



ESG REPORT 2021

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INTRODUCTION

Dear Readers,

Looking back on 2021, we see a highly dynamic environment for the entire Tipico Group and all our people. Firstly, an ongoing pandemic situation which changed the way we define work and collaboration worldwide, secondly the ever-evolving gambling regulation of our core market Germany, and thirdly the U.S., which represents an emerging market full of opportunities for us. All of these in light of our quest for excellence in everything we do, aiming to master the situation, learning from the changing environment and acting responsibly and sustainably with every step we take in our development. Keeping our people safe and delivering the highest class of products for our customers, while meeting all requisites of the regulated markets in which we operate, has remained central to us.

We are very proud to present our ESG report for 2021, which discloses extensive information on our efforts to justify the trust put on us as a responsible operator and corporate citizen. Since 2018, we have been part of the United Nations (UN) Global Compact, the largest sustainability initiative worldwide, which enables us to align and take actions with the support of the UN. We are committed to the principles of the initiative and will keep working towards achievement of the Sustainable Development Goals.

Considering our environmental impact, we are proud to have reached 80% of renewable electricity supply to Tipico Shop Agencies in Germany already. By 2023, we aim to be using electricity from 100% renewable sources in all our German shops and offices, which shall put us in a very favorable position to reach climate neutrality by 2030.



Player protection and the prevention of addiction are at the core of our business model. We believe sustainable growth of our business is only feasible that way. Therefore, we are carefully monitoring and analyzing customer behavior. Despite some disruptions caused by the pandemic, in 2021 we were able to roll out a number of new protective mechanisms and as a result to continue reducing our exposure to gambling-related issues.

Lastly, we managed to embed our already highly effective compliance management further into our strategy and culture. Ecological, social and governance risks were introduced into our corporate risk register so that strict compliance and risk-mitigation targets could be established for every single Tipico employee.

All the above is described in more detail in this report and we wish you a read full of Spannung!

The Tipico Board

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

WE ARE TIPICO

TRUST. When you talk about sports betting in Germany, you think Tipico. And there is sure to be one of our 1,309 shops just around the corner to remind you. With every other bet placed with Tipico, we are the clear leaders in the German market, with over 50% of the market share.

Our mission is to electrify the sports betting experience for every customer, every bet. We say that we Maximise Spannung and our culture is bursting with energy and ambition. We do our utmost to get to the best outcome and achieve success, generating these powerful moments of Spannung, thriving through our values of trust, progress, and passion.

We celebrate uniqueness in being present across seven different international locations in Malta (HQ), Germany, Austria, Croatia, Gibraltar, Colombia, and the U.S., with more than 800 office employees from 52 nations. Our expansive network consists of supporting offices, shops owned by Tipico Group companies as well as franchise shops throughout Germany and Austria.

In peak times, we process up to 50,000 financial transactions per minute. That's almost like a stock exchange. And if you think about it: More than two million customers trust us with their bets and there is no doubt that their funds are safe. This level of trusts obliges us to heed rigorous governance, where failure is not an option. As a market leader, we strive to always be the safe choice for our customers. According to them, 93% feel in safe hands at Tipico.

PROGRESS. We are digital throughout. Of course, there may be a Tipico shop in every greater German locality, but it's just a matter of personal preference whether to bet online – maybe directly from the match – or whether to place your bet in a physical venue with friends and watch the stream. The technology behind it is always the same, our supervision is the same and our customer protection relies on the same kind of monitoring.

Constant innovation does not prevent us from having an uptime of more than 99.9%. With up to 100 releases a day, we can innovate and adapt our product without interfering with our daily operations. Our customers appreciate the digital drive led by Tipico. 37% of them choose Tipico based on user-friendly experience with our mobile application.

The shared backbone of all our online and retail operations relies on a scalable architecture that utilizes as few servers as possible but can spin up as many as needed. This dynamic setup and the increasing reliance on renewable energies helps us reduce our CO₂e footprint year by year.

PASSION. We love sports and, like those who share our passion for sports, we always want to be number one. We count on real fans, their passion and their love for the game. Our customers share our energetic spirit. The majority of them are between 18 and 39 years of age. 75% of them selected Tipico as their unique sports betting operator for a number of reasons. Most importantly, our innovative digital solutions.

INTRODUCTION

TIPICO BOARD

At Tipico, the percentage of female board members is 25% and the average tenure of board members has been six years. 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.

GOVERNANCE

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

Tipico builds upon 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. Furthermore, we are agile in our operations and ensure that management can focus on the crucial 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.



JOACHIM BACA
CEO, TIPICO GROUP LTD.

Joachim Baca joined Tipico as Chief Executive Officer in July 2016.

Joachim has worked with digital business models for more than 20 years and possesses in-depth iGaming know-how.

In his previous business life, Joachim was a member of the executive board of bwin.party digital entertainment PLC (now Entain PLC), where he served as Chief Operating Officer for more than 10 years and, as such, was responsible for groupwide strategy execution, expansion and effective operations.

Joachim has covered numerous responsibilities, including M&A and representing the company in multiple successful joint ventures. Moreover, he gained comprehensive digital expertise by working for Red Bull Ltd. and the technology venture capitalist March-fifteen PLC at the beginning of his career.



STEFAN ECK
CFO, TIPICO GROUP LTD.

Stefan Eck joined Tipico as Chief Financial Officer in October 2017.

During his career, Stefan has accumulated extensive experience from various positions as CFO.

Besides traditional CFO responsibilities, he has comprehensive knowledge of business transactions as well as risk management. Most recently, before joining Tipico, Stefan was CFO of automotive supplier Vibracoustic GmbH, with more than 12,000 employees in 19 countries, where, in addition to standard CFO functions, he took care of international supply chain management. Further roles include being CFO at Private Equity backed Hilite Group and Honsel AG, where he successfully closed the sale of Honsel AG to Canadian industrial investor Martinrea Inc.

Stefan holds a master's degree in Economics from Regensburg University as well as a Delaware certified public accountant (CPA) certificate.



KARIN KLEIN
CRO, TIPICO GROUP LTD.

Karin Klein joined Tipico as Chief Regulatory Officer in December 2016.

Having been part of the gaming industry for more than 20 years, Karin possesses significant knowledge in the field of regulatory affairs and compliance. During her career, she has successfully implemented standards and processes to ensure effective compliance programs are in place to meet relevant regulations on a multinational level.

She has held several leading roles in the gaming sector, such as Managing Director at bwin.party services Ltd. (an Entain PLC subsidiary) and as Group Director Compliance and Regulatory Affairs at bwin.party digital entertainment PLC (now Entain PLC), where she established a group-wide compliance framework for the effective implementation of anti-money laundering measures and all regulatory market requirements. Furthermore, she gained a wealth of experience in strategical marketing, investor and media relations in several roles at the beginning of her professional career. Karin serves as a member of the board of the German Sports Betting Association (DSWV) and as a member of the Düsseldorf Kreis – an initiative aiming at ensuring evidence-based consumer protection in gambling.



MARLON VAN DER GOES
CCO, TIPICO GROUP LTD.

