



CORPORATE RESPONSIBILITY REPORT 2020

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INTRODUCTION 04

We are looking back on a **Challenging Year**, shaped not only by the pandemic but also by the great performance of our employees.

Again, Tipico achieved a ranking as one of the top ten most influential online gambling providers worldwide. Discover how we got to that position, what our favorite sports are and learn more about our values in the section **Tipico: the Home of Sports Betting**. What does Corporate Responsibility mean to us and what is our approach towards operating our business in a responsible manner? Find out about our standards in the **Corporate Responsibility** section.

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How did the pandemic affect the working situation at Tipico and how did we make sure to offer a **Safe and Attractive Working Place**? What does **Uniqueness** and Diversity have to do with our strategy? How do we invest in our employees by **Learning and Development** and how do we make sure to keep **Workforce Satisfied** by offering engagement possibilities and care for their well-being?

PRODUCT QUALITY: IN SAFE HANDS 41

Around 82% of customers believe that it is important to play with a responsible operator and 76% believe Tipico is that responsible operator. **Customers Trust** us. How do we run our business to reach this high level of trust? How are we fostering **Clean Sports**? And how did we assure our **Player Protection and Protection of Minors** during this special year? How are we monitoring the effectiveness of protection? In this section, we offer all the answers concerning our Product Quality with Player Protection as an integral part of it.

COMPLIANCE BY DESIGN: OUR APPROACH 56

2020 has been a very special year to us. Partly because we have been granted a German license as one of the first operators. How did we manage to get there? How is our Governance structure set up? How do we keep our data safe and minimize risks? Answers can be found in the section **Compliance and Risk Management**.

How do we prevent money laundering? In the description about our approach, you can read about our **Business Ethics** and how we protect our business and our customers from criminal activity.





BEYOND BUSINESS OPERATIONS: ENGAGEMENT DURING A CHALLENGING YEAR 68

Even though we had to change the way we support our communities due to COVID-19, we fostered **Voluntary Engagement** of employees and supported our charitable partners. Further, more than €200,000 was 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 by providing employment, taxes and donations?

OUR ENVIRONMENTAL IMPACT: LESS IS MORE 74

The EU aspires to be climate neutral by 2050. How is Tipico working on reducing its **Emissions**? What are our scopes inside and outside of the company (**Scope 1, Scope 2 and Scope 3**)? How much electricity do we consume and how do we reduce our performance in terms of travelling? And because emissions make only one part, we further try to reduce sources such as paper and water and invest in functional waste separation systems within **Our Offices**.

SUPPLY CHAIN: ACTING LOCALLY 84

We see **Transparency as a Success Factor** within our supply chain and therefore introduced new tools and policies in 2020. At the same time, we set a focus on local procurement.

97% of our supplied goods and services were purchased from EU Member States. How do we thereby positively support human rights matters? Find out more about the **Geographical Distribution of Suppliers**.

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INTRODUCTION

Dear Readers,

For more than a year now, we have been experiencing exceptional circumstances due to the global COVID-19 pandemic, which brought uncertainties for humans and businesses all over the world.

At the same time, we witnessed that an organization's ability to adapt is vital in times of crisis. New strategies and measures have been implemented within the Tipico Group at an incredible pace, even faster than we would have imagined: in only a few days, the entire company was in a position to effectively work from home continuously when lockdowns were introduced across all locations. During a time when suddenly professional sports were shut down, our bookmaking team still managed to find interesting sports events. This resulted in an even greater number of events offered compared to the year before. And eventually, our entire retail business and all its employees had to deal, among many other things, with widespread shop closures and changing coronavirus regulations on a daily basis.

Despite these exceptional challenges, we managed to keep our focus and maintain our strong pole position in our core market Germany. In both the online and the retail business, our market share is above 50%. Nine out of ten sports betting players in Germany know us. Up to eight million bets are placed with Tipico on any regular Bundesliga game day and we have been ranked the sixth most influential online gambling provider worldwide for the

second consecutive year by leading gaming media outlet EGR Global. Finally, we have been among the very first operators to be granted a German sports betting license. A milestone in the ever-changing regulatory environment in Germany, which is a major but positive challenge for us! All these achievements were possible due to our strong commitment to sustainable business practices.

Therefore, we are proud to present our corporate responsibility report 2020, which discloses extensive information on our efforts to be a trusted and responsible corporate citizen. Since 2018, we have been part of the UN Global Compact, the largest sustainability initiative worldwide, which enables us to align and take actions with the support of the United Nations. We are committed to the principles of the initiative and will keep working towards our common goals.

This report presents results that have been achieved as one team, #OneTipico. Our trustworthiness and success are directly influenced by the actions of each and every employee in the Tipico Group, who did a great job despite the challenges of 2020.

After a somewhat challenging though successful year, we are now excited to present our results to you.

The Tipico Board

Joachim Baca (CEO), Stefan Eck (CFO),
Marlon van der Goes (CCO) and Karin Klein (CRO)



From the top left-hand corner to the bottom right-hand corner:
Our Chief Executive Officer (CEO) Joachim Baca, our Chief Commercial Officer (CCO) Marlon van der Goes and our Chief Regulatory Officer (CRO) Karin Klein have been part of the management board since 2016. Our Chief Financial Officer (CFO) Stefan Eck joined in 2017.

INTRODUCTION

COVID-19: REVIEW ON A CHALLENGING YEAR

2020 has challenged us in a very special way. In March, the number of coronavirus cases started peaking, leading to the first lockdown in many European countries. In this situation, it has been a top priority for Tipico to make sure that all employees face safe working conditions and to enable them to work from home whenever possible. At the same time, the lockdown led to the temporary closure of betting shops and professional sports such as the football league paused, depriving our customers of what they actually look for on our website and in the shops: bets on their favorite sports.

While the situation slightly relaxed over the summer, with Bundesliga and 2. Bundesliga starting to be back on the pitch again in Germany, another lockdown was in force by the end of the year and, with a few exceptions, our shops had to close again.

In accordance with the coronavirus regulations of the German federal states, placing bets in our shops were only partially allowed in North Rhine-Westphalia, Saxony-Anhalt and Rhineland-Palatinate. This means that we had to temporarily close 2/3 of our shops once again as part of the second lockdown.

Nevertheless, together with all employees and our partners, we worked intensively to manage these challenges as well as possible. Because only together we have the chance to beat the pandemic.

Please find an overview of some of our measures on the next page:



OUR MEASURES

CORONAVIRUS TASK FORCE:	EMPLOYEES:
<ul style="list-style-type: none">» our Coronavirus Task force was set up in March with experts from all Tipico entities e.g. Human Resources, Office Management, IT, the Chief Information Security Officer, Business Continuity and one senior lead from each Tipico entity» main focus: discussing measures concerning the safety of our employees and our business» the task force had around 50 meetings in 2020» most relevant KPI of the task force: No infections happened that could be traced back to any of our offices	<ul style="list-style-type: none">» we decided against any layoffs due to the crisis» employees working in our shops received furlough salary with support from public funding. On top of that, Tipico added 20% extra to mitigate the impact the crisis had on them» in less than a week, we enabled all office employees to work from home by shipping equipment to private homes, hotels, and other locations» on average, around 70% of employees have been working from home; where necessary, up to 99% of employees were in home office
OFFICE:	SHOPS AND FRANCHISE PARTNERS:
<ul style="list-style-type: none">» to protect all colleagues and thereby also the business continuity, we have implemented strict hygiene regulations in the offices which go over and beyond what is legally required by local authorities» our office management team continued to work from the office to coordinate all requests and needs from their fellow colleagues during lockdown. This ranged from printing and scanning of documents, gaining access to personal belongings and the collection of other items. They also assisted the Finance, HR, Retail and Legal teams with invoices, contracts, legal documents, e-mails, and much more	<ul style="list-style-type: none">» our field service teams supported our shops setting up mandatory hygienic standards, obtaining vital materials for our shop permissions and of course they continued driving expansion» on average our shops had to temporarily close 25% of the time span between March and December. When shops were allowed to open, access was restricted and strict hygienic rules applied» Tipico supported all franchise partners by negotiating contracts with partners such as pay-per-view TV or landlords

INTRODUCTION

TIPICO: THE HOME OF SPORTS BETTING

The trust of sports fans is our greatest asset. The result? Every other sports bet in Germany is placed via Tipico. Sports fans are spoiled for choice here, because Tipico provides products and services covering more than 30 types of sports. Bets can be placed on www.tipico.de, by using the Tipico App or in one of the more than 1,300 stationary betting shops. So, Tipico is always tangible to be experienced, where the customer is.

Why is Tipico the first choice for so many sports fans in Germany? Because we love sports. Because we believe in progress. And because we love the work that we do every day. The Tipico Group's IT teams release hundreds of new features every month, continuously improving the individual services and applications. In doing so, they work with cutting-edge technology aided by artificial intelligence. The technology we use enhances the betting experience and makes sports betting safer. This is how we have been continuously redefining the standards of sports betting since the time of our formation, and we see ourselves as a provider that always strives to become even better.

Our continuous development takes place in a highly emotional environment, because Tipico is a link between fans and their favorite sports. With our product, we amplify emotions and passion. We place sports fans at the center of the action. We maximize Spannung!

Up to eight million bets are placed with Tipico on any given Bundesliga game day. On any given Bundesliga Saturday, there are even more computing operations and database transactions (more than 15 billion) executed. At peak times, we process up to 10,000 bet-slips a minute. This enormous number of bets would represent a challenge for any IT infrastructure. However, at Tipico, IT is not merely about using enormous computing power, but also about innovation and creativity. The customer and their desire for the best-possible product experience drives us to constantly advance the development of our products and services.

So much trust calls for responsibility, which is something we assume each and every day. Safety and player protection are an integral part of our product promise. Our Player Protection Concept and the measures derived from it are based on scientific evidence. This enables us to identify potential problems early and to offer every customer precisely that level of protection they require.

Tipico is an officially licensed provider for sports bets in Germany. We are a reliable partner for authorities, politics, and sports associations. Alongside the continuous reviews conducted by the relevant supervisory authorities, the Tipico Group also arranges for independent institutions to regularly audit all its relevant corporate divisions and to review the standards it has defined for itself.

Tipico has been a byword for safe sports betting services all the way back to 2004, over which time it has transformed itself from a small, innovative bookmaker, into an internationally active group of companies. The Tipico Group employs more than 1,800 employees in its offices and shops with its headquarters being in St. Julian's, Malta. The affiliated franchise network in Germany and Austria employs more than 6,000 people, all working on delivering an innovative and engaging entertainment service. U.S. sports fans in New Jersey can now also place their bets with Tipico.



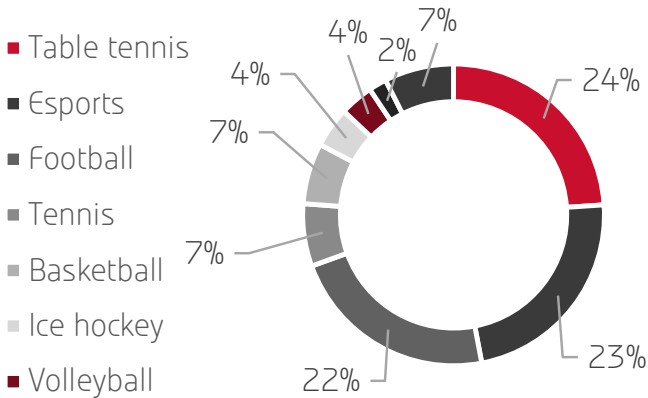
Tipico Tower in St. Julians

INTRODUCTION

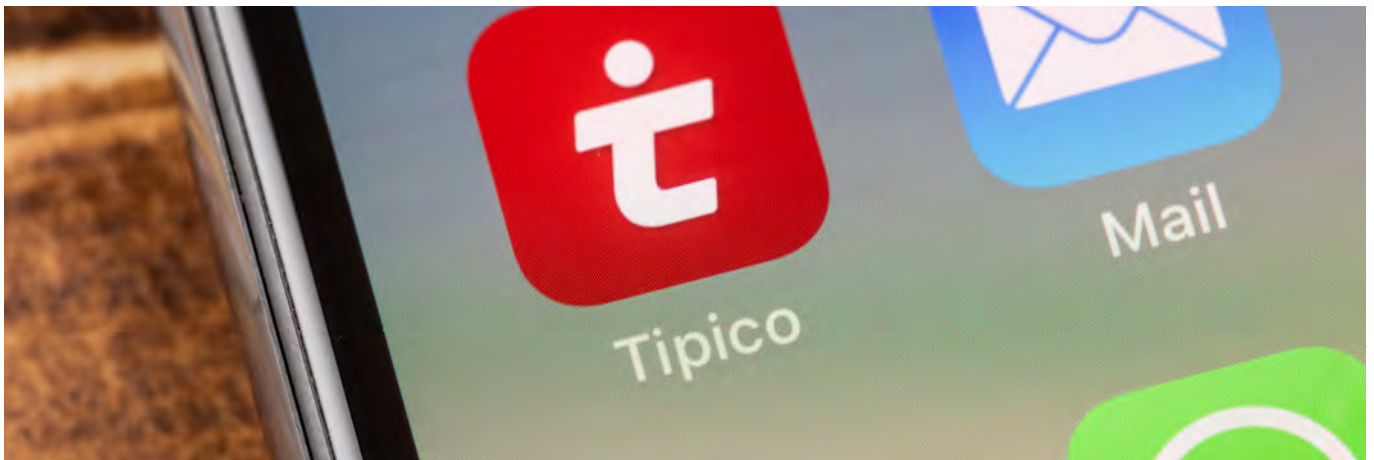
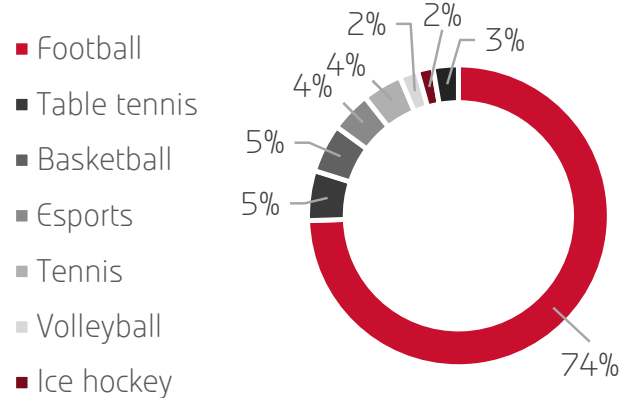
ON A VIEW - OUR CUSTOMERS LOVE FOOTBALL

Due to the pandemic, team sports had to be restricted for several months. As a consequence, we had to shift the focus of offered events to individual sports. Nevertheless, our customers still love football. Thus, still around 74% of turnover is related to football games.

SPORTS COVERAGE BY EVENTS 2020



SPORTS COVERAGE BY TURNOVER 2020



TOP 3 FOOTBALL COMPETITIONS 2020 BY TURNOVER



TOP 3 FOOTBALL EVENTS 2020 BY TURNOVER



SOME FACTS ABOUT 2020

we had the **#1** sports betting app in the German Apple App Store

we held **> 50%** of the market share in the German sports betting market

up to **8,000,000** bets were placed with Tipico on any Bundesliga game day

overall, we offered events on more than **30** different sports

the average of sport events offered per day was **1,025**

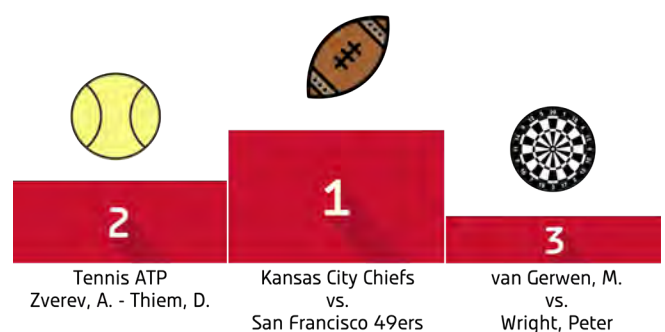
we had **> 250,000** unique active users on a single Bundesliga match day

the availability of our product was **99.9%**

TOP 3 OTHER COMPETITIONS 2020 BY TURNOVER



TOP 3 OTHER EVENTS 2020 BY TURNOVER



INTRODUCTION

OUR PARTNERS

We are a highly trusted partner in the sports world. In Germany, we are Official Partner of the Bundesliga and 2. Bundesliga, Official Platinum Partner of FC Bayern München as well as Official Platinum Partner of FC Bayern München Basketball*. In Austria, we are the Official Competition Sponsor of the Tipico Bundesliga*. In 2020, we have prolonged our partnership with the DFL until the 2024/25 season! This is a premium asset, a huge success, and another important milestone in the history of Tipico.

✓ Partnership prolongation with DFL until season 2024/25



*Partners until June 2021



INTRODUCTION

OUR LOCATIONS OF OPERATIONS



TIPICO GROUP LIMITED
ST JULIAN'S (MT)



TIPICO TECHNOLOGY SERVICES
KARLSRUHE & MUNICH (DE)



TIPICO RETAIL SERVICES GMBH
KARLSRUHE (DE) & VIENNA (AT)



TIPICO SHOP AGENCY NORTH GMBH
HAMBURG (DE)



TIPICO SHOP AGENCY EASY GMBH
BERLIN (DE)



TIPICO SHOP AGENCY SOUTH GMBH
MUNICH (DE)



TIPICO SHOP AGENCY WEST GMBH
FRANKFURT (DE)



TIPICO SHOP AGENCY AUSTRIA GMBH
LINZ (AT)



TIPICO SPORTS SERVICES D.O.O
SLAVONSKI BROD (HR)



TIPICO SERVICES
GIBRALTAR (GI)



SPORTS SERVICES SOUTH AMERICA SAS
MEDELLIN (CO)



TIPICO USA TECHNOLOGY INC.
HOOKEN, NJ (US)

A NEW CHALLENGE - TIPICO NOW LIVE IN NEW JERSEY



During the last two years, Tipico has built a new and proprietary online sportsbook tailor-made for the competitive U.S. bettor and inspired by the decades of experience as an international leader in the sports betting and mobile interactive gaming space. The headquarters and operations of this Group company are in Hoboken, NJ.

By aiming to get regulatory approval by the New Jersey Division of Gaming Enforcement, which is renowned as an experienced and very strict regulator, we have dedicated significant time and energy to build a long-term foundation for the U.S. market. And after months of meticulous preparation, we are excited that our product has gone live and our offerings can be shared throughout the market in New Jersey. This is just the start, but we are proud to call New Jersey our home and it has been great to see the positive response from sports bettors across the state and we are confident that we might expand our reach in the U.S.

Beyond New Jersey, we have exciting plans for expansion in the U.S., including our recently debuted partnership with Century Casinos, which will help us to bring our world-class sportsbook to the state of Colorado. In the U.S. Tipico is an Official Data Licensee and Approved Gaming Operator of Major League Baseball, an Official NFL Next-Gen Statistics data licensee, an Official Data Licensee of the NBA, and is regulated by the state of New Jersey and the New Jersey Division of Gaming Enforcement.

In addition, Tipico has debuted a new brand platform and advertising campaign for the U.S. market, showcasing the company's commitment to treating the serious sports bettor with the respect he deserves.

INTRODUCTION

ACCESSIBLE EVERYWHERE



Our large network consists of shops owned by Tipico Group companies as well as franchise shops throughout Germany and Austria. Even though 2020 has been a tough year due to the pandemic and the related temporary shop closures, we managed to slightly increase the network of shops operated directly by Tipico companies to above 230 in Germany and Austria (grey dots). Together with the extensive franchise network (white dots), we offer our services in more than 1,320 outlets, which makes a plus of 4% compared to the previous year.

In accordance with the coronavirus regulations of the German federal states, placing bets in our shops was only allowed to some extent in North Rhine-Westphalia, Saxony-Anhalt, and Rhineland-Palatinate. This means during the second lockdown only around one-third of our shops could open. And even those shops were subject to very strict regulations.

Nevertheless, our online product has always been available for our customers. As a digital pioneer, the majority of customers has already been using our online offers in previous years. Therefore, it comes as no surprise that in 2020, the share of bets placed via mobile was above 70%.

GERMANY
SHOPS TOTAL 2020



AUSTRIA
SHOPS TOTAL 2020



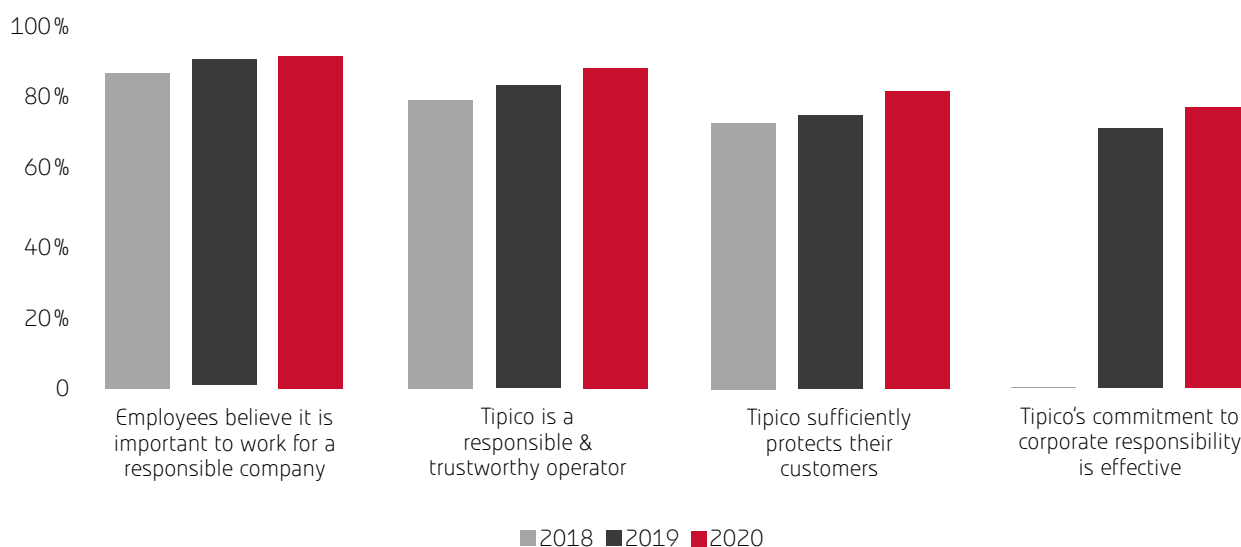
- Tipico
- Franchise

INTRODUCTION

CORPORATE RESPONSIBILITY: OUTSTANDING EVALUATION BY OUR EMPLOYEES

At Tipico, the relevance of Corporate Responsibility (CR), the focus on this topic and our performance in this area were increasing constantly over the last years. Around 92% of Tipico employees consider it important to work for a responsible company and 88% of our employees believe that Tipico is a responsible and trustworthy operator. These results show that CR is ranked as one of the most important attributes by our employees.¹

EVALUATION BY EMPLOYEES



This attitude mirrors our company values. At Tipico we are convinced that economic success goes along with responsible, trustworthy business practices. For that purpose, Tipico updated the formal materiality analysis in 2020, which was originally conducted in 2018. This is necessary to prioritize fields that have the highest impact on its ESG performance, based on a consultation of internal and external stakeholders (see subchapter: Redefining What Matters). Progress on material topics is reported in this annual CR report.

