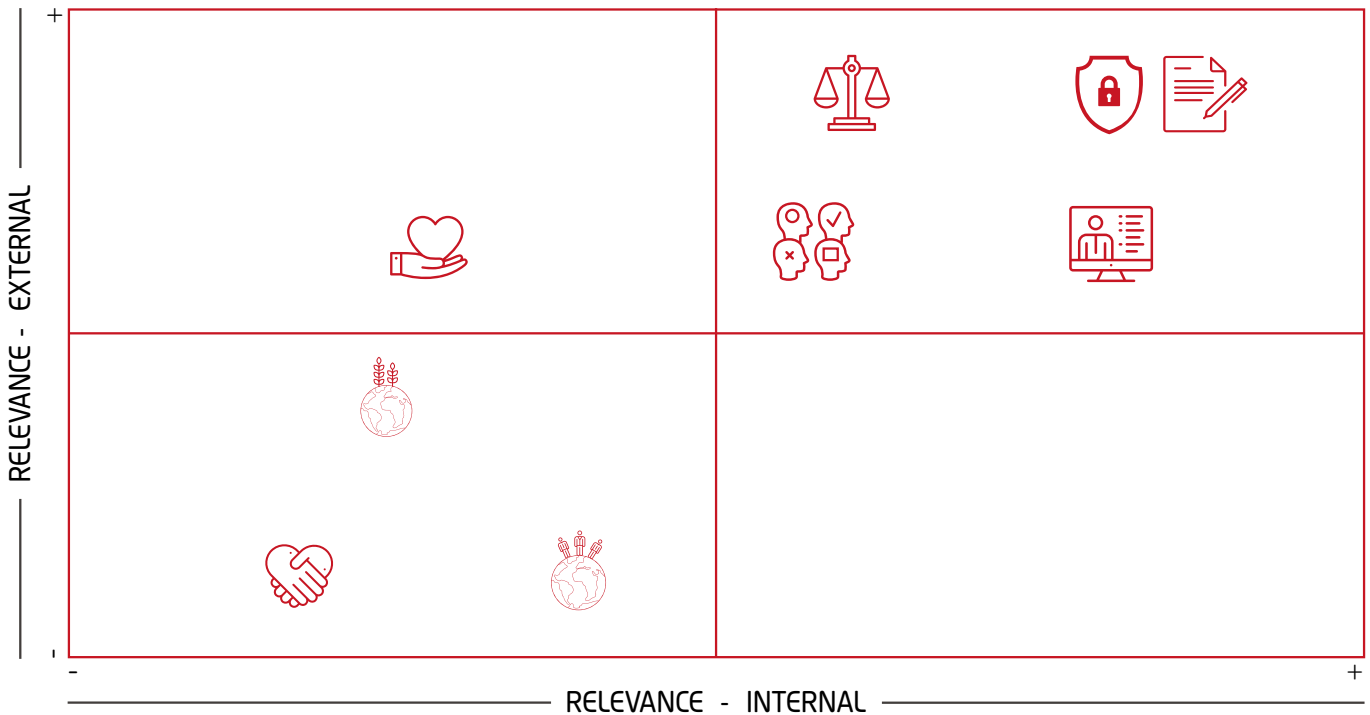
Further, internal and external stakeholders are consulted in order to capture an extensive view on CR issues. Employees and customers are consulted via annual surveys and business partners are interviewed regularly. All employees are invited to participate in a regular workstream on environmental and social topics, to develop own initiatives and to share knowledge in the Tipico intranet.

In all our entities, local staff members have volunteered to act as CR ambassadors. They have better insight into their local communities and are therefore well-positioned to identify potential economic, environmental and social Impact in their specific location. These ambassadors help our central CR to connect with local communities, raise awareness in their regions, as well as support approved employee-driven charitable activities and practical execution of local volunteering projects.

Through this framework, we can assure that all environmental, social and governance (ESG) Impact of our Group entities are taken into consideration and coordinated clearly within the Tipico Group.

DEFINING OUR MATERIAL ISSUES

Internal stakeholders such as employees and external stakeholders such as customers, regulators, suppliers, partners, shareholders and society trust in our performance and sustainable business practices. Through strategic prioritisation of CR topics, we live up to these expectations. In accordance with the Global Reporting Standards (GRI), material topics are all those that lead to direct or indirect social economic or environmental Impact and are therefore relevant to stakeholders of a business or society. We drew up findings of stakeholder surveys conducted in all locations of operation involving internal and external views. Based on a stratified sample, 112 internal stakeholders were consulted to assess the relevance of different aspects of CRs. This consultation also included estimates for the current performances in these areas. The analysis was supplemented by external viewpoints gained through nine dialogue sessions with a wide range of stakeholders which ranked the topics concerning relevance for us. These external positions were used to balance internal opinions to reach a more holistic perspective.



-  Compliance
-  Consumer Protection
-  Business Ethics
-  Training and Development
-  Diversity and Equal Opportunities
-  Community Involvement
-  Human Rights
-  Supply Chain
-  Environmental Impact

INTRODUCTION

Results illustrate the relevance of a range of topics, as perceived by internal and external stakeholders. Areas with higher relevance are covered in more detail, especially with regards to operationalisation, measurement and reporting on the relevant indicators. As a result of our materiality analysis, this report will focus on the following topics: compliance, consumer protection, business ethics, training and development, diversity and equal opportunity.

The report is supplemented by essential requirements under the GRI, namely concerning involvement in local communities, environmental Impact and supply chain.

MATERIAL ISSUES GRI		TIPICO CR REPORT
 Trainings and Development	 Diversity and Equal Opportunities	Employees: Our Greatest Asset
 Consumer Protection		Product Responsibility: In Safe Hands
 Compliance	 Business Ethics	Responsible Business Operations: Our Approach
 Community Involvement		Community Involvement: Beyond Business Operations
 Environmental Impact		Our Environmental Impact: Less is More
 Human Rights	 Supply Chain	Supply Chain: Know Your Business Partner

WE ARE SIGNATORY TO THE UN GLOBAL COMPACT

Ethical business practices, combined with collaboration and innovation, can bring powerful changes in markets and societies. Therefore, in 2018, we became a member of the UN Global Compact. The UN Global Compact is signed by companies that promote certain social and environmental standards in their economic activities. These standards are set out in the ten principles of the Global Compact. The UN Glo-

bal Compact is the world's largest corporate sustainability initiative. It enables companies to align strategies and operations with universal principles of human rights, labour, environment and anti-corruption, and takes actions in these areas- all with the knowledge and experience of the United Nations. In the course of this participation, we signed a statement in which we commit to comply with the ten principles of the UN Global Compact as one of the first participants within our sector.



IN THIS REPORT, TIPICO TAKES MATERIAL ISSUES UNDER THE GRI AND UN GLOBAL COMPACT CORE AREAS INTO CONSIDERATION.



EMPLOYEES: OUR GREATEST ASSET



WE ARE COMMITTED TO:

- » applying fair labour practices while respecting applicable labour laws
- » providing development opportunities, which are aligned with individual and organizational needs and focus on growing knowledge, skills, interpersonal communication and leadership
- » encouraging the lifelong education of employees, through appropriate training budgets distributed across locations
- » supporting regular feedback sessions between employees, managers and peer groups
- » providing the necessary tools and resources to enable employees to execute their accountabilities
- » supporting the health of employees by providing benefits such as health days or supporting sports activities

IN 2018:

- » 82 % of our employees participated in the employee satisfaction survey; 81 % believe Tipico is a responsible and trustworthy operator
- » we started the alignment of core HR processes to support “One Tipico”
- » we started the migration of all employees to a single HR information system to allow improved data flows
- » we commenced culture workstreams
- » we launched and rolled out our Tipico Leadership Standards
- » we promoted diversity by becoming a member of the Diversity Charta

EMPLOYEES: OUR GREATEST ASSET

ONE TIPICO: ONE BRAND, ONE IDENTITY

One Tipico: Our corporate identity is based on this principle, because highly motivated, committed and innovative employees are the basis of our success story. With a wide range of expertise, qualifications, as well as years of experience in the field, we form a team that combines the passion for sports and strong identification with our Tipico brand. As the most important resource of the company and thus as a key factor for success, employees are the core of Tipico. That is why we offer not only a unique international working environment with pronounced corporate values, but also an extensive range of training courses and promotion of sports activities and health benefits. This allows each employee to succeed and gives us a head start to find the best talent.

OUR DIVERSE WORKFORCE

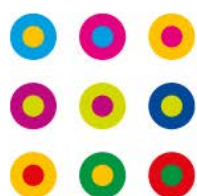
As part of this identity, we believe that a free, fair, non-prejudiced and ethnically-vibrant employee base helps bring together many voices, multiple talent pools, and a plethora of capabilities – creating a unique roadmap for our success and growth.

NATIONALITIES OF TIPICO EMPLOYEES



- | | | | |
|-------------|----------------|-------------------------|-----------|
| Argentinian | Romanian | Irish | Croatian |
| Bosnian | Spanish | Kazakh | Dutch |
| Bulgarian | Tunishian | Maltese | German |
| Colombian | United Kingdom | Pakistani | Indian |
| Czech | Austrian | Russian | Israeli |
| Egyptian | Brazilian | Sudanese | Libyan |
| Greek | Canadian | Turkish | Mexican |
| Iranian | Costa Rican | United States | Polish |
| Italian | Danish | Belarussian | Slovakian |
| Macedonian | French | British Indian Ocean T. | Swiss |
| Netherlands | Hungarian | Chinese | Ukrainian |

Our strategy leading to such diverse teams is a simple, uncompromising meritocracy without any prejudice: always hire the best candidates. By focusing on qualifications, values and motivations, we have absolute clarity on the values that new employees add to the company. Through this, our Group naturally becomes even more diverse. Our international team consists of employees from around 40 different nations, and we benefit from the expertise and unique perspective of each and every one of them. On senior levels (executives, directors and head of departments) the blend of nationalities is also diversified, with approximately 40 % coming from the local communities in which we operate. In 2018, no incidents of discrimination were reported.



charta der vielfalt



In 2018, we signed the Diversity Charta, a corporate initiative to promote diversity in companies and institutions under the auspice of the German Federal Chancellor Dr. Angela Merkel. The charter aims at promoting recognition, appreciation, inclusion and diversity in the work and everyday life in Germany. As one of the first companies in the gambling industry, we became part of this initiative.

Even though internationality is a strength, other dimensions of diversity are of equal importance to us. Therefore, we try to minimize barriers for

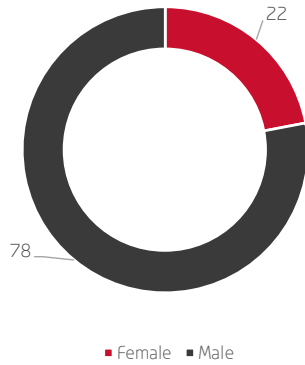
employees with special needs and track gender and age relations of employees. Nevertheless, still more men than women show interest in our industry. This becomes apparent when considering data of our customer base, with is predominantly male (90%). The ratio is similar in our Group. Around 78% of employees are male, as well as 88% of our leadership positions. However, we attempt to advertise vacant positions to attract a broad and diverse group of candidates – beyond those who know and love sports betting.

#FLAGFORDIVERSITY

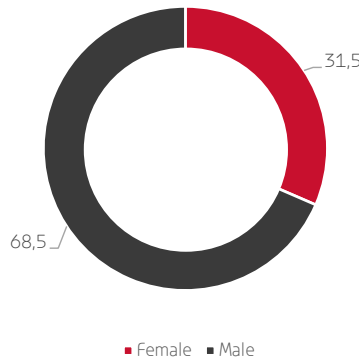
“The Tipico Group employs more than 700 people from more than 40 countries. The diversity that results from differences offers us a tremendous opportunity. Each employee has his or her own talents and abilities to help Tipico succeed” #FlaggefürVielfalt – Joachim Baca, CEO

EMPLOYEES: OUR GREATEST ASSET

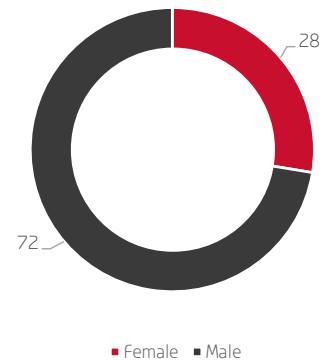
GENDER RELATIONS
IN CORE BUSINESS AREAS



GENDER RELATIONS
OF VISITORS ON CAREER WEBSITE

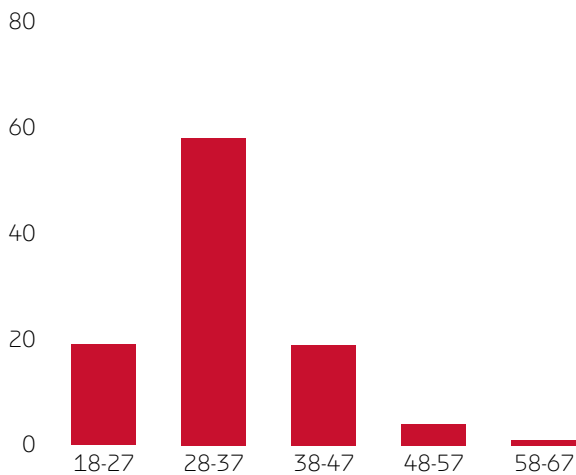


GENDER RELATIONS
OF NEWLY HIRED PEOPLE IN
CORE BUSINESS AREAS

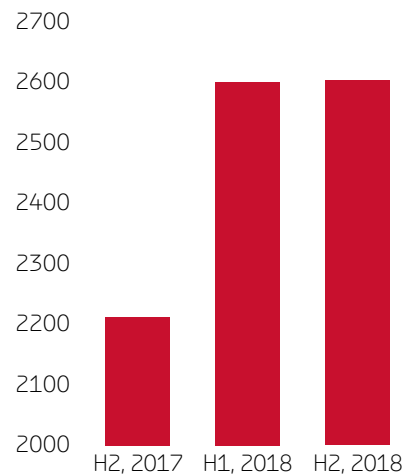


As we strive towards a more diverse workforce, it is our goal to attract a higher percentage of women as well. The Tipico career website attracts around 31% of female visitors. Consequently, minimizing the differences between percentage of interested women and actual workforce is a crucial target. With a focus on this during 2018, the company made a significant step towards this, with 28% of all new hires being female.

EMPLOYEES BY AGE GROUPS
IN PERCENTAGES



NUMBER OF APPLICATIONS IN MALTA
BY HALF-YEAR

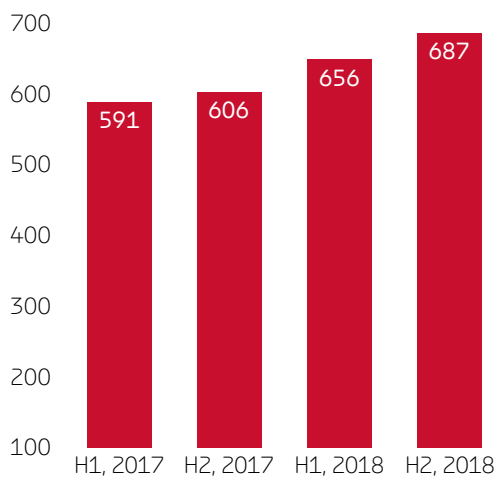


In terms of age, we have a relatively young workforce with an average of 33.6 years. The actual workforce thereby mirrors the people interested in jobs at Tipico. The majority of prospective employees are between 25 and 34 years of age. This again reflects the customers base.