Marlon van der Goes joined Tipico as Chief Commercial Officer in August 2016.

Marlon is a veteran leader in iGaming and has worked within the industry for over 20 years. He possesses extensive knowledge in sales, marketing, and customer relations.

During his professional career, Marlon has held several roles as an executive leader. Among others, Marlon held responsibility for the entire marketing and sales strategy as well for the customer relationship management at bwin.party services Ltd. (now Entain PLC) and he served as a Chief Sales Officer at bwin interactive entertainment AG (now Entain PLC) where he oversaw strategy, marketing and sales. Beside his extensive experience within the gaming industry, Marlon has picked up special knowledge from other executive roles such as Chief Marketing Officer at Zuno Bank AG, or as Managing Director at Dominion Services Ltd.

INTRODUCTION

OUR LOCATIONS



TIPICO GROUP LIMITED
ST JULIAN'S (MT)



TIPICO TECHNOLOGY SERVICES GMBH
KARLSRUHE & MUNICH (DE)



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



TIPICO SHOP AGENCY NORTH GMBH
HAMBURG (DE)



TIPICO SHOP AGENCY EAST 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 LIMITED
GIBRALTAR (GI)



SPORTS SERVICES SOUTH AMERICA SAS
MEDELLIN (CO)



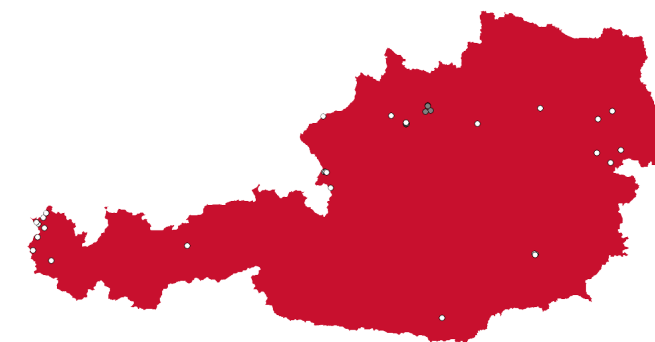
TIPICO USA TECHNOLOGY INC.
HOOKEN, NJ (US)

Our large network consists of shops owned by Tipico Group companies as well as franchise shops throughout Germany and Austria. Together with the extensive franchise network, we offer our services in more than 1,300 outlets.

GERMANY: SHOPS TOTAL 1,275



AUSTRIA: SHOPS TOTAL 34



○ Franchise shops ● Tipico shops

INTRODUCTION

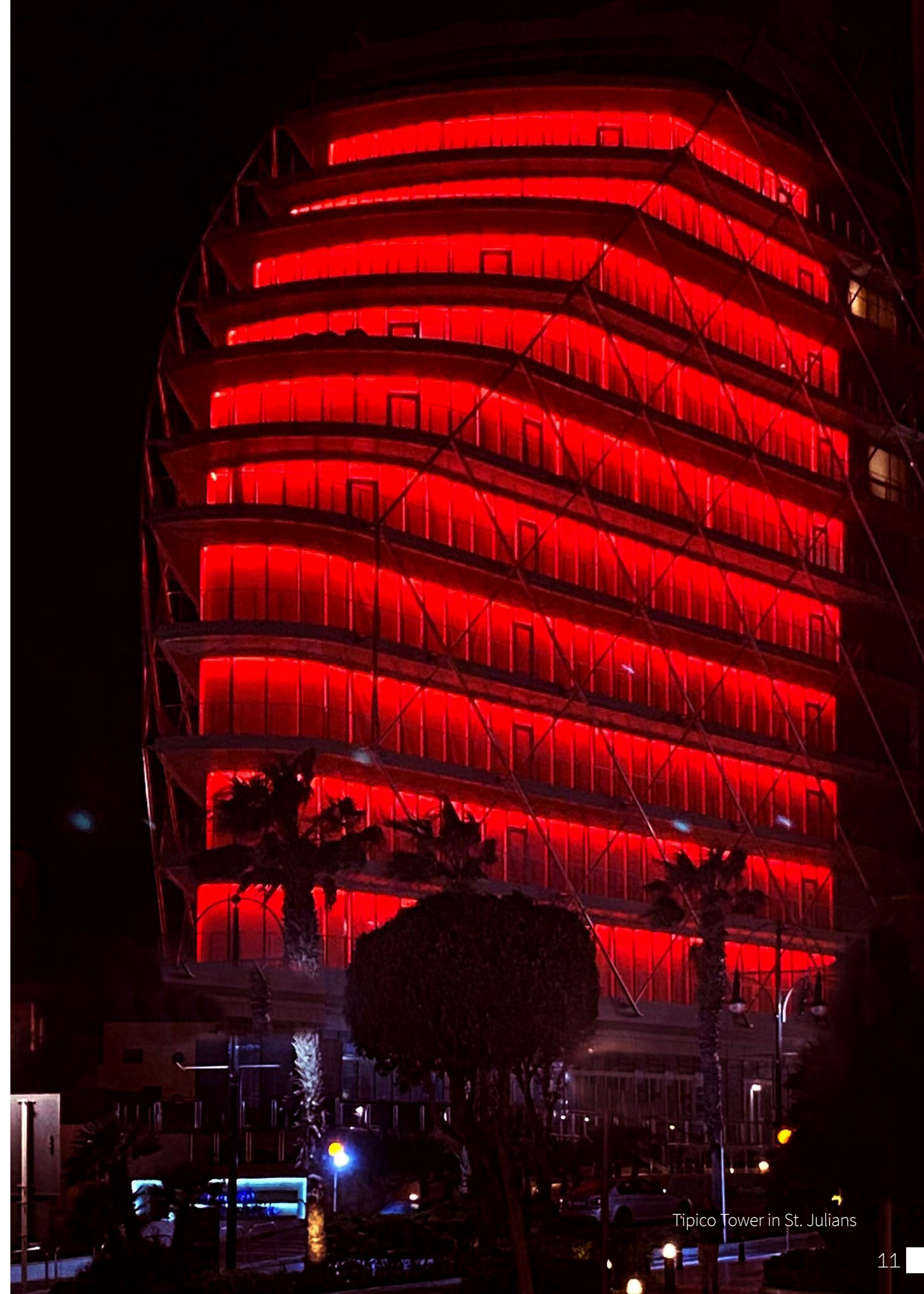
OUR PARTNERS

As market leader, we only partner with the very best. Our Tipico brand is synonymous with sports betting and stands for passion, progress and Spannung.

Up to July 2021, we acted as Official Partner of the Bundesliga and 2. Bundesliga, and Official Platinum Partner of FC Bayern Munich Basketball in Germany. In 2020, we prolonged our partnership with the DFL until the 2024/25 season.



Tipico has been FC Bayern Munich Football Club's trusted partner since 2015. Recently, we successfully extended our Platinum partnership for a further four years until 2024/2025. Tipico stands for passion, trust in the team and the unconditional desire to improve every day. It is similar with FC Bayern: The passion, the desire to win and quality of the team has seen this club become one of the most successful football clubs in the world.