Fostering responsibility in all aspects of the company is not only the goal of our CR team, which is accountable for management of CR topics and implementation of a group-wide CR strategy, but the whole company. The team therefore directly reports to the Chief Regulatory Officer (CRO) who is a member of the Tipico board (see Overview: Group CR Management in Appendix 1). On top of monthly reporting to the board and shareholders, regular meetings are held to discuss prospective CR challenges, opportunities and impacts, to present proposals, and to receive strategic guidance. Thus, the active commitment of the board and all business units to CR can be guaranteed. All initiatives, projects, employee engagement and donations are further regulated in our CR policy, which serves as a framework for all activities.

In 2020, around ten employees from different Tipico entities volunteered as CR ambassadors. As they have better insight into their local communities, the ambassadors are well-positioned to identify impacts in their specific locations. These ambassadors help our central CR to connect with local communities, raise awareness in their regions, and support approved employee-driven charitable activities and practical execution of local volunteering projects.

¹Tipico (2020). Employee satisfaction survey

Through this framework, we can assure that all CR impacts of our Group entities are taken into consideration and coordinated centrally within the Tipico Group and that each employee gets the possibility to inspire the future initiatives of the company.

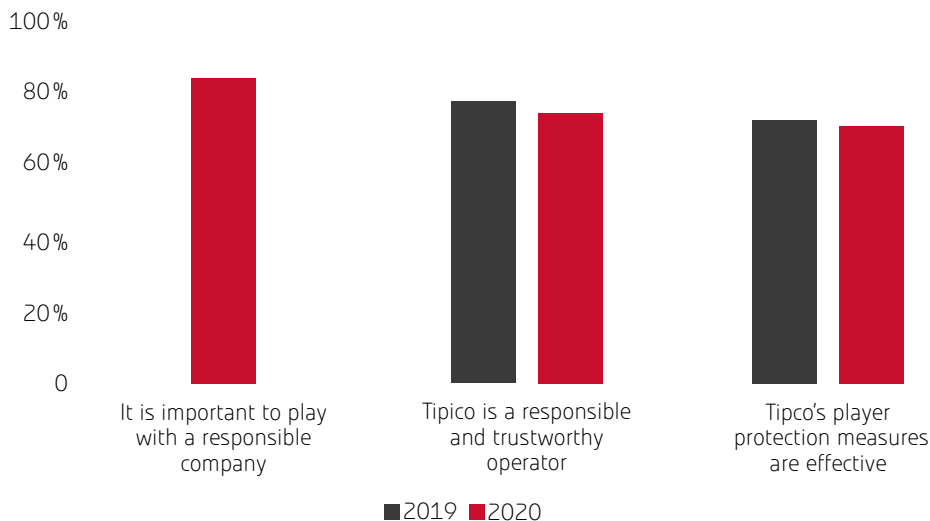
WE SUPPORT



PARTICIPANT ✓

As collaboration can initiate societal change, we participated in the UN Global Compact (UNGC) for the third consecutive year. In the course of this participation, we signed a statement in which we committed to comply with the ten principles of the UN Global Compact – one of the first participants within our sector to do so. The UN Global Compact is the world’s largest corporate sustainability initiative with more than 12,000 participating companies in 2020.² It enables companies to align strategies and operations with the universal principles of human rights, labor, environment and anti-corruption, and takes action in these areas – all with the knowledge and experience of the United Nations. Suggestions provided by the UNGC were used for defining the content of the Tipico CR report. In 2020, employees further actively participated in training offered by the UNGC Academy. As we are striving towards increasing sustainable measures even outside of our company, our supplier code of conduct was based on the principles and sent to all our business partners. Thereby, employees’ and partners’ overall understanding of sustainable business practices could be fostered. Our efforts did not merely become visible to partners and employees but to customers as well. As a result of our CR strategy, importance and performance were highly rated by our customers too.³

EVALUATION BY CUSTOMERS



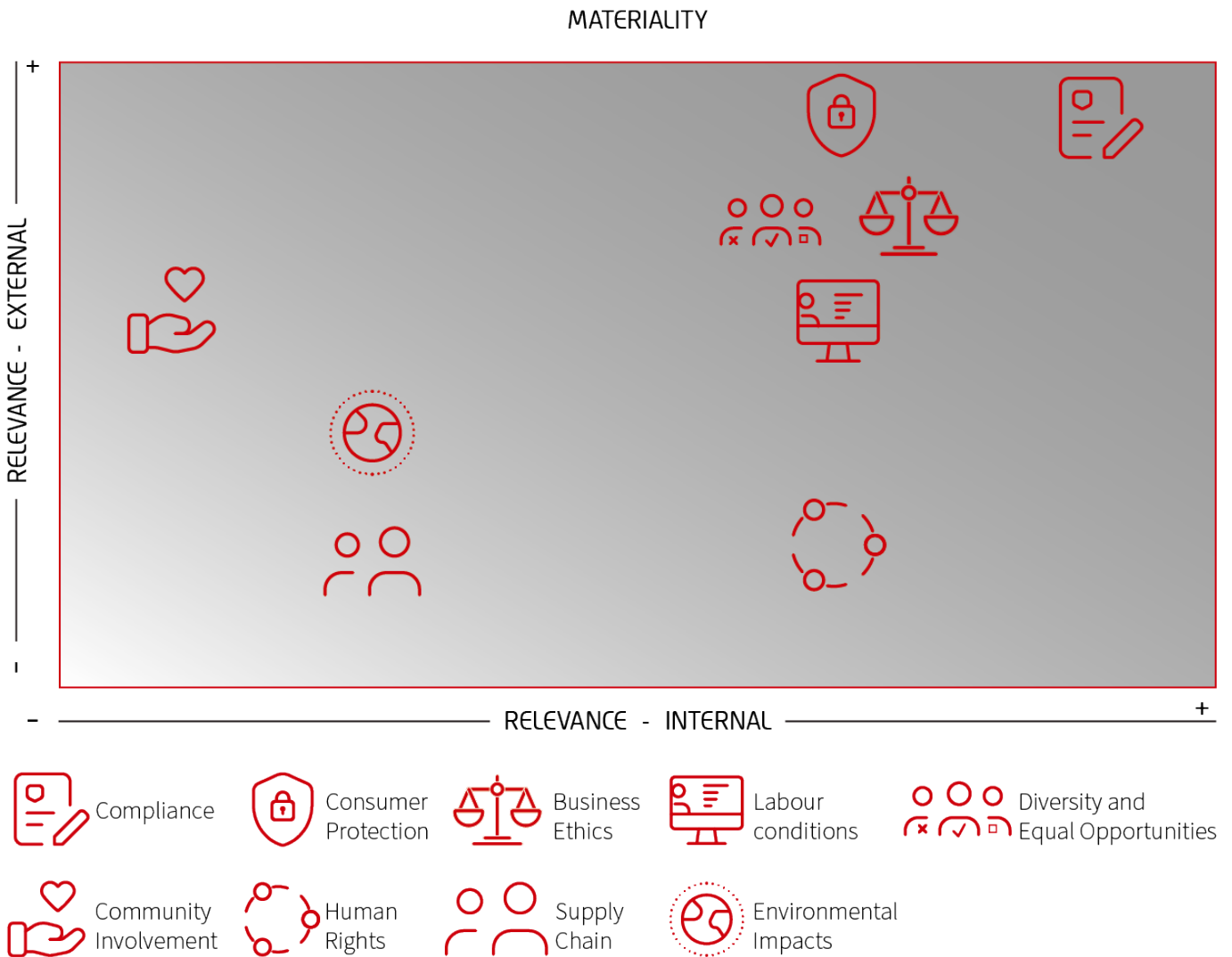
²United Nations (2020). Retrieved from: <https://www.unglobalcompact.org/what-is-gc/participants>

³Tipico (2020). Customer Survey - Wave 20

INTRODUCTION

REDEFINING WHAT MATTERS

Reporting on material topics means being transparent on topics that are of interest to all stakeholders. We again trusted on the opinion of our employees as well as various external stakeholders in terms of defining the topics with direct or indirect social or environmental impact and thus the report content. As in 2018, we drew up findings of stakeholder surveys conducted in all locations of operation involving internal and external views. Based on a stratified sample, 158 internal stakeholders were consulted to assess the relevance of different aspects of CR. This consultation also included estimates for the current performance in these areas. The analysis was supplemented by external viewpoints gained through 11 dialogue sessions with a wide range of stakeholders, such as business partners and associations who ranked the topics concerning relevance for us. These external positions were used to balance internal opinions to reach a more holistic perspective.



The results illustrate the relevance of the topics, as perceived by our internal and external stakeholders. Areas with higher relevance are covered in more detail, especially with regards to operationalization, measurement and reporting on the relevant indicators. In comparison to our first materiality analysis in 2018, we noted some shifts in the perceived relevance of topics. While Compliance and Player Protection were again ranked as most relevant topics by our external experts, business ethics were slightly less in the focus.

The perceived relevance of human rights matters increased both externally and internally, and in terms of labor conditions, the relevance of trainings and development slightly decreased while the relevance of health and safety measures became of more relevance. It is expected that the increased focus on these topics is influenced by the COVID-19 pandemic. Studies found that in several countries, anxiety for health and the financial situation were among the main concerns and fears regarding pandemic. As a result of our materiality analysis, this report focuses on the following topics: compliance, consumer protection, business ethics, diversity and equal opportunity, and labor conditions. These topics cover several subtopics, which have been rated in terms of their relevance as well. For example, the highest rated topics in terms of labor conditions have been health and safety and training and development. These findings further guide the reporting focus.

The report is supplemented by essential requirements under the Global Reporting Initiative (GRI), namely concerning involvement in local communities, environmental impacts, and supply chain.

WE MAXIMISE

SPANNING

in the world of sports betting!

OUR PEOPLE: OUR GREATEST ASSET



WE ARE COMMITTED TO:

- » respecting applicable labor laws and applying fair labor practices
- » providing development opportunities, which are aligned with individual and organizational needs and focus on growing knowledge, skills, interpersonal communication and leadership
- » encouraging the lifelong learning of employees through appropriate training budgets distributed across sites
- » supporting regular feedback sessions between employees, colleagues and managers
- » 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 2020:

- » we partnered with an organization supporting talents from outside the EU
- » 91 % of our employees participated in the employee satisfaction survey (+5 % compared to 2019); 93 % believe Tipico did great in terms of adapting working conditions due to COVID-19 and 88 % believe Tipico is a trustworthy and responsible operator
- » a One Tipico Bonus Scheme was introduced to align the variable compensation of Tipico office employees
- » the staff turnover decreased to 11 % (-3 % compared to the previous year)
- » among newly hired people, the share of women increased to 42 % (+14 % compared to the previous year)

SCOPE: ALL OFFICE EMPLOYEES OF THE TIPICO GROUP

What is **DIVERSITY**?



In 2020, we started a new partnership with a charitable organization, which supports global talent and strives to develop an inclusive culture where everyone can contribute. The idea behind is, that it is still daunting to migrate to Germany or Malta from outside of Europe with all the bureaucratic processes involved. People further need to understand the culture to stay long-term. That means that sometimes great talents see no possibility to find employers in Europe or companies are afraid of choosing foreigners. As we strive towards finding the best talent, we want to overcome this hurdle. We therefore partner with Imagine in order to support talents from all over the world to join our company.



OUR PEOPLE: OUR GREATEST ASSET

This allows each employee to succeed and gives us a head start to find the best talent. With a wide range of expertise, qualifications and years of experience in the field, we have formed a team that combines a passion for sports and strong identification with our Tipico brand. As part of our 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. In 2020, we employed people of almost 50 different nationalities in our offices. On senior levels (executives, directors and heads of departments) the blend of nationalities is also diverse, with approximately 50% coming from the local communities in which we operate (+10% compared to the previous year). Generally, receiving visa and working permissions is more complicated for people from outside the European Economic Area (EEA). These can therefore be classified as a minority group. Nevertheless, around 13% of our employees come from outside the EEA, while in our senior positions, we still employed 11% from outside the EEA.

NATIONALITIES OF TIPICO EMPLOYEES IN 2020



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 motivation, we have absolute clarity on the values that new employees bring to the company. We benefit from the expertise and unique perspective of each and every one of them. That is why we not only offer a unique international working environment, but also an extensive range of training courses and promotion of sports activities and health benefits.



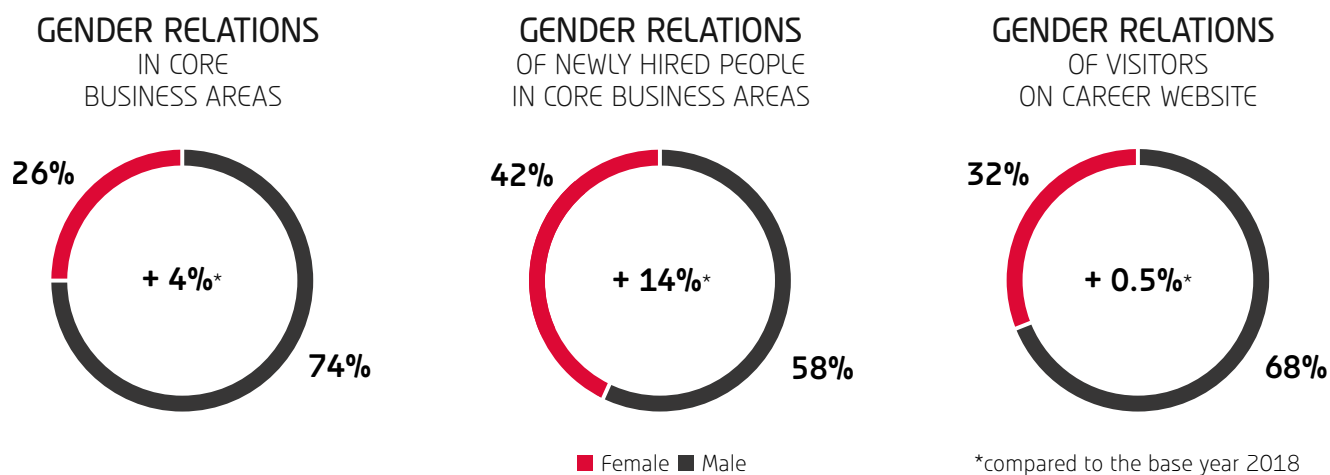
charta der vielfalt



Since 2018, we publicly promote diversity not only by our own measures but also by being a signatory of the Diversity Charter. The charter aims at promoting recognition, appreciation, inclusion and diversity in the workplace and in everyday life in Germany. We were one of the first companies in the gaming industry to become part of this initiative.

Even though internationality is a strength, other dimensions of diversity are of equal importance to us. Therefore, we set working patterns to minimize barriers for employees with special needs and track gender and age ratios of employees. In 2020, no incidents of discrimination were reported.

Nevertheless, still more men than women are interested in the gaming industry. This becomes apparent when comparing data about our employees to the gender balance of our customers, in both cases the majority are male. Another reason might be that Tipico employs a number of professional groups which are statistically more male-dominated, such as software developers.⁵ At Tipico around 26% of employees are female. We attempt to address and mitigate this whenever vacant positions in the critical group are available.



While the number of women interested in the company increased by only 0.5% – in 2020, 42% of newly hired employees were female, around 14% more than in the base year of 2018. The total amount of women thereby increased to 26%. At the most senior levels, 88% of our Leadership is male, and this is something we are seeking to address whenever we have vacant positions within this critical group. To simplify the working routine for employees with families, we offer a kindergarten-type childcare service for children of employees at our headquarters. In other entities, employees might request flexible working hours to balance family and work.

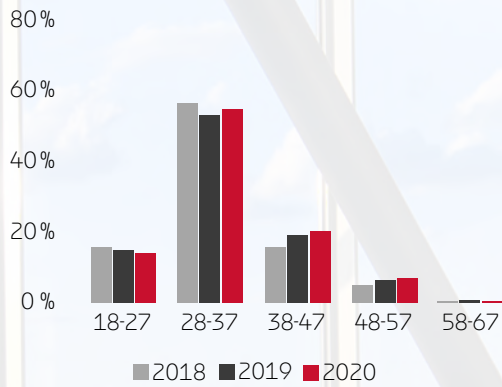
⁵Statista (2020).

Retrieved from: <https://de.statista.com/statistik/daten/studie/167555/umfrage/frauenanteil-in-verschiedenen-berufsgruppen-in-deutschland/>

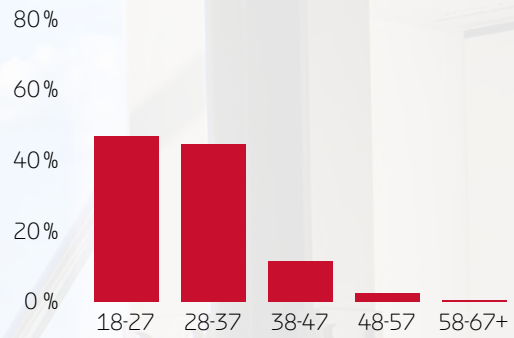


OUR PEOPLE: OUR GREATEST ASSET

EMPLOYEES BY AGE GROUP IN TIPICO OFFICES



AGE GROUPS OF CANDIDATES APPLYING IN 2020



The average age of our workforce is 34. The current workforce thereby partly mirrors the people interested in jobs at Tipico. The majority of prospective employees are in the age groups of 18–27 and 28–37. This again reflects our customer base of young adults.

OUR PEOPLE: OUR GREATEST ASSET

DESPITE COVID-19: A SAFE AND ATTRACTIVE WORKING PLACE

In order to keep all employees safe and offer them an attractive workplace, Tipico quickly adapted to the new situation during the pandemic (see: Review on a Challenging Year) and provided its employees with a stable framework during uncertain times. As the numbers show, the strategy has been successful:

93% of employees confirmed that Tipico has shown the ability to efficiently adapt to changes in work conditions due to COVID-19

as in the previous year, **93%** of employees in core business areas are permanently employed

90% of employees trust that Tipico is taking the right approach to safeguard employees during the COVID-19 pandemic

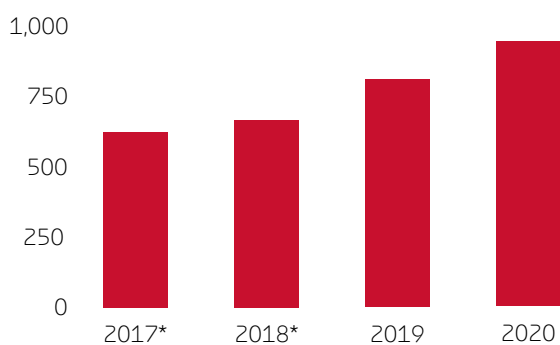
Tipico added **20%** to the salary of shop workers which have been furloughed during the lockdown

despite the pandemic and reflecting our increased number of shops and increased product offers, our team is continuously growing

the staff turnover decreased by **3%**

as in the previous year, **95%** of employees in our offices are employed full time

TIPICO OFFICE EMPLOYEES AT THE END OF THE YEAR



* In 2017 and 2018 office employees of the Tipico shop agencies have not been included in the calculation.

In 2020, the annual staff turnover discernibly decreased to 11 % compared to 14 % in 2019. In comparison with the years 2017 and 2018, it decreased by 8%.

We still strive towards training employees and maintaining the best talents. Therefore, attractive career development opportunities for our employees are essential. For instance, in Malta eight employees were promoted or advanced internally

to higher positions. This number equals around 7 % of all newly filled positions. This applies especially to the customer support team, which is often seen as a steppingstone to understanding the company and progressing from there on. Nevertheless, this is a decrease of around 10% compared to the previous year. This effect might be partly due to the COVID-19 pandemic, which hindered the move to other positions.



As mentioned in the introduction, we recently started growing our business in the US as well. While the workforce in New Jersey is steadily increasing, we have some more great news from that Tipico office. Front Office Sports, a well-known US business publication, has named Tipico USA one of 2020's Best Employers in Sports. This honor recognizes organizations across the sports industry that are doing the best for their employees, and Tipico USA was chosen for our success in virtually onboarding a growing team during the COVID-19 crisis.

You may already know that the US operation has scaled from a team of five in January to nearly thirty employees by the end of the year, working across operations, technology, finance, marketing, HR, sportsbook/casino and more.

OUR PEOPLE: OUR GREATEST ASSET

LEARNING AND DEVELOPMENT: LEADING SPANNUNG

At Tipico, Leadership Programs continued to run successfully during 2020, with an aim to widen the capacity of individuals to perform efficiently in management roles. The focus is to develop and refine abilities and responsibilities, to equip managers with skills and develop traits. At Tipico, a Leadership Development Program was launched in 2018, to which 86% of eligible leaders had joined by the end of 2019. Due to the limitations of delivering training face-to-face, a remote solution was introduced in 2020 within a format that was more suited to the needs and circumstances of the participants, creating a safer and more accessible environment.

#OneTipico

The program aims to build a strong understanding of leadership at Tipico and helps to build a robust leadership pipeline by developing the skillsets of our managers. Despite the challenges faced during the year 2020, the program “Leading Spannung” utilized various learning and development methods and tools such as “Experience Exchange and Case Discussion” sessions. This new concept was developed as a self-reflection for managers and as an opportunity to share some of the challenges they might have been facing, as well as some success stories they have experienced, with the aim to generate a pool of new ideas and creative opportunities for learning from the experience of others, by using a solution-focused approach.

Remote training sessions delivered within the program provide leaders with useful tools and informative models, specifically designed to complement Tipico’s culture. These include topics aimed at improving professional skills such as facilitating meetings, leading conversations, delivering presentations and storytelling and also managerial skills such as coaching employees and solving conflicts. Feedback was gathered following each session about the content and contribution of the participants, managers, and trainers, and combined into an overall favorable score that was positive for each training session that took place within the program in 2020. Average scores for sessions are as follows:



PEOPLE MANAGEMENT FUNDAMENTALS

In response to the need to continue upskilling our managers, we designed, and in November 2020 launched an internal People Management Fundamentals – a pilot program aimed at First Time Managers at Tipico. The program is delivered remotely for the time being and will run until March 2021. It consists of the launch session and eight, virtual, bite-size modules and is attended by 12 first-time people managers from across the Tipico Group.

The structure of the program is based on a blended learning approach (remote training, discussions, reading materials, videos, and self-reflection), to ensure the participants get the best learning experience. It introduces them to some essential management information and is an occasion to get together with peers and discuss their experiences. As part of the process, the participants are encouraged to create a Personal Development Plan to complement their development.

Self development

Develop your team

Communicate effectively

Manage for results



OUR PEOPLE: OUR GREATEST ASSET

THE INDUCTION PROGRAMME

For all new employees, we strive to make the most of their initial weeks and months with Tipico. Learning about how Tipico functions as an organization, the responsibility of each entity within the Group, and how departments collaborate on projects and initiatives is a vital part of an employee's introduction to the company.

On top of the local and functional induction, in the second half of 2020 we introduced a Virtual and Global "Welcome to Tipico" Induction, where new employees across the organization learn about Tipico's structure, values, products, and culture in an aligned and consistent way. It allows new employees to better understand where they fit into the business and how they can contribute to the company's goals, as well as virtually meet new colleagues from across all the Tipico office locations. The Global Induction also includes various virtual sessions under the umbrella of "Get to Know our Business". These presentations are delivered regularly by experts from key areas of the business, to offer a more detailed introduction and overview of their department to deepen the understanding of the business.