HIRING NEW TALENT

A key focus in 2018 was to improve our job attraction channels and to look at new and more effective ways of finding talents. Of all applications received in 2018, 47% came from our own careers site closely followed by free aggregators and employee referrals. The average time to hire was around 39 days. Group-wide we received in excess of 14,500

AVERAGE NUMBERS OF EMPLOYEES IN CORE BUSINESS AREAS¹



job applications. Along with the steadily growing market presence and increased product offers, our team is continuously growing. The average number of employees in core business areas grew by more than 12% between 2017 and 2018. Around 93% are employed indefinitely. 95% of all our employees in core locations are working full time. These numbers change, when including our retail businesses, with only around 60% working full time. This can be explained by a high number of students and workers in the retail business.

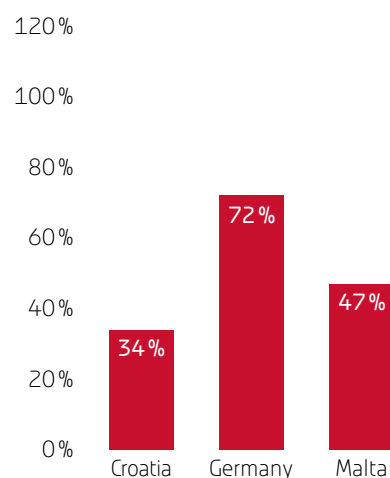
EXCITING CAREER OPPORTUNITIES WITHIN THE TIPICO GROUP

The annual fluctuation rate of employees between 2017 and 2018 remained stable at around 18%, with lower monthly rates towards the end of the year. Because our goal is to maintain the best talent, attractive career development opportunities for our employees are essential. For instance, in Malta 34 employees (12%) got promoted or advanced internally to higher positions. This applies especially to the customer support team, which is often seen as a steppingstone to understand the company and progress from there on. Having the outside perspective as a starting point enables us to focus on our customers and their experience throughout a Tipico career. During 2018, 46% of customer service agents moved to new roles.

EMPLOYEE WELLBEING

The health and safety of our employees is very important to us. Even though our workplace is not considered a high-risk environment, we still offer our employees benefits such as gym memberships, health- and sports days and subsidies for private health insurance. These offers together with flexible work times pay off. Across the Group, the average of sick days is below five days per year. All locations where public data is available are considerably below their respective national averages (Germany 2017; Croatia and Malta 2014), with Germany at an average of 7.7, Malta at an average of 2.2 days, Croatia at an average of 2.9, Colombia at an average of 2.5 and Gibraltar at an average of 2.75 sick days per year.

ANNUAL SICK LEAVE OF TIPICO COMPARED TO NATIONAL AVERAGES² IN PERCENTAGES



¹Core business areas are calculated without on-site retail businesses.

²Statista (2019) Retrieved from: <https://de.statista.com/statistik/daten/studie/13441/umfrage/entwicklung-der-jaehrlichen-anzahl-krankheitsbedingter-fehlta-ge-je-arbeitnehmer/>

³World Health Organization (2018) Retrieved from: https://gateway.euro.who.int/en/indicators/hfa_411-2700-absenteeism-from-work-due-to-illness-days-per-employee-per-year/

EMPLOYEES: OUR GREATEST ASSET

Some locations additionally have health and safety representatives, safety officers or employee representatives. For instance, in Malta an employee representative is elected every third year. In larger offices employees are additionally encouraged to complete trainings as first aiders and fire wardens every second year. They also benefit from free mental health services and preventative advice on mental health symptoms via a partner organization which promotes mental well-being (i.e. stress reduction) at the workplace. Employees may contact the foundation at any time for an appointment, without the need for approval by or disclosure to their line manager.

BENEFITS FOR EMPLOYEES

Our employees are working hard and therefore earn a competitive salary. Employees are not covered by collective bargaining agreements. Nevertheless, in order to contrast salaries of employees against the industry standard, we obtain external assurance based on extensive data bases of comparable positions. The minimum wage in all core business entities is at least 50% above appropriate local minimum wages. Mini jobbers in retail shops still receive 7% above minimum wage.

With the goal of increasing transparency and introducing an alignment in the salary structure of the whole Group, we started a job levelling project in 2018. In a multi-stage process under external consultation, all positions are reviewed. The level of expertise, qualifications and experience required as well as responsibilities for Tipico and team members are taken into consideration. Roles are levelled, mapped and benchmarked so that country- and industry-specific benchmark salaries can be outlined for each category. This aligns salaries

throughout Tipico, safeguards fairness and further reduces the risk of discrimination in pay amongst employees.

While parental leave and minimum notice periods are for the most part handled based on national laws, we offer our employees a range of additional benefits. As for the salary structure, in 2018 work commenced on defining a clear global strategy on total reward and to harmonize benefits between Tipico Group entities. The goal of this harmonization project is to enhance the global “One Tipico” strategy, to identify and address gaps, deliver improved alignment and to offer all employees valuable benefits alongside their salary. Besides German entities, benefits are provided to all employees without differentiation between full- and part time jobs, student workers or interns. An example of site-specific and global benefits can be found below:

The minimum wage in all core business entities is at least 50% above appropriate local minimum wages.

GYM MEMBERSHIP (GLOBAL)

As sports is the base of our business model, we offer gym memberships or rewards for sport related activities and wellbeing in most entities. As the health of employees is of high importance to us, we further offer health insurances when needed. We have site-specific recreational activities such as foosball and table tennis to offer sporting activities during breaks.

KINDERGARTEN (HEADQUARTER)

To simplify the working routine for workers with families, we offer a kindergarten type childcare service for children of employees in our headquarter.

EMPLOYEE ENGAGEMENT: STAFF SHAPING CULTURE

At Tipico, we believe that the best way to continue success is by taking care of employees' needs and giving them opportunities to grow by getting involved. Therefore, we regularly ask for feedback in the form of employee engagement surveys, offer developmental workstreams on various topics and proactively enlist employee perspectives to continue delivery of relevant and inspiring employee initiatives.

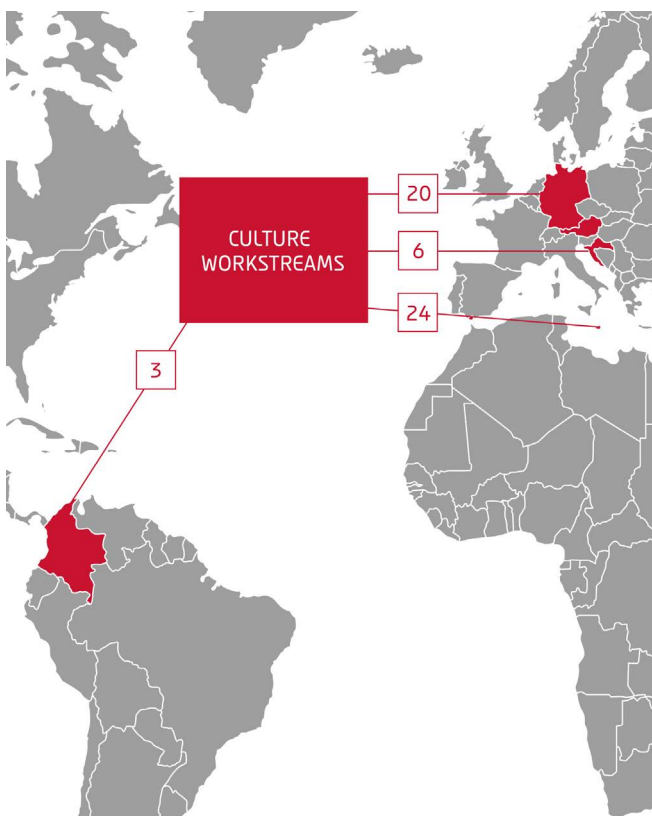
82% of employees participated in the engagement survey, showing high engagement in cul-

tural values. Areas with the best improvements were the following:

AREA	2017	2018
My manager gives me enough autonomy to perform my job effectively	68%	80%
I feel part of my team	76%	79%

In 2018, we continued to gather feedback from employees via our engagement survey, specifically focusing on our culture and interpersonal relationships. 82% of employees participated, showing high engagement in cultural values. 81% of these consider us a responsible and trustworthy operator. 74% would recommend Tipico as a great place to work and 73% are proud to work for the company. Inhouse workshops were organised for each department to create a set of action plans, further improving engagement of our employees and guiding the progress. One of the focus areas identified was the improvement of collaboration across the organisation. As a result of this feedback, our leadership team now communicates more frequently about its organisational strategy and group-wide progress. In Malta, an elected employee representative further guarantees that viewpoints and opinions of employees are always taken into consideration.

OUR CULTURE WORKGROUPS



Our culture program was first launched in 2017 with the intention of creating a new culture within the company, mirroring the feedback received from our own employees. 24 focus groups and roughly 30 interviews, adding to a total of over 250 participants, gave employees from all locations a chance to express their views. By now, 50 employees from all levels are actively driving working groups of our culture program on a voluntary basis to share and explore their ideas for further improvements.

Besides the culture workgroups in 2018, we expanded the possibilities for employee driven initiatives, emphasizing social and environmental topics. We focus on sporting activities for good causes such as charity races. Global activities such as the breast cancer awareness day and a workstream for similar topics were implemented across Tipico locations. Furthermore, location-specific CR activities comprised charitable auctions or the CR Day in Malta. The latter was implemented in cooperation with Non-Governmental Organizations (NGOs) in order to get involved in local communities.

EMPLOYEES: OUR GREATEST ASSET

TRAINING AND DEVELOPMENT

Knowledge, qualifications and the commitment of employees is a differentiator amongst the competition for talent. As part of our culture, we demand that employees push and challenge themselves to improve their professional and personal skills. We offer a variety of online, face-to-face and integrated trainings in order to reach and appeal to as many employees as possible. The opportunities are endless. Around our main locations, employees receive on average more than 3.8 hours of dedicated training per year alongside the many (and expanding) informal learning opportunities provided by the collaboration and expert employees.



GET TO KNOW OUR BUSINESS	MANDATORY TRAININGS										
<p>Learning about how Tipico functions as an organisation and how departments collaborate on projects and initiatives is a vital part of development. The Induction Program is a global program that focuses on educating new employees about the Tipico Group, the products and how Tipico functions as a business. It involves a detailed overview about how departments collaborate across the Group and allows employees to self-reflect how they can contribute to the company's goals. Monthly business updates and quarterly sessions deepen the understanding of the business by all employees.</p>	<p>An important aspect of training within the company is not only to help employees extend their skills but to make sure everyone understands the principles of integrity and follows regulations, standards and applicable best practices. We therefore provide extensive mandatory training to all employees. Office and shop employees are trained regularly to treat data confidentially, to be aware of information security processes and to minimize the risk of money laundering to its fullest extent. We ensure that customer-facing employees are trained on responsible gaming (RG) topics and that all shop employees receive regular accredited training specific to their roles. progress on all compliance trainings is tracked accurately.</p>										
<table border="1"> <tr> <td data-bbox="148 1792 448 1883">Introduction to Bookmaking</td> <td data-bbox="464 1792 764 1883">Introduction to Gaming</td> </tr> <tr> <td data-bbox="148 1899 448 1991">Introduction to HR</td> <td data-bbox="464 1899 764 1991">Introduction to Acquisition & CRM</td> </tr> <tr> <td data-bbox="148 2007 448 2098">Introduction to Agile & Scrum</td> <td data-bbox="464 2007 764 2098">Introduction to Digital</td> </tr> </table>	Introduction to Bookmaking	Introduction to Gaming	Introduction to HR	Introduction to Acquisition & CRM	Introduction to Agile & Scrum	Introduction to Digital	<table border="1"> <tr> <td data-bbox="828 1899 1128 1991">Anti-Money Laundering</td> <td data-bbox="1144 1899 1444 1991">GDPR</td> </tr> <tr> <td data-bbox="828 2007 1128 2098">Responsible Gaming</td> <td data-bbox="1144 2007 1444 2098">Information Security</td> </tr> </table>	Anti-Money Laundering	GDPR	Responsible Gaming	Information Security
Introduction to Bookmaking	Introduction to Gaming										
Introduction to HR	Introduction to Acquisition & CRM										
Introduction to Agile & Scrum	Introduction to Digital										
Anti-Money Laundering	GDPR										
Responsible Gaming	Information Security										

UPSKILLING COURSES

Tipico employees use learning opportunities to share knowledge, overcome challenges, progress themselves and their teams, build trust and share passions. The majority of employees further receive regular performance reviews, helping them identify focus areas.

With the development of technical, language, people and managerial skills, Tipico ensures efficiency when working on projects and initiatives in a collaborative manner. Training and development initiatives vary from one entity to the next in order to address unique cultures. Nevertheless, Tipico is constantly working on aligning opportunities across the Group to provide more unified learning experiences for all employees.

Professional skills
and knowledge

Computing
skills

Language
courses

Soft
skills

PERSONAL DEVELOPMENT TOOLS

One of the personal development tools is the Tipico Talent Program, which was launched with the intention of enabling high-potential employees to grow further and develop their interpersonal skills, as well as expanding their understanding of the business. It supports all managers within Tipico and helps build a strong understanding of methods and strategies to lead and manage teams and individuals successfully. Participants

use their strengths, creativity and problem-solving skills in groups to complete tasks. Throughout the program, the participants organise regular peer coaching sessions to gather feedback and to support and guide each other.

Building a strong and aligned leadership culture within Tipico and bringing the company's leadership standards to life, are goals of the Leadership Development Program.

Feedback
tools

Talent Assesment
Matrix

Personal Development
Plan

DEVELOPMENT OF BUSINESS EXPERTISE

During the past four years, we offered the most ambitious and inquisitive employees the opportunity to participate in the One Tipico Xchange Program. This allows employees to travel to other entities in order to increase collaboration. Participants have a chance to partake in on-the-job learning, or to attend informative meetings with colleagues from other teams. The program is well integrated within the culture. In 2018, 36 employees applied and 16 got the chance to participate.

Tipico Talks is another initiative for short get-togethers with the intention of listening to volunteers who choose to present a topic of their choice. This allows employees to practice their presentation-, and public speaking skills whilst teaching the audience about current or upcoming projects or innovative movements. The events are open for anyone to join and learn more about the industry and about Tipico departments.

xChange
Program

Cross-team
Exchange

Tipico
Talks

EMPLOYEES: OUR GREATEST ASSET

LEARNING COMMUNITY

In order to develop new learning opportunities, which fit our employee's needs, we formed the Learning Community workstream, which focusses primarily on creating opportunities within the company to encourage fellow employees to advance their skills and excel at their roles. The group has emerged from a shared passion for continuous learning and focuses its efforts on encouraging others to embrace innovative and creative thinking as part of their development. In Croatia for instance, English lessons are offered to employees as part of the culture program to assist them with improving their language skills, thus enabling them to improve communication with colleagues in other areas of the business. "Good Morning Malta" and the "4 o'clock tea" are further initiatives which have been developed by engaged employees, shaping our culture.