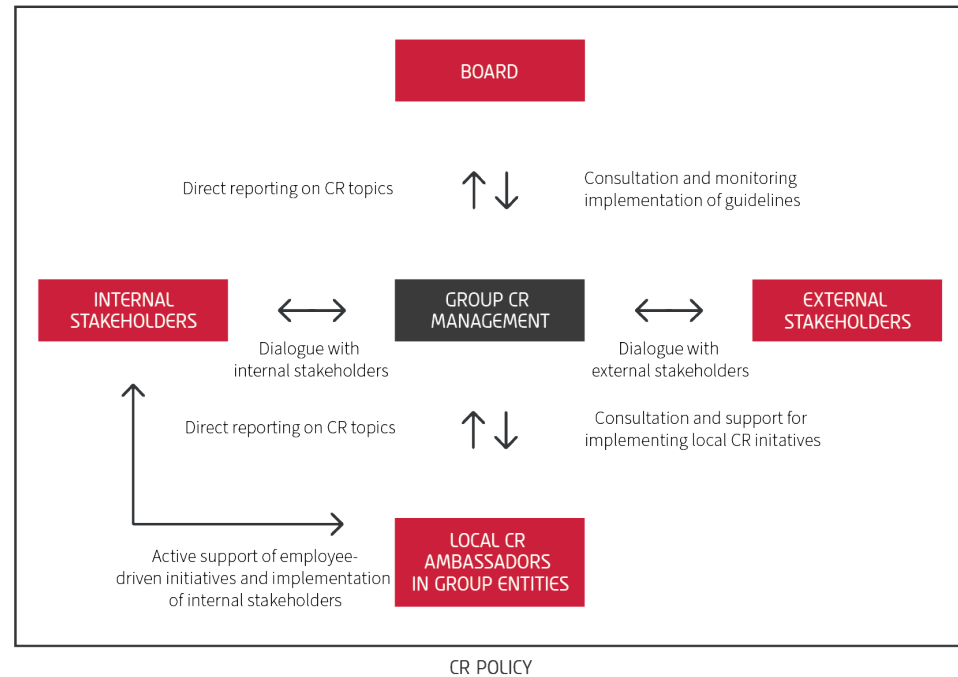


Tipico Tower in St. Julians

INTRODUCTION

CORPORATE RESPONSIBILITY

A dedicated Corporate Responsibility (CR) Policy defines our strategic approach to ESG topics within the Tipico Group. We ensure safe play for our customers, compliance with all applicable regulations, monitor and minimize our environmental impact, and contribute to the well-being and development of our employees and of local communities. A dedicated Corporate Responsibility Department is driving our ESG agenda and ensures compliance with the Policy. Within the Board of Directors, our CRO is accountable for ESG topics which are discussed at the Board meetings several times a year.



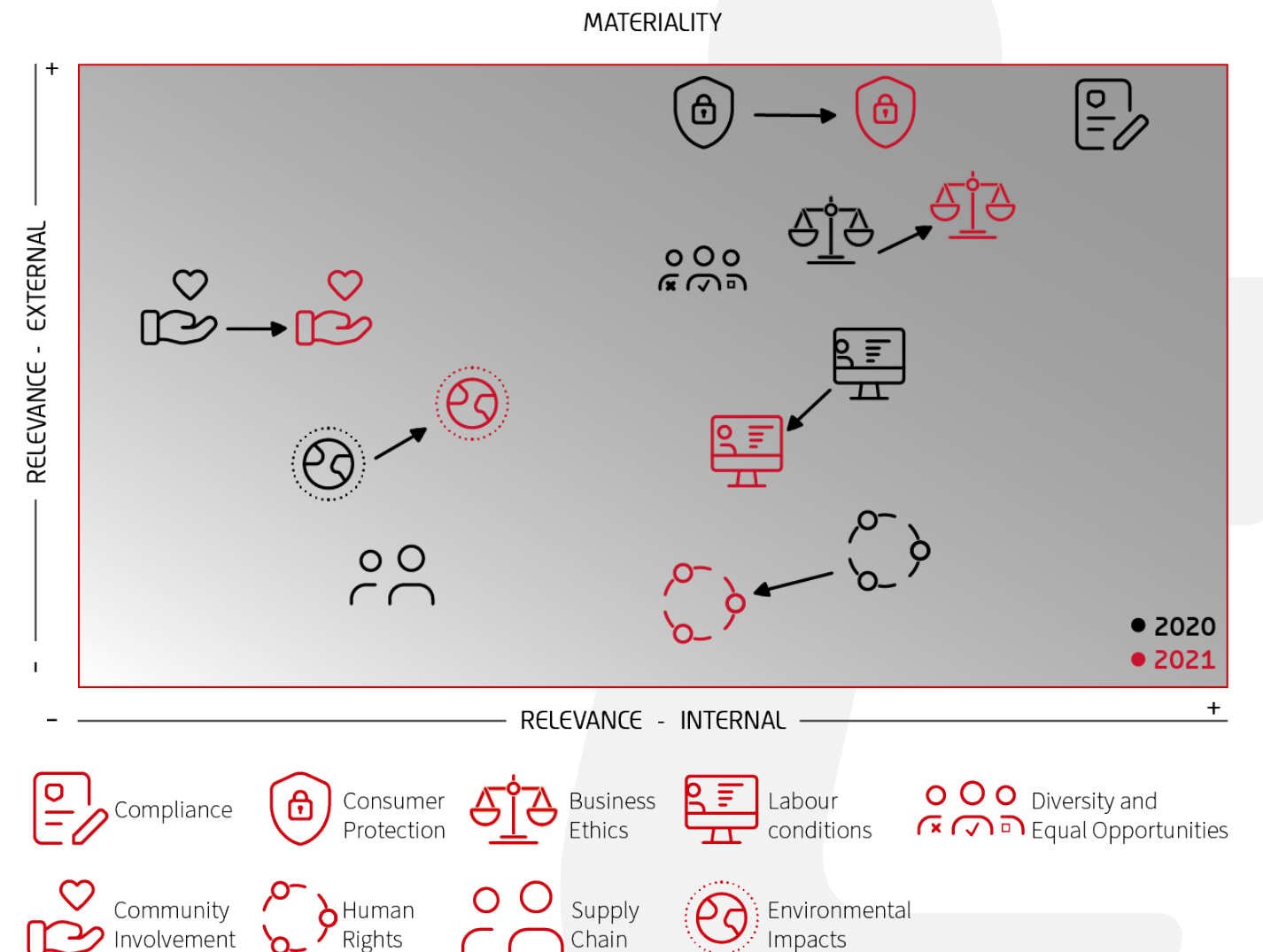
The CR Policy is supported by our Climate Risk Policy. Following TCFD¹ recommendations, we assessed climate-related risks in locations of Tipico operations and identified strategic opportunities in these regards which are described in the Climate Risk Policy. For instance, we intend to constantly increase the share of renewable energy in our energy mix and ensure that our direct operations align with an emissions trajectory of 1.5 °C.