Introduction to
Bookmarking

Introduction to
HR

Introduction to
Data

Introduction to
Gaming

Introduction to
Marketing Acquisition

Introduction to
Marketing Retention

MANDATORY COMPLIANCE TRAINING

An important aspect of training within the company goes beyond upskilling and is the foundation of Tipico's culture, values and operations. Compliance training enables Tipico to operate safely and efficiently and ensures that we are all aware of the relevant laws and regulations. We provide extensive mandatory training to all employees in regard to data privacy, being actively conscious of information security processes and to effectively prevent money laundering. 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. Online training is provided to employees based in Tipico offices on a regular basis.

In 2020, with support from Tipico's internal Marketing Acquisition team and UX/UI team, the platform used for online training was revamped to fit to Tipico's brand and style – creating a more welcoming and engaging learning tool.

Anti-Money
Laundering

GDPR

Responsible Gaming

Information Security

COLLABORATIVE LEARNING

As part of our culture, we encourage employees to push and challenge themselves to improve their professional and personal skills.

Tipico employees use learning opportunities to share knowledge, overcome challenges, progress themselves and their teams, build trust, and share passions. During discussions with their line managers, employees identify their key developmental needs and are encouraged to work on finding opportunities for their own development.

MORE THAN **8** HOURS
OF TRAINING PER
EMPLOYEE IN 2020

Compared to the previous year, the hours of training decreased due to the challenges brought about by the COVID-19 pandemic, restricting the coordination of any of the usual face-to-face formats. Nevertheless, in 2020, Tipico office employees dedicated over 5,800 working hours to training, including topics focused on upskilling and sharing of knowledge. 1,700+ hours alone were dedicated to internal training delivered by experts across the business with a focus on sharing insight to further understand the business operations and processes and also people and management skills. Trainings have been distributed fairly between genders. 26% of training hours have been booked by female employees. This equals exactly the percentage of women employed by Tipico in 2020. Due to our high focus on leadership trainings, in 2020 around 29% of training hours were booked by positions with responsibilities for other employees. These positions account for 18% of all positions within the company.

With the development of skills, Tipico ensures efficiency when working on projects and initiatives in a collaborative manner.

Professional Skills
and Knowledge

Computing Skills

Managerial Skills

Language Skills

People and Soft Skills

Ad Hoc Training

OUR PEOPLE: OUR GREATEST ASSET

COLLABORATIVE LEARNING: TIPICO TALKS

Global Tipico Talks are virtual presentations, delivered regularly by our internal experts in various fields. The Talks were originally delivered locally in several offices. Employees would gather and run short presentations on various thought-provoking business, tech, or interests related topics.

In May 2020, Tipico changed the setup of the program from face-to-face to being delivered entirely online. This new format was made available across the Group for each office employee to participate. Regular, monthly events are streamed via online platforms, and participants are encouraged to participate by using real-time voting tools. It continues to be a great opportunity for the speakers to practice their presentation and public speaking skills, whilst sharing their passions, current or upcoming projects or an innovative movement in the industry with the audience. Tipico Talks are recorded and available for viewing via the eLearning platform, for anyone who could not participate in the live event. We are continuously gathering and responding to feedback to improve future sessions and deliver the most up-to-date and crucial topics to Tipico employees. In 2020, over 91 % of Tipico Talks participants said they would highly recommend the program to a colleague.



BUILDING A FEEDBACK CULTURE

A feedback-rich culture is necessary to become more effective at work and to progress both personally and professionally.

At Tipico, a need for a more formal opportunity to receive feedback from peers was identified and a structured feedback process was designed and piloted in 2020. Four teams participated. The possibility of receiving constructive feedback from peers allowed participants to identify behavior strengths and opportunities, with the aim to grow and develop competencies and skills further. In addition, the process helps to identify similarities and differences in the perception of peers versus the participants themselves, and to build self-awareness.

A training called “How to Give and Receive Feedback” was further developed and delivered internally to enhance this skill in both participants and reviewers who are provided with an opportunity to practice their learnings during the Peer Feedback exercise with their peers.

Tipico will continue to create opportunities and support initiatives aimed at building a feedback-rich culture, contributing towards our ambition for continuous progress.



OUR PEOPLE: OUR GREATEST ASSET

A SATISFIED WORKFORCE: ENGAGEMENT, SPORTS, WELL-BEING AND COMPENSATION

SPORTS AND WELL-BEING

Sports days have a long tradition at Tipico. Enjoying a healthy competition, team spirit and the fun of sporty games. For example, in 2019, we organized sports and health days at our offices in Croatia, Germany, and Malta supplemented by many further sport events such as runs and tournaments at all Tipico sites. Due to the pandemic, all on-site group sport events in 2020 have been paused.

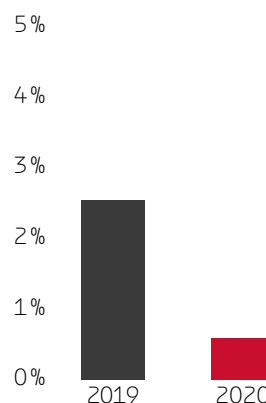


However, sport is fun, the base of our business model – and the health of employees is important to us. That's why we tried to offer some alternatives. In several of our entities, we collaborate with bicycle rental agencies to allow employees to lend for reduced rates. We further support our employees by providing gym benefits, subsidies for private health insurance and colleagues that hold the position in our offices while the majority has been in home office could still make use of the fruit baskets in most of our offices.

As an additional highlight, our partner FC Bayern München has created a special workout with David Alaba, Thiago Alcántara, Robert Lewandowski and the fitness and rehab coach Peter Schlösser, which all of our employees can do at home.

Due to the rigorous hygiene standards, the number of sick days decreased dramatically within 2020. Even though the average of sick days of the Tipico Group has always been below 5 days per year/person, in 2020 it decreased even further to an average of less than 2 days, equaling an absenteeism rate of only 0.65.

ABSENTEEISM RATE (SICK LEAVE)



Due to the lockdown, the number of in-person trainings has been reduced. Nevertheless, we managed to organize a training for first aiders for around 10 employees in Germany, following strict hygiene measures. 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. Employees at our headquarters additionally benefit from free mental health services and preventative advice on mental health symptoms via a partner organization (Richmond Foundation), which promotes mental well-being and stress reduction in 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.

COMPENSATION AND BENEFITS

2020 has been a special year. Even though employees were facing changes in the working structure, e.g. due to a higher percentage of time spent in home office, our teams managed to overcome all the challenges. The reason behind this is our strong community and the strong commitment of our employees.

Everyone at Tipico Group is working hard and therefore earning a competitive salary. Employees are not covered by collective bargaining agreements. Nevertheless, in order to compare salaries of employees against the industry standard, we obtained external assurance based on extensive databases of comparable positions.

In 2020, the minimum wage in our offices was at least 1.8 times higher than the respective local minimum wage.

In 2019, we finalized a job levelling project consisting of the analysis and review of all roles across the Tipico Group. The main result of the project is a job structure that is a foundation of the compensation framework introduced in 2020. As part of this process, we are able to compare our internal compensation data with the external benchmark and guarantee competitive compensation packages for all our existing roles. This aligns salaries through-out Tipico, safeguards fairness and further reduces the risk of discrimination in pay among employees.

x 1.8

The minimum wages in our Tipico Offices are at least 1.8 times as high as the respective local minimum wages.

Additionally, in 2020 we undertook an initiative of implementing a One Tipico Bonus Scheme that aligned the variable component of the compensation across all Tipico offices.

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. We are working on defining a clear global strategy based on harmonizing benefits among 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 in our German entities, benefits are provided to all office employees without differentiation between full-time and part-time jobs. Among these benefits are dental and health insurances, bikes for renting, discounts, and gym memberships to name only some.

OUR PEOPLE: OUR GREATEST ASSET

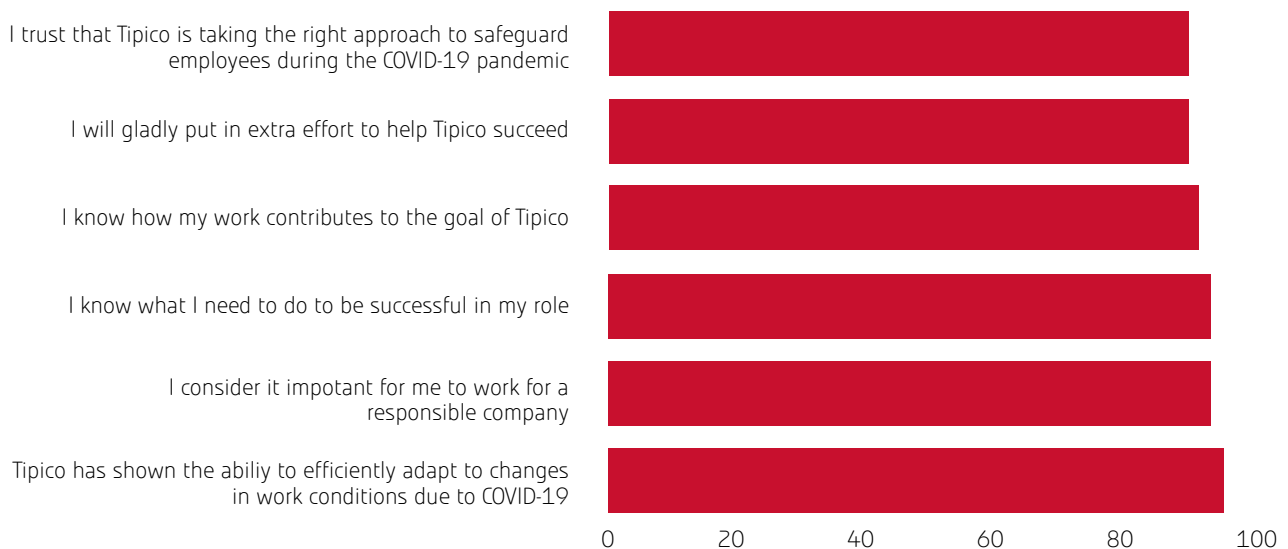
EMPLOYEE ENGAGEMENT – #WEARETIPICO

In 2020, 91 % of employees across all departments participated in the engagement survey, a 5 % increase compared to 2019 (+9% compared to 2018). The very high response rate shows that our employees care about Tipico and are passionate about its success. We believe that this engagement is relevant, as 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 support and proactively enlist employee perspectives to continue delivery of relevant and inspiring employee initiatives.

The engagement survey has further enabled us to gain a more accurate picture of how employees feel about working at Tipico. Overall, the results of the engagement survey showed positive upward trends in all evaluated factors (i.e., Compliance, My Manager, Leadership, People & Teams, Values, Performance and Development and Organization) and in all but three (out of over 50) questions.

Going in more detail, one can see our strengths (higher scores) and areas for improvement (lower scores). The top-rated questions have stable trends and extremely high favorable scores ranging from 90–93%, meaning that these areas are consistently strong throughout the organization. For example, 93% of our employees agree that Tipico has shown the ability to adapt to changes due to COVID-19, and a further 90% believe that Tipico took the right approach to safeguard employees within these challenging times. Identification and alignment with the company's goals and values brings clarity and certitude.

CULTURE AND INTERPERSONAL HIGHLIGHTS OF 2020:



**'We are one team with the values
Trust, Progress and Passion.
Without the people at Tipico,
the company might not exist.
Therefore: #wearetipico!'**



We are happy to see that employees place a high level of importance on our Values (72 % favorable answers in the engagement survey 2020) and believe we are performing increasingly well in these areas, with a 7 % favorable score increase from 2019 and 18 % from 2018.

However, there are some key areas of opportunities where a minor decline is noticeable. Considering our current challenging circumstances, some variations are likely.

There has been a decrease in the statement “At Tipico we make time to have fun together” (57 % vs 66 % in 2019), and “I believe we are a better organization now than we were six months ago” (52 % vs 59 % in 2019). With the challenging year, we understand that it takes extra effort to remain connected on a team and organizational level. We are also aware that we regretfully cannot enjoy our social rituals in person as we used to in previous years. Our Events-, CR- and Sports Committees are very eager to start preparing events to bring us all together again once COVID-19 is contained. In the meanwhile, we strive to continue to collaborate as One Team and practice open and honest communication.

Tipico uses the results of the survey to identify individual actions and next steps in order to improve weaknesses and allow all employees to make an impact. At the same time, the HR team is committed to informing employees about the situation in the business, focusing on people management and strong leadership to give the right direction, to take good care of the Tipico working environment and encourage collaboration, exchange of knowledge, and continuous development to further strengthen our One Tipico Team.

OUR PEOPLE: OUR GREATEST ASSET

REVIEW OF 2020 AND TARGETS FOR 2021

In 2020, one of the most important issues has been to keep our employees safe during the COVID-19 pandemic. This goal was reached throughout the year. 93% of our employees agree that Tipico has shown the ability to adapt to changes due to COVID-19.

Despite the challenge that we had to temporarily close our shops in Germany, we still managed to keep our business running and even expanded our diverse Tipico team to around 940 employees in our offices.

As set as target in the previous year, the Leadership Development Program for people managers at Tipico was continued with great success. Learning & development offers at Tipico have further been reviewed and alignment across offices to ensure availability of most important training and development opportunities has been reached.

For 2021, the following targets have been set:

- » launch of the new Tipico Careers Website which highlights our vibrant culture and the benefits of diverse teams
- » launch of People Analytics that allows the top management team to observe ongoing employee related trends and increase equality between employees
- » continuous investment in development of people managers
- » launch of One Tipico Induction Program across all Tipico offices
- » introduction of the Peer Feedback Tool to engage employees in their personal and professional development
- » increasing the share of women within the company to 30% (until 2023)



PRODUCT QUALITY: IN SAFE HANDS



WE ARE COMMITTED TO:

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

IN 2020:

- » 78% of online and 72% of our retail customers were greatly satisfied with our products and services
- » 97% of our customers are considered moderate gamblers, based on behavioral monitoring
- » we implemented more than 212 player protection training sessions for cashiers (+85% compared to 2019) resulting in more than 20,400 person hours
- » 97% of customer-facing employees in the online business completed an online RG training (-1% compared to 2019)
- » we implemented stringent document verification: more than 594,000 documents have been checked and approved
- » more than 1,000 tests purchases and quality audits within our retail network were carried out
- » the number of our partnerships focusing on sports integrity increased to seven partners
- » we launched a new Group-wide player protection concept

SCOPE: OUR PRODUCTS FOR THE GERMAN MARKET

PRODUCT QUALITY: IN SAFE HANDS

CUSTOMER TRUST: PROVIDING A SAFE AND EXCITING EXPERIENCE

The feedback of customers is always an objective reflection of our performance. Only by providing high-quality products, exciting the customer, and at the same time making sure they feel safe, do we gain the trust and loyalty of consumers. Overall, our customers enjoy our offers and services.⁷ Among online customers in Germany, satisfaction increased by 2% to 78% of customers greatly satisfied with Tipico. Among customers in the retail business, the number decreased by 11%, resulting in 72% of greatly satisfied customers. Same goes for our Net Promoter Score which was decreasing from 38 to 28. This change can, however, be explained by the shop closures over several months during the COVID-19 lockdowns. And even when shops were allowed to open, the services provided were strongly restricted. Essential parts of the customer experience such as live views of Bundes-

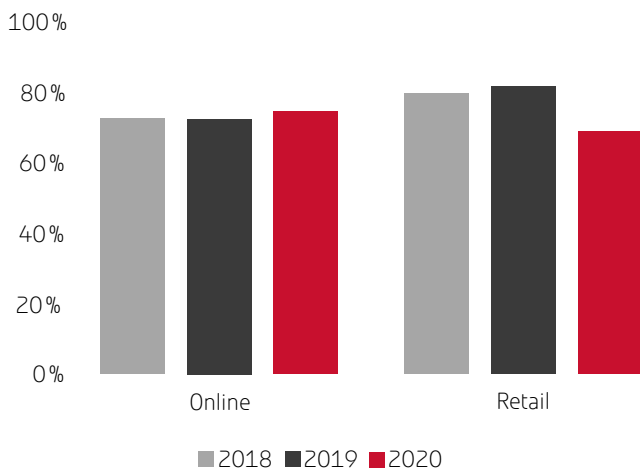
78% of online customers and
72% of retail customers
are greatly satisfied with our products
and services

76% of all customer contacts are
rated as satisfactory

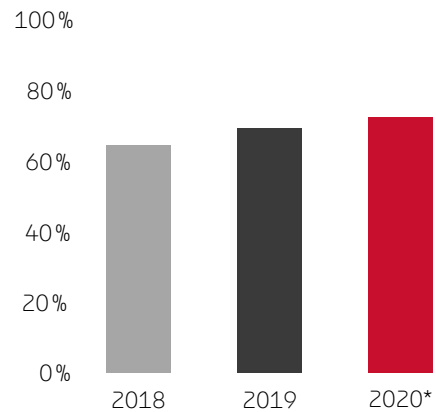
76% believe Tipico is a responsible
operator

liga games had to be paused and customers could only enter the shop to place their bets and had to leave immediately after. We are confident, that we will return to prior levels of customer satisfaction and even exceed them, once an unrestricted retail business is possible again.

GREATLY SATISFIED CUSTOMERS



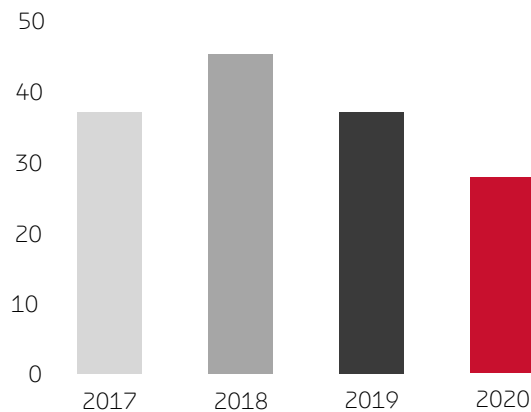
SATISFYING CUSTOMER CONTACTS



⁷Tipico (2020) Brand Tracking Report

*New calculation method weighted results of chats and cases.

NET PROMOTER SCORE



Overall, customer satisfaction with our customer services increased over 2020, with an average of 76% of customer service contacts rated as satisfactory. That is a plus of 3.5% compared to the prior reporting period and 11.5% increase of 2018.

Improvement and thus satisfaction is the only possible way of being receptive to feedback. Should a customer have a dissatisfying experience, we offer a transparent complaint process that can ultimately lead to mediation conducted by a neutral arbitration board if necessary. As an independent, accredited arbitration body, the eCommerce Online Gaming Regulation (eCOGRA), is responsible for these complaints. As part of this agreement, Tipico is committed to always adhering to the recommendations made by eCOGRA. Furthermore, customers are given the opportunity to contact the online gaming support of the Malta Gaming Authority (MGA).

With our increasing customer base, the number of complaints increased as well. Externally, we received a total of 23 complaints via eCOGRA or Malta Gaming Authority (MGA) of which five have been either cancelled by the customer or rejected by the mediator. At the end of 2020, four cases were still waiting for feedback and the remaining 14 were able to be resolved in mutual agreement.

As 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 funds and is regularly audited on behalf of licensing authorities. Similarly, the process of outgoing payments is precisely monitored to assure the fast and correct payment of winnings.

PRODUCT QUALITY: IN SAFE HANDS

CLEAN SPORTS:

OUR COMMITMENT TO SPORTS INTEGRITY IS KEY FOR OUR BUSINESS MODEL

We love sport and we stand for fair play. We partner with sports associations to protect the integrity of sport and the associated betting offer. Tipico is committed to the fight against the manipulation of sports. Manipulation of sporting events not only tarnishes the reputation of sports, it also impacts the business model of betting operators and creates an unfair disadvantage for legitimate customers. Consequently, the goals of sports associations, consumer protection advocates 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, investigate and prosecute potential incidents. Therefore, we support sports federations by participating with de-identified data in several early-warning systems. A specially dedicated department diligently investigates any indication of potential criminal activities by working closely with relevant authorities and security organizations. We collaborate with the international football association FIFA on sports integrity. Associations and event organizers are contacted as soon as conspicuous betting behavior 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 with the Tennis Integrity Unit of the International Tennis Federation and since 2020 we have also been building a partnership with the sports integrity Unit of the MGA that was founded in 2019.

Tipico is valued as a reliable player by sports. Besides the collaborations that focus mainly on sports integrity, we are an official partner of the Bundesliga and 2nd Bundesliga, platinum partner of FC Bayern München and the Bundesliga basketball team FC Bayern Basketball. In Austria, we are title-sponsor of the Tipico Bundesliga.



PRODUCT QUALITY: IN SAFE HANDS

PLAYER PROTECTION AND PROTECTION OF MINORS: OUR FRAMEWORK

Player protection is at the core of our offer. It is a necessary prerequisite for the quality that Tipico wants to offer its customers. Because it is fundamental for the leading sports betting offer in Germany to also be the safest. And this is why Tipico is convinced that consumers welcome player protection measures, if they represent their best interests and sincerely put consumer safety first. In other words: consumers expect player protection. Especially from the market leader. The trust of German customers who are enthusiastic about sports and sports betting shows that Tipico is right.

In 2020, Tipico published a renewed, all-encompassing player protection concept which is based on the German gambling regulations and binding for the whole Tipico Group and its franchise partners. This concept has been reviewed and accepted by the German regulatory authority as part of the licensing documentation.



TAKE A LOOK
INSIDE



Our endeavors to provide the safest betting environment, implement supporting measures and monitor the progress are driven strategically by the Corporate Responsibility department (2 full-time equivalent employees [FTEs]), which reports to the chief regulatory officer (CRO). Operationally, they are supported by the RG team, consisting of six FTEs and two player protection officers in the online business and the Tipico Shop Agencies. Shop controls and mystery shopping exercises are conducted by the quality team. Despite the temporary shop closures, the team size remained at eight FTEs including trainers.

Since 2019, all of our franchise partners have been obliged to appoint a player protection officer. It is this person's task to implement the player protection measures and documentation requirements. Player protection officers take at least 16 hours a week in order to assure a compliant implementation of measures and support other employees in doing so.

External resources further help us reach our RG goals. These include TU Dresden's "Spielerambulanz" in Germany and "Spielsuchthilfe" in Austria, multi-lingual online counselling provider "Gambling Therapy" (e.g. to be able to support migrants with different native languages), as well as the association "Glücksfall e.V.". We are working with leading German research institutions, 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.

RG TRAINING

In order to implement a stringent player protection strategy, knowledge and awareness among all employees is further crucial. The following trainings have been offered in 2020:



In the framework of the new German licensing regime, the number of trainings offered increased even further compared to 2019. While some introduction trainings have been paused, e.g. due to a temporary hiring freeze during to the coronavirus pandemic, other trainings could still be offered following strict hygiene rules. The number of online sessions thereby stayed on a similarly high level. 97% of customer facing employees have completed the applicable player protection trainings (98% in 2019).