TARGETS 2019:

- » migration of all employee data to a unitary HR system infrastructure, to provide support for all locations and teams, improving the efficacy of employees, managers and leaders
- » uniform approach for "One Tipico" harmonisation of policies, benefits and employee terms and conditions to achieve equality and fairness for employees
- » finalisation of a reward strategy and principles
- » completion of job levelling and establishing improved benefits, perks and discounts for employees
- » commence the creation of a Future Managers program by the end of 2019 for launch in 2020
- » increase the focus on hiring high quality talent at speed.
- » promote our Employer Value Proposition to ensure that our brand is synonymous with career development, learning and progress.
- » Promote attractive opportunities for women



PRODUCT RESPONSIBILITY: IN SAFE HANDS



WE ARE COMMITTED TO:

- » creating the safest gambling environment – be it online or in the shops
- » protecting minors and vulnerable players effectively
- » improving the player protection concept that governs our approach beyond regulatory requirements continuously
- » maintaining the best international practices for responsible advertising
- » supporting research conducted by leading researchers in the field of addiction prevention
- » supporting counselling providers in our core markets
- » following the highest standards for responsible gaming (RG) as directed in the Tipico RG Policy

IN 2018:

- » 76% of online and 81% of our retail customers were greatly satisfied with our products and services
- » 97% of our customers can be considered moderate gamblers, based on behavioural monitoring
- » we implemented a stringent document verification: more than 500,000 documents have been checked and approved
- » more than 2,000 tests within our retail network were carried out
- » more than 150 RG training sessions resulting in more than 12,300 person-hours were completed
- » we maintained six major partnerships with focus on sports integrity
- » revenue from problem gamblers and minors decreased to less than 2%

PRODUCT RESPONSIBILITY: IN SAFE HANDS

CUSTOMER SATISFACTION: PROVIDING A SAFE AND EXCITING EXPERIENCE

Trust and safety are deciding factors for consumer choice. Therefore, Tipico is dedicated to offer customers safe and trustworthy products. The forces of an open, regulated market are drivers for consumer protection. Only by providing high-quality products, exciting the customer, while at the same time satisfying all safety concerns, we can gain the trust and loyalty of consumers. We therefore believe a responsible betting offer is essential to stay market leader in Germany and thus accept the challenge to provide the safest possible gaming environment.

INTEGRITY AND FAIRNESS

As a licensed operator, we stand for fairness and integrity. Due to our gambling licence, we are subject to regulatory supervision and audit. Technical components of services, such as the random number generator, are tested and certified independently. Additionally, we support the integrity of sports by cooperating with sports associations and participating in early warning systems for match fixing.

DATA PROTECTION AND DATA SECURITY

Secure and state-of-the-art encryption technologies are used to transmit data between the customer and internal operations. We therefore have an SSL certificate, an encryption protocol for secure data transmission. Additionally, technical protection for the sensitive data of customers is provided. With the Information Security Management System (ISMS), which is certified by TÜV Rheinland, we ensure that the technical security of computer systems is reviewed and adapted as needed on an annual basis. This shows that we treat the sensitive data responsibly and offer comprehensive protection in accordance with the international ISO 27001 standard.

SAFETY OF FUNDS AND PAYMENTS

The safety of customer funds is pivotal to us. Customer funds are always kept in segregated accounts, separated from company funds.

This process ensures the safety of customer funds and is regularly audited on behalf of licensing authorities. Similarly, the process of outgoing payments is precisely monitored to assure fast and correct outpayments of winnings.

CUSTOMER FEEDBACK

Improvement is only possible by being receptive to feedback from customers. Should a customer have a dissatisfying experience with the service, we offer a transparent complaint process that can ultimately lead to a mediation conducted by a neutral arbitration board if necessary. All complaints are replied to within two weeks. In 2018, we further introduced the possibility of filing disputes on the EU ODR Platform. As an independent, accredited arbitration body, eCOGRA is responsible for these complaints. As part of this agreement, Tipico promises to always adhere to the recommendations made by eCOGRA. Furthermore, customers are given the opportunity to contact the online gaming support of the Malta Gaming Authority (MGA).

Overall, our customers are very happy with our offers and services.⁴ Among online customers, 76% are greatly satisfied with Tipico, with that number even higher in retail at 81%. Therefore, trustworthiness is one of the predominant attributes associated with the company. 65% of online customers and 61% of retail customers consider us an especially trustworthy gambling operator.

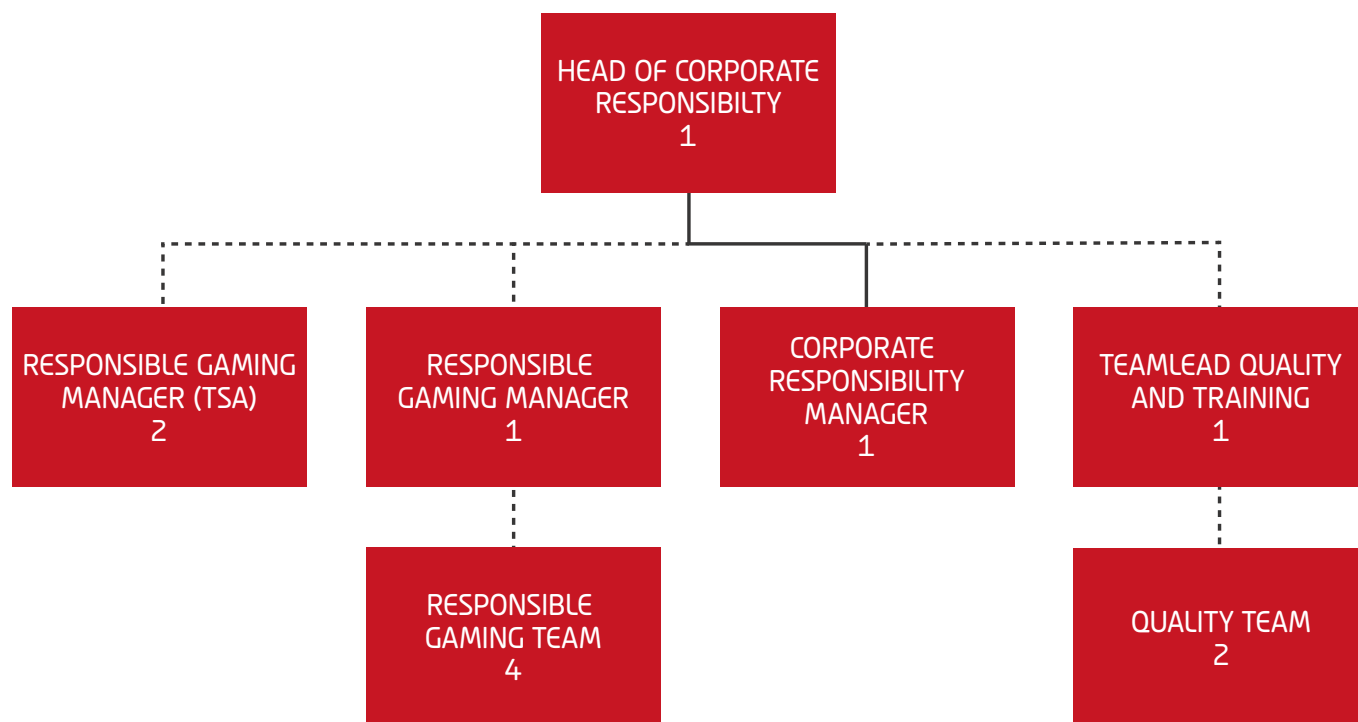
76% of online customers and **81%** of retail customers are greatly satisfied with our products and services

In 2018, only 0.96% of all internal customer service contacts were classified as cases related to gambling problems. These were forwarded to a team specifically qualified in matters of player protection

and responsible gaming (RG). Overall, customers were pleased with the service, with 64% of customer service contacts rated as satisfying. Externally, we received 14 complaints via the MGA. All could be resolved in mutual agreement with the customer without the help of further parties.

INTERNAL RESOURCES

Our endeavours to provide the safest betting environment are driven strategically by the Corporate Responsibility department (2 Full Time Equivalent (FTE)), which reports to the chief regulatory officer (CRO). Operationally, they are supported by the RG team (5 FTE) and the respective RG managers in the Tipico Shop Agencies (2 FTE). Shop controls and mystery shopping exercises are conducted by the quality team (3 FTE).



COLLABORATION AND EXTERNAL RESOURCES

External resources help us reach our RG goals. They include the TU Dresden’s “Spielerambulanz” and “Spiel-suchthilfe”, a multi-lingual online counselling provider “Gambling Therapy” (e.g. to be able to support migrants), as well as the association “Glücksfall e.V.”. We are working together with leading German research institutions, the Chair of Addiction Research at the TU Dresden, and the University of Lucerne, with the goal of continually improving player protection. Our approach, however, does not end with our online offers and our own shops. All franchisees of Tipico are required to adhere to the same high standards.

⁴Tipico Brand Tracking Germany Wave 5 - November/December 2018

PRODUCT RESPONSIBILITY: IN SAFE HANDS

FOR CLEAN SPORTS: OUR COMMITMENT TO SPORTS INTEGRITY IMPACT OUR BUSINESS MODEL

Manipulation of sporting events does not only tarnish the reputation of sports. By distorting the outcome of bets, it also strongly impact the business model of betting operators and creates an unfair disadvantage for legitimate customers. Consequently, the goals of sports associations, consumer protection and betting operators are well aligned in combatting this form of crime.

Aggregated data from betting operators can often be a most valuable source of data to track down potential incidents. Therefore, we support sports federations by participating in several early warning systems. A specially dedicated department painstakingly investigates any indication of potential criminal activities by working closely together with relevant authorities and security organisations.



We support the Early Warning System (EWS) provided by the international football association FIFA. This independently informs associations and event organisers as soon as conspicuous betting behaviour is detected. Even though football is our main target area, we focus on all offered types of sports. Tipico collaborates with Sportradar's integrity department, Betgenius and the International Olympics Committee. In addition, we work together with the Tennis Integrity Unit of the International Tennis Federation. All of these focus on sports integrity.

ADULTS ONLY: WE PROTECT MINORS

Both online and in our retail stores, we prohibit minors from participating in any gambling activities. Our product targets adults who participate in sports betting as entertainment only. Responsibility is taken very seriously and identity and age checks (online as well as in our shops) are carried out. All online accounts, as well as Tipico customer cards for the retail business, rely on age and identity verification based on database checks (e.g. Schufa) and checks of ID documents.

The focus on the protection of minors also applies to our marketing. As part of Tipico's advertising policy, we avoid any advertising that could have a specific appeal to people under the age of 18. In 2018:

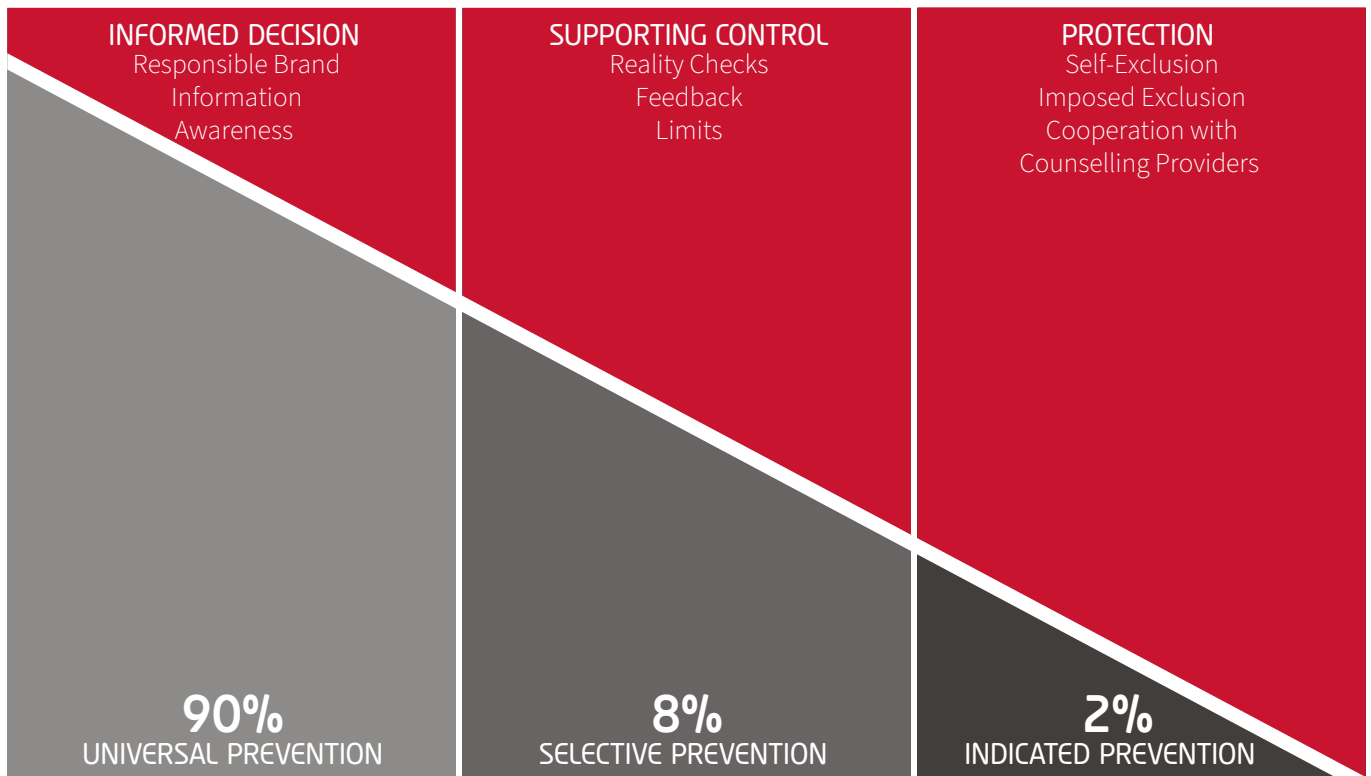
ONLINE:	RETAIL:
<ul style="list-style-type: none">» we conducted more than 130,000 ID verifications due to our strict regulations, 2,220 minors were caught, trying to access the product offer, and expelled accordingly	<ul style="list-style-type: none">» we conducted more than 380,000 ID verifications» 70,000 additional age checks were conducted with customers entering the premises» 10,758 minors were caught, trying to access premises, and expelled accordingly

PRODUCT RESPONSIBILITY: IN SAFE HANDS

PLAYER PROTECTION: WE PROMOTE SAFE GAMBLING

We accept the challenge of assuring an exciting gambling experience. However, this also includes the responsibility to detect and protect vulnerable customers. Security and player protection are integral parts of the product promise. That is why we have established guidelines in a binding player protection concept and outlined these on a player protection page for customers.