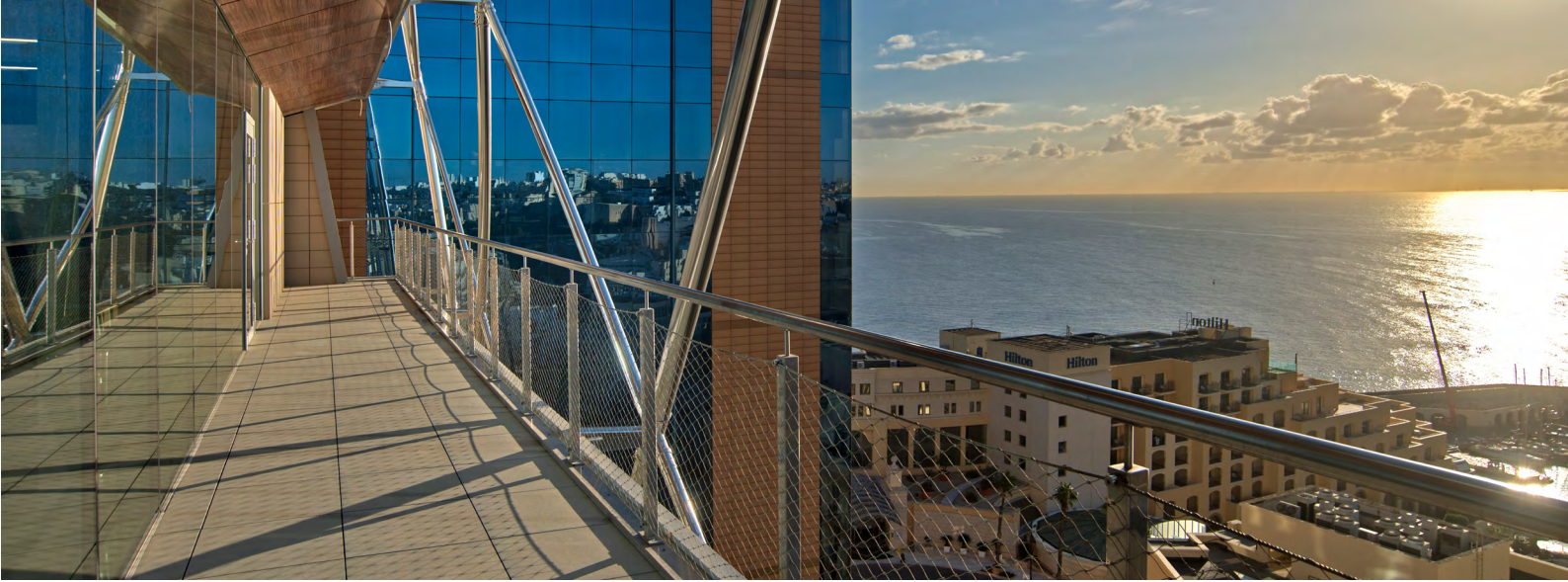
¹Task Force on Climate-related Financial Disclosures - <https://www.fsb-tcfd.org/>

MATERIALITY ANALYSIS

In 2021, we again conducted a materiality assessment to identify relevant and impactful topics for Tipico. As a baseline, we reassessed results from an extensive quantitative survey conducted in 2020 and performed several discussion sessions with external stakeholders. Considering changing business environments as well as new perspectives, 12 internal and external stakeholder interviews were conducted to verify and refine the relevance of key environmental, social and governance topics. The interviews sought to gain a holistic perspective and thus integrated insights from internal as well as external stakeholders. For an external perspective, representatives of player protection associations, academics, gambling operator associations and the financial community were interviewed, while internal insights were collected by representatives of key business and support departments.

All nine pre-identified topics were confirmed to continue being relevant for Tipico, to varying levels. Increasing relevance was established especially for customer protection as well as business ethics. Being a trustworthy and ethical operator that is compliant with regulations and provides comprehensive protection for gamblers is key for Tipico. Being involved in local community work and environmental considerations were also evaluated as increasingly important. As labor conditions and human rights considerations are rather considered basic requirements, they were less relevant for all stakeholders alike.

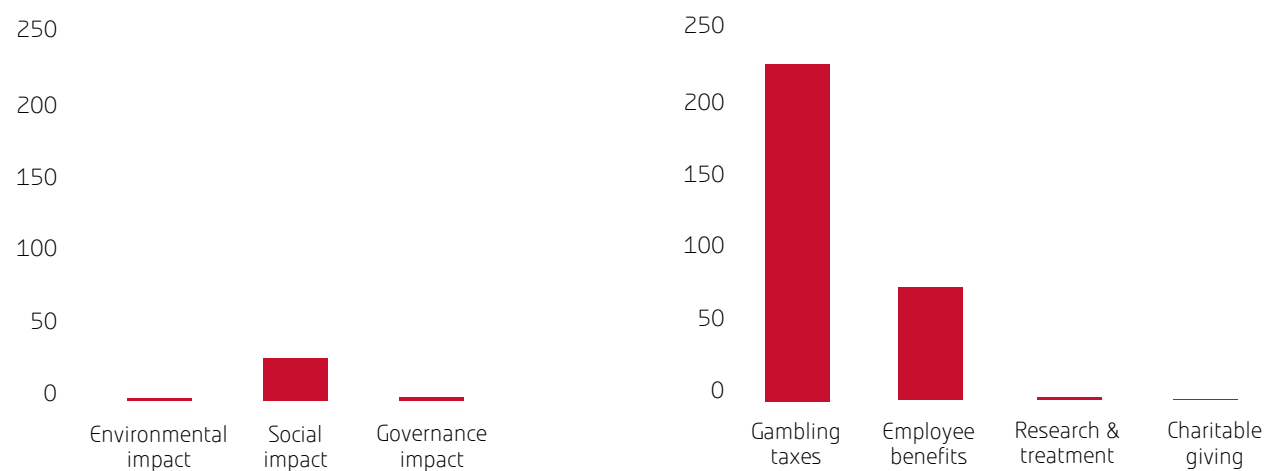




ESG - A HIGH-LEVEL PERSPECTIVE

Betting and gambling are controversial topics. Some legal frameworks consider gambling an undesired service, which is only allowed in order to channel customer demand into a lawful and regulated market. Against this backdrop, lawmakers sometimes aim at not only regulating the market, but also restricting its appeal and thus size. So as a provider of digital gambling services, we must necessarily be very transparent about the impacts our operations have on the communities around us. In this chapter, we therefore attempt to provide a basis of solid evidence to answer this question. This can be done by integrating data from this ESG report with some select commercial performance indicators to convey a total high-level perspective of the most material positive and negative impacts Tipico has on the communities in which it operates.

EFFECTS TIPICO HAS ON THE COMMUNITIES IN WHICH WE OPERATE, DISPLAYED AS FINANCIAL KPIS IN MILLION EURO:



What the data shows is that, as expected, the social impact linked to problem gambling is by far the most material problem associated with Tipico's offer. This comes as no surprise and is the reason why Tipico has invested massive efforts to improve the protection of vulnerable customers for decades now. In comparison, the most positive material impacts are of considerable magnitude. Especially through – but not limited to – the point of consumption gambling taxes, these operations create notable benefit for their markets.