The number of Face-to-Face Trainings and Advanced Trainings thereby increased from 114 RG Training sessions for shop employees in 2019 to 212 training sessions in 2020 (+86%) and the hours increased to more than 20,400 person hours (+63.6%). Due to the coronavirus pandemic, the number of participants in each training session was decreased, leading to a lower increase in the number of person hours than in the number of offered training sessions.

In order to increase the general knowledge about gambling addictions, Tipico also supports research conducted by leading researchers in the field of addiction prevention. All findings of this research are sourced back into the public domain – to make betting safer for everyone.

PRODUCT QUALITY: IN SAFE HANDS

ADULTS ONLY

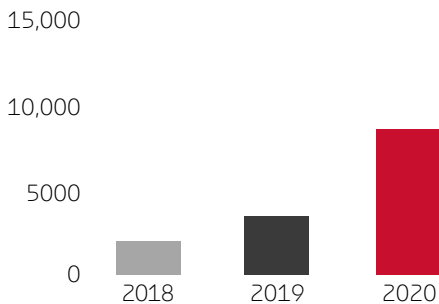
Adolescents are a specific risk group for developing gambling related problems. In addition to the legal prohibition, this is another reason why Tipico is committed to effectively preventing minors from using any of our offers and monitoring the effectiveness of the processes for the protection of minors.

Both online and in our retail stores, we deny access to minors. Our product targets adults who participate in sports betting as an entertainment only. Responsibility is taken very seriously, and employees are trained accordingly. Besides the extensive training program for our employees (see prior page), in 2020 more than 1,560 people additionally participated in online seminars targeting questions concerning minor protection. All participation in our offers requires identity and age checks (online as well as in our shops). Online accounts rely on age and identity verification based on database checks (e.g. SCHUFA) at registration and advanced verification methods like e.g. Video-Identification within deposits of no more than € 150.

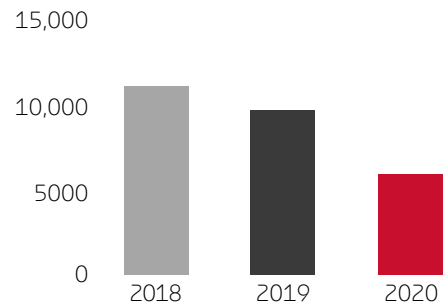
The registration of customer cards relies on a face-to-face identity check based on a valid ID document (e.g. ID card). Our shop employees are further trained to request an ID document from all persons entering the shop who appear to be younger than 22. The implementation of these age verifications is further checked via mystery shoppers.

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. Due to the coronavirus pandemic and consequent temporary shop closures, a shift from retail to online became visible. While in prior years the majority of minors tried to access the retail stores and were prevented by shop personnel, in 2020 the majority of cases were noted online.

ONLINE: MINORS IDENTIFIED



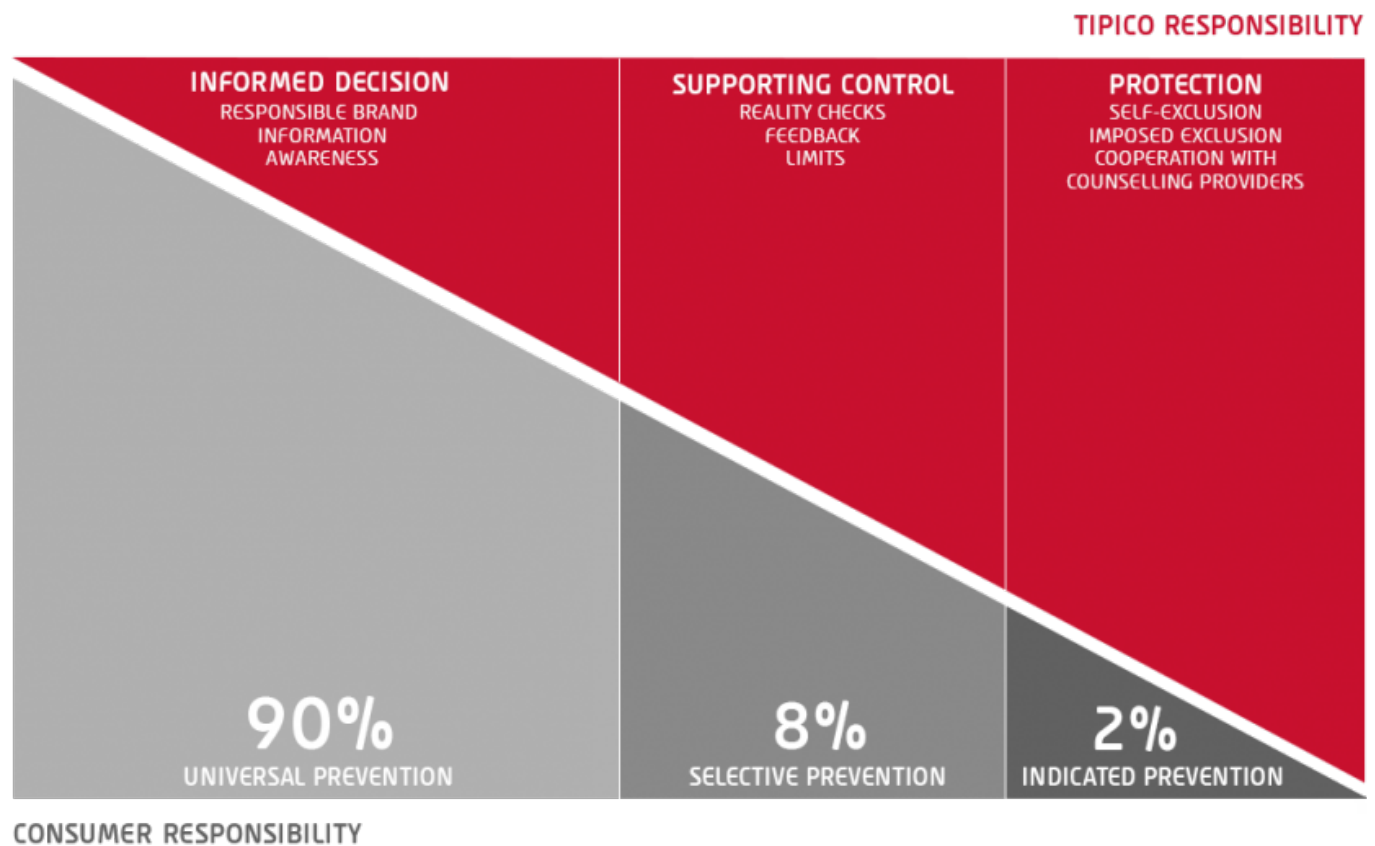
RETAIL: MINORS IDENTIFIED



INDIVIDUALIZATION IS KEY

The majority of our customers believe that the intensity of our player protection measures are about right (neither too weak nor too restrictive). At the same time, still around 40 % believe that those measures are patronizing.⁹ That illustrates not only that we have a strong protection in place but also that each customer perceives a different level of protection as appropriate.

Therefore, our player protection aims at individualization in order to give every customer the level of protection they need. We recognize that responsible gambling is always a shared responsibility between the provider and its customers.



Studies show that over 12 months, around 37 % of the German adult population participated in gambling offers while around 1 % suffer from gambling-related problems.¹⁰

- » 90 % of customers need universal prevention. Tipico responds to that need by providing e.g. transparent information, awareness and responsible advertising
- » 8 % of customers need selective prevention. Tipico responds to that need e.g. by offering feedback, limits, and reality checks
- » 2 % of customers need indicated prevention such as self-exclusion, imposed exclusion or cooperation with counselling providers. Tipico supports customers by offering various possibilities, making sure exclusions are enforced strictly and referring customers concerned to counselling providers

Tipico has also implemented an extensive early-detection system to monitor individual needs and carries out responsible gaming training for all employees in order to reach accurate implementation across the whole business.

⁹ Tipico (2020). Customer Survey - Wave 20

¹⁰ Banz, M. (2019). Glücksspielverhalten und Glücksspielsucht in Deutschland. Retrieved from: <https://doi.org/10.17623/BZGA:225-GS-SY19-1.0>

PRODUCT QUALITY: IN SAFE HANDS

INFORMATION, LIMITS, AND EXCLUSION

Transparent information is the foundation of a fair product. Only if we provide all necessary information, consumers are able to make informed decisions. For this reason, we offer simple account statements and accurate information regarding the probability of winning. Thus, customers have a clear view of the rules and their gambling transactions.

Last year, we set ourselves a target to promote the early-intervention tools even further and increase the usage by our customers. By actively promoting player protection measures to customers at pivotal points of their customer journey (e.g. after potential risk behaviors) we could steadily increase the pick-up of measures like self-limitation. The setting of limits is an agreement between a customer and us to restrict their gambling involvement (time and money) to a certain budget. Especially in 2020, this became even more relevant due to the unstable situation during the COVID-19 pandemic. Limits 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 the reduction of a limit to a more restrictive level is processed with immediate effect.

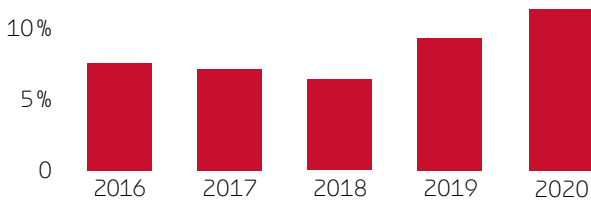
We offer possibilities to set the following limits:

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

12% OF ACTIVE CUSTOMERS SET LIMITS

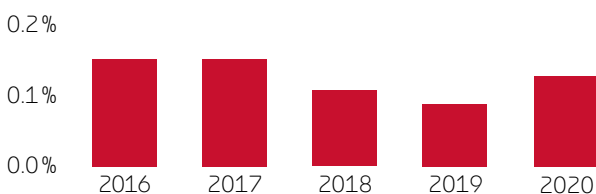
Since 2020, Tipico further offers an 24h immediate break for its gaming offers. This measure does not replace other limits but is an additional offer. By simply clicking one button customers can easily interrupt offered games at any time within a few seconds. In this case, the player won't be able to play for the next 24h.

**USAGE OF LIMITS
IN PERCENTAGES OF CUSTOMERS**



As targeted, the usage of limits has increased from 9% of customers setting limits within 2019 to around 12% of customers using this prevention method in 2020.

**USAGE OF EXCLUSION AGREEMENTS
IN PERCENTAGES OF CUSTOMERS**



For customers who need to be protected from gambling products, we offer exclusion agreements where customers can request to be excluded from gambling. An exclusion is irrevocable for at least one year. As part of an exclusion, a customer will no longer be able to place bets with us online or in any Tipico shop. Per month, an average of 0.13% of our active customers requested an indefinite self-exclusion in 2020.

A photograph showing the lower bodies and arms of two men. They are wearing red t-shirts and white athletic shorts. The man on the right has his arm around the man on the left, and they appear to be embracing or supporting each other. The background is a soft, out-of-focus green.

As for the setting of limits, the number of self-exclusions slightly increased in 2020. Exclusion also leads to an exemption from all marketing. Where legally possible, we synchronize exclusions with databases provided by authorities (e.g. OASIS in Germany). While by the end of 2018 around 130,000 automated OASIS queries were carried out each month, by the end of 2020 this number had increased to more than 1.8 M per month with our complete German online offer being able to support OASIS.

PRODUCT QUALITY: IN SAFE HANDS

MONITORING AND CONTROL

In order to tailor the player protection to each customer's individual needs, we introduced an early-detection process in 2018 which has been constantly improved over the last two years.

Online gambling is account-based. Every gambling transaction is linked to an account which again is linked to an ID-verified customer. Therefore, behavioral data can be monitored and used for the early detection of gambling-related problems. The same goes for our retail customer cards.

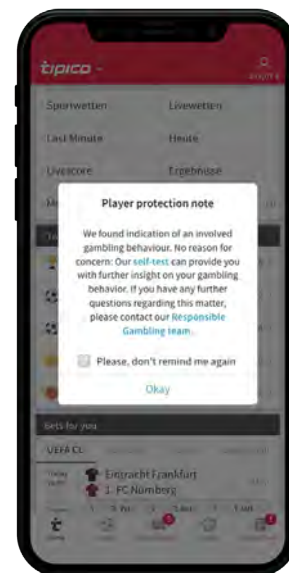
On top of that, customer services agents and shop employees are able to document observations concerning the customer that indicate unusual behavior. This is done through a component of the customer management software. The observations reported in this way are entered directly in the customer file and lead to a reassessment of the customer risk and, if necessary, give the employee immediate instructions based on this assessment (e.g. to conduct a player protection dialogue).

The overall assessment of gaming behavior is carried out once a week for online and retail card customers. It is thereby particularly important that the entire behavior of a customer is recorded and assembled. The behavior in the online and in the stationary sales channel is therefore merged into one risk assessment for every customer.

In case risk behaviors 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 behavior persists, the customer is confronted and a dialogue is initiated. As part of this dialogue, mitigating measures (limits, breaks, exclusions, etc.) 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).



Online, all player protection functionalities are largely scalable. Once evaluated for their effectiveness, we can 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.

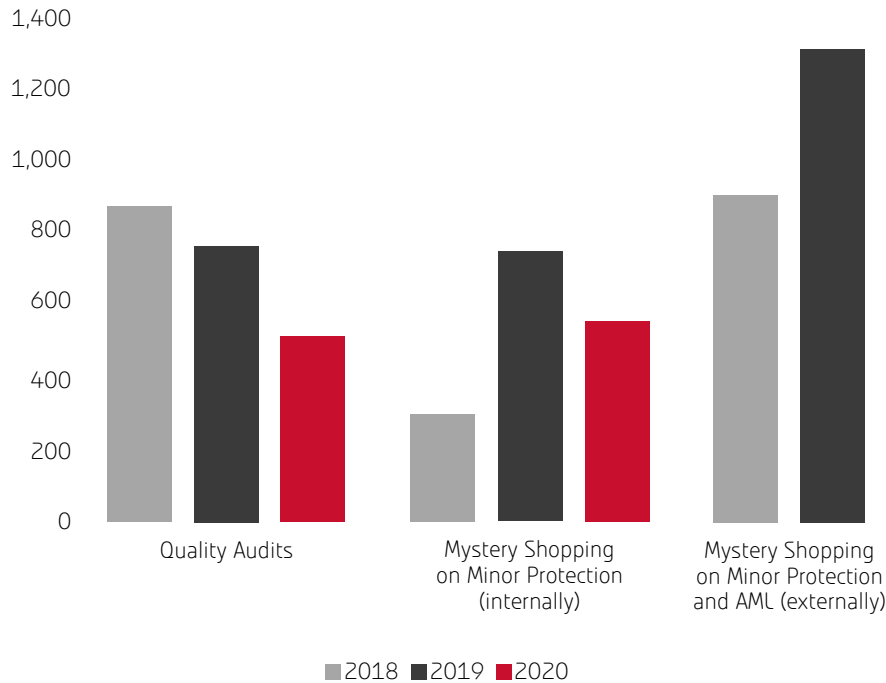
Our internal quality team is constantly travelling from shop to shop to foster strict adherence to regulatory requirements and internal policies. In addition to that, we work with external contractors to conduct mystery shopping exercises. In 2020, we had to partly reduce these measures due to the temporary shop closures during the coronavirus pandemic. In 2020, we conducted the following controls in our retail network:

- » more than 500 quality audits (- 34.7 % compared to 2019; - 42 % compared to 2018)
- » more than 570 mystery shopping visits¹¹ on minor protection conducted by the Tipico quality team (- 24 % compared to 2019; + 90 % compared to 2018)
- » due to the lockdowns in spring and autumn, we did not order any external mystery shopping audits

¹¹ Explanation: Test purchases in our retail business

RETAIL AUDITS 2020

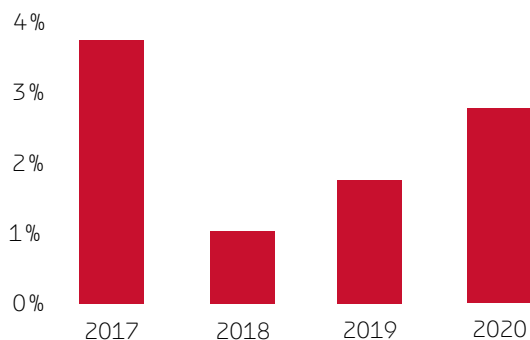
(WHILE AROUND 25% OF THE TIME OUR SHOPS WERE TEMPORARILY CLOSED DUE TO COVID-19)



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.

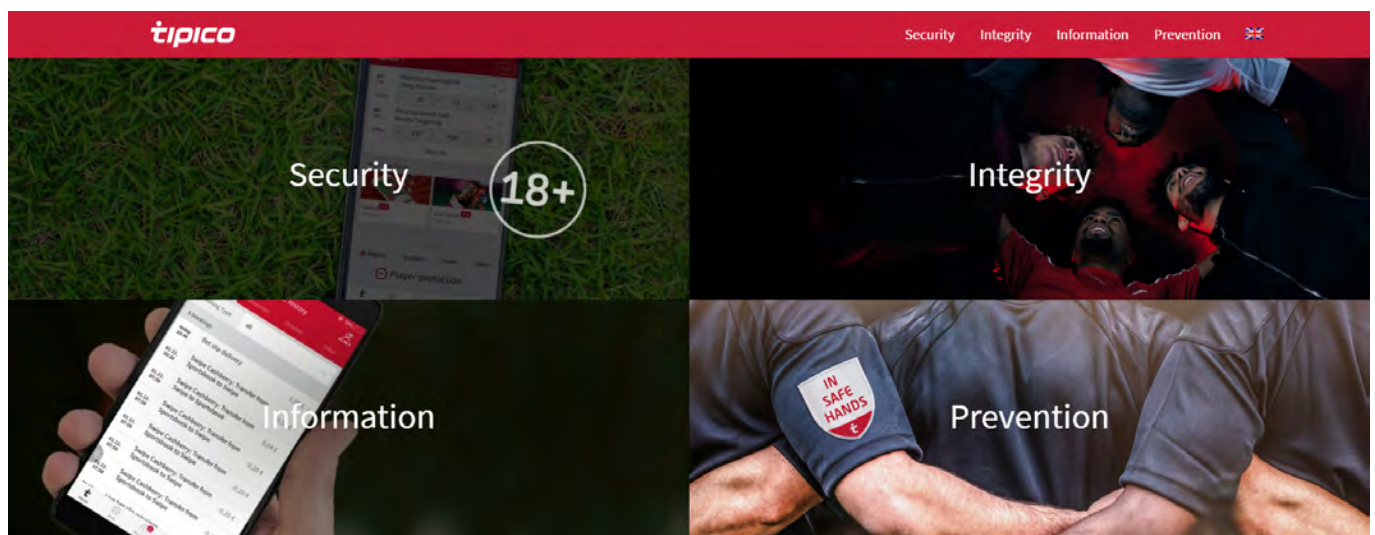
FINANCIAL IMPACT OF PROBLEM GAMBLERS IN PERCENTAGES OF TURNOVER



Based on representative German surveys on problem gambling, a rate of about 2% of gamblers in general and 3% of sports bettors in specific are suffering from gambling-related problems. Commentators had speculated that this small group of persons would account for a disproportionately high revenue share and that the gambling industry was largely dependent on those revenues. Therefore, Tipico started retrospectively monitoring this impact and found that, problem gamblers – before they self-excluded or were excluded by us – had accounted for 3% of Tipico's turnover.

In total, it can be concluded that the financial impact of problem gambling is very low. This is because many potential problem gamblers can be detected early by our predictive modelling algorithms and thereby prevented from playing excessively at Tipico – e.g. by means of imposed exclusion or imposed limitation. Compared to the baseline year of 2017, in 2018 and 2019 we were able to reduce the contribution of problem gamblers to our turnover to about half. Due to the pandemic, the 2020 numbers are difficult to compare and especially during the lockdown phases, an increase in self-exclusions by customers to protect themselves against gambling-related harm, was notable, showing that customers make use of these measures when they deem it necessary. Differences between lockdown months and others were accentuated so that it is difficult to convey a comparable figure for 2020. Therefore, it is expected that the numbers will decline as soon as the tangible impacts of the COVID-19 pandemic decrease again after the lockdowns.

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 45,000 people visited the page in 2020, which represents the increasing interest in the service. Around 70 % from German-speaking countries and 10 % with an English language background.



Thereby simplicity is key in order to reach all customers. In 2020, around 69% 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.

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.

REVIEW OF 2020 AND TARGETS FOR 2021

In line with the targets, we set ourselves last year, the usage of early-detection measures has been promoted and the usage of early-intervention tools, such as limits, has been increased. In the framework of our new German sports betting license, we launched an all-encompassing player protection concept based on German gambling regulations and increased the focus on the further education of our shop employees. The number of training sessions has therefore been drastically increased compared to the previous year and 97% of customer-facing employees completed an RG training. At the same time, other measures such as quality tests of our retail business had to be slightly reduced due to the temporary shop closures during the COVID-19 pandemic. The pandemic brought many uncertainties, not only for the company but also for the customers. Together with the reduced offer of alternative leisure activities, this might be one of the reasons why the financial impact of problem gamblers remained at a stable level rather than decreased.

For 2021, the following targets have been set:

- » further reduce the financial impact of problem gambling
- » improve knowledge about customers and actively manage their limits to reduce the risks of overspending
- » connect our complete retail network with the cross-operator exclusion database OASIS
- » put in place an annual Player Protection Report
- » put in place a responsible advertising concept, accepted by regulatory authorities



COMPLIANCE BY DESIGN: OUR APPROACH



WE ARE COMMITTED TO:

- » meeting all applicable laws and regulations
- » working against corruption in all its forms, including extortion and bribery
- » continuously improving the framework for the prevention of money laundering
- » respecting the privacy of customers and using modern and secure data protection technologies
- » reviewing policies and business practices continually 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 by the Tipico Ethics Code

IN 2020:

- » we were among the first batch of operators to be awarded a German sports betting license
- » 99% of our office employees successfully completed the mandatory General Data Protection Regulation (GDPR) training
- » 98% of office employees have been trained in Anti-Money Laundering (AML).
- » a new risk software has been rolled out in more than 90% of the business units
- » one whistleblowing report was registered with the external independent ombudsman

SCOPE: ALL ENTITIES OF THE TIPICO GROUP

COMPLIANCE AND RISK MANAGEMENT

REGULATORY FRAMEWORK – OUR LICENSES

We are committed to running our business in a transparent, fair, and compliant manner. Ever since Tipico was founded in 2004, our offers and services have been based on licenses issued by the Malta Gaming Authority. It has always been Tipico's explicit goal to obtain a German license, once the legal framework allows to apply for one. In this spirit, Tipico was awarded a sports betting and online gaming license in Schleswig-Holstein when this became possible. Moreover, Tipico participated in the 2012 German license application process which, however, had been aborted due to the discriminatory handling of the process. Having kicked off preparations for yet another application under the new legal framework back in early 2019, Tipico was in a pole position to file its application in early 2020 after the tenders for the licensing forms were published in December 2019. While originally, licenses were expected to be granted in the first half of 2020, legal action once again stalled the process.

But eventually, our preparation paid off and October 2020 became a historic month for Tipico: First of all, Tipico was among the first batch of operators to ever be granted a German sports betting license. This is central for our future endeavors in Germany and it was one of our core targets to be achieved in 2020. It was the joint efforts of employees across all departments that made this great achievement possible.