TIPICO RESPONSIBILITY



CONSUMER RESPONSIBILITY

Not all customers are the same. While most only require detailed information in order to play safely, others need more attention from the company. Therefore, our player protection aims at individualisation in order to give every customer the level of protection they need.

Based on prevalence surveys, it is expected that ~1 % of the general adult population suffers from gambling-related problems. We therefore recognize that responsible gambling is always a shared responsibility between the provider and its customers. We support customers by providing agreements on financial and time limits, assuring that they cannot exceed the agreed limits, even if they try to.

GAMBLING IN GERMANY



Around 80% of the German adult population has gambled. 1% suffer from gambling related problems.

90% of customers need universal prevention e.g. information, awareness and responsible advertising.

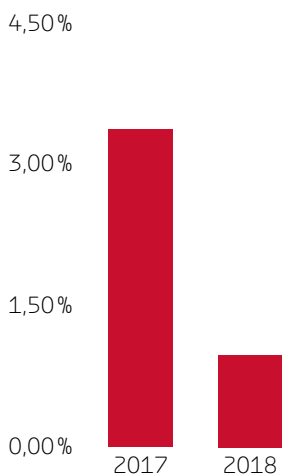
8% of customers need selective prevention e.g. reality checks.

2% of customers need indicated prevention such as self-exclusion, imposed exclusion or cooperation with counselling providers.

FINANCIAL IMPACT OF PROBLEM GAMBLERS AND MINORS

A consistent approach towards the protection of minors and vulnerable players is only possible if we manage to minimize any dependencies on revenues derived out of these problem areas. Therefore, we track turnover that had been generated by potential problem gamblers before they were detected and excluded from our offers.

FINANCIAL IMPACT OF PROBLEM GAMBLERS IN PERCENTAGES



In 2018, we were able to reduce the contribution of problem gamblers to our turnover dramatically. This is due to improvements to the RG functionalities on our platform and the introduction of algorithms for early detection of potential problem gamblers. This allows us to identify risk behaviours early and assign adequate protective measures to those players.

As a basis to help customers make responsible decisions, we provide comprehensive information on relevant topics such as game information, probability of winning and risk awareness on the company's own RG website. More than 25,000 people visited the page in 2018, 65% from German speaking countries. Thereby simplicity is key in order to reach all customers.

In 2018, 73% of customers rated our player protection materials as easy to understand. Additionally, thanks to the transparent account overview, our customers can view all relevant information on their bets as well as incoming and outgoing payments at any time.

LIMITS OFFERED

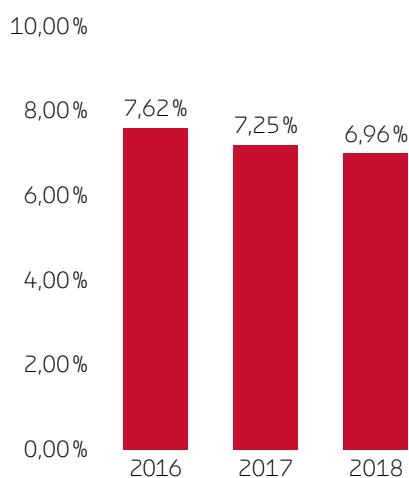
As part of our prevention methods, we offer the possibility to set limits. Limits are an agreement between a customer and us to restrict their gambling involvement (time and money) to a certain budget. They are binding and all bets that would exceed these limits are rejected. The increase or revocation of limits is only possible after a mandatory waiting period of seven days, whereas a reduction of a limit to a more restrictive level is processed with immediate effect. In 2018 we offered possibilities to set the following limits:

- » payment limits
- » loss limit
- » time limit
- » limits for maximum betting amounts
- » limits for the gaming offer

7% OF ACTIVE CUSTOMERS HAVE SET LIMITS

PRODUCT RESPONSIBILITY: IN SAFE HANDS

USAGE OF LIMITS IN PERCENTAGES OF CUSTOMERS

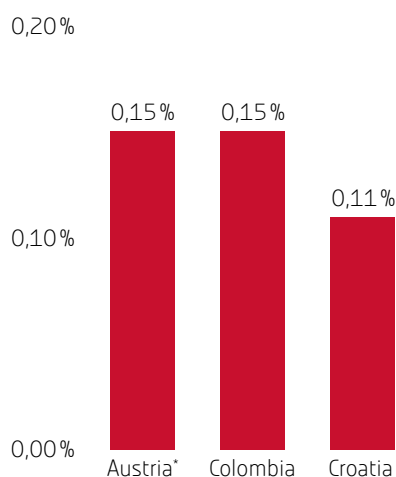


At Tipico, the usage of limits has stayed consistent over the last three years, which goes along with prevalence studies stating that around 8% of gamblers might require limits as additional safeguards.

On top of that, we offer exclusion agreements, where customers can request to be excluded from our offers voluntarily. As part of an exclusion, a customer will no longer be able to place bets with us online or in any Tipico shop. Exclusion also leads to an exemption from all marketing. As an additional protection, an exclusion agreement is irrevocable for a minimum period of one year. Where legally possible, we synchronize exclusions with databases provided by authorities (e.g. OASIS in Germany). Per month, an average of 0.11% of our active customers requested an indefinite self-exclusion in 2018.

USAGE OF EXCLUSION AGREEMENTS PER EMPLOYEE

IN PERCENTAGES OF CUSTOMERS



The necessity for self-exclusion has been decreasing over the course of 2018, with improvements to our player protection functionalities and processes being a key factor.

Our player protection service is rounded off by support for questions and concerns regarding responsible betting. Customer service, the RG team, as well as external partners and linked counselling providers are available to help.

EARLY DETECTION SYSTEM

In order to tailor the player protection to each customer's individual needs, we introduced an early-detection process on the online betting platform during 2018.

Online gambling is account based. Every gambling transaction is linked to an account which again is linked to an ID verified customer. Therefore, behavioural data can be monitored and used for early-detection of gambling-related problems.

In case risk behaviours are noticed, RG messages are sent to give the customer feedback:

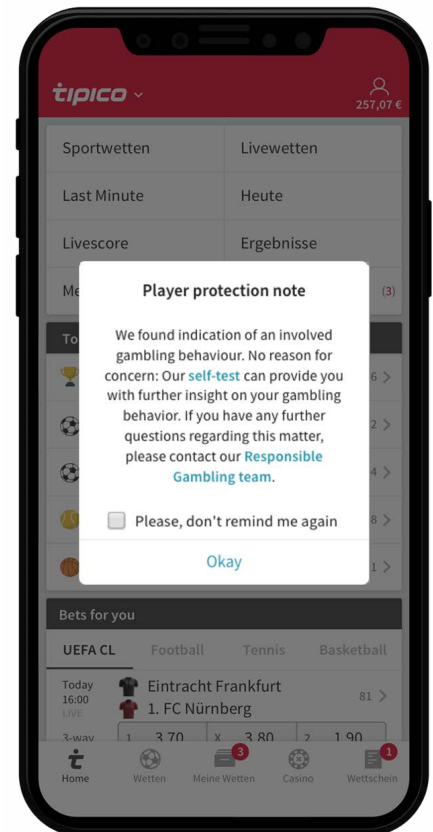
- » Level 1 - Increased RG information
- » Level 2 - Interrupting the flow of gambling with RG messages
- » Level 3 - Investigation by the RG team

If risk behaviour persists, the customer is confronted and a dialogue is initiated. As part of this dialogue, mitigating measures (limits, breaks, exclusions,) are agreed upon with the customer. If no agreement is reached, we impose adequate mitigations for the protection of the customer (e.g. imposed limits or imposed exclusion).

RG TRAINING

In order to implement a stringent player protection strategy, knowledge and awareness among employees is crucial. Therefore, our employees are trained in RG topics. In 2018 we implemented:

- » 30 RG training sessions for around 350 back-office employees
- » 127 extensive RG workshops for shop employees (> 12,000 hours)
- » 95 % of customer-facing employees for the online services completed advanced RG trainings



MONITORING AND QUALITY CONTROL

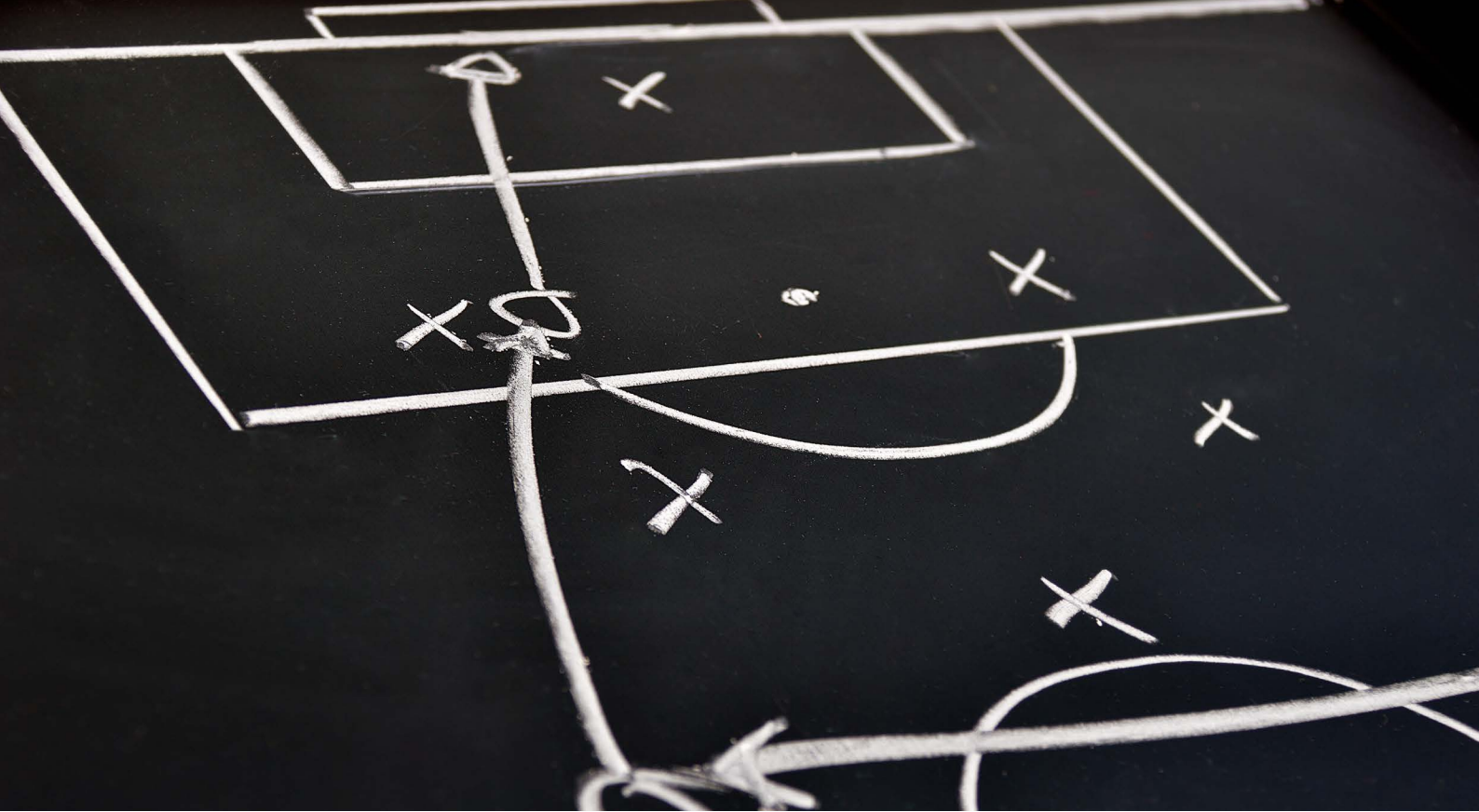
Online, all player protection functionalities are largely scalable. Once evaluated for their effectiveness, we rely on them to remain effective at least in the short and medium term. This differs in the retail offer, where the protection of the customers hinges on the ability and compliance of each single employee. Therefore, constant supervision is necessary.

Our internal quality team is constantly travelling from shop to shop to foster strict adherence to regulatory requirements and internal policies. In addition to that, we work with external contractors to conduct mystery shopping exercises. In 2018, we conducted in the Retail network:

- » 870 quality audits
- » 300 mystery shopping visits on minor protection conducted by Tipico quality team
- » 900 mystery shopping visits on minor protection, player protection and Anti Money Laundering (AML) conducted by external partners.

TARGETS 2019

- » further reduce the financial impact of problem gambling
- » apply innovations piloted in the online business to retail
- » further strengthen quality controls and mystery shopping



RESPONSIBLE OPERATIONS: OUR APPROACH



WE ARE COMMITTED TO:

- » continuously improving performance and meeting all applicable laws
- » working against corruption in all its forms, including extortion and bribery
- » establishing and continuously improving the framework for the prevention of money laundering
- » respecting the privacy of customers and use modern and secure data protection technologies
- » reviewing policies and business practices continually to encourage engagement with business partners and to promote development
- » operating in a way that safeguards against unfair business practices
- » supporting and respecting the protection of internationally proclaimed human rights
- » following highest standards as directed in the Tipico Ethics Codex

IN 2018:

- » 99% of employees successfully completed the mandatory General Data Protection Regulation (GDPR) and Anti Money Laundering (AML) trainings
- » we improved processes to ensure they are in line with the new general data protection regulation
- » we introduced new roles such as internal audit, data governance manager, data protection officer and corporate responsibility (CR) manager
- » our compliance management framework and AML framework were externally audited

GOVERNANCE: VITAL TO ACCOUNTABILITY

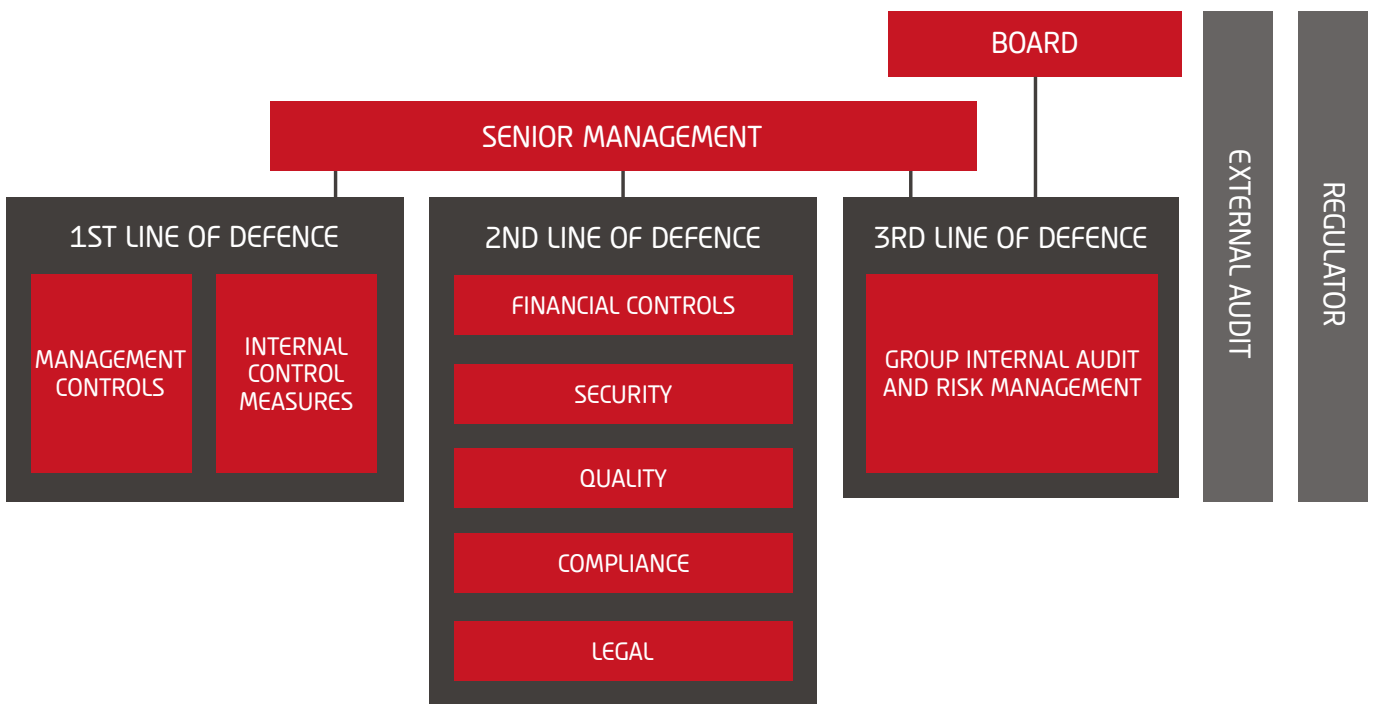
Long term success can only be generated by respecting business integrity and focusing on compliance and business ethics. Therefore, these issues are the basis for all our undertakings and known and respected by all employees.