In no way shall this lessen our explicit targets of mitigating and – wherever possible– completely eradicating negative impacts our operations have on the communities around us. But for the bigger picture, one also needs to take into account both positive and negative impacts the company has on society.

ENVIRONMENTAL IMPACT

Although Tipico is not a producer of physical goods and products, but instead a provider of digital services, we still have an undeniable environmental footprint. Tipico's most material environmental topic is CO₂e emissions. Tipico addresses this issue with several initiatives and aims to be carbon neutral by 2030. To quantify the current environmental impact as a financial measure, an offset price of €80 per ton of CO₂e emissions was used.

SOCIAL IMPACT

Globally as well as on a national level, it is a small percentage of customers who, however, can develop severe gambling-related issues if not protected sufficiently. Therefore, the most material social impact is harm to minors and vulnerable people. Tipico heavily invests in actively reducing this impact by detecting problem gamblers as early as possible and by gating access to high deposits through affordability checks. To quantify the current social impact as a financial measure, we consider every euro spent by a vulnerable customer as harm to society. Of course, it must be acknowledged that this estimate does not take into account emotional and physical harm to affected persons and their families.

GOVERNANCE IMPACT

Tipico operates in a highly regulated environment. On top of specific gambling regulation, Tipico is an obliged party with regard to anti-money laundering regulations and also processes the data of millions of customers, which requires compliance with data protection regulations. In this setting, operational excellence and strict compliance oversight are key. As a consequence, every Tipico employee has compliance-related targets. To quantify the current governance impact as a financial measure, we consider fines handed out by relevant authorities as an appropriate measure of harm.

GAMBLING TAXES

In European gambling markets, regulation serves the clearly defined purpose of channelling consumer demand into a framework that serves to mitigate gambling-related risks and treat manifest problems. In this framework, it is the explicit and central role of gambling taxes, which are levied at the point of consumption, to be used to counteract negative effects of the gambling market and to support the policy targets of the gambling regulation.

EMPLOYEE BENEFITS

In our locations, Tipico is not just an attractive employer. Tipico is a landmark. Attractive employee benefits are the most direct way of supporting the communities around our offices and shops. On top of that, we invest in our teams and their progress and provide them with two days per year to be invested into volunteering for good causes of their choice. This measure takes into account salaries, bonuses, training & development and volunteering days.

SUPPORTING RESEARCH AND TREATMENT

Gambling research is still a relatively young discipline, but the more we can help it advance, the safer our customers will be. We therefore support prevention research financially or by providing access to customer or de-identified data to foster the prevention of gambling-related disorders. On top of this, Tipico supports treatment providers throughout our markets. This measure covers all financial donations to gambling research and treatment of gambling-related issues.

CHARITY

Tipico supports a variety of good causes, which are often related to our shared passion: sports. This is another great way to give back to the communities in which we operate. The reported value encompasses all other donations.



WE MAXIMISE
SPAN



NUNG

in the world of sports betting!



OUR PEOPLE: OUR GREATEST ASSET

WE ARE COMMITTED TO:

- » respecting applicable labor laws and applying fair labor practices
- » developing our culture and mindset based on collaboration across different departments, compliant operations and eagerness to continuously learn and progress
- » the development and growth of skilled managers who lead our Tipico team towards achieving our common goals
- » investing in our people to ensure lifelong learning, development of skills, discovery and maximizing potential, and opportunity to build strong working relationships
- » onboarding the right talents to Tipico who can thrive in our culture of ambition and teamwork

LAST YEAR'S TARGETS:

- » launch the new Tipico careers website which highlights our vibrant culture and the benefits of diverse teams
We kicked off our Tipico Careers website based on employer branding look and feel emphasizing the importance of the people behind the scenes of Tipico and placing our "One Team" in the center of the story.
- » launch People Analytics that allows the top management team to observe ongoing employee-related trends
We released the People Analytics reporting tool offering to gain insights into our employee-related trends and demographics. We are consistently reinventing ourselves; this is how we stay ahead and come up with the best solutions for all of us.
- » launch One Tipico Induction Program across all Tipico offices
We introduced a virtual and global "Welcome to Tipico" induction, where new employees across the organization learn about Tipico.
- » continuous investment in development of people managers
We initiated an in-house training for people managers to guide them through internal people management processes and practices and launched our People Manager Toolbox with a collection of all relevant training materials in one place.
- » introduce the Peer Feedback Tool to engage employees in their personal and professional development
We established a feedback framework including wider 360-degree feedback that offers the opportunity to give and receive feedback from peers but also from management, the direct reporting team and other stakeholders.
- » increase the share of women within the company to 30% (by 2023)
We increased women's representation within the company to 28% (+2% compared to the previous year) and are on track to achieve our target.



OUR PEOPLE: OUR GREATEST ASSET

A SAFE PLACE TO WORK – DESPITE COVID-19

Our working environment and operations in 2021 were still significantly impacted by the COVID-19 pandemic. Throughout most of 2021, operations in our shops were disrupted or at least strongly restricted. Like last year, we made sure that, especially in these difficult times, our shop employees can rely on having a safe workplace and a secure income.

Office employees whose tasks can be performed remotely had the opportunity to work from home. However, we also offered the option to work from our offices to all colleagues who feel they are more effective in this work environment. We wanted our employees to be comfortable and provide a space where they thrive best.

Obviously, our priority is always the health and safety of our teams. Therefore, we implemented a detailed hygiene concept throughout our offices to mitigate any risks of infection. On average, our employees were absent for 3.7 days due to sick leave, while absenteeism rate was 2% (-0.6% compared to pre-COVID level in 2019). The results of the 2021 Engagement Survey prove that we also succeeded in employees' perception of our safeguard measures:

92% of Tipico employees across offices agreed and strongly agreed that Tipico has shown the ability to efficiently adapt to changes in work conditions due to the COVID-19 pandemic

91% of employees in offices trust that Tipico has taken the right approach to safeguarding employees during the COVID-19 pandemic

Besides COVID-19 measures, our daily task is to ensure the safety of our employees working in the offices and shops. In our daily operations we are strictly following Tipico's Health and Safety Policy which is based on the local legislation and internal risk assessment. Each of our employees is aware of the health and safety rules in the offices and shops. Due to preventive measures, we had zero cases of work-related injuries or fatalities and thereby no lost time due to accidents in 2021.

SPOTLIGHT - SCOPE AND DATA QUALITY IMPROVEMENTS

In 2021 we extended the scope of our reporting to all office employees of Tipico entities including office employees of Tipico Shop Agencies in Austria and Germany. Besides our strive for transparency, we are committed to the quality of our data. Through ongoing monitoring, we focus on our accuracy of all data analytics that are being produced. We have defined HR data standards which include, for example, a monthly KPI of our mandatory data completeness and accuracy. We complete several structured data checks throughout the month. These include several dashboards which assist us in reviewing our various data for new joiners, leavers, current employees and our payroll data. Apart from this, we also complete logical checks to verify additional data points.