As of July 1, 2021, yet another legal framework is to enter into force, providing for the first-time concessions for online games (virtual slot machines and online poker) in Germany. To allow for a smooth transition, operators may continue offering online gambling services in the run-up to the new regulatory regime, albeit in accordance with the provisions of the upcoming regulation. Operators had thus to make sure that the requirements are met as of October 15, 2020. Tipico succeeded in implementing the new requirements and adapting its services as of mid-October.

“Online gambling enjoys great popularity worldwide. The transitional regulation in force since today is an important step towards clear and reliable regulation for consumers, operators and authorities. It is important that the rules are now also enforced against every market participant.”

Karin Klein, Chief Regulatory Officer

While the transitional regime as well as the upcoming new legal framework will for the first time offer a uniform framework for online gambling in Germany, the new requirements bring along substantial changes to the range of services offered. It particularly affects the deactivation of so-called casino table games such as BlackJack, as well as product adjustments to live betting and online slots in compliance with the requirements of the Fourth State Treaty on Gambling (GlüStV 2021).

“We look forward to the formal adoption of the GlüStV 2021 enabling a long-awaited regulated market access for private gambling operators from mid-2021 onwards.”

Joachim Baca, Chief Executive Officer

COMPLIANCE BY DESIGN: OUR APPROACH

New rules always come with new opportunities. Our aim is to offer our customers solutions within the boundaries of the regulated market that are clearly recognizable to them as something in their own best interest. Our operational business is therefore working on adapting to the newly regulated environment in a quicker, smarter and thus better way than our competitors.

Compliance manages the dialogue with regulatory authorities and uses a systematic framework to analyze our product and processes against the legal requirements (e.g. from anti-money laundering, player protection or data protection regulation) identifies gaps and provides guidance on how to resolve them. It is thereby an important goal to be a trusted partner of the regulatory authorities and our external partners. Our efforts are not only noticeable internally. In 2020, we did not receive any significant fines or non-monetary sanctions for non-compliance as described in the Global Reporting (GRI) requirements (see Appendix 6: Compliance requirements).

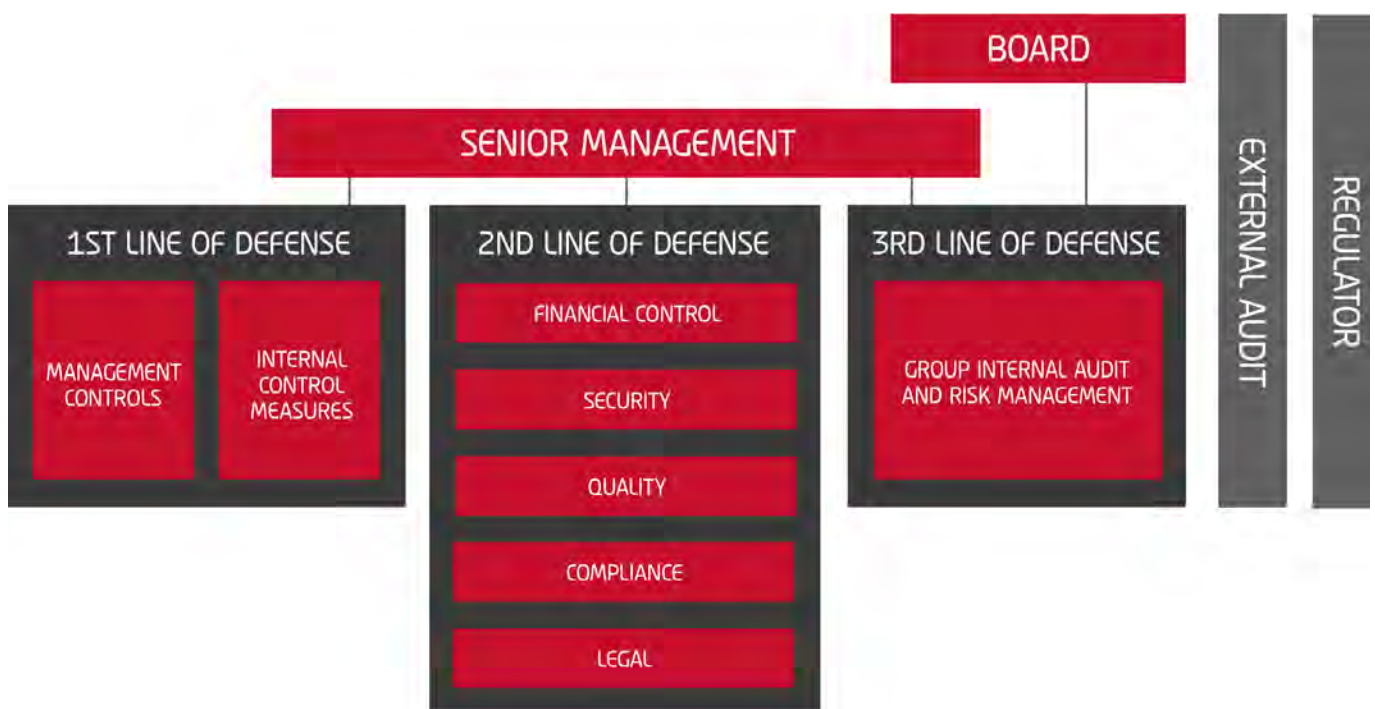
Tipico continues to advocate for viable and evidence-based regulation in collaboration with the German Sports Betting Association (Deutscher Sportwettenverband (DSWV)) as well as the Austrian Sports Betting Association (Österreichischer Sportwettenverband (OSWV)). The focus of the further development particularly includes the aspects of player and youth protection as well as addiction prevention.



UNDERSTANDING AND MANAGING OUR PRINCIPAL RISKS

Achieving a sustainable long-term growth is our key goal. Thus, all potential risks have to be identified and prevented across all Groups entities.

At Tipico, the first line of defense is provided by operational management. They have ownership, responsibility, and accountability for directly evaluating, controlling, and mitigating risks. Internal governance is further supported by Compliance or Data Governance. These departments have a risk-minimizing role, in which they support the identification of risks and the implementation of effective risk management tools. The third line of defense is taken care of by our Group Internal Audit and Risk Management team.



Our Internal Audit & Risk Department is not involved in operational decision-making. It rather provides independent oversight on the efficiency and effectiveness of governance and internal controls. The team supports the company in achieving the strategic objectives and sustainable long-term growth by assisting management in identifying and actively managing their existing and emerging key risks. The responsibilities of our Group Internal Audit and Risk Management team encompass: aligning risk appetite and strategy, enhancing risk response decisions, reducing operational surprises and losses, identifying and managing cross-enterprise risks, and providing integrated responses to multiple risks. The team further focuses on improving the deployment of capital.

In order to get the whole Group on the same level, our Group Risk Management function further provides support to line managers who are responsible for managing risk within their respective areas.

COMPLIANCE BY DESIGN: OUR APPROACH

OUR RISK MANAGEMENT FRAMEWORK

Our Group's risk management framework seeks to ensure that there is an effective process in place to manage risk across all of the Group's entities and locations.

During 2020, the risk management software "Resolver Core" was rolled out across the Tipico Group. Key results from the risk management workshops including risks, controls, residual impact and likelihood were imported into the risk management software. This allowed the risk owners to document and update any improvements done within the control environment, risk management and risk treatment throughout the year, together with any changes in the risk's impact and likelihood. The risk management software provides the topic owners, management, and risk committees with up-to-date visibility and information on the key risks being faced by the Group together with any mitigating measures or risk response plans to effectively manage these.

NEW RISK SOFTWARE HAS BEEN ROLLED OUT IN EXCESS OF

90%

OF THE BUSINESS UNITS THROUGHOUT THE GROUP.

The risk management is integral to all aspects of the Group's activities and is therefore the responsibility of all staff. Our top management has a responsibility to evaluate the risk environment, put in place appropriate controls and monitor the effectiveness of those controls. The risk management culture emphasizes careful analysis and management of risk in all business processes, in order to make risk-informed decisions. Through a combination of discussions, workshops, and the use of our risk management tool with all functions within the Tipico Group, we ensure that potentially material risks have been identified, owners agreed, and management/mitigation plans were established accordingly. We further have a risk management governance framework of committees across the various business functions throughout the Group. The principal risks and uncertainties which are considered to have a potentially material impact on the Group's long-term performance and achievement of strategy were set out. External and internal risk factors were considered. These have been agreed with the Corporate Risk Committee and will be reviewed on a quarterly basis going forward. Group Internal and Risk management will monitor management of these key risks. The process thereby followed the risk management process flow, which is described as follows:

IDENTIFY RISKS	<ul style="list-style-type: none"> » Risk identification exercises across the Group to identify key risks
ASSESS & MEASURE RISKS	<ul style="list-style-type: none"> » Risks and controls in place are analysed to identify root cause and assessed in terms of impact (and likelihood of occurrence) using a 5x5 risk assessment methodology » Risk categorisation; Strategic, Governance, Legal & Regulatory, Security, Financial, Commercial & Operational, People, Technology
ESTABLISH RISK TREATMENT PLAN & MITIGATION MEASURES	<ul style="list-style-type: none"> » Risk owner allocation and determination of risk treatment plan – Accept, Reduce, Transfer, Terminate » Current risk mitigation measures are analysed, and improvements in the risk mitigation measures and internal controls are determined
IMPLEMENT RISK MITIGATION MEASURES	<ul style="list-style-type: none"> » Management implements the risk mitigation measures and internal control improvements bringing the residual risk to an acceptable level within Tipico's risk tolerance thresholds
RISK MONITORING & RE-ASSESSMENT	<ul style="list-style-type: none"> » Progress of the risk mitigation measures and internal control improvements are tracked and monitored. Principal risks are reported to the Corporate Risk Committee » Risk management as a continuous process – risks are analysed and assessed for changes in impact and likelihood

KEEPING OUR DATA SAFE

Following the highest standards in terms of data protection means caring for our customers and employees. All Tipico-owned websites and landing pages have a Cookie Consent Management solution implemented and a data subject access request process is set up along with an updated transparent privacy policy section where customers can exercise their data subject rights. In 2020, we experienced an even higher demand for information by our customers.

As a result, we noticed an increase from more than 20,000 data subject access requests in 2019 to more than 30,000 in 2020. All have been handled in close collaboration of Customer Service and our Tipico Data Protection Officer (DPO). Compliance is of course not a one-shot exercise. To assure continued compliance with the General Data Protection Regulation (GDPR), we implemented a process for continuous monitoring of the impact felt by new legislation and communicate requirements and action points to the business if needed.

MORE THAN

30,000

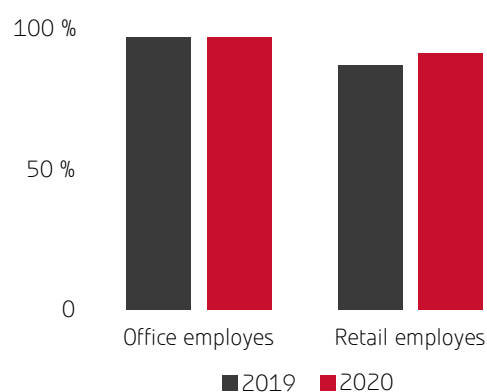
DATA SUBJECT ACCESS REQUESTS IN 2020
(AROUND + 50% COMPARED TO 2019)

COMPLIANCE BY DESIGN: OUR APPROACH

In 2020, we continued to stress the importance of the topic, offered continuous guidance around a compliant set-up and introduced the Tipico Privacy Accountability framework, a Group-wide benchmarking which will be finalized in 2021. We established several high-risk data protection impact assessments and kept cooperating with all relevant authorities. In order to embed the topic even further within the company, various GDPR awareness actions and training sessions were further carried out in 2020.

Above 99% of Tipico Office employees and 95% of Tipico Retail employees have completed the yearly GDPR training (refresher and awareness) which was launched the previous year.

PARTICIPATION IN ANNUAL GDPR TRAINING



As the result of these trainings, employees have been aware of the relevance of reporting any potential risks. In 2020, our DPO Office was made aware of 23 potential data breaches. Those reports were investigated and none of them signaled a potential impact on the rights or freedom of the data subjects. As a consequence, no data breaches were reported to the Information and Data Protection Commissioner (IDPC) in 2020.

POTENTIAL DATA BREACHES REPORTED	2018	2019	2020
Observations reported to DPO (internal)	24	28	23
Incidents reported to IDPC by DPO	2	0	0
Within 72 hours (target 100%)	100%	N/A	N/A

Further to the above, we followed up on one official complaint from outside parties/regulatory bodies which was received in 2019. The Tipico Data Protection Office has provided full cooperation in this investigation. Nevertheless, we had not received a final feedback by the end of the year.

On an uninterrupted basis in close collaboration with the chief information security officer, we continuously improve our technical and organizational measures to stay ahead of security threats. We were able to successfully cope with all cyber-attacks we encountered during 2020 and will continue to enhance our performance. In addition, our high standards were again verified 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) for which we passed an audit again in 2020. We further kicked-off yearly audits based on EGBA¹² COC for Online Gambling Sector.

Due to our new office in the US (see chapter “Introduction”), we further started to define and set up new processes in line with US data protection requirements.

¹² EGBA (2020). Retrieved from: <https://www.egba.eu/news-post/egba-demonstrates-commitment-to-gdpr-with-sectoral-code-of-conduct-for-data-protection/>

GOVERNANCE

Tipico is a private company. Since 2016, CVC Capital Partners have indirectly held a majority stake in the Tipico Group (around 60%). Besides, four founding members each still indirectly hold almost 10% of the shares. The Tipico Group has a one-tier board, consisting of 4 executive members.

Nevertheless, Tipico builds on the competencies of all employees and therefore delegates authority for many business processes. By using the expertise on all levels, the company can progressively and quickly adapt to the market.

Further, we are able to achieve the greatest possible operational ability to act and ensure that the management can focus on the most important decisions. Therefore, we established a Delegation of Authority Policy, which governs responsibilities and allowances and for certain key functions Powers of Attorney have been issued to employees ensuring that the companies are able to act legally at all times.

At Tipico the percentage of female board members is 25% and the average tenure of board members has been 5 years so far. Whenever board meetings are held, at least 50% of all members are required to participate. The members of the Tipico Group Board of Directors are elected by the Shareholders' Committee and subsequently appointed through resolution by the Shareholders' Meeting.



Whenever people work together, the structure and guidelines underlying this cooperation play a key part in success. For this reason, we still enhance our Tipico Corporate Practice, which serves as a guide in our daily work. It is a set of corporate guidelines, which conform with international laws, ethics standards, and our values. They meet the needs of an internationally operating company.

In 2020, our finance team further announced that our new Group-wide expense tool SAP Concur has been launched in Malta and Germany. This will improve the way colleagues submit expense claims. This means we can cut manual forms and instead upload receipts digitally. Automated approval requests will then be sent to the designated approver.

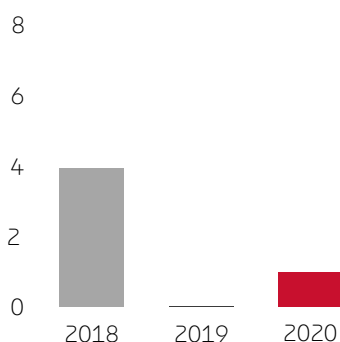
COMPLIANCE BY DESIGN: OUR APPROACH

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

Around four years ago, Tipico developed its Tipico Ethics Code which intends to provide guidance to all employees. The particular target is to create awareness about anti-corruption and anti-bribery laws in order to enable all employees to recognize potential issues and deal with them appropriately.

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 this to the central register of the compliance department. The same applies to conflicts of interest. All potential cases must be reported to the compliance team 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 the company's 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 organizations or political parties.

WHISTLEBLOWING CASES REPORTED TO THE EXTERNAL OMBUDSMAN



IN 2020

ONE WHISTLEBLOWING REPORT
WAS REGISTERED TO THE EXTERNAL
INDEPENDENT OMBUDSMAN

ZERO HAVE BEEN
CLASSIFIED AS SERIOUS CASES

To foster ethical business behavior, we practice the approach that every employee should be able to 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 2020, one case was registered across the Tipico Group via the whistle-blower system to the external ombudsman. The case was investigated and closed within the year.

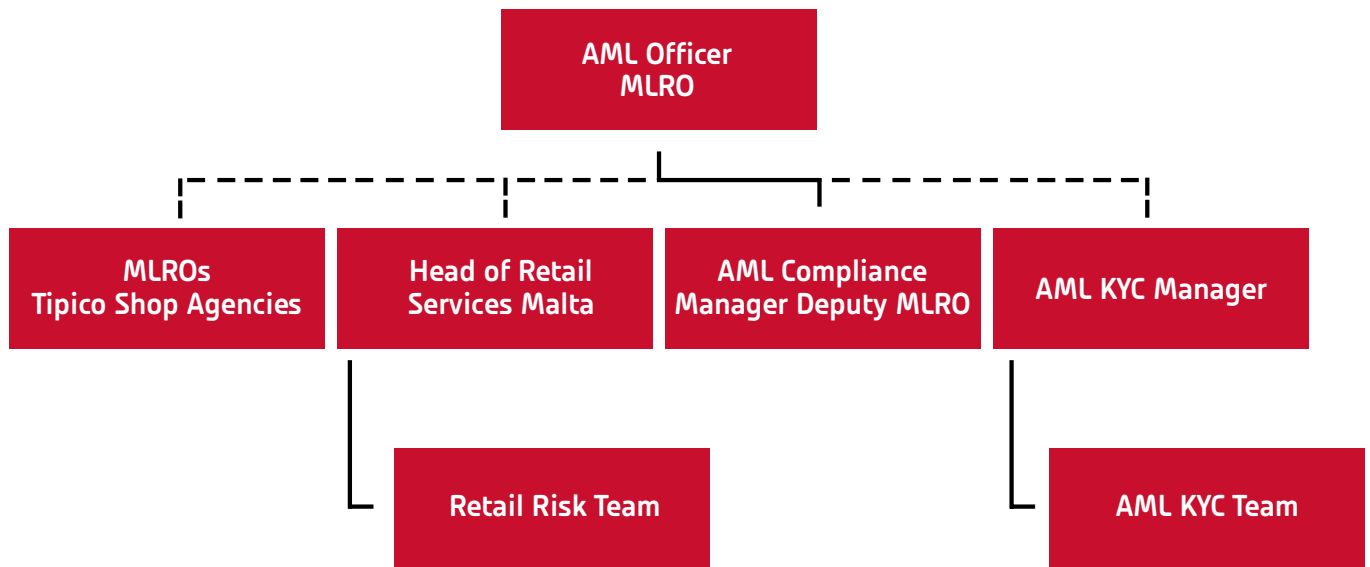
As we do not tolerate any form of corruption, all employees and consultants are required to understand and comply with our values and ethical standards.

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

As an integral part of its business activity, Tipico deals with monetary transactions by customers which require a responsible handling by Tipico. As this brings along a lot of responsibility and regulatory obligations, Tipico continuously strives to strengthen the internal anti-money laundering (AML) and combat the financing of terrorism (CFT) organizations.

Thus, a robust set of controls has been implemented by the Money Laundering Reporting Officer (MLRO). Retail and Online operations are monitored on a daily basis by the AML/KYC Team, the Retail Risk Team, and also 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/CFT policy which creates awareness and explains what to do in case of suspicion of criminal activities. Several subordinated procedural guidelines advise the operational teams on how to carry out customer due diligence, investigate potential matches for politically exposed persons and sanctioned individuals, and assess suspicious behavior. As visualized in the AML Organization, the MLRO is further supported by several teams across the company.

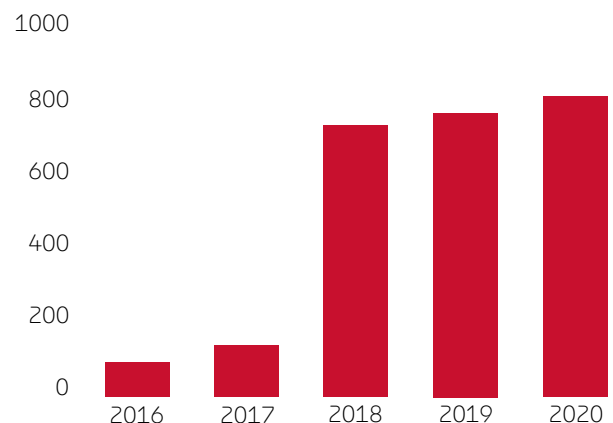


In 2020, a constantly very high percentage of Tipico Group employees were trained in AML/CFT (around 98%, +1% compared to the previous year). Additional training was carried out on a regular basis for employees working in the Tipico shops. In 2020, a total of 2,405 (+50% compared to the previous year) retail employees attended on-site training in AML/CFT. Further another 3,630 online trainings have been attended.

AML TRAINING BY TIPICO SHOP EMPLOYEES

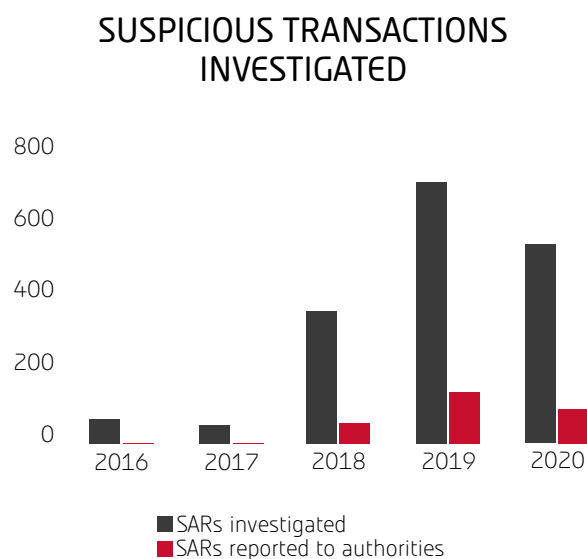
+50% COMPARED TO 2019

AML TRAINING BY TIPICO GROUP EMPLOYEES



COMPLIANCE BY DESIGN: OUR APPROACH

Over the last years, all suspicious transactions were reviewed internally and forwarded to authorities in cases of corroborated suspicion. Becoming an obliged entity under respective AML laws, in 2018 we increased our focus even further. With the help of an extended team, systematic controls, and even stricter criteria, the number of investigated cases and the number of suspicions reported to the authorities remain at a high level.



In 2020, new tools to verify the customer's identity were implemented and the AML mechanisms to identify customer accounts which pose a higher risk were further improved. Internal investigations were carried out by designated teams and the outcomes thereof documented. Suspicious transaction/activity reports (SAR) were submitted externally to the relevant authorities in Germany and Malta.

Furthermore, all customer identification, customer due diligence (CDD), enhanced due diligence (EDD) and the company's own risk management processes are under continuous review in order to comply with all legislations. For instance, around 965,000 politically exposed person (PEP) checks were carried out.

REVIEW OF 2020 AND TARGETS FOR 2021

One of our biggest achievements in 2020 certainly was attaining a sports betting license for the German market. In this framework our anti-money laundering and data protection measures have further been strengthened. As in previous years, employees participated in several compliance trainings and as a result managed to support our teams by enforcing integrity and reporting about potential risks.