We have flat hierarchies and consequently the management should not and does not strive to micro-manage every single decision. Rather, our company builds on the competencies of all employees and

therefore delegates authority for many business processes. That way, we achieve the greatest possible operational ability to act and ensure that the management can focus on the most important decisions. By using the expertise on all levels, the company can progressively and quickly adapt to a market in which change is the only constant. Therefore, we established a Delegation of Authority, which governs responsibilities and allowances.

THREE LINES OF DEFENCE

At Tipico, the first line of defence is provided by staff and operational management. They have ownership, responsibility and accountability for directly evaluating, controlling and mitigating risks. Internal governance is further supported by departments with controlling functions such as Compliance. These departments have a risk minimizing role, in which they support the identification of risks and the implementation of effective risk management tools. Our Group Internal Audit and Risk Management team takes responsibility for the third line of defence.



GROUP INTERNAL AUDIT & RISK MANAGEMENT

In order to provide recommendations and to enhance internal controls, an Internal Audit & Risk Department has been established. Objectively independent and not involved in operational decisions are main principles of our internal audit and risk management team. These principles are fundamental to transparent processes. It therefore

provides independent oversight on the efficiency and effectiveness of governance and internal controls. The team further supports the company on achieving the strategic objectives and sustainable long-term growth by assisting management in identifying and actively managing their existing and emerging key risks.

RESPONSIBLE OPERATIONS: OUR APPROACH

COMPLIANCE MANAGEMENT

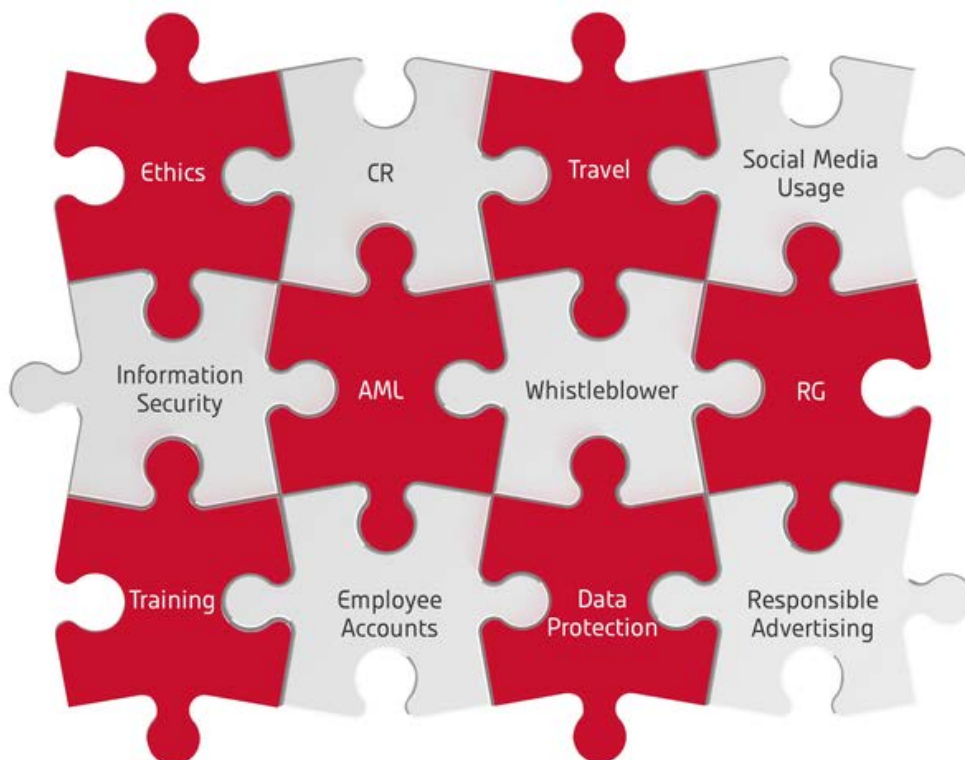
The trust of our customers is the main reason we can call ourselves the market leader in sports betting. At the same time, an important goal is to be a trusted partner for regulatory authorities. Our offers and services are based on licenses, issued by the Malta Gaming Authority. We actively advocate for the implementation of these permissions, which are associated with strict criteria, in other federal states as well as in other EU states. Further, we are a member of the German Sports Betting Association (DSWV), which was founded in 2014 by leading German and European betting providers. Its primary concern is to constructively advocate for the further development of the German sports betting regulations, which particularly include the aspects of player and youth protection as well as addiction prevention. A list of all associations can be found in Appendix 3.

As a business framework unit, our compliance department is located in the headquarters of the Tipico Group. In the reporting year, new structures were created within our compliance organization and its

staff expanded. The compliance department manages licensing, compliance, anti-money laundering, responsible gambling and communication with regulatory authorities. It further analyses regulatory risks and consults all business areas concerning the implementation of regulatory requirements, providing relevant Group guidelines and training contents. Employees can additionally direct their compliance-related questions and issues to the team. Within the last years, we have developed a compliance management framework based on tools already in use for agile software development processes. The compliance management system is an integrated system comprised of written documents, functions, processes, controls and tools that help the organization comply with legal requirements and minimize violations of law. It was built to be as transparent as possible over the organization's compliance efforts. It allows us to measure or track compliance projects, controls and deadlines with the opportunity to address the risks relevant to the organization, while also meeting multiple requirements.

INVOLVEMENT OF EMPLOYEES

Whenever people work together, the structure and guidelines underlying this cooperation play a key part in success. For this reason, we have developed a set of corporate guidelines, which conform with international laws, ethics standards and our values. They meet the needs of an internationally operating company. Our Tipico Corporate Practice serves as a guide in the daily work. Among others, it includes the following topics:



BUSINESS ETHICS: OUR ETHICS CODE SERVES AS A FOUNDATION FOR OUR APPROACH

A core principle is that all members of the Tipico Group act with integrity and thereby positively reflect our values. Our Tipico Ethics Code intends to provide guidance to all employees with respect to their responsibilities at the company, with the particular target of creating awareness about anti-corruption and anti-bribery laws in order to enable all employees to recognize potential issues and deal with them appropriately.

We do not tolerate any form of corruption. Therefore, we actively work with stakeholders to avoid any situations that could be construed as such. Employees and consultants are not allowed to use their position at Tipico to request or accept anything of value or the promise thereof beyond the scope of moderate and appropriate gifts. Every employee receiving gifts and hospitality exceeding the value of cumulatively 150 € within a year is required to declare all these to the central register of the compliance department.

Same applies to conflicts of interest. All potential cases must be reported in order to allow for a transparent discussion of the involved risks and for

an appropriate solution for the employee and Tipico. To avoid conflicts of interest, any direct or indirect use of own gaming and betting offers - except on designated employee accounts - is forbidden for all our employees. Further, company facilities may only be used in a manner that suits our values. For the same reason we do not make any financial contributions to politicians, political organisations or political parties.

To foster ethical business behaviour, we practise the approach that every employee should report any perceived concerns, risks, or misconduct without having to fear sanctions. As part of our Whistleblowing Policy, we have therefore instituted an external, independent ombudsman as a contact for whistle-blowers. In 2018, four reports were registered across the Tipico Group via the whistleblower system of which one could be substantiated.

However, our ethical business practices were not only visible internally. In 2018, we did not receive any significant fines or non-monetary sanctions for non-compliance as described in the following GRI requirements:

GRI	DESCRIPTION
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 416-2	Incidents of non-compliance concerning the health & safety Impact of products & services
GRI 419-1	Non-compliance with laws and regulations in the social and economic area
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling
GRI 417-3	Incidents of non-compliance concerning marketing communications
GRI 307-1	Non-compliance with environmental laws and regulations

RESPONSIBLE OPERATIONS: OUR APPROACH

KEEPING OUR DATA SAFE

As the number of our customers is increasing steadily, it is of high importance to continuously improve our data security. Further, on May 25, 2018, the General Data Protection Regulation (GDPR) became applicable across the EU, aimed at protecting personal data held by businesses and other organizations.

We therefore initiated a project which started mid of 2017 in order to be well-prepared to cope with the new challenges that the GDPR brings to all our business areas. A multi-disciplinary approach has been taken to embed awareness and compliance in the organisation with collaborated effort throughout the business.

To ensure continuous effort towards our customer privacy compliance, a data protection officer (DPO) has been appointed and a DPO Office has been established. A privacy governance structure was set up to ensure alignment with all business sections. Data processing agreements were also implemented, in order to guarantee customer data protection when working with third parties. Various technical and organizational measures were taken by Tipico to protect personal information of our customers from unauthorized access and/or alteration. In addition, high standards are revived by licenses and certification, including the certification for the international standard for information security management systems ISO/IEC 27001:2013 (certified by TÜV Rheinland CERT).

In order to comply with the enhanced data subject rights, we have set up a data subject access request process along with an updated transparent privacy

policy section where customers can exercise their data subject rights:

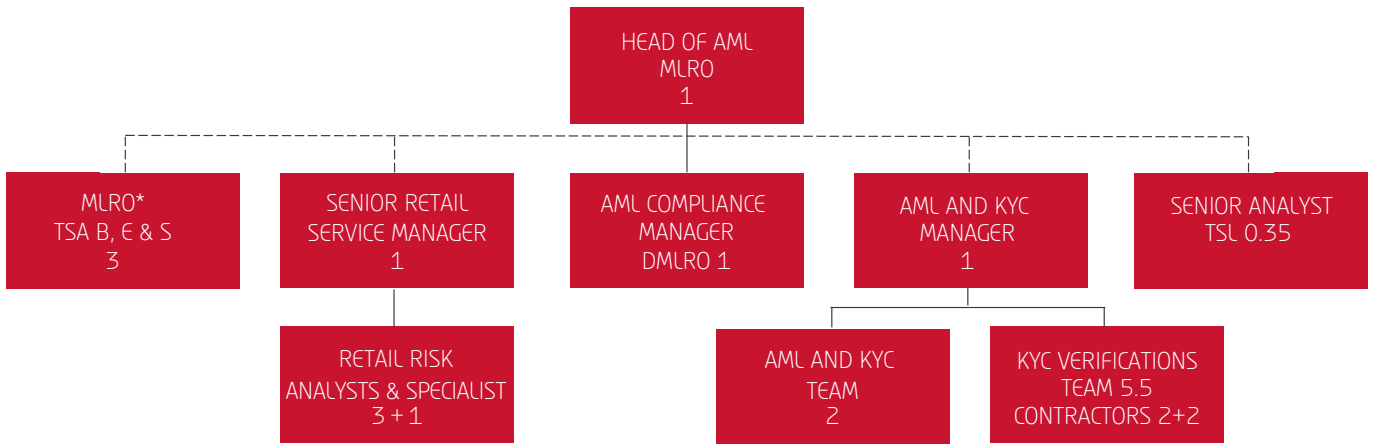
In 2018, our DPO Office received 24 observations. Two cases of potential data breaches were reported to the Information and Data Protection Commissioner (IDPC). After a thorough investigation of the potential impact on our customers data, both breaches were closed without requirement for further action. We have acted upon accordingly as defined in the data breach notification procedure and solved and mitigated all of them in a timely and satisfactory manner. No complaints received from outside parties or regulatory bodies could be substantiated by the organization.

In order to inject data protection into the DNA of our company and enable a data protection aware and compliant culture, we introduced an extensive mandatory GDPR e-learning training. In 2018, 99% of all employees completed the online training, supplemented by deepening personal trainings for employees interacting directly with our customers.

POTENTIAL DATA BREACHES REPORTED	2018
Observations reported to DPO (Internal)	24
Incidents reported to IDPC (Supervisor Authority) by DPO	2
Within 72h (Target 100%)	100 %

PREVENTION OF MONEY LAUNDERING (AML)

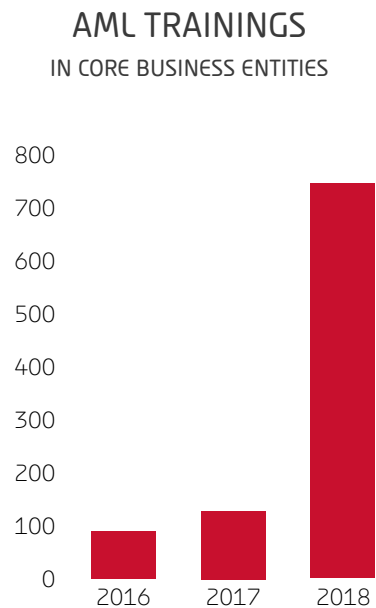
In recent years, the topic of money laundering has gained increasing attention. As a sportsbook provider, we are confronted daily with monetary transactions by customers. This is associated with a special responsibility. In 2018, our internal AML organisation was strengthened, and teams expanded in order to drive AML compliance. Thus, the following target model was designed with 22.85 Full-Time Equivalentents (FTE) in total working to actively prevent money laundering.



Relevant parts of the retail operations are further monitored on a daily basis by an external partner, the Kerberos Compliance-Managementsysteme GmbH, a regulatory compliance tech company with strong expertise in the field of money laundering prevention.