UNIQUENESS: ONE TEAM, COMMON VALUES, DIFFERENT MINDSETS

Here at Tipico, we love learning from each other and think that great ideas are shaped and inspired by new experiences. We believe in playing to different people's abilities and skills and celebrate each other's viewpoints. Diversity makes us a winning team – our culture is open, curious and accepting, and making us stronger, together. We bring this to life in our newly created employer branding video where we collected Spannung moments employees experience at Tipico.



We are international, and we reflect this through our mindset and our company language: English. This helps us to attract the best talent from all over the world. Here are the nationalities of the employees we have hired: Albanian, Austrian, Bosnian, Brazilian, British, Bulgarian, Colombian, Croatian, Egyptian, French, German, Greek, Hungarian, Indian, Italian, Latvian, Macedonian, Maltese, Moroccan, Polish, Portuguese, Romanian, Russian, Serbian, Slovakian, Sri Lankan, Swiss, Turkish, Ukrainian and Venezuelan.

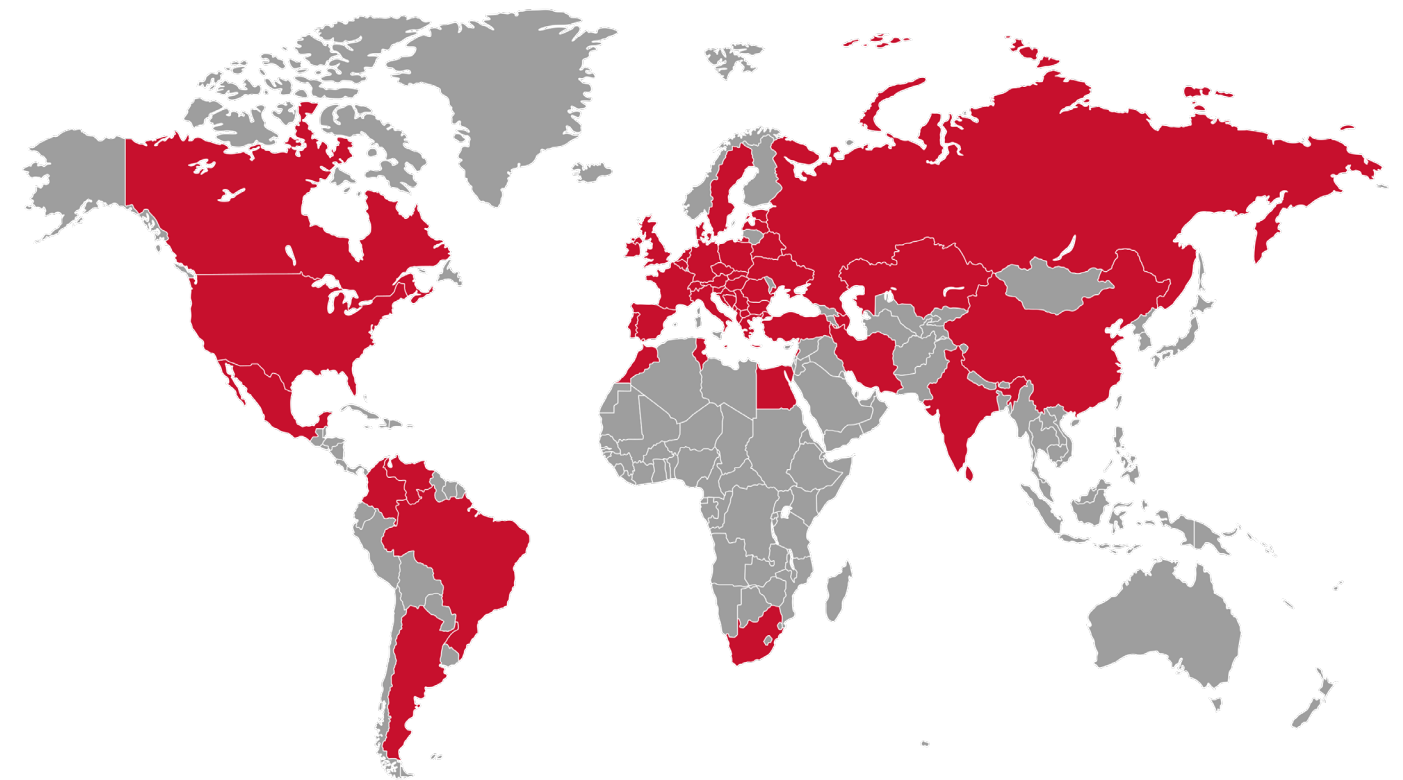
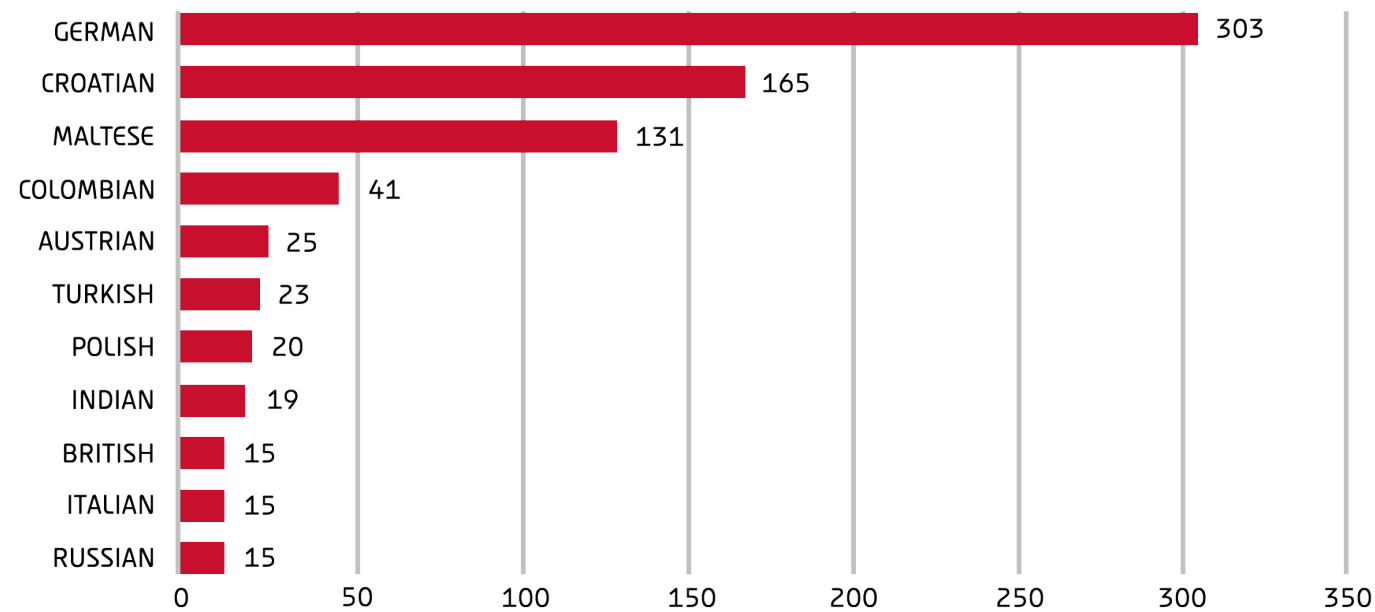
OUR PEOPLE: OUR GREATEST ASSET

We also promote diversity outside of the workplace by being a signatory of the Diversity Charter in Germany since 2018. The Charter aims at promoting recognition, appreciation, inclusion and diversity in the workplace and in everyday life. We were one of the first companies in the gaming industry to become part of this initiative. Each year, we take part in the Diversity Days initiated by the Diversity Charter to celebrate and raise awareness of diversity worldwide. We treat all candidates and colleagues with equal respect, irrespective of their role and position within the company. We have zero tolerance against any type of harassment and had zero cases of these in 2021. Any case can be reported through direct managers, the Employee Representative or HR specialists.