The completion rate of the AML training among Tipico employees, which was targeted at 97 %, was thereby exceeded. Same appeared for the GDPR trainings.

Cookie consent management solutions have been updated on all Tipico owned websites and a new risk management software has been rolled out to the majority of entities, simplifying the monitoring of risks and implementation of mitigation strategies.

For the year 2021, the following targets have been set:

- » during 2021, the risk management software will be rolled out to the remaining entities and pending changes will be addressed
- » the introduced Tipico Privacy Accountability framework, will be finalized in 2021
- » continue to implement yearly GDPR audits and yearly overall benchmark based on our accountability framework for all Tipico Group operational entities
- » continue the (personal) data retention matrix and implementation of effective data deletion practices (3 years objective)
- » keep the GDPR trainings for Tipico employees above +99 % and the trainings for retail employees above +95 % on a monthly basis
- » reporting data breaches to DPAs within 72h (if applicable) at 100 %
- » obtain a games concession under the new legal framework to enter into force in mid-2021



BEYOND BUSINESS OPERATIONS: ENGAGEMENT DURING A CHALLENGING YEAR



WE ARE COMMITTED TO:

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

IN 2020:

- » we implemented an online alternative to our common corporate social responsibility (CSR) days across the different entities
- » more than 130 employees participated in the Pink October campaign
- » as part of the move to new offices, we implemented internal auctions of office equipment for charities
- » we organized auctions of unique sports articles in collaboration with two external partners
- » participation in the individual city cycling challenge was organized
- » more than €217,000 was donated in the field of healthcare, prevention research and social development
- » our CR policy has been renewed in order to integrate extended commitments and measures

SCOPE: ALL OFFICES OF THE TIPICO GROUP

OUR COMMUNITIES: OUR CONTRIBUTIONS

Despite the challenges of facing COVID-19, in 2020 we managed to keep our entire workforce and still run a profitable business. We thereby contribute to our communities by providing products and employment. As a leading provider, it goes without saying that we pay sports betting taxes as well as taxes on our online gaming offers. In 2020, more than €200 m were paid in taxes. Among others:

- » Tipico pays gambling-related taxes in Germany
- » Tipico pays gambling-related taxes in Austria
- » Tipico pays gambling-related taxes in Malta

Tipico Group complies with all national requirements of fiscal legislation, including betting taxes, relevant to the respective tax jurisdictions that the Company and its subsidiaries operate in, VAT, permanent establishment and transfer pricing considerations. Tipico Group also monitors regularly changes in tax laws in countries the Group operates as well as developments on international level (EU, OECD) and considers impacts of these developments on the Group's set-up and its operations. All described tasks are carried out under the involvement of external tax advisors.

A stable regulatory environment, including experienced regulators, are key to running a successful sports betting company. Malta is offering both, and was the first EU Member State to enact comprehensive legislation in this field in 2004. Malta is thereby seen as one of the most tested jurisdictions in the world, following a consistent approach to regulation, while keeping requirements at a high standard.

With a market share of over 50% in Germany, our offer has a high availability around the country. As a result, the number of jobs provided in these two countries are the highest. In Malta, we offer more than 370 jobs and in Germany, more than 340 jobs in our offices and up to 1,250 when the staff in our own shops are included. In total:

- » more than 1,800 jobs are offered by the Tipico Group
- » the affiliated franchise network in Germany and Austria employs more than 6,000 people

As customer health and safety is of the highest priority to us, in 2020 additionally more than €210,000 was spent on donations, research to prevent gambling addiction and player counselling programs within the main markets in Germany and Austria. These include:

- » more than €110,000 of direct and indirect donations
- » around €107,000 to prevent gambling addictions and for player counselling programs

Every project, organization, and association that has been supported with donations in 2020 pursues charitable purposes. Tipico follows strict internal guidelines and emphasizes the support of projects that suit Tipico values, meet our own sustainability requirements and support the community as a whole.

BEYOND BUSINESS OPERATIONS: ENGAGEMENT DURING A CHALLENGING YEAR

VOLUNTARY ENGAGEMENT AND EMPLOYEE-DRIVEN INITIATIVES

OUR CR POLICY – WHAT WE (USUALLY) OFFER

In our company culture, we share the belief that ability progresses through active involvement. Therefore, as part of our renewed CR policy, employees are given opportunities to get involved in their local communities. We usually organize several charitable sporting events, auctions of sports equipment and initiate several Corporate Responsibility (CSR) Days. In 2019, around 160 employees participated in at least one of the events, resulting in more than 1,000 hours of community work. In 2020, we had to pause many of our initiatives in order to ensure the safety of our employees and the collaborating NGOs during COVID-19. As soon as contact restrictions are eased, our employees might again take part in initiatives as specified in our Policy.



CSR tournaments,
charity races &
sports auctions

Support of people's
own projects

Matching of
donations

Up to two days for
volunteering per
employee

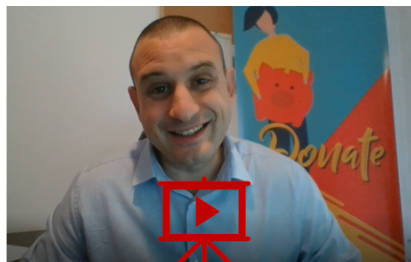
Nevertheless, our passionate team accepted the challenge and despite COVID-19 found several alternatives which could be organized while keeping personal contacts at a minimum. For example, by organizing an online Pink October campaign to raise awareness for breast and prostate cancer. More than 130 employees took part in our respective fund-raising project. The campaign included providing pictures in pink and thereby collecting donations which support organizations such as the Hospice Malta. We further organized a virtual CSR Day alternative.

We kept up our good relationships and supported various organizations with donations, to support their valuable work. In return, we received numerous videos from our charitable partners who wanted to thank our Tipico team. Please find some examples below:

INSPIRE FOUNDATION



HOSPICE MALTA



NATURE PARK SCHWARZWALD





MOVING ON – OFFICE EQUIPMENT FOR A GOOD CAUSE

In 2020, we had two major moves. Our headquarters in Malta were shifted to a brand-new building, the Tipico Tower, and colleagues from Tipico Technology Services Karlsruhe and Tipico Retail Services Karlsruhe moved to the new Tipico Campus. All employees have been looking forward to these new offices and therefore wanted to let the community take part in this major event.

Due to the different legislative environment in Malta and Germany, we chose two separate ways to let the community benefit from these moves as well. In Malta, we organized an open day for employees to come and collect furniture and miscellaneous items such as chairs, desk, monitors, sofa, lamps, etc. In return, employees have been asked to leave a donation for local organizations. As a result, more than €7,500 has been collected by our generous employees, topped up by Tipico.

In Germany, we donated the office equipment directly to a local charitable organization, which rated the current value of the equipment at around €40,000.

On top of this, Tipico offered its support to the community by keeping its company apartments in Malta available for healthcare professionals during COVID-19. Medical workers sometimes had to leave their households in order to protect their families while working with COVID-19 patients. Therefore, four of our company apartments have been offered to the government free of charge for health care workers when required.

BEYOND BUSINESS OPERATIONS: ENGAGEMENT DURING A CHALLENGING YEAR

CHARITY AUCTIONS

In 2020, we kept working on our collaboration with United Charity and the Austrian Sportsaid (Sporthilfe Österreich) in order to auction unique sports paraphernalia such as jerseys or balls signed by football stars. In the past, special highlights of our charity auctions have always been VIP Tickets to games of our partners such as FC Bayern München. In 2020, we adapted to the COVID-19 situation and offered online meet and greets with several football stars instead. The meetings have been organized by Tipico and auctioned for the good cause. to upgrade the area, but also to set a good example at the same time.

Einzigartiges Online Meet & Greet mit den Stars des österreichischen Fußballrekordmeisters SK Rapid Wien und teamsigniertes Trikot



➤ Diese Auktion ist bereits beendet.

geschätzter Wert:	€ 500,00
Anzahl der Gebote:	0
gestiftet von:	Tipico
Angebot startet:	07.12.2020
Angebot endet:	09.12.2020

100% unserer Erlöse werden gespendet

Angebot Nr.: 191539

[zu den laufenden Auktionen](#)

Overall, 12 of such meet-and-greets have been organized. We also auctioned more than 15 Tricots signed by football teams.

In addition, internal auctions for Tipico employees were set up. Employees have been able to auction merchandise products and thereby support favorite charitable organizations. In the last auction, we received more than 130 purchase orders and collected almost €7,000, which has been topped up to €10,000 by Tipico. This amount was given to international organizations in the area of sports and health.

REVIEW OF 2020 AND TARGETS FOR 2021

As targeted in the previous year, our CR Policy has been renewed in order to extend commitments and measures. Unfortunately, several of the measures from the CR Policy such as pro bono days could not be carried out during the year due to COVID-19. Nevertheless, the policy serves as a framework for the coming years and alternative measures such as charitable online events have been implemented. In addition, we again managed to organize several internal and external auctions. Be it sports equipment, merchandise or office furniture, all have been given away for a good cause.

For 2021, the following targets have been set:

- » organizing at least four events in which employees can learn more about sustainability while supporting local organizations (e.g. CSR Days)
- » offering possibilities to participate in charitable sporting initiatives
- » increase integration of further business entities, especially Croatia
- » keep our good partnerships with the NGOs in our local communities





OUR ENVIRONMENTAL IMPACT: LESS IS MORE



WE ARE COMMITTED TO:

- » measuring our environmental performance by use of Global Reporting Initiative standards
- » evaluating environmental impacts 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
- » considering environmental impacts in purchasing processes

IN 2020:

- » we reduced our Scope 1 emissions by around 33% compared to the previous year
- » information was collected about all business-related trips of our Group, resulting in a reduction of around 58% compared to the previous year
- » we reduced the emissions resulting from the usage of one of our data centers by around 22%
- » paper consumption was cut by around 68% in our offices and around 56% in our shops
- » we have not been able to carry out CSR Days due to COVID-19. Nevertheless, we managed to support our charitable partners with environmental focus

SCOPE: ALL EUROPEAN OFFICES OF THE TIPICO GROUP

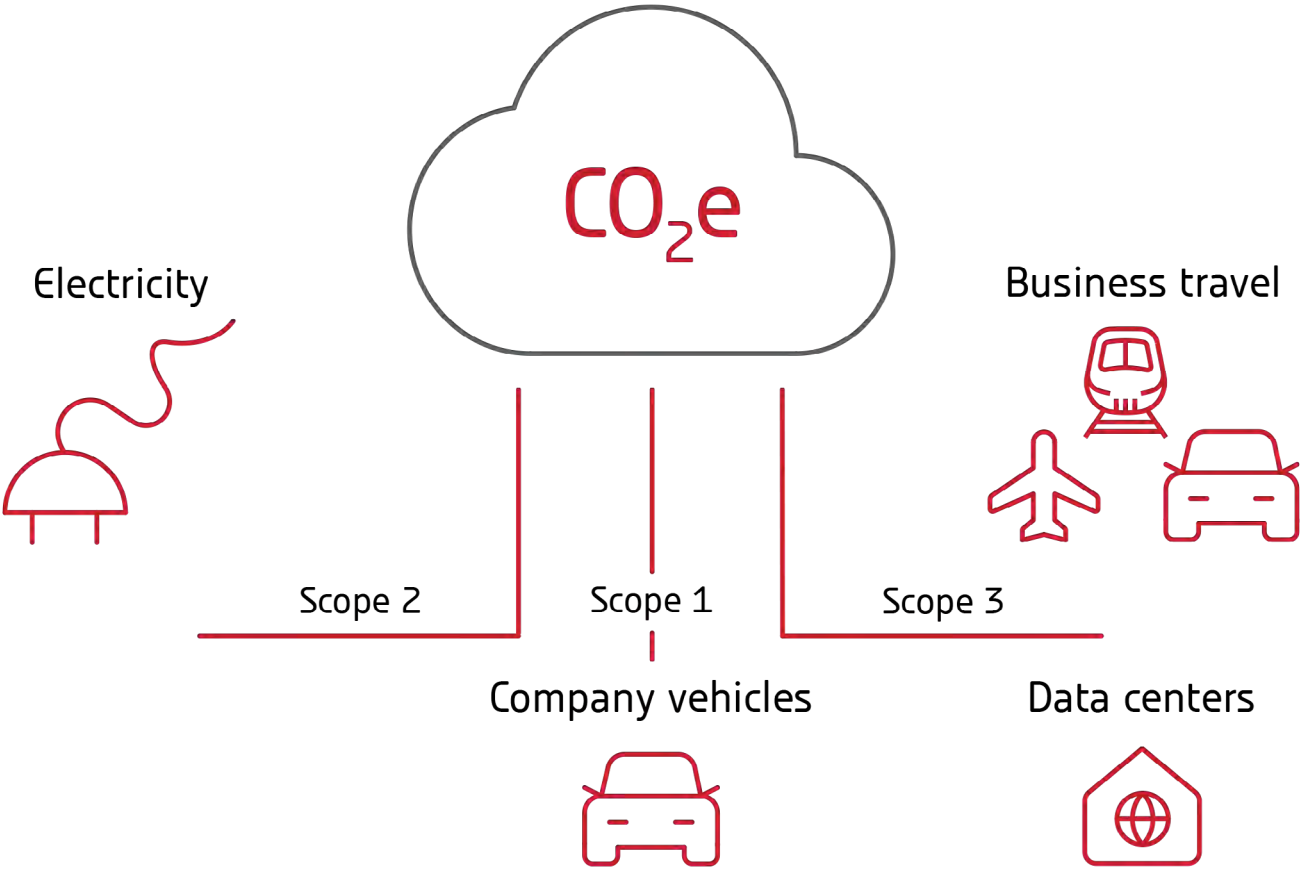
OUR OFFICES: REDUCING IMPACTS OF OUR DAILY WORK

WATER	PAPER
<p>Our water consumption of the company is comparably low as we do not have any manufacturing processes and only little use in our offices. Nevertheless, tracking for consumption by all entities has been set up and data is recorded in order to notify irregularities. Generally, no big differences in water consumption over the years was noted.</p> <p>Only for one entity an increase of around 20% between 2019 to 2020 was registered. The increase is being investigated. Water is usually sourced by local municipalities and except for one small entity, no reused or recycled water is used in our facilities.</p>	<p>Trees are of great importance for our earth. They provide oxygen, have a positive effect on air quality and the climate, conserve water, help preserve the soil and offer protection for wild animals. That is why it is our goal to protect the forests and reduce paper consumption. We track the consumption of paper in our shops and offices. In 2020, we reduced the paper consumption as follows:</p> <ul style="list-style-type: none"> » in our shops by 56% and » in our offices by 68% <p>Nevertheless, these numbers might not be representative as both our shops and offices have been temporarily closed in order to minimize risks of the COVID-19 pandemic. Since 2020, we also use an online tool for tracking expenses, thus making printed invoices by employees unnecessary.</p>
RESOURCES AND MANAGEMENT	WORKSTREAM
<p>The amount of waste in our offices is comparably low, as we are a digital company. Despite this, efficient waste management in terms of separation and possibilities for recycling are a fundamental requirement within our Group.</p> <ul style="list-style-type: none"> » In 2020, all entities had waste separation mechanisms with appropriate signage in place. <p>That also applies for our newer entities in Malta and the US.</p> <div data-bbox="178 1765 724 1921" style="text-align: center;"> <p>The image shows three black recycling bins arranged horizontally. The first bin on the left is labeled 'Plastic' and contains various plastic bottles and containers. The middle bin is labeled 'Paper' and contains crumpled paper and cardboard. The third bin on the right is labeled 'Cans' and contains various metal cans. Each bin has a red label with white text and a small graphic.</p> </div>	<p>For the third consecutive year, employees have been able to submit suggestions and work on solutions for improving our offices in terms of environmental efficiency. Employees from all entities are able to join the workstream and collectively work on minimizing negative effects. Due to COVID-19, in 2020 employees had to reduce meetings and focus on topics such as reusable face masks. Besides sustainable food delivery options, reduction of paper consumption and switching to an electric cab operator are some of the topics that were worked on in 2020.</p>

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

EMISSIONS: OUR SCOPES

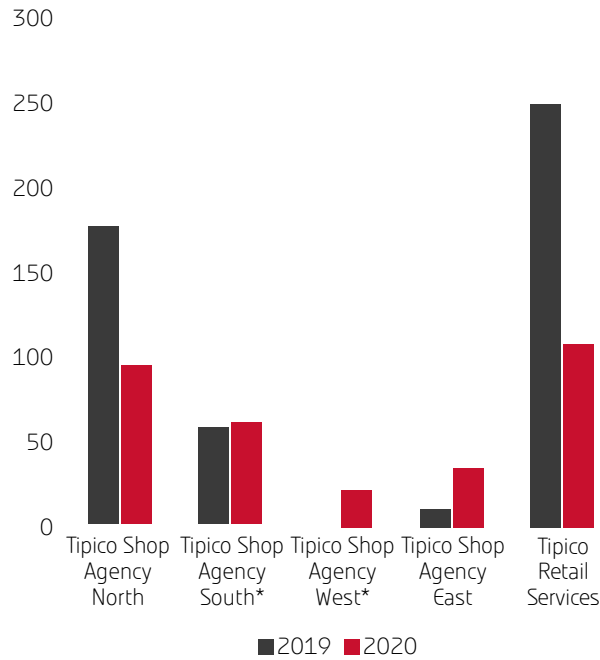
At the heart of the European green deal is the objective to be climate-neutral by 2050. As an operator of sports bets, our emissions are comparably low. Nevertheless, we are aware of the importance of this objective and strive to become climate neutral even prior to that date. As part of our climate strategy, our focus lies on emissions resulting from energy consumption, the usage of data centers and the business travel of employees. In 2020, we further adjusted our tracking systems to meet all the scopes as suggested by the GRI standards. That means, we did not stop at focusing on impacts directly generated by the company such as emissions caused by company vehicles (Scope 1) and emissions as a result of electricity consumption (Scope 2) but further included the data of external parties, which could be traced back to the business activities of Tipico. These included Scope 3 emissions due to business travel (including flights, taxis, and trains) and the usage of external data centers.



SCOPE 1: OUR COMPANY CAR FLEET

The Tipico Shop Agencies and Tipico Retail Services account for all travel by car. This is 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.

ROAD - CO₂E IN METRIC TONNES



With an average of -33% CO₂e compared to the previous year (498 metric tons in 2019), travel by road results in around 333 metric tons of CO₂e in total. Only at our Shop Agency East did we note an major increase in emissions. However, this is the result of a structural change as parts of our car fleet has been shifted from the Tipico Shop Agency North to the Shop Agency East. Nevertheless, when estimating both shop agencies together, a decrease of around 30% percent still becomes visible.

The decrease might be traced back to a combination of reduced shop visits in 2020 due to the temporary shop closures during COVID-19 as well as our continuously improving car fleet. By using more energy efficient cars and vehicles with electricity engines, we have been able to reduce our negative effects on the environment.

*Incomplete data availability in 2019

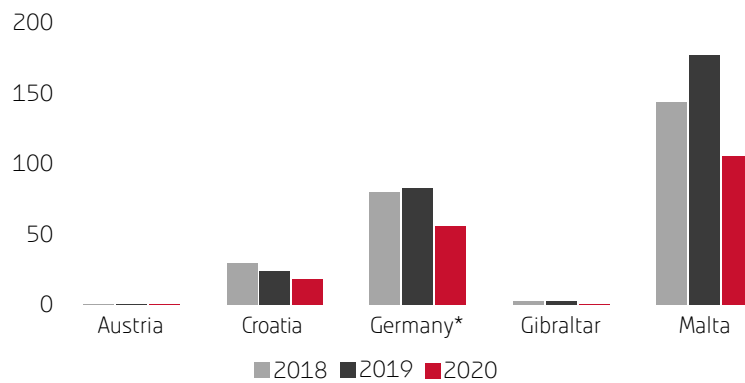
OUR ENVIRONMENTAL IMPACT: LESS IS MORE

SCOPE 2: ELECTRICITY CONSUMPTION

OUR OFFICES

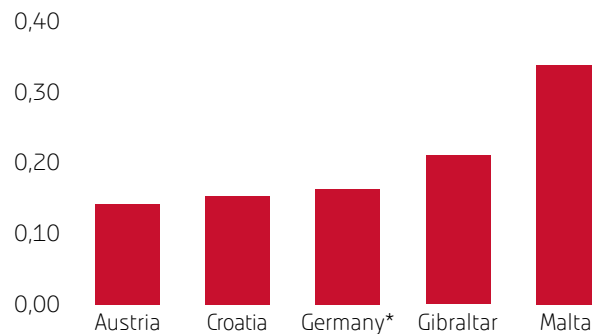
By focusing on all our European entities, we reduced emissions as an impact of our electricity consumption by around 34 %¹⁴ while at the same time extending the scope to include all German offices¹⁵.

EMISSIONS FROM ELECTRICITY CONSUMPTION IN TONNES OF CO₂e



As mentioned for prior calculations, in 2020 the effect might partly lead back to the high number of home office days during the COVID-19 pandemic but also to the high percentage of renewable energy sourced. In order to minimize impacts, we are strongly committed to using renewably sourced electricity and obtain a more favorable energy mix. While the average amount of renewably sourced electricity in the gross electricity mix within the EU (2018)¹⁶ was around 32 %, for example, Tipico offices in Germany are sourcing electricity from providers offering 100 % renewable sources. Therefore, the CO₂e based on our specific electricity mix is expected to be below the calculated amounts.