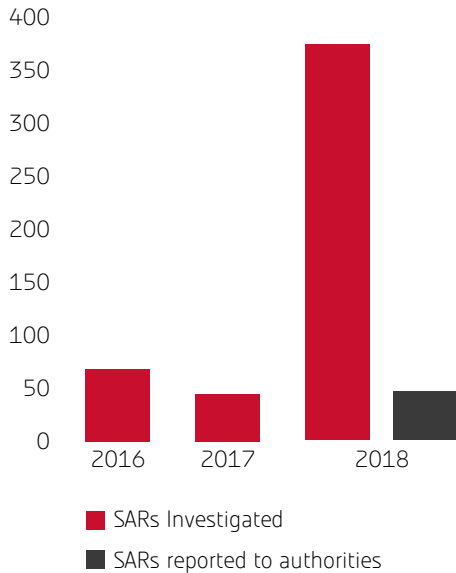
Our entire Group follows an AML policy, which creates awareness and explains what to do in case of suspicion of criminal activities. Our Tipico Group Money Laundering Reporting Officer (MLRO) further designed an appropriate process for action, which must be followed by employees.

In 2018, 748 AML trainings were carried out (covering 99% of employees in core business entities), supplemented by further trainings for retail shops. Furthermore, the AML framework was constructed, implemented and audited successfully. An external auditor assessed the suitability of its relevant parts.



RESPONSIBLE OPERATIONS: OUR APPROACH

SUSPICIOUS TRANSACTIONS INVESTIGATED



Relevant parts of the retail operations are further monitored on a daily basis by an external partner, the Kerberos Compliance-Managementsysteme GmbH, a regulatory compliance tech company with strong expertise in the field of money laundering prevention.

Our entire Group follows an AML policy, which creates awareness and explains what to do in case of suspicion of criminal activities. Our Tipico Group Money Laundering Reporting Officer (MLRO) further designed an appropriate process for action, which must be followed by employees.

Further, all customer identification, simplified due diligence (SDD), customer due diligence (CDD), enhanced due diligence (EDD) and own risk management processes are under continuous review in order to comply with all legislations. For instance, about 850,000 PEP (politically exposed person) and more than 500,000 CDD tests were carried out in 2018.

TARGETS 2019:

- » further strengthen prevention of money laundering
- » further embedding the data protection culture in the organisation by focusing on accountability
- » improve data protection related processes to increase maturity
- » optimization of cybercrime and data breach notification



OUR COMMUNITIES: BEYOND BUSINESS OPERATIONS



WE ARE COMMITTED TO:

- » expressing our values by charitable giving and corporate projects
- » supporting active involvement in the communities through volunteering initiatives
- » supporting employee driven activities
- » focussing on close cooperation with selected partners to guarantee long term success

IN 2018:

- » we extended our corporate social responsibility (CSR) activities across locations and carried out various events for a good cause
- » more than 1,000 hours of community work were carried out by employees in Malta
- » 15 options for participation in sportive activities for the good cause were offered across locations
- » more than 260,000 € were donated in the field of healthcare, prevention research and social development

OUR COMMUNITIES: BEYOND BUSINESS OPERATIONS

OUR COMMUNITIES: CONTRIBUTION THROUGH EMPLOYMENT AND TAXES

A stable regulatory environment, including experienced regulators like the MGA, are key to running a successful sports betting company. Malta is offering both, as the first EU Member State to enact comprehensive legislation in this field from 2004 onwards. Malta is thereby seen as one of the foremost tested jurisdictions in the world, following a consistent approach to regulation, while keeping requirements on a high standard. Over the years, it has developed itself into a hub of gaming excellence, providing an extensive network for gaming companies. For this reason, our headquarter is located in Malta, while main markets remain in Germany. With a market share of over 50% in Germany, the offer has a high availability around the country. As a result, the number of provided workplaces in these two countries are the highest. As we are well integrated in all locations of operations, we support all local communities with a special focus on Germany and Malta.

COMMUNITY INVOLVEMENT: WE ARE COMMITTED TO OUR COMMUNITIES

At Tipico, we see social commitment as the basis for a healthy business environment and a constructive cooperation with all stakeholders. That is why we combine our ferventness for sports with the passion for social development. Either

"I was amazed about the very positive feedback that we got from different sides. Most of the councils and NGOs wrote or phoned us right after the event to thank us for all the work that was done at the various locations. I got the feeling that they were truly impressed how motivated and engaged Tipico employees are."

Team member organizing the CSR Day

We contribute to the local economy not only by providing products, but also through employment, taxes and social community involvement. As a leading provider of sports betting in the German market, we observe our duties and pay sports betting taxes in Germany as well as tax on our online casino offers. We further pay sports betting taxes in Austria and Malta.

WORKPLACES OFFERED BY TIPICO IN 2018:

Germany	> 240 workplaces; > 900 including own retail shops
Malta	> 250 workplaces
Croatia	> 141 workplaces
Colombia	> 24 workplaces
Austria	> 16 including own retail shops
Gibraltar	> 5 workplaces

by organizing sports auctions, internal tournaments or events for charitable giving - our values become visible by corporate actions for the good cause. Besides charitable giving, we focus primarily on supporting active involvement in the communities through volunteering days and employee driven initiatives. That way, progress is ensured by implementing everyone's skills to play a vital part.

To guarantee long term success, we focus on close collaborations with selected partners. We follow strict internal guidelines and emphasise the support of projects that suit our values and meet own sustainability requirements. Thus, Tipico creates win-win situations and adds value to the whole community. Every project, organisation and association that has been supported pursues charitable purposes. Additionally, the type and scope of support that the company offers is regulated internally by the ethics code.

As customer health and safety is of the highest priority to us, in 2018, more than 120,000 € was donated within main markets in Germany and Austria for player counselling programs, as well as around 100,000 € for research purposes to prevent gambling addiction. In addition, we donated more than 40,000 € in charitable projects within Malta.

SPORTS FOR THE GOOD CAUSE	AUCTIONS FOR THE GOOD CAUSE										
<p>We are not only a partner of the German Football Bundesliga and FC Bayern Munich; our passion shines through in the voluntary work and responsible actions within society. That is why, beyond its sponsoring commitments, Tipico also fosters sports events and charity campaigns of its partner associations, non-profit organisations, and sports foundations. In 2018 these included:</p> <table border="1"> <tr> <td data-bbox="150 952 443 1041">Charity Walks & Runs -Germany</td> <td data-bbox="459 952 756 1041">Medellin Marathon, Colombia</td> </tr> <tr> <td data-bbox="150 1057 443 1146">MCCF Run, Malta</td> <td data-bbox="459 1057 756 1146">Own Sportsday with donations for the good cause, Malta</td> </tr> <tr> <td data-bbox="150 1167 443 1256">Schlossparklauf Karlsruhe, Germany</td> <td></td> </tr> </table> <p>For each Tipico employee participating in a charity race, 30 € were donated.</p>	Charity Walks & Runs -Germany	Medellin Marathon, Colombia	MCCF Run, Malta	Own Sportsday with donations for the good cause, Malta	Schlossparklauf Karlsruhe, Germany		<p>Whether auctions of unique sports paraphernalia such as jerseys or scarves, or balls signed by football stars – the proceeds from these events always benefit charitable projects in the area of sports and health. In 2018, Tipico collaborated with the following partners:</p> <table border="1"> <tr> <td data-bbox="831 952 1125 1041">Sport auction Tipico</td> <td data-bbox="1145 952 1442 1041">Sporthilfe Austria</td> </tr> <tr> <td data-bbox="831 1057 1125 1146">United Charity (start of collaboration)</td> <td data-bbox="1145 1057 1442 1146">Internal auctions</td> </tr> </table> <p><i>“The feedback from colleagues was great! We are pleased that so many people took part in the auction. All in all, we were able to provide Inspire Malta with over 1,700 €.”</i> <i>Senior Manager Corporate IT, about the support of his colleagues.</i></p>	Sport auction Tipico	Sporthilfe Austria	United Charity (start of collaboration)	Internal auctions
Charity Walks & Runs -Germany	Medellin Marathon, Colombia										
MCCF Run, Malta	Own Sportsday with donations for the good cause, Malta										
Schlossparklauf Karlsruhe, Germany											
Sport auction Tipico	Sporthilfe Austria										
United Charity (start of collaboration)	Internal auctions										

OUR COMMUNITIES: BEYOND BUSINESS OPERATIONS

VOLUNTARY ENGAGEMENT

In our company culture, we share the belief that ability progresses through active involvement. Therefore, employees are given opportunities to get engaged. In 2018, we organized an extensive CSR Day in Malta. Around 140 employees participated, resulting in more than 1,000 hours of community work.

Over the last three years, we have planted more than 1,700 trees on Malta, which is a sustainable support for the island's flora.

At the CSR Days, Tipico employees:

Collected around
1 ton of waste

Painted more than
20 benches

Planted more than
100 trees

Organized an event with
elderly people

Increased potential
of a charity shop

Cleared 3
public parcs

Supported
animal care center

EMPLOYEE DRIVEN INITIATIVES

Supporting employee driven initiatives is seen as a way to offer incentives for employees to get engaged in charitable activities and to align closely with the Tipico corporate culture. Employees may request materials needed for planning their own initiatives or Tipico doubles donations collected by employees. Projects range from ventures initiated and independently organised by employees to departmental and company events.

Employee driven initiatives supported in 2018:

World Cup
charity Game

Charitable
get together

Internal
charity auctions

Shoe boxes
for people in need

Breast cancer
awareness day

TARGETS 2019:

- » release of a CR policy in order to support an integrated and group-wide unified approach towards community involvement
- » extend voluntary engagement of employees by offering advanced possibilities
- » extend support towards employee driven initiatives and charity races
- » increase integration of further business entities



OUR ENVIRONMENTAL IMPACT: LESS IS MORE



WE ARE COMMITTED TO:

- » measuring our environmental performance by use of Global Reporting Initiative standards
- » evaluating environmental Impact of facilities and operations with a focus on implementing a continuous improvement process
- » using natural resources efficiently to minimize waste
- » using innovations and technologies to minimize atmospheric emissions
- » promoting awareness regarding environmental guidelines for employees and the public

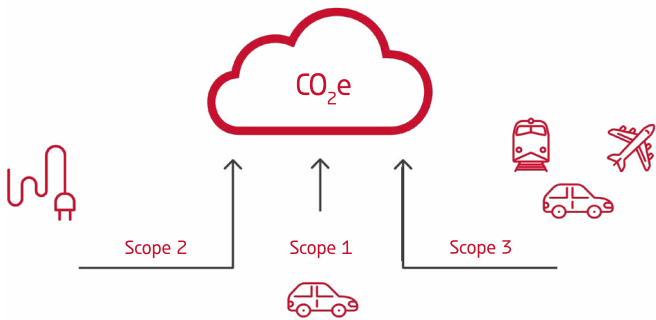
IN 2018:

- » we collected information on environmental Impact
- » we reduced our emissions by moving to more efficient data centres
- » we started and reached first milestones in the workstream focussing on environmental issues

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

OUR IMPACT: FROM ELECTRICITY TO WASTE MANAGEMENT

Even though environmental topics are not considered a main risk for us as a provider of digital services, we recognise our impact and therefore focus on reducing negative effects. We support a precautionary approach and integrate environmental responsibilities and considerations into daily operations and business decision-making processes.



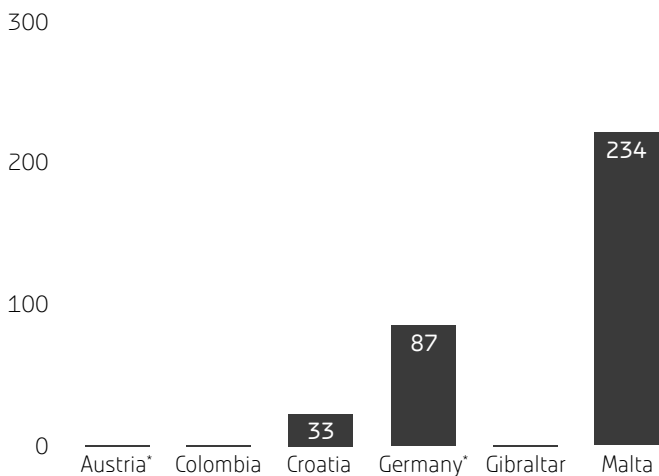
As a digital company, the focus lies on emissions resulting from the usage of data centres and business travels of employees. Further, environmental Impact from consumption of water, energy, and materials in company offices are constantly tracked with the goal of minimizing waste. In 2018, we did not identify any non-compliance with environmental laws or regulations - rather a voluntary workstream met regularly in order to develop new projects and increase performance.

In 2018, we collected information about CO₂ equivalents (CO₂e) traced back to business activities for the first time. These included directly produced CO₂-emissions caused by company vehicles (Scope 1), Scope 2 emissions due to consumption of electricity and Scope 3 emissions due to business travel (including flights, cabs and trains).

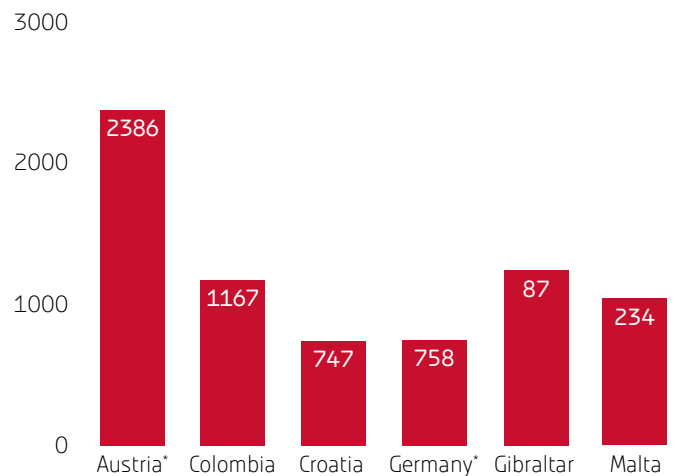
ELECTRICITY

Consumption of electricity was tracked around our locations, resulting in around 362 metric tonnes of CO₂e. Understandably, the consumption varied not only by the size and location of the entity, but by the number of employees as well.

EMISSIONS FROM ELECTRICITY CONSUMPTION
IN TONNES CO₂e



EMISSIONS FROM ELECTRICITY PER EMPLOYEE
IN KWH



* Calculation partly based on values of previous years; Values only include core business areas

For comparison reasons, the amount of CO₂e is calculated with the standards of the Greenhouse Gas Protocol (GHG), which implies country specific energy mixes. In order to minimize Impact, we are strongly committed towards using renewable sourced electricity to attain a more favourable energy mix. While the average of renewable sourced electricity in the gross electricity mix within the EU (2016) was around 30 %, the majority of Tipico business entities sources electricity from providers offering 100 % renewable sources. Therefore, the CO₂e based on our specific electricity mix is expected to be below calculated amounts.

The same applies to our retail shops. Majority of shops operated by the Tipico Shop Agency North and East are sourcing electricity from 100 % renewable sources. Based on supplier information, this leads to the reduction of more than 1,000 tonnes CO₂ emissions compared to conventional electricity mixes.