Despite the challenging situation with COVID-19 in 2021, we had no staff cuts and kept all existing workplaces. 95% of employees worked full-time and 5% were performing part-time jobs. The average number of employees across our office locations was 889 in 2021 representing 52 different nations. The most highly represented nationalities are the following:

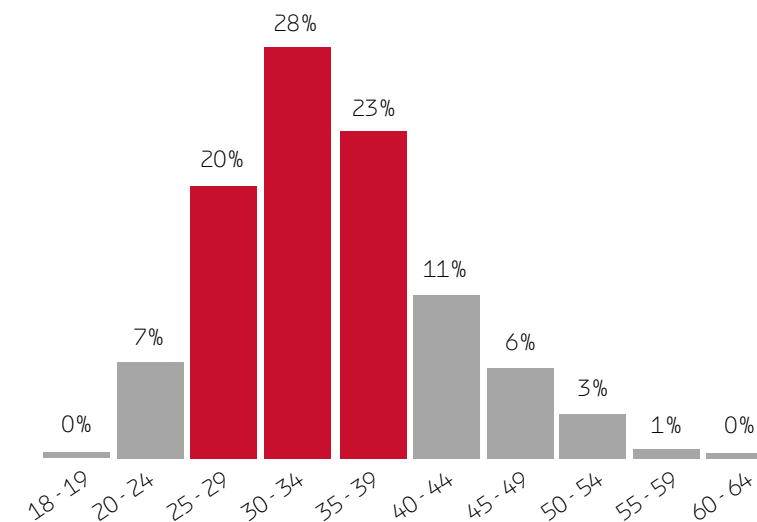
EMPLOYEES BY NATIONALITY IN 2021



OUR EMPLOYEES REPRESENT FIVE CONTINENTS IN THE WORLD MAP

Among all employees, 19% were from non-EEA countries in 2021, while senior management (executives, directors and heads of departments) was represented by 11% of non-EEA nationals. 46% of Tipico's senior management originates from local communities where we operated in 2021, which is 4% lower compared to 2020.

EMPLOYEES BY AGE (YEARS)



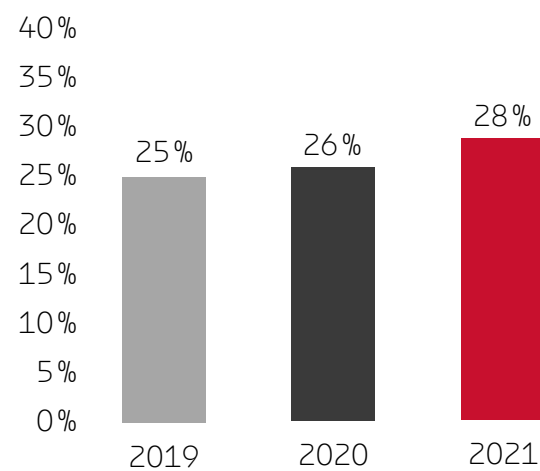
Most employees are in the age groups of 25-29, 30-34, and 35-39 years, which corresponds to the age of the candidates applying for jobs at Tipico, where the largest number of applications came from the age group of 28-37 years in 2021.

OUR PEOPLE: OUR GREATEST ASSET

PERFORMANCE INDICATOR - GENDER RATIO

Diversity, when it comes to gender, is still very much linked to the specialization where 28 % (+ 2 % compared to 2020) of all office employees are women and 72 % are men. Due to the nature of our business, there are more men who are interested in jobs in our company. However, we have set a goal to increase the total representation of women in Tipico to at least 30 % by 2023. Over the past three years, we have progressed towards achieving this target.

WOMEN SHARE AMONG ALL OFFICE WORKERS



POSITIONS GROUP	SHARE OF WOMEN
ALL MANAGEMENT POSITIONS	19%
TOP MANAGEMENT POSITIONS	10%
REVENUE-GENERATING FUNCTIONS	18%
STEM-RELATED POSITIONS	12%
JUNIOR MANAGEMENT POSITIONS	17%

THE TALENT GAME PLAN & CAREER PATH

We are Tipico, we never settle for second place, and are always looking for ways to improve, learn and grow. This is highlighted in our winning DNA. To keep this alive, we as a team need to attract the right talent at the right time.

But how do we define the right talent? We are international, open-minded, and diverse. We believe in everybody's skills and personality. We, as One Tipico, hire for the right attitude and train their aptitude to be successful. Of course, some specific roles need experts to keep our game at the highest level. But also, when looking for experts, we strive for those who are the right fit.

In a very tough talent market, we can only win if we, all together, create a great hiring experience. It starts with every one of us being an Employer Brand Ambassador, with every posting on social media and other networks. When it comes to our One Recruitment process, we discuss with our hiring teams what the necessary steps are to select talent and offer insights about us, looking behind the curtain of our powerful brand and touching the candidates with our Tipico DNA and our hunger for more.

SPOTLIGHT - CAREER WEBSITE

In March 2021, we launched a brand-new careers website with engaging content, a great user experience and storytelling best practices. The website serves as our central employer branding and communication platform telling Tipico's story. Besides, it delivers a seamless application process, opens up the experience to cater for the roles that were previously challenging when it came to attracting the right talents and pushes on with our desire to create a more diverse workforce.

For instance, from March, when the website was launched, we noted an increase in traffic and in social media followers who are female. The new website brought us 5% more applications compared to the previous website's statistics.

JOBS

CRM ACCOUNT / KUNDENKONTO SPEZIALIST (M/W/D)

München, Germany

Full-Time

OUR PEOPLE: OUR GREATEST ASSET

Our focus during the interviews with candidates is to assess the talent’s potential in a simulated but close to work-life task. In most areas, we use simple methods such as business cases and job-specific tasks to initiate discussion and find a solution together. In the tech area, we trust our partner Codility to create seamless and fair tech tests. Since the beginning of our partnership four years ago, we have managed to cut the time used for interviews and selection in half, while at the same time increasing fairness and the candidate experience. We also make sure that the candidate data is stored safely and compliant with GDPR.