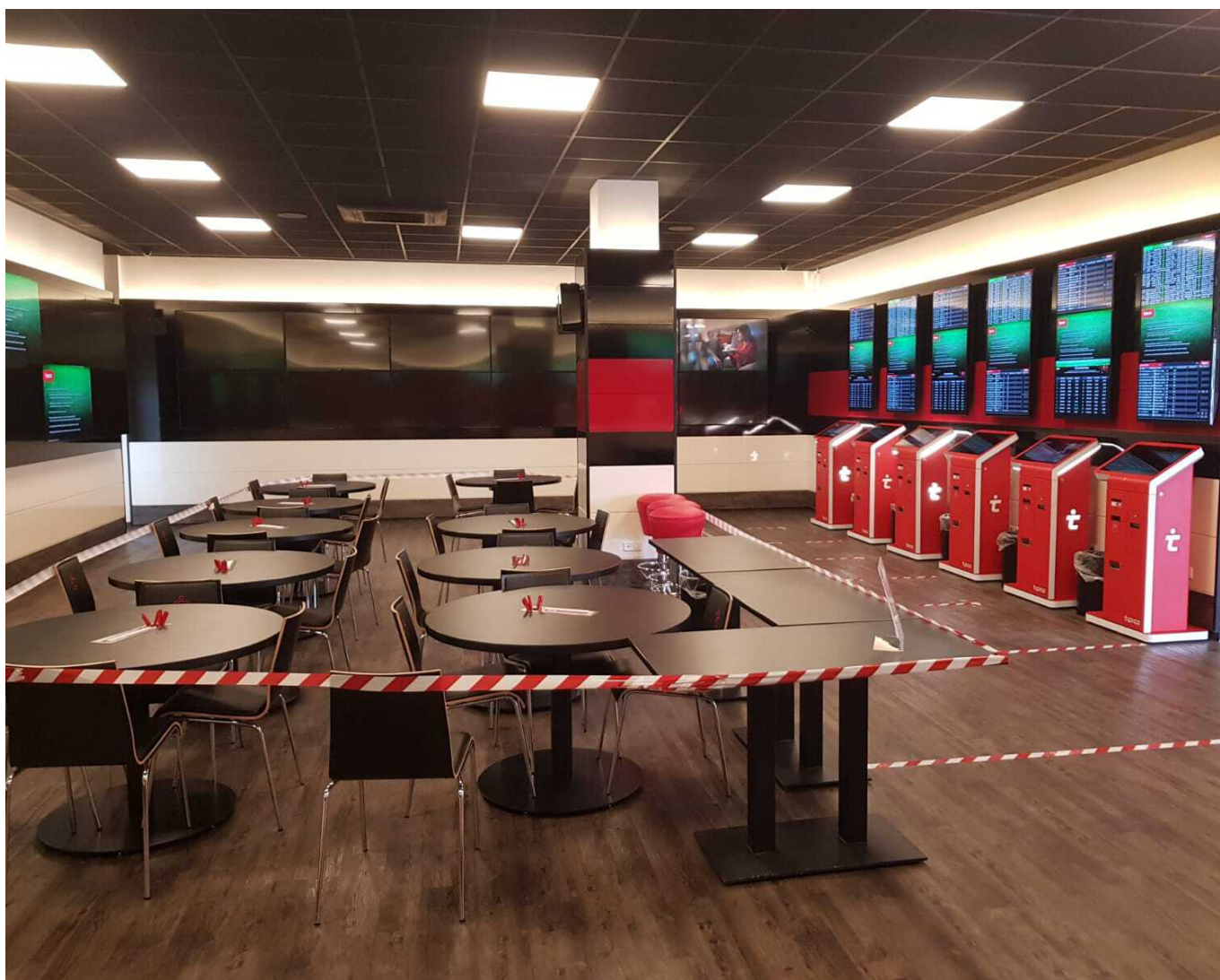
EMISSIONS FROM ELECTRICITY CONSUMPTION PER EMPLOYEE IN TONNES OF CO₂e



¹⁴Explanation: Where no more recent country-specific measures have been available the amount of CO₂e is calculated with the standards of the Greenhouse Gas Protocol (GHG).

¹⁵*Explanation: For the first time, all Tipico offices are included in the calculation. In previous years data about Tipico Shop Agencies East, West and South has not been included.

¹⁶Statista (2019). Retrieved from: <https://de.statista.com/statistik/daten/studie/161266/umfrage/stromerzeugung-aus-erneuerbaren-energien-in-der-eu-27-seit-1998/>



OUR SHOPS

Germany is a federal republic. Therefore, governmental regulations about the maximum size and configurations of our shops vary. The same applied to the COVID-19 restrictions and associated temporary shop closures. Thus, the average electricity consumption per Tipico shop varied between our four Shop Agencies and is calculated separately. As one of our objectives for 2020, we managed to increase the number of shops included in our internal calculations from 142 in 2019 to 199 in 2020.

In comparison to the previous year, the consumption of energy decreased in all our shops. The reduction varied between an average of -4% per shop at the Tipico Shop Agency North to -14% per shop at the Tipico Shop Agency South. The lowest average consumption per shop was noted at the Tipico Shop Agency West with around 10,300 kWh per year and shop.

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

SCOPE 3: EMISSIONS OUTSIDE THE COMPANY

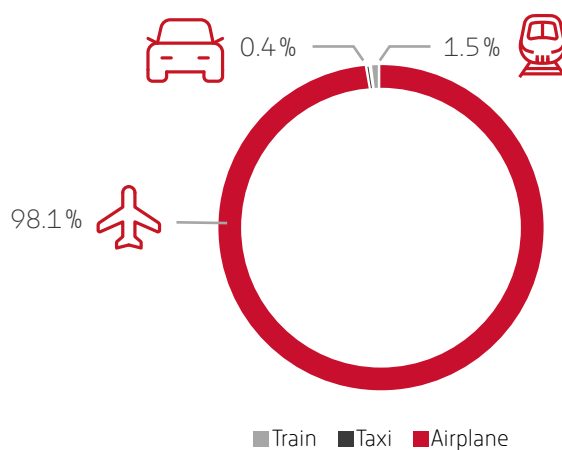
DATA CENTERS

Over the years, the biggest impact on the reduction of our Scope 3 emissions is still the shutdown of our own servers at the end of 2018 and the move to the Amazon Cloud (AWS). This led to a high level of scalability. With the move towards AWS, capacity is dynamically scaled to the actual workload. Consequently, energy consumption is lower at times of reduced demand. As the amount of carbon emissions is not only affected by the number of servers running, and the efficiency of these servers, but also by the power mix used, we chose a provider that follows requirements on high percentages of renewable energies in the electricity mix. Similar to the previous years, the electricity consumption by external data centers that could be traced back to the usage of Tipico was calculated in 2020. In one of the data centers, the CO₂e emissions have been reduced by 22%. For the second data center, information will only be available by the end of Q2 and therefore added to the report at a later stage.

BUSINESS TRAVEL

As an international company, business travel is one of our biggest environmental impacts and thus plays an important role in our climate strategy. Our business travel includes the emissions as a result of individual travel of employees by means of transport such as taxis, trains and airplanes (GHG Protocol Scope 3). The majority of CO₂ emissions from travel still result from travelling by plane, while travel by train comes in at second place.

EMISSIONS BY TYPE OF TRANSPORT



Information about all business-related trips of our Group was collected, resulting in a total of 269 metric tons CO₂e in 2020. This finding equals a reduction of around 58% compared to the previous year (636 metric tons CO₂e in 2019¹⁷) and an emission intensity of 0.313 metric tons per Tipico office employee.

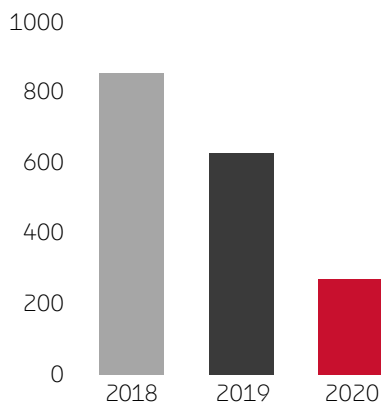
Although we have been focusing on minimizing business-related travel since 2018, this year's surpassing reduction is partly due to the travel restrictions during the COVID-19 pandemic. For the coming years, we expect smaller steps in terms of reducing our impact.

¹⁷Explanation: In the previous year we combined data about business travel (Scope 3) and our company car part (Scope 1). In 2019, the amount of 1,134 metric tonnes in total was compound of 636 by travel and 498 by car. This year numbers have been divided and, in this section, only the 636 tonnes are considered.

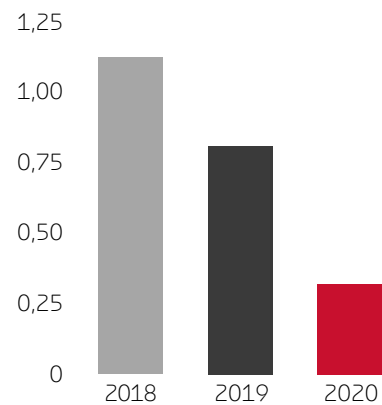
AIRPLANE

Another success was noted in terms of emissions as a result of business travel by plane. In 2020, emissions by plane decreased dramatically, even though our new entity in the US was added to the calculations. While part of the effect might be the result of increasing use of virtual meeting rooms, it is unmistakably also an effect of the travel restrictions due to the global pandemic.

AIRPLANE - CO₂e IN METRIC TONNES



AIRPLANE - CO₂e IN METRIC TONNES PER EMPLOYEE



In total, emissions decreased by 58% compared to the previous year. The CO₂ emissions intensity per employee thereby decreased even further as our workforce was growing over the year. Per employee, the emissions declined by 65% compared to 2019. The total emissions intensity per employee stands at 0.3 metric tons CO₂e.

In accordance with atmosfair¹⁸, that equals around one return flight between our offices in Munich (Germany) and Hamburg (Germany) for each employee.

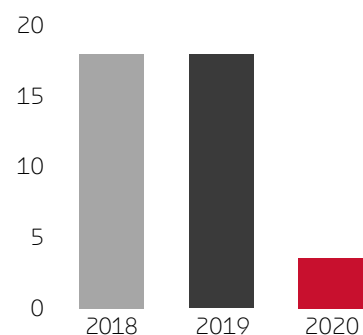
TRAIN

In 2020, we reduced our emissions from travel by train to less than a third of the previous year.

As the majority of journeys by train were carried out in Germany, with a high share of renewable energy in the power mix, calculations have been carried out based on the individual train mix in Germany¹⁹.

In 2021, the numbers for travel by train might slightly increase again, depending on the course of the pandemic and associated safety measures for our employees.

TRAIN - CO₂e IN METRIC TONNES



Around **420** long-distance journeys by train (-69%)

Average distance of around **324** kilometres

¹⁸Atmosfair (2019). Retrieved from: <https://www.atmosfair.de/en/offset/flight/>

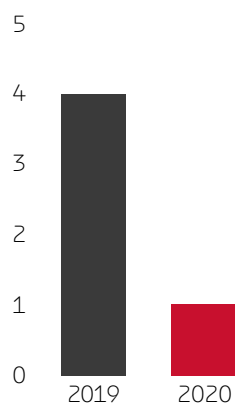
¹⁹Umweltbundesamt (2019). Retrieved from: https://www.umweltbundesamt.de/themen/verkehr-laerm/emissionsdaten#verkehrsmittelvergleich_personenverkehr

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

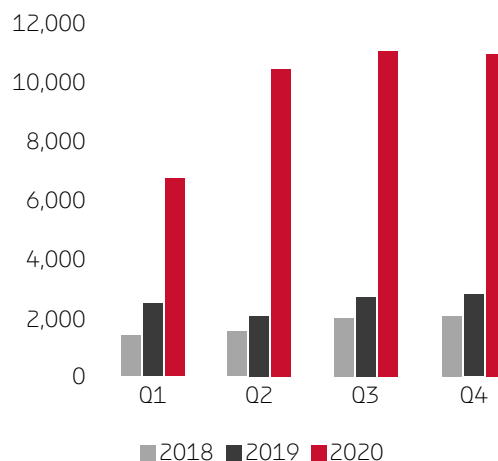
TAXI

Business travel by taxi resulted in approximately one ton of emissions. Even though numerable taxis have been booked, distances by taxi are usually short. For long distance, we prefer to use other means of transport such as trains and thereby reduce impacts. In total emissions by taxi have been cut by three quarters in 2020.

TAXI - CO₂E IN METRIC TONNES



VIRTUAL MEETINGS PER QUARTER



REDUCING IMPACTS

In 2020, we were able to achieve surpassing CO₂ reductions in all areas. Nevertheless, it once more also became clear, that we have already been on the right track when reducing business travel and increasing team meetings via virtual platforms over the past years.

Having already great online tools in place, we were able to adapt to the new situation and the associated travel restrictions even faster.

In 2019, we already increased the number of virtual meetings by around 30%, resulting in a total of around 10,000 virtual meetings scheduled. In 2020, this number increased to around 40,000 meetings in total. We managed to keep a vibrant communication alive along between employees of all departments while reducing CO₂, saving time and keeping everyone safer in terms of COVID-19.

We are offering our employees various channels for communication. The graphic below refers only to our main meeting tool, while it is expected that every day several meetings were additionally scheduled with further communication tools such as slack. In 2020:

around **40,000 MEETINGS** were scheduled via virtual meeting rooms

up to **460 MEETINGS PER DAY** (+ 660% compared to 2019)

on average, **5 PARTICIPANTS** joined each meeting.

our employees spend around 190,000 hours in our main virtual meeting rooms,

equaling around **21.6 YEARS**

REVIEW OF 2020 AND TARGETS FOR 2021

In terms of our environmental impacts, the last year has been highly influenced by the COVID-19 pandemic. We overachieved several of our set goals. Nevertheless, this was partly due to the travel restrictions and circumstance that employees have temporarily been working from home.

As targeted, we benchmarked suppliers of electricity with the aim of increasing the share of renewable energy in the future. During a second benchmark carried out by an external company, we further received above-average results in terms of our climate strategy, which gives us new drive to work on this topic even further.

For 2021, the following targets have been set:

- » adjust the new travel-booking system in order to increase the tracking accuracy of our business travel
- » further improving CO2 emissions from a pre-COVID-19 level
- » sourcing renewable energy in all Tipico shops (until 2023)





SUPPLY CHAIN: ACTING LOCALLY



WE ARE COMMITTED TO:

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

IN 2020:

- » we purchased most products and services around our main entities in Germany and Malta
- » we launched our new purchasing tool, which helps to centralize all approvable purchases
- » we presented the new Procurement Process Policy
- » based on spending, around 97% of our supplied goods and services were purchased from EU Member states
- » based on contract partners, around 26% of our supplied goods and services came from local partners
- » we accorded the Tipico Supplier Code of Conduct to our new business partners

SCOPE: ALL OFFICES OF THE TIPICO GROUP

Note: the scope of the section “geographical distribution” is limited to our headquarters and supporting entities in Malta and Gibraltar

OUR SUPPLY: TRANSPARENCY AS A SUCCESS FACTOR

As an international company, we interact with people, companies and organizations outside the Tipico Group. Therefore, safe collaboration with suppliers following the same high standards as Tipico are important in order to guarantee the efficient flow of our business. Whether customers, partners, franchise partners, or service providers – 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.

We invested in our internal controls and processes to monitor our supply chain very closely. At the same time, we 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.

“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 and take appropriate steps to mitigate them.

As a first approach to supplier verification, a risk assessment is completed. This includes specific parameters such as the country of operation, type of service or monetary value of the contract to name but a few. Based on the risk assessment results, specific due diligence checks are carried out in line with regulatory requirements. As a part of these checks, we screen individuals and organizations through an established compliance checking engine such as World Check by Refinitiv Limited, 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 Reporting Officer (MLRO).

Tipico ensures a uniform, structured, efficient, and transparent process for contract signing requests. This includes legal, tax, finance, AML, data protection, ISMS and compliance checks.



SUPPLY CHAIN: ACTING LOCALLY

STANDARDIZING PROCUREMENT

Our supply chain is less affected by direct procurement of raw materials and goods for production, but rather shaped by indirect spending on services supporting the day-to-day business such as professional consultancy, marketing and sponsorship, sportsbook and gaming, infrastructure, and security agreements. Due to the impact of the coronavirus pandemic, we tried to handle our budgets even more cost-conscious and managed to reduce spending in several of our business areas. Nevertheless, due to the preparations for the German license, expenses around the licensing procedure increased in 2020.

Tipico is working on standardizing Procurement within the Group through encouraging synergies of internal systems, as well as publishing Group-wide guidelines on purchasing, vendor selection and tendering to ensure equal opportunities are given to suppliers.

In 2020, we therefore launched our new purchasing tool, which helps to centralize all approvable purchases and store them in one database. The software was introduced to all employees in Malta and Germany that are direct stakeholders of the new tool. It enables us to bring our purchasing process gradually into an even more regulated and transparent workflow in the future. Together with the launch of the tool, we presented the new Procurement Process Policy. With this policy, we have also updated the Contract Signing Procedure Policy with new additional guidelines and supporting documentation.

Our supplier and contract management platform aims to digitalize and make transparent the procurement-related controls and checks. The target is to ensure the full visibility and audit trail of every contract, order, commercial, and service acquired. Contracts which pass through these stages, are appropriately reviewed, documented and correctly allocated to the relevant business unit through a structured workflow. All contracts are also digitalized and centrally stored within the same system and controlled through a Role-Based Access Control setup to ensure access is controlled and the information is secure on a need-to-know basis.

As for areas dealing with personal information, we follow a strict procurement data retention policy targeting all Group employees that are collecting and processing the personal data of affiliates and suppliers. Following the path of digitalization, we introduced e-signing capabilities through the tool ensuring the full audit trail also remains under one platform; this proved to be a success, especially during the coronavirus crisis, in ensuring our procurement activities do not slow down.

PROTECTION OF HUMAN RIGHTS AND GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

Worldwide, more than 630 million workers did not earn enough to lift themselves and their families out of poverty.²⁰ 40.3 million people are calculated to be living in modern slavery, around 25 million of them in forced labor. These go hand-in-hand with insufficient working conditions and may lead to major work-related health issues.²¹ A person's geographical location is thereby strongly connected with their chance of ending up in forced labor.²² At the same time, central European countries have comparatively low risks of modern slavery and governments in Europe show great determination to minimize human rights violations. In a report from 2019, regional findings show that some regions are doing relatively well in comparison to others, with Europe and Central Asia scoring the highest in terms of implementing protection measures. They have a strong response to modern slavery and are committed to providing support services for victims and addressing the underlying risk of slavery.²³

We have a zero-tolerance approach towards all forms of modern slavery. Thus, Tipico focuses on three main measures to improve its impact on human rights topics. First of all, employees involved in Procurement and Supplier Management have to regularly participate in human rights training by the UN Global Academy in order to understand the importance of the topic and being able to identify and minimize potential risks. The second measure aims at our suppliers. As described above, all suppliers must acknowledge the Tipico Supplier Code of Conduct, which covers this topic as well. A third measure is the geographical distribution of our offices and our suppliers. By focusing on suppliers from European countries, Tipico reduces risks of purchasing from companies with lower standards. For locations of our offices, a Human Rights and Impact Assessment (HIRA) was therefore carried out that included four main indices.

COUNTRY	NO. OF EMPLOYEES ²⁴	HDI INDEX ²⁵	FREEDOM IN THE WORLD ²⁶	ECONOMIC FREEDOM INDEX ²⁷	HUMAN RIGHT SCORES ²⁸
Austria	14	0.92	Free	7.97	2.27
Colombia	47	0.76	Partly Free	6.49	-0.89
Croatia	142	0.85	Free	6.95	2.17
Germany	1260	0.94	Free	7.67	2.93
Gibraltar (UK)	6	0.93	Free	8.04	2.21
Malta	376	0.89	Free	7.74	2.80
United States	25	0.92	Free	8.04	0.23
Weighted score		0.92		7.61	2.71

²⁰Ilo (2020). World Employment and Social Outlook. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_734455.pdf

²¹Global Slavery Index (2019). Retrieved from: https://cdn.globalslaveryindex.org/2019-content/uploads/2019/07/17123602/walk.free_MAF_190717_FNL_DIGITAL-P.pdf

²²Ilo (2020). World Employment and Social Outlook. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_734455.pdf

²³Global Slavery Index (2019a)

SUPPLY CHAIN: ACTING LOCALLY

Both the HDI and Freedom in the world index cover at least the following 14 human rights indicators, which are based on international standards and relate to our employment practices and community impacts. Depending on the local context, more indicators can be defined by the country team and added to the assessment: Child labor; Forced labor; Freedom of Association; Non-discrimination; Working conditions; Minimum wage; Health & Safety; Contract Workers; Community impact (e.g. on the environment, health, livelihood, etc.); Land management; Security guards; Bribery and corruption; Support of armed staff; Grievance mechanisms (last version: 2020). For HDI, the maximum possible score is one.

The Economic Freedom of the World is calculated by the Fraser Institute, and measures the degree to which individuals are free to choose, trade, and cooperate with others, and compete as they see fit. Scores are on a scale of 0–10, where 10 represents maximum economic freedom (last version: 2016). The Human Rights Scores indicate the degree to which governments protect and respect human rights. The values range from around –3.8 to around 5.4 and the higher the number, the better the ranking (latest version: 2017).

Overall, it becomes clear that besides Colombia, all locations of operations received a high ranking, while none of the locations is rated as particularly risky in terms of human rights violations. As in our other offices, in Colombia we pay attention on fair remuneration and the health and safety of our employees. At the same time due to the comparably small number of employees in Colombia, the number is less significant. This becomes especially visible when focusing on the weighted overall scores.

In terms of our suppliers, we further painstakingly checked their geographical locations. In 2020, we again managed to increase the scope of entities included in this assessment from six to seven. Thereby, the number of business partners from outside the EU stayed on a similar level as in the previous year. The majority of our business partners again came from the EU (66%) or even from the local community (26%). In 2020, only around 8% of partners came from outside the EU. We thereby 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 to our headquarters in Malta and the supporting entities in Malta and Gibraltar. The high percentage of European partners thereby guarantees better communication, short distribution channels and compliance with European standards.

²⁴Number of employees by the end of the year.

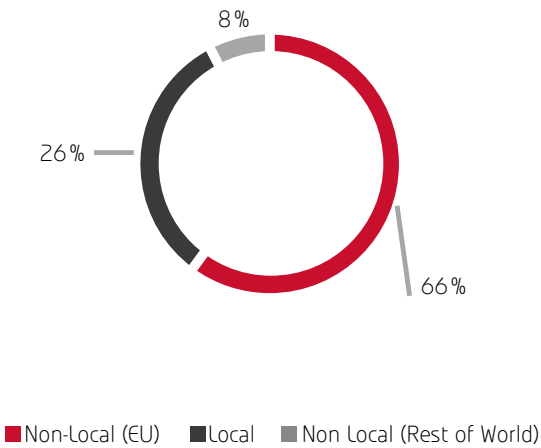
²⁵UNDP (2020). Retrieved from: <http://hdr.undp.org/en/countries>

²⁶Freedom House (2020). Retrieved from: <https://freedomhouse.org/report/freedom-world>

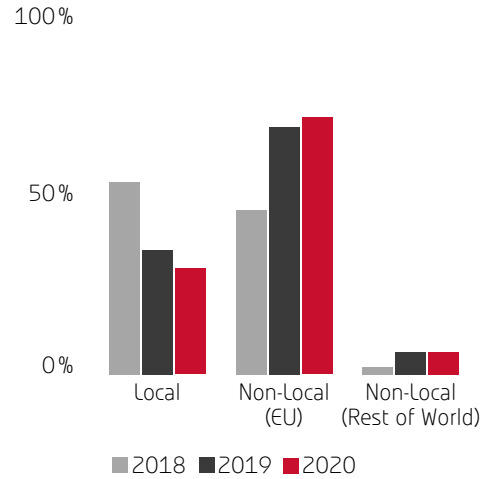
²⁷Our World in Data (2020). Retrieved from: <https://ourworldindata.org/grapher/economic-freedom>

²⁸Our World in Data (2020). Retrieved from: <https://ourworldindata.org/grapher/human-rights-scores>

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON AMOUNT OF PARTNERS



GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON AMOUNT OF PARTNERS

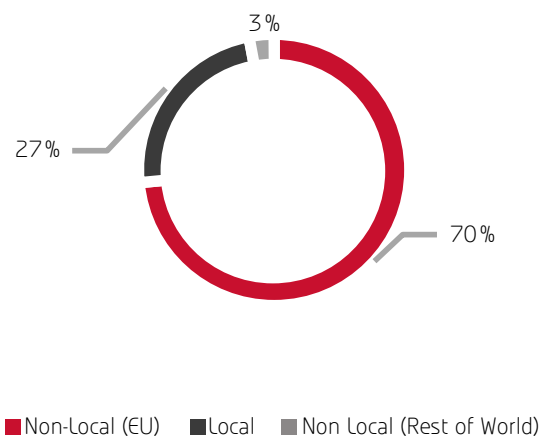


While the scope of entities included in the report increased from six to seven, the spending covered in the report increased by 10% only. This might be due to stricter budget planning's during the COVID-19 pandemic.