DATA CENTRES

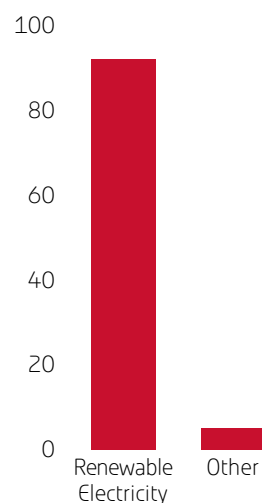
In 2018, the energy consumption by external data centres that could be traced back to our usage was tracked for the first time. We managed to receive information from around 75 % of data centres that are handling our operations. Yet, as the picture is not complete, we will work on improving data completeness before publishing final results.

Another big step was moving our data servers to the Amazon Cloud (AWS). This led to a high level of scalability. In a framework of dedicated servers for our digital services, the number of servers must be adjusted to the highest demand (e.g. around big sports events). During times of lower demand, unused servers become redundant, while still running. With the move towards AWS, capacity is dynamically scaled to the actual workload. Con-

WATER

Our main focus does not lie on the manufacturing industry. Thus, the water consumption of the company is comparably low. As we are renting the office spaces, data availability depends on the landlords and the regulatory environments. Therefore, not all data for 2018 could be collected at this time. Nevertheless, tracking for consumption by all entities is set up and data is recorded in order to notify irregularities. Water is usually sourced by local municipalities and except for one entity, no reused or recycled water is used in our facilities.

ELECTRICITY MIX OF TIPICO RETAIL SHOPS IN PERCENTAGES



sequently, energy consumption is expected to be much lower at times of reduced demand.

As the amount of carbon emissions is not only affected by the sheer number of servers running, and the efficiency of these servers, but also by the power mix used, we chose a provider that follows own requirements on high percentages of renewable energies in the electricity mix. In accordance with AWS statements, the provider used on average 50 % of renewable energies. AWS states that “On average, AWS customers use 77 % fewer servers, 84 % less power, and utilize a 28 % cleaner power mix, for a total reduction in carbon emissions of 88 % from using the AWS Cloud instead of operating their own data centers.

⁶ Statista (2019) Retrieved from: <https://de-statista.com/statistik/daten/studie/161266/umfrage/stromerzeugung-aus-erneuerbaren-energien-in-der-eu-27-seit-1998/>

⁷ AWS (2015) Retrieved from: <https://aws.amazon.com/blogs/aws/cloud-computing-server-utilization-the-environment/>

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

WASTE MANAGEMENT

Efficient waste management in terms of separation and possibilities for recycling are a fundamental requirement within our Group. Most of our entities have extensive possibilities already in place. However, for our entity in Gibraltar with five employees, the rented office space and office environment does not enable the desired degree of waste separation.



Besides waste management in offices, suppliers of IT materials have been contacted in order to implement recycling possibilities for IT related products. Furthermore, packing materials such as for our new terminals in retail shops are purchased from suppliers using high percentages of recycled materials. In order to minimize resources and costs and thus stay efficient, we further track the consumption of consumable items such as paper.

In 2018, a new workstream dedicated towards promoting and setting up initiatives for an environmentally conscious company was started. As a first project, all employees were equipped with reusable bpa-free Tipico bottles with the goal of reducing environmental impact and minimizing one-way plastic consumption. This is especially relevant in countries such as Malta, where the recycling rate is relatively low compared to other European countries. With the new product, the one-way plastic bottles are being replaced at our entities. Our employees are thereby drawing attention to this global

issue and are actively starting to change towards environmentally friendly office spaces. Just looking at the headquarter, we were able to reduce the amount of around 70,000 plastic bottles per year, resulting in the reduction of one-time plastic of around 1,900 kg, which equals the annual packaging waste of around 60 EU citizens (2016).

During CSR activities, we got further involved in cleaning up three national parks, planting trees in two locations and collecting about one ton of waste during a clean-up session of Maltese beaches.

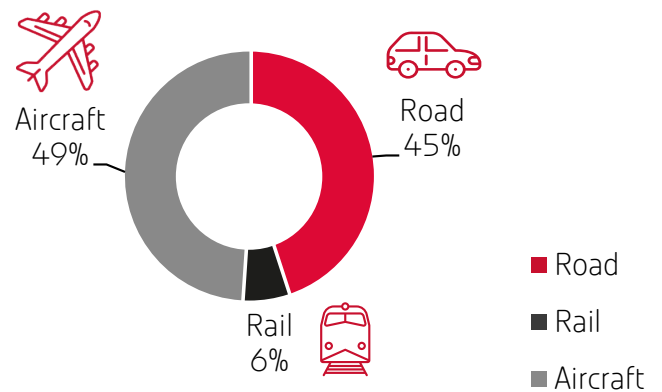
Increasing amount of waste ranked as one of the top environmental impact within the EU.
Reduction of around 70,000 one-time plastic bottles/year
= 1,900 kg of packaging waste
= annual plastic packaging waste of around 60 EU inhabitants

⁸ Statista (2019) Retrieved from: <https://de-statista.com/statistik/daten/studie/901192/umfrage/recyclingquote-von-kunststoffverpackungen-in-eu-laendern/>

⁹ Statista (2018) Retrieved from: <https://de-statista.com/statistik/daten/studie/786353/umfrage/plastikverpackungsabfall-in-ausgewaehlten-eu-laendern-je-einwohner/>

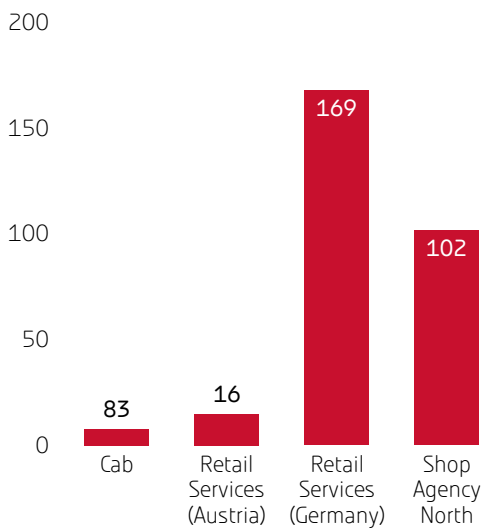
BUSINESS TRAVEL: REDUCING OUR FOOT-PRINT

As an international company, business travel is one of our biggest environmental Impact. Our business travel includes the car parks used by the teams consulting retail shops (GHG Protocol Scope 1) and emissions as a result of individual travel of employees by publicly available sources such as taxis, trains and airplanes (GHG Protocol Scope 3). Information about all business-related trips of our Group were collected and resulted in 733.849 metric tonnes of CO2 equivalent and 65.097 metric tonnes emissions from biofuel. This equals an emission intensity of 1.189 metric tonnes per employee in core business entities .



GHG EMISSIONS - ROAD

IN METRIC TONNES CO_{2e}



ROAD

Travel by road makes up a large part of our overall business travel. This is especially due to the high number of Tipico shops within Germany and Austria, which are inspected and consulted by internal quality and retail services teams on a regular basis.

⁸ Statista (2019) Retrieved from: <https://de-statista.com/statistik/daten/studie/901192/umfrage/recyclingquote-von-kunststoffverpackungen-in-eu-laendern/>

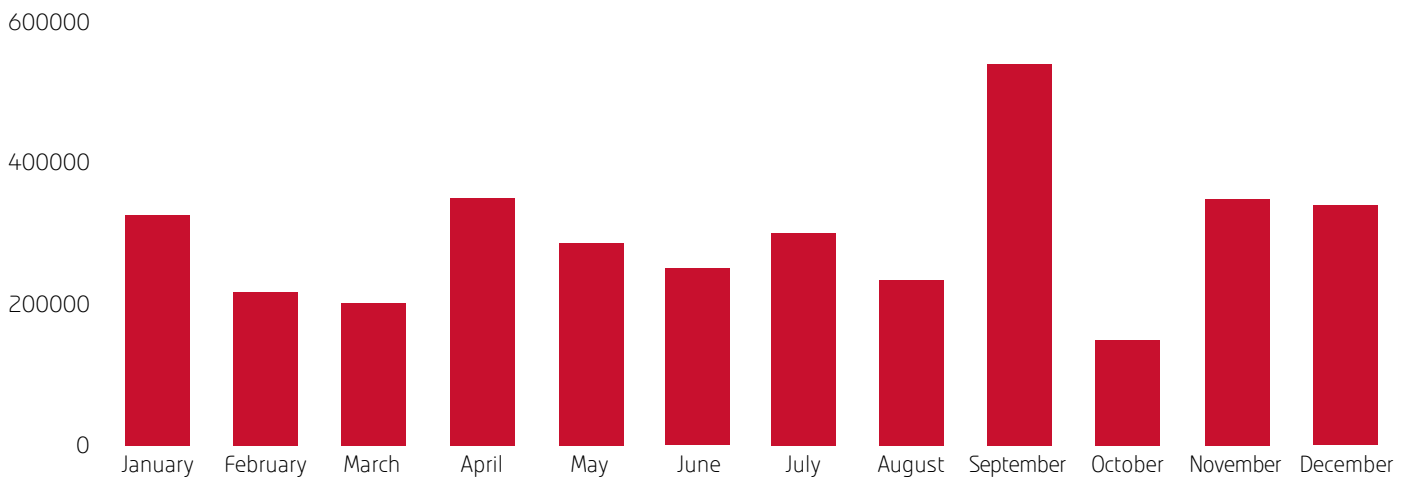
⁹ Statista (2018) Retrieved from: <https://de-statista.com/statistik/daten/studie/786353/umfrage/plastikverpackungsabfall-in-ausgewaehlten-eu-laendern-je-einwohner/>

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

AIRPLANE

Due to the international business environment and Group entities in six different countries, travel by airplane makes up the largest part of individual business travel, with around 49 % of all business travel resulting in approximately 391 metric tonnes of CO₂e. In total, our employees were travelling around 4 million kilometres by plane, which equals approximately 100 times around the world.

AIRPLANE - TRAVELLED DISTANCE PER MONTH
IN KM



⁸ Statista (2019) Retrieved from: <https://de-statista.com/statistik/daten/studie/901192/umfrage/recyclingquote-von-kunststoffverpackungen-in-eu-laendern/>

⁹ Statista (2018) Retrieved from: <https://de-statista.com/statistik/daten/studie/786353/umfrage/plastikverpackungsabfall-in-ausgewaehlten-eu-laendern-je-einwohner/>

RAIL

In accordance with the GHG protocol, around 6 % of our emissions, equalling around 47 metric tonnes of CO_{2e}, result from rail traffic. Yet, the majority of travel by train was carried out in Germany, with a high share of renewable energy in the power mix. Thus, emission factors are expected to be below calculated numbers. In accordance with the German Federal Environmental Agency “Umweltbundesamt”, the emissions by rail based on our individual rail mix are expected to be only approximately 15 metric tonnes.

»» **Around 1,600**
long distance travels by train

»» With an average distance of around
262 kilometres

»» More than **7,227 meetings**
were scheduled via virtual meeting rooms

»» Up to **47 meetings per day**

»» With up to **59 dialled in**
computers/conference rooms

»» On average **6.8 dialled in**
computers/conference rooms (higher
number of individual participants)

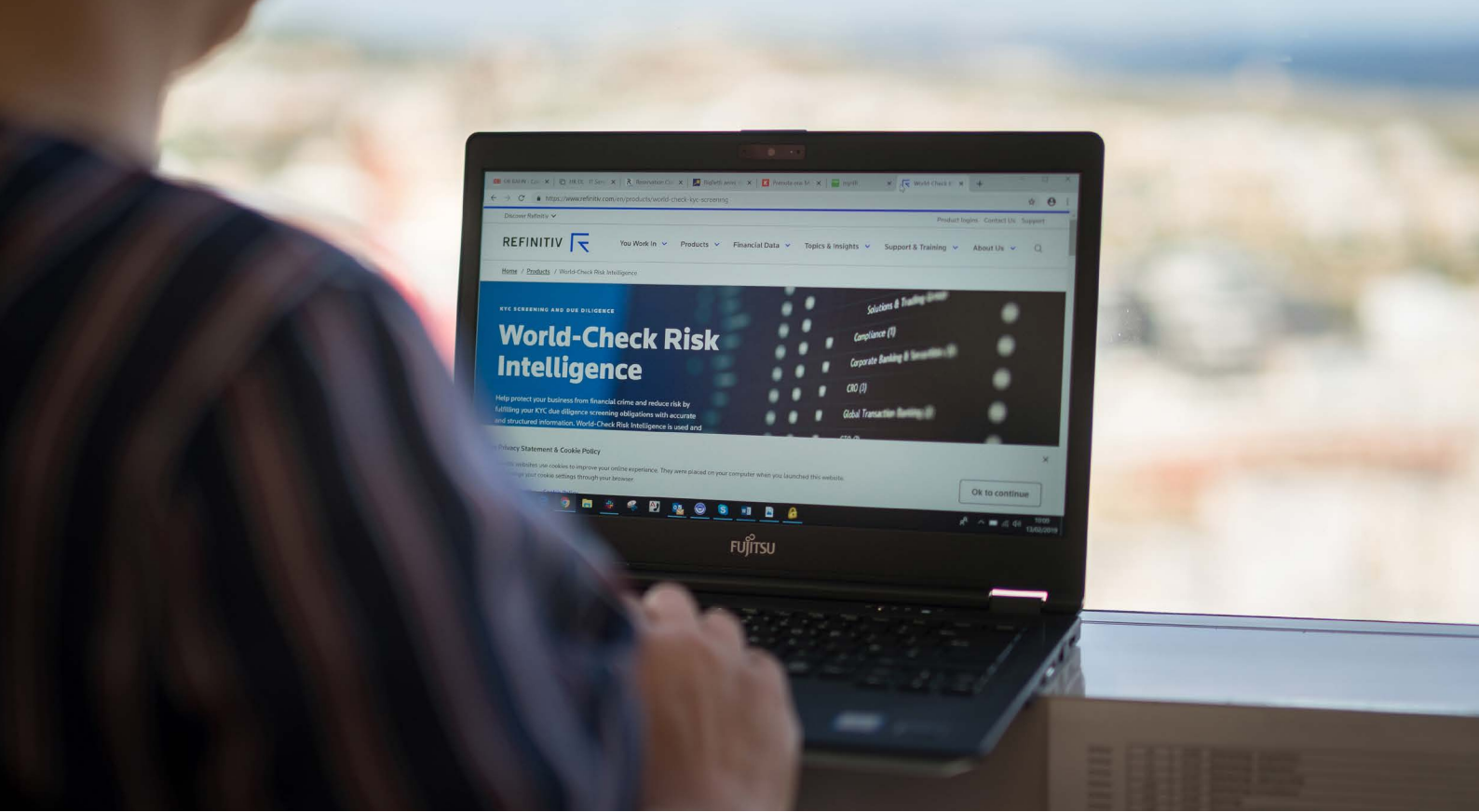
REDUCING IMPACT

Communication is key. Therefore, business travel is relevant in order to work together closely and get the best results possible. Nevertheless, wherever achievable, we are counting on alternative systems in order to minimize consumption of time and CO_{2e}. Thus, we are offering our employees various channels for communication. As shown in the table, virtual online meetings are used very frequently.