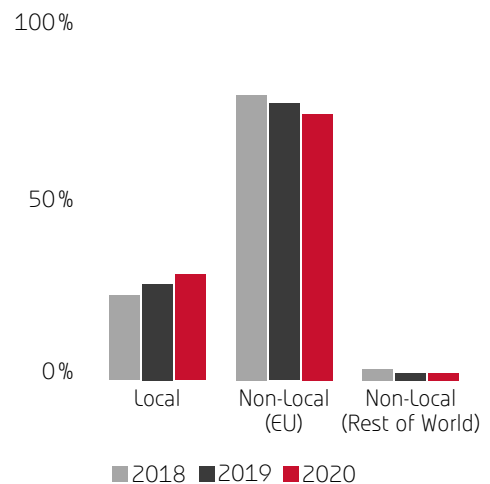
As for the number of contract partners, spending within the EU accounts for the majority of the money spent in 2020, the highest share being paid in Germany. We thereby minimize the risk of vio-

lation of human rights. At the same time, supporting local suppliers helps us develop professional partnerships, ensure reliable supply, and indirectly support the whole community. Thus, local sourcing is a strategy to support a stable local economy and maintain relationships with the community. As a positive side effect, we can keep the environmental impact from shipping at a low level as described in our environmental policy.

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON SPENDING



GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON SPENDING



SUPPLY CHAIN: ACTING LOCALLY

REVIEW OF 2020 AND TARGETS FOR 2021

As in previous years, our procurement team was working on the continuous improvement of all functions regarding our supply chain. A new purchasing tool and a new procurement process policy have been rolled out with the goal of further centralizing the process and making it even more transparent. Some additional entities have been onboarded for using common procedures. Nevertheless, due to the character of these targets, several targets stay relevant over time and further entities need to be onboarded in 2021.

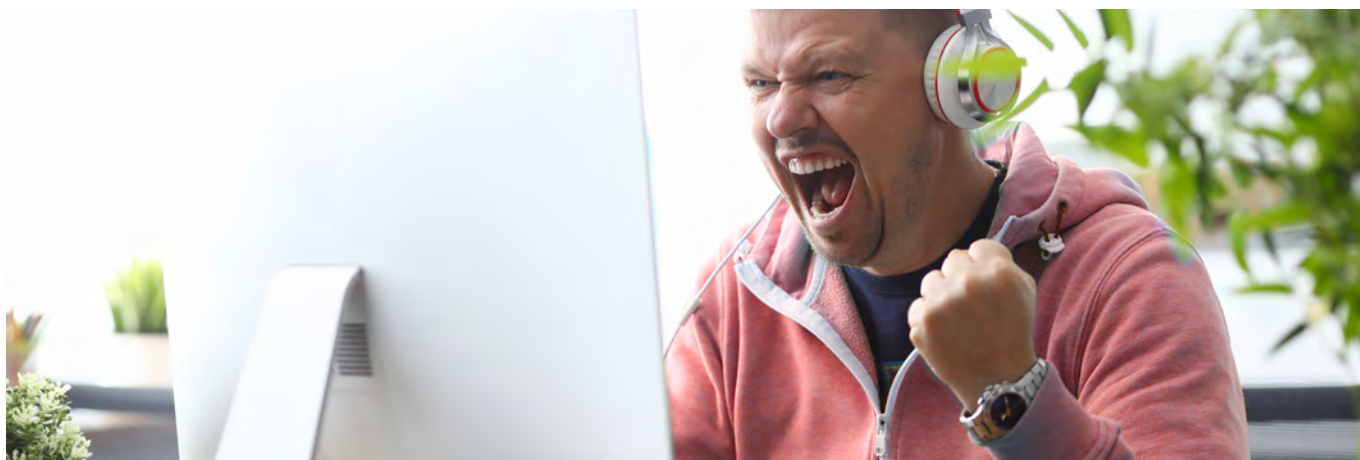
For 2021, the following targets have been set:

- » upgrade procurement function through standardization, digitalization, and consolidation of the supplier onboarding and purchasing process within Tipico
- » onboard further Tipico entities into established procurement process
- » increase scope of Data Protection and Information Security responsibilities of our suppliers
- » increase scope of our HIRA assessment from local operations to main suppliers outside the local community
- » procurement from countries outside the EU should be kept below 5% (long term target)



WE NEVER SETTLE FOR SECOND

WE NEVER SETTLE FOR SECOND



As One Tipico, we are committed to corporate responsibility and are 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 we have presented you with some interesting insights into our business. We look forward to presenting you with further updates about our strategy in the future.

tipico

APPENDIX 1: BACKGROUND ON CORPORATE RESPONSIBILITY REPORTING

CONTENT AND SCOPE

We are publishing our annual Corporate Responsibility Report for the third time. We are proud to present the impacts of the Tipico Group covering the reporting year 2020. The report is published as a stand-alone report and will be renewed on an annual basis. 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 formal materiality analysis in order to define the key reporting aspects and guide further standard disclosures. The report additionally includes the GRI content index (see Appendix 2: 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, are included in this report. In 2020, the impacts of COVID-19 have been added as a special section due to the high relevance of the topic. It did not only affect all internal and external processes but has been rated as especially relevant by our employees as well.

The reporting of carbon emissions is influenced by the Corporate Value Chain (Scope 3). Accounting and Reporting Standards by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) as well as by the Greenhouse Gas (GHG) Protocol. Where no newer data was accessible (available in Germany and Malta), emissions from electricity consumption are calculated with factors provided by the GHG Protocol tool for stationary combustion.²⁹ In Germany, emission factors for electricity from Statista have been used.³⁰ In Malta, emission factors have been provided by the Energy & Water Agency.³¹ Emissions resulting from business travel are calculated with the UK Government GHG Conversion Factors for Company Reporting (version 1.0; year 2020).³² These do not only include UK-specific measures but suggest emissions for international travel as well.

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 PricewaterhouseCoopers.

We strive for transparency. However, due to the heterogeneity of different entities, it was not possible to collect all information for each entity in this report. Therefore, chapters contain information about the scope and covered Group entities.

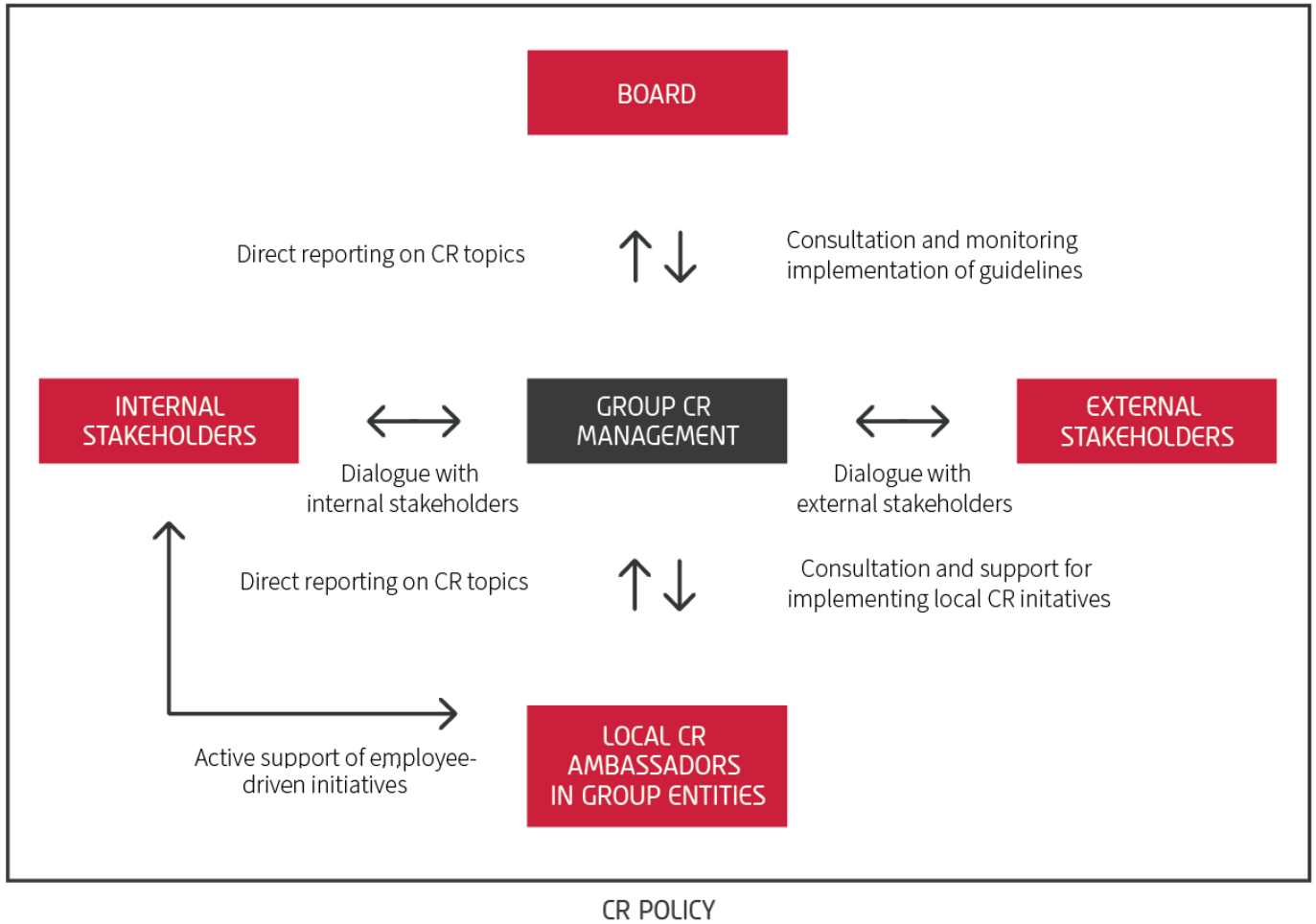
²⁹World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.7.

³⁰Statista (2020). Retrieved from: <https://de.statista.com/statistik/daten/studie/38897/umfrage/co2-emissionsfaktor-fuer-den-strommix-in-deutschland-seit-1990/>

³¹Enemalta (2020). Retrieved from: https://www.enemalta.com.mt/environment/fuel_mix_for_energy_distribution/

³²GOV.UK (2020). Retrieved from: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

OVERVIEW: GROUP CR MANAGEMENT



APPENDIX

APPENDIX 2: GRI CONTENT INDEX

REFERENCE	REQUIREMENTS	PAGE NUMBER
GRI 101 Foundation (2016)		
GRI 102 General Disclosures (2016)		
GRI 102-1 Organizational Profile (2016)	Name of the organization	104
GRI 102-2 Organizational Profile (2016)	Activities, brands, products, and services	8
GRI 102-3 Organizational Profile (2016)	Location of headquarters	8
GRI 102-4 Organizational Profile (2016)	Location of operations	14
GRI 102-5 Organizational Profile (2016)	Ownership and legal form	63
GRI 102-6 Organizational Profile (2016)	Markets served	17
GRI 102-7 Organizational Profile (2016)	Scale of the organization	10; 11; 28
GRI 102-8 Organizational Profile (2016)	Information on employees and other workers	22ff.
GRI 102-9 Organizational Profile (2016)	Supply chain	84ff.
GRI 102-10 Organizational Profile (2016)	Significant changes to the organization's size, structure, ownership, or supply chain	16
GRI 102-11 Organizational Profile (2016)	Precautionary Principle or approach	18f.
GRI 102-12 Organizational Profile (2016)	External initiatives	68ff.
GRI 102-13 Organizational Profile (2016)	Membership of associations	100f.
GRI 102-14 Strategy (2016)	Statement from senior decision-maker	4
GRI 102-16 Ethics and Integrity (2016)	Values, principles, standards, and norms of behavior	64
GRI 102-17 Ethics and Integrity (2016)	Mechanisms for advice and concerns about ethics	64
GRI 102-18 Governance (2016)	Governance structure	63
GRI 102-19 Governance (2016)	Delegating authority	63
GRI 102-20 Governance (2016)	Executive-level responsibility for economic, environmental, and social topics	18; 93
GRI 102-29 Governance (2016)	Identifying and managing economic, environmental, and social impacts	18; 93
GRI 102-40 Stakeholder Engagement (2016)	List of stakeholder groups	20
GRI 102-41 Stakeholder Engagement (2016)	Collective bargaining agreements	37
GRI 102-42 Stakeholder Engagement (2016)	Identifying and selecting stakeholders	99
GRI 102-43 Stakeholder Engagement (2016)	Approach to stakeholder engagement	20

REFERENCE	REQUIREMENTS	PAGE NUMBER
GRI 102-44 Stakeholder Engagement (2016)	Key topics and concerns raised	20
GRI 102-45 Reporting Practice (2016)	Entities included in the consolidated financial statements	92
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GRI 102-47 Reporting Practice (2016)	List of material topics	20
GRI 102-48 Reporting Practice (2016)	Restatements of information	42
GRI 102-49 Reporting Practice (2016)	Changes in reporting	20
GRI 102-50 Reporting Practice (2016)	Reporting period	1
GRI 102-51 Reporting Practice (2016)	Date of most recent report	104
GRI 102-52 Reporting Practice (2016)	Reporting cycle	18
GRI 102-53 Reporting Practice (2016)	Contact point for questions regarding the report	104
GRI 102-54 Reporting Practice (2016)	Claims of reporting in accordance with the GRI Standards	Core
GRI 102-55 Reporting Practice (2016)	GRI content index	94ff.
GRI 102-56 Reporting Practice (2016)	External assurance	Not applicable
Compliance and Business Ethics		
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GRI 103-2 Management Approach (2016)	The management approach and its components	56ff.
GRI 103-3 Management Approach (2016)	Evaluation of the management approach	56ff.
GRI 205-1 Anti-corruption (2016)	Operations assessed for risks related to corruption	56ff.
GRI 205-2 Anti-corruption (2016)	Communication and training about anti-corruption policies and procedures	56ff.
GRI 205-3 Anti-corruption (2016)	Confirmed incidents of corruption and actions taken	56ff.
GRI 206-1 Anti-competitive Behavior (2016)	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	58; 103
GRI 307-1 Environmental Compliance (2016)	Non-compliance with environmental laws and regulations	58; 103
GRI 416-2 Customer Health and Safety (2016)	Incidents of non-compliance concerning the health and safety impacts of products and services	58; 103
GRI 417-1 Marketing and Labeling (2016)	Requirements for product and service information and labelling	48
GRI 417-2 Marketing and Labeling (2016)	Incidents of non-compliance concerning product and service information and labelling	58; 103

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GRI 103-1 Management Approach (2016)	Explanation of the material topic and its boundary	20
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GRI 103-3 Management Approach (2016)	Evaluation of the management approach	22ff.
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GRI 404-1 Training and Education (2016)	Average hours of training that the organization's employees have undertaken during the reporting period	33
GRI 405-1 Diversity and Equal Opportunity (2016)	Diversity of governance bodies and employees	24
GRI 405-2 Diversity and Equal Opportunity (2016)	Ratio of basic salary and remuneration of women to men	Confidentiality constraints
GRI 406-1 Non-discrimination (2016)	Incidents of discrimination and corrective actions taken	25
Labour Conditions		
Management Approach: GRI 401, 402, 404		
GRI 103-1 Management Approach (2016)	Explanation of the material topic and its boundary	20

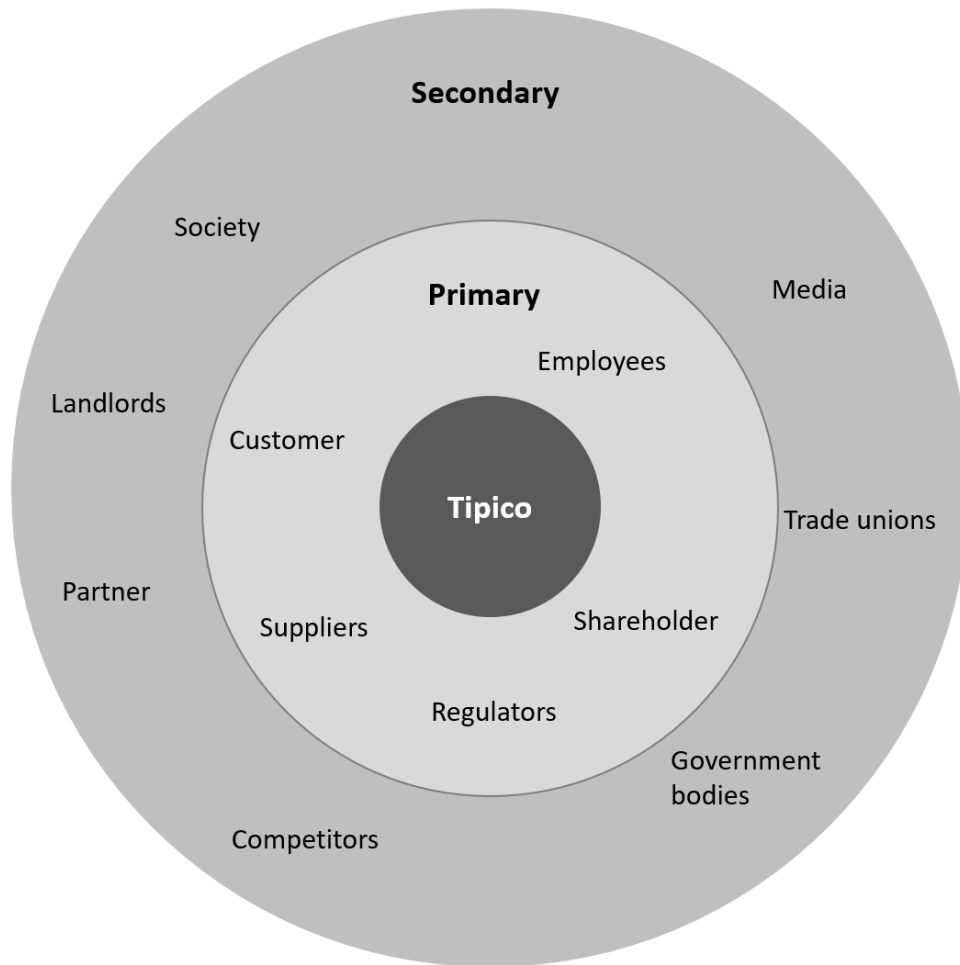
REFERENCE	REQUIREMENTS	PAGE NUMBER
GRI 103-2 Management Approach (2016)	The management approach and its components	22ff.
GRI 103-3 Management Approach (2016)	Evaluation of the management approach	22ff.
GRI 401-1 Employment (2016)	New employee hires and employee turnover	28
GRI 401-2 Employment (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
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GRI 404-1 Training and Education (2016)	Average hours of training that the organization's employees have undertaken during the reporting period	33
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GRI 203-2 Indirect Economic Impacts (2016)	Significant indirect economic impacts	68ff.
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GRI 302-2 Energy (2016)	Energy consumption outside of the organization	80f.
GRI 302-3 Energy (2016)	Energy intensity	78f.
GRI 302-4 Energy (2016)	Reduction of energy consumption	78ff.
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GRI 305-1 Emissions (2016)	Direct (Scope 1) GHG emissions	77
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GRI 305-5 Emissions (2016)	Reduction of GHG emissions	78

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REFERENCE	REQUIREMENTS	PAGE NUMBER
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GRI 308-2 Supplier Environmental Assessment (2016)	Negative environmental impacts in the supply chain and actions taken	84ff.
400 Series Social Topics		
GRI 403-5 Occupational Health and Safety (2018)	Worker training on occupational health and safety	37
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GRI 408-1 Child Labor (2016)	Operations and suppliers considered to have significant risk for incidents of child labor	87ff.
GRI 409-1 Forced or Compulsory Labor (2016)	Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	87ff.
GRI 412-1 Human Rights Assessment (2016)	Operations that have been subject to human rights reviews or impact assessments	87ff.
GRI 412-2 Human Rights Assessment (2016)	Employee training on human rights policies or procedures	87
GRI 412-3 Human Rights Assessment (2016)	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	87
GRI 413-1 Local Communities (2016)	Operations with local community engagement, impact assessments, and development programs	68ff.
GRI 413-2 Local Communities (2016)	Operations with significant actual and potential negative impacts on local communities	68ff.
GRI 414-1 Supplier Social Assessment (2016)	New suppliers that were screened using social criteria	84ff.
GRI 414-2 Supplier Social Assessment (2016)	Negative social impacts in the supply chain and actions taken	84ff.
GRI 415-1 Public Policy (2016)	Political contributions	64

APPENDIX 3: STAKEHOLDER ENGAGEMENT

Internal stakeholders such as employees and external stakeholders such as customers, regulators, suppliers, partners, shareholders and society trust in our performance and our sustainable business practices. At the same time, they are vital to our success. In our materiality analysis, we included primary, secondary and Tipico internal stakeholders.



APPENDIX 4: MEMBERSHIP IN ASSOCIATIONS

ASSOCIATION OF CERTIFIED ANTI-MONEY LAUNDERING SPECIALISTS (ACAMS)

(member since 2019)

ACAMS is the largest international membership organization dedicated to enhancing the knowledge and expertise of financial crime detection and prevention professionals, from a wide range of industries, in both the public and private sectors.

DÜSSELDORFER KREIS (DK)

(member since 2017)

The Düsseldorfer Kreis (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 is 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 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 competencies as well as problems in the banking sector. General country-specific challenges are also 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 organizations 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.

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.

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, labor, 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.

APPENDIX

APPENDIX 5: LIST OF ABBREVIATIONS

ABBREVIATION	FULL TERM
ACAMS	Association of Certified Anti-Money Laundering Specialists
AML	Anti-Money Laundering
AWS	Amazon Web Services
CCO	Chief Commercial Officer
CAMS	Certified Anti-Money Laundering Specialist
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFT	Combating the financing of terrorism
CO ₂ e	CO ₂ equivalent
CRO	Chief Regulatory Officer
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
CDD	Customer Due Diligence
DK	Düsseldorfer Kreis
DPA	Data Protection Authorities
DPO	Data Protection Officer
DSWV	Deutscher Sportwettenverband
eCOGRA	eCommerce Online Gaming Regulation and Assurance
EDD	Enhanced Due Diligence
EEA	European Economic Area
EGBA	European Gaming and Betting Association
ESG	Environmental, Social, and Governance
GDPR	General Data Protection Regulation
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
MLRO	Money Laundering Reporting Officer
OASIS	Onlineabfrage Spielerstatus (online inquiry of player status)
OSWV	Österreichischer Sportwettenverband
PEP	Politically Exposed Person
RG	Responsible Gaming
SAR	Suspicious transaction/activity report
UNGC	UN Global Compact
WBCSD	World Business Council for Sustainable Development
WRI	World Resource Institute

APPENDIX 6: COMPLIANCE REQUIREMENTS (GRI)

GRI	DESCRIPTION
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and 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

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The corporate responsibility team would be pleased to receive feedback or suggestions.

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