TARGETS 2019:

- »» extend tracking of data about environmental Impact
- »» increase data accuracy concerning business travel by implementing a new tracking system
- »» increase awareness of environmental Impact with the company
- »» produce a stable high share of renewable electricity in the electricity mix
- »» extend benchmarking on environmental effects

¹¹Umweltbundesamt (2018) Retrieved from: https://www.umweltbundesamt.de/themen/verkehr-laerm/emissionsdaten#verkehrsmittelvergleich_personenverkehr



SUPPLY CHAIN: KNOW YOUR BUSINESS PARTNERS



WE ARE COMMITTED TO:

- » monitoring our supply chain in order to reduce risks and minimize negative effects
- » informing business partners about responsible business practices
- » focussing on trustful, long lasting and sustainable business relationships

IN 2018:

- » we introduced new policies and processes to increase transparency and streamline the purchasing process for the protection and preservation of our company's interests
- » around 97% of our suppliers were operating from EU Member states
- » we introduced our Tipico Supplier Code of Conduct and extended processes to know our business partners

OUR SUPPLY

As an international company, we are interacting with people, companies and organizations outside the Tipico Group in all business areas. Our supply chain is less affected by direct procurements such as raw materials and goods for production but rather shaped by indirect spendings on services, supporting the day to day business such as marketing, gaming, IT and affiliation services. Nevertheless, safe collaborations with suppliers following the same high standards as Tipico are important in order to guarantee the efficient flow of the business. We therefore expect suppliers to acknowledge our Supplier Code of Conduct, which is based on the standards of the UN Global values and thereby promotes ethical, social, environmental and economic progress.

THE SELECTION PROCESS

Whether it's customers, partners, franchise partners, or suppliers - we are implementing guidelines and checks to guarantee safe relationships. These do not only include customer identity verification processes, but also due diligence on the franchise partners and vendors. Even charitable organizations are asked for transparent information to guarantee that trust is never misused. "Know your business partners" processes and procedures reduce the risk in facilitating business with inappropriate business partners, especially from an anti-money laundering perspective. By verifying our partners and understanding their business, we increase our ability to pinpoint any potential risks. As a first approach to supplier verification, a risk assessment is completed. This includes specific parameters such as jurisdiction, type of service, number of employees or monetary value of contracts, to name a few. Based on the risk assessment results, specific due diligence checks are carried out. As a part of these checks, we screen individuals and organizations through an established compliance checking engine such as World Check by Thomson Reuters,

which makes it possible to immediately identify suspicious results and take relevant actions. Enhanced due diligence (EDD) is subsequently triggered in case any suspicious result is met during the checks, always in accordance and agreed with the Money Laundering Officer (MLRO).

We further implemented a contract signing process policy to ensure a structured, efficient and transparent process for contract signing requests. The target is to ensure that through a structured workflow, every contract, order, commercial and service acquired, which passes through these stages, is appropriately reviewed, documented and correctly allocated to the applicable business unit. The policy therefore describes the main rules and measures to fulfil the requirements for a contract to be signed. This includes legal, tax, finance, AML, data protection and compliance checks or requests of additional information.

As for areas dealing with personal information, we follow a strict procurement data retention policy targeting all Group employees that are collecting and processing personal data of affiliates, vendors and suppliers.

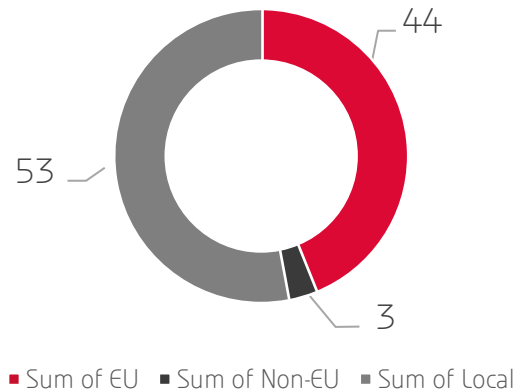
SUPPLY CHAIN: KNOW YOUR BUSINESS PARTNERS

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

Supporting local suppliers does not only help us develop professional partnerships and ensure reliable supply. By doing so, we also indirectly support the whole community. Thus, local sourcing is a strategy to support a stable local economy and maintain relations with the community. We practice a commonly used definition of what local means to the company. Only suppliers based in the same country as the receiving entity are defined as local. We track the geographical distribution of our suppliers for our headquarter in Malta and the supporting entities in Malta and Gibraltar. The majority of our business partners are local, with around 53%. Supplemented by around 44% coming from surrounding European countries, only around 3% are partners outside the EU. This guarantees better communication, short distribution ways and compliance of European standards.

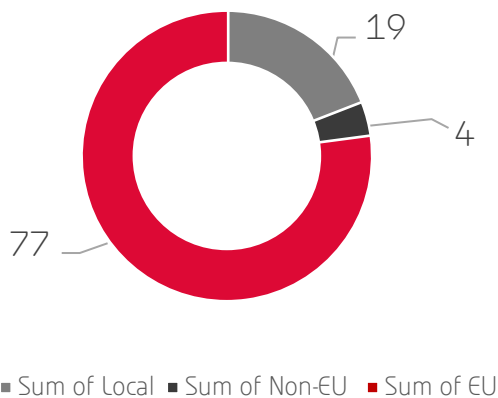
GEOGRAPHICAL DISTRIBUTION OF SUPPLIER

BASED ON CONTRACT PARTNER



GEOGRAPHICAL DISTRIBUTION OF SUPPLIER

BASED ON SPENDING



Compared to the number of contract partners, spending on local suppliers is comparably low (19%). Yet, the amount spent outside the local community but still within the EU (77%) makes up for the majority. With a focus on central European countries, we simultaneously minimize the risk of violation of human rights. At the same time, we can keep environmental impact from shipping at a low level.

¹² International Labour Organization (2019): Work for a brighter future – Global Commission on the Future of Work

¹³ The Global Slavery Index (2019) Retrieved from: <https://www.globallslaveryindex.org/2018/findings/regional-analysis/europe-and-central-asia/>

PROTECTION OF HUMAN RIGHTS

We have a zero-tolerance approach towards all forms of modern slavery and therefore expect all our suppliers to follow the same approach. Slavery, forced- and child labour and human trafficking are violations of fundamental human rights by exploiting persons for the benefit of others. Yet, in 2016, still around 300 million workers worldwide lived in extreme poverty while millions of children, men and women are still victims of modern slavery and insufficient working conditions, which lead to major work-related health issues. Even though migration policies have been tightened within Europe, rendering migrants and vulnerable groups to higher risks, central European countries have comparatively low risks of modern slavery. Governments in Europe show great determination to minimize human rights violations. Thus, focussing on suppliers from European countries is a first step towards reducing these risks. All employees are further encouraged to report suspicions on any form of crime.

TARGETS 2019:

- » upgrade of procurement function
- » extend centralised process for supply management and contract signing
- » increase transparency of contract obligations and spending, which increases efficiency and monitoring and control over expenses

WE NEVER SETTLE FOR SECOND

WE NEVER SETTLE FOR SECOND



As One Tipico, we are committed to corporate responsibility. Our team is continuously working on improving our Impact on the local community and the society at large. We keep setting ourselves higher targets. With this report, we strive to increase transparency and hope to present you some interesting insights into our business. We are excited to present you further updates about our strategy in the future.

APPENDIX

APPENDIX 1: BACKGROUND ON SUSTAINABILITY REPORTING

Content and Scope

We are proud to present the first nonfinancial report for the Tipico Group covering the reporting year 2018. The report is published as a stand-alone report and will be renewed on an annual base. The report focuses on topics impacting Tipico stakeholders to the greatest extent. The goal is to transparently address these topics and outline a path to continuous progress, assuring the trust of all stakeholders.

The standards of the Global Reporting Initiative (GRI) were used as the framework for structuring the content of the report. Tipico systematically used the GRI standards to conduct a former materiality analysis, in order to define the key reporting aspects and guide further standard disclosures. The report additionally includes the GRI content index. As Tipico is committed to the ten principles of the UN Global Compact, communication on the four main areas, namely Human Rights, Labor, Environment and Corruption Prevention, will be included in this report. Any further progress will be disclosed in the future.

The reporting of CO₂-emissions is influenced by the Corporate Value Chain (Scope 3) Accounting and Reporting Standard by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) as well as by the Greenhouse Gas (GHG) Protocol. Emissions by electricity consumption are calculated with the use of the GHG Protocol tool for stationary combustion. Emissions resulting from business travel are calculated with the GHG Protocol tool for mobile combustion.

Financial statements are published annually in a separate report. The consolidated financial statements include information about the Tipico Group Limited and its subsidiaries. The statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU. Financial statements are further independently audited and confirmed by the PWC.

We strive for transparency. However, due to the heterogeneity of different entities and the introduction of new tracking systems, not all information could be collected in this first report. Therefore, chapters contain information about the scope and covered Group entities.

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APPENDIX 3: MEMBERSHIP IN ASSOCIATIONS

DEUTSCHES NORMUNGS INSTITUT (DIN)

(working group member since 2018)

The German Institute for Standardization (DIN) is the German national organization for standardization and a German ISO member body. DIN is a German Registered Association (e.V.) headquartered in Berlin. There are currently around 30,000 DIN standards, covering nearly every field of technology.

DÜSSELDORFER KREIS (DK)

(member since 2017)

The Düsseldorf circle (DK) is an initiative of responsible individuals from gambling operators, addiction assistance and science, who develop suggestions for a strictly consumer-protection-oriented gambling regulation for Germany in open discourse. The initiative defines itself thereby as a forum for qualified technical exchange and the common development of new concepts of consumer protection.

DEUTSCHER SPORTWETTENVERBAND (DSWV)

(board member since 2014)

The German Sports Betting Association (DSWV) is the association of leading German and European sports betting providers. It's committed to a modern and competition-oriented regulation of sports betting in Germany. This includes clear, legally secure rules for providers and consumers. Equally important to DSWV are effective measures to protect players and the integrity of sporting competition.

EUROPEAN GAMING AND BETTING ASSOCIATION (EGBA)

(working group member since 2017)

The European Gaming and Betting Association (EGBA) is a Brussels-based industry body representing the leading online gaming and betting operators, established, licensed and regulated within the EU. The EGBA works together with national authorities, EU authorities and other stakeholders towards a well-regulated and attractive offer for EU citizens. The Association promotes the creation of a safe and reliable European digital environment for online gambling. A well-functioning digital environment requires regulation that provides a high level of consumer protection and considers the reality of the digital economy and consumer demand. It must also ensure that the regulated offer is attractive enough to appeal to the maximum number of players to channel them away from unregulated offers.

IGAMING EXECUTIVES NETWORK ASSOCIATION (IGEN)

(board member since 2018)

The iGaming Executives Network Association (iGEN) is an association of Malta's leading iGaming companies operating in the European and international markets, which was set up in 2018. The main issues addressed are specific to the iGaming industry, such as staff shortages with specific competences as well as problems in the banking sector. General country specific challenges are further addressed. For instance, Malta's rental prices have gone up dramatically in recent years. These topics will be addressed in further collaboration with the Maltese government and the public sector, as well as other stakeholders such as Gaming Malta, the Bankers' Association, the Real Estate Association and other key organisations in this field.

THE MALTA CHAMBER OF COMMERCE

(member since 2017)

The Malta Chamber of Commerce, Enterprise and Industry is the independent voice of the private sector in Malta. Its principal mission is to actively represent companies from all economic sectors and ensure that entrepreneurs enjoy the best competitive environment and regulatory conditions possible for the conduct of business.

The Chamber constantly champions the need for competitiveness, enhancing measures with the pertinent authorities in Malta as well as in Brussels.

UN GLOBAL COMPACT

(participant since 2018)

The United Nations Global Compact is a non-binding initiative with the goal of encouraging businesses to work together towards reaching sustainable and responsible business practices. It thereby acts as the world's largest corporate sustainability initiative. The UN Global Compact enables companies to align strategies and operations with universal principles of human rights, labour, environment and anti-corruption, and takes actions in these areas. Businesses are asked to report on their progress in these areas on a regular basis.

ÖSTERREICHISCHER SPORTWETTENVERBAND (OSWV)

(member since 2016; board Member since 2018)

The Austrian Bookmakers Association (OSWV) aims to safeguard the professional interests of bookmakers and totalizers in accordance with its statutes. Additionally, the association creates the basis for its members to be able to carry out their activities in a secure, legal and economic environment.

The OBMV does not pursue its own economic interests; it is politically and denominationally neutral.

WIRTSCHAFTSRAT CDU

(member since 2008)

The economic council of the Christian Democratic Union (CDU) registered association is a country wide organized entrepreneurial professional association with approximately 12,000 members. It offers its members a platform to shape economic and social policy in the sense of Ludwig Erhard's social market economy. The economic council represents the interests of the entrepreneurial economy vis-à-vis politics, administration and the public.

APPENDIX

APPENDIX 4: LIST OF ABBREVIATIONS

ABBREVIATION	FULL TERM
AML	Anti-Money Laundering
CCO	Chief Commercial Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRO	Chief Regulatory Officer
CMS	Compliance Management System
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
CDD	Customer Due Diligence
CDU	Christian Democratic Union
DIN	Deutsches Normungs Institut
DK	Düsseldorfer Kreis
DSWV	Deutsche Sportwettenverband
EWS	Early Warning System
eCOGRA	eCommerce Online Gaming Regulation and Assurance
EDD	Enhanced Due Diligence
EGBA	European Gaming and Betting Association
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
GHG	Greenhouse Gas Protocol
IDPC	Information and Data Protection Commissioner
iGEN	iGaming Executives Network Association
ISMS	Information Security Management System
MGA	Malta Gaming Authority
NGO	Non-Governmental Organizations
OASIS	Onlineabfrage Spielerstatus
OSWV	Österreichischer Sportwettenverband
RG	Responsible Gaming
SDD	Simplified Due Diligence
WBCSD	World Business Council for Sustainable Development
WRI	World Resource Institute

IMPRINT AND CONTACT

OWNER AND PUBLISHER:

Tipico Group Limited
Portomaso Business Tower
St. Julian's STJ 4011
Malta
Web: www.Tipico-Group.com

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All information in this report is prepared with the utmost care and help of various individuals from Tipico and its partners. Information is rechecked and presented to the best of our knowledge. Nevertheless, we cannot assume liability for the correctness and the completeness of all information. For better readability, numbers used in this report are rounded and might therefore differ slightly.

This report includes forward-looking statements based on current information. These do not solely rely on historical facts but on expectations and plans for the future. Unexpected circumstances might therefore lead to deviations from these expectations. For this reason, forward-looking statements speak only as of the date they are made. Even though expectations might change in the light of new information or altered circumstances, Tipico undertakes no obligation to update any of these statements publicly.

The corporate responsibility team would be pleased to receive feedback or suggestions.
Please contact:
Luisa Schuemann
corporate.responsibility@tipico.com
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CONCEPTIONAL SUPPORT, DESIGN AND REALIZATION:

Blao GmbH & Co. KG
Vogelsanger Straße 348
50827 Cologne
E-Mail: info@blao-content-studios.com

Die Thronverfolger
Marienstraße 10
49074 Osnabrück
E-Mail: info@thronverfolger.de

PHOTOS:

Tipico Group

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