SPOTLIGHT - CULTURE FIT ASSESSMENT

Our Human Resources team started a pilot in 2021 to support the assessment of the culture fit using a psychometric tool to understand the natural strengths and motivators of an individual during the recruitment process. This is important to ensure the right fit and possible further development of the prospect.

We partner with Assessfirst in this area. Their system offers us a straightforward and intuitive product based on the “Big five” psychological model of personality traits. These traits are translated into life. Within Tipico, the insights help the hiring managers to prepare the interviews and adapt the focus areas to each candidate as needed. In this way we offer more focused and personalized conversations, eliminating bias and other distractions as we focus on the natural strengths of every person.

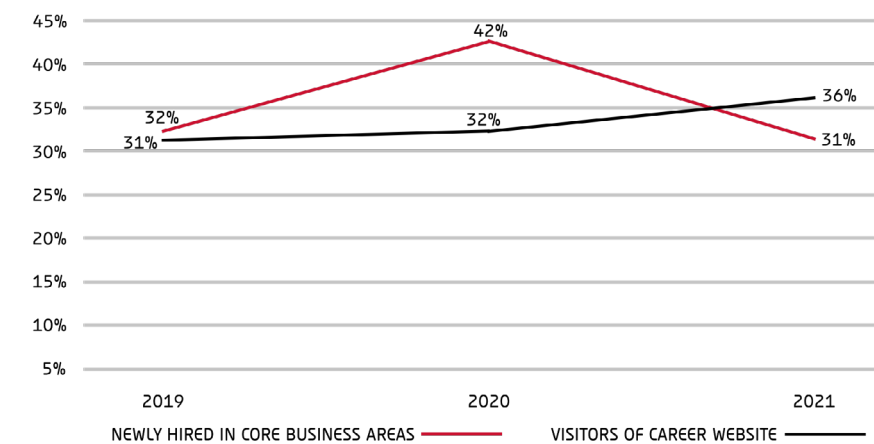


In 2021, we have received applications from 23 different countries. To ease candidates’ move to their new home in Malta or Germany, Tipico offers relocation assistance and we successfully offered this to new team members who moved to Malta, Karlsruhe and Munich.

Our game plan is not just to attract and hire external talent, but also to offer interesting internal mobility for our own talent. In 2021, we filled 22 positions internally, which is 10% of all hires. At Tipico, we believe in progress and every one of us owning our career. We encourage our team to never stop learning and embrace every opportunity to grow and develop.

The gambling business is traditionally a male domain: more than 90% of our customers are men. Therefore, in line with our employer brand strategy, we have been striving to attract female applicants to get access to this important talent pool. We are therefore pleased to see that our new career website is achieving the goal of attracting female visitors. In the same vein, our social media channels gathered an average of 44% female followers in 2021.

SHARE OF WOMEN



IN 2021 WE HAD:
 203 HIRES
 22 RELOCATIONS TO MALTA
 20 RELOCATIONS TO GERMANY
 33 HIRED OUT OF 415 REFERRALS

OUR PEOPLE: OUR GREATEST ASSET

At Tipico, we aim for all new employees to make the most of their initial few months with us. Learning about how Tipico functions as an organization, the responsibility of each entity, and how departments collaborate on projects and initiatives is a vital part of our introduction to the company.

The One Tipico Induction allows new starters to understand better where they fit within the company and how they can contribute to Tipico's goals and victories. It also ensures that the Tipico values are embedded across the journey, creating a One Tipico mindset.

THE ONE TIPICO INDUCTION PROGRAM CONSISTS OF:

"WELCOME TO TIPICO"

The "Welcome to Tipico" session is a virtual, 90-minute presentation delivered by our Learning and Development team to all new office employees and covers:

TIPICO'S
MANIFESTICO VALUES

OVERVIEW OF TIPICO'S GROUP
STRUCTURE & RESPONSIBILITIES

HOW TIPICO FUNCTIONS AS AN
ORGANIZATION

OVERVIEW OF OUR
PRODUCT & CHANNELS

TIPICO'S
MAIN STRATEGY & MARKETS

BUDDY PROGRAM

The Buddy Program helps to achieve onboarding goals sooner and raises levels of employee engagement for new and existing employees alike. It provides an opportunity for new starters to feel more engaged and comfortable within Tipico from the very start. This provides an opportunity to the new team member to start building their networks. Line Managers appoint a Buddy to the new starter before their first day.

WELCOME DOCUMENT FOR NEW STARTERS

Every new starter receives a document highlighting all the main elements of their onboarding – so that they can feel comfortable and confident in what to expect within their first few weeks. The purpose of the document is to welcome the new starter, provide an overview of the induction program and to shed light on a few key global platforms and useful resources.

GET TO KNOW OUR BUSINESS PROGRAM

The program was launched within our Malta location, with the intention to provide opportunities to new members to learn about core areas of the business and meet with internal experts within various departments. Since the COVID-19 pandemic, this program has been converted into an online version and has now been launched to all our office locations. It consists of a series of 8, 60 to 90-minute sessions that are offered to new team members on a quarterly basis.

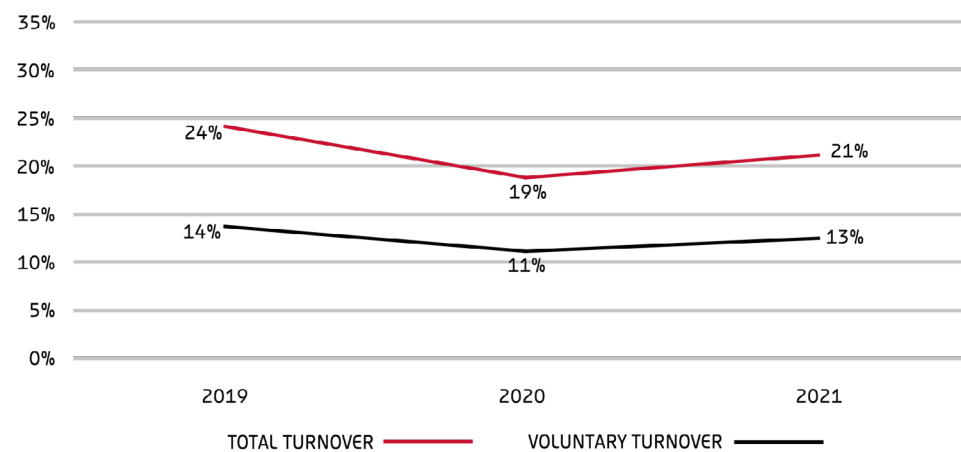


OUR PEOPLE: OUR GREATEST ASSET

Besides the attraction of talents and their integration into Tipico, we are constantly working on talent retention, offering development opportunities within the company and across our locations. In 2021, the average tenure was four years, and most employees have worked with us for at least two years.

As expected, with the gradual return-to-office over 2021, turnover rate has slightly increased. With forecasts that in many industries up to one third of staff would not return to office, this effect has so far been much more moderate than expected for Tipico: Turnover rate in 2021 is still notably lower than before COVID.

TURNOVER RATES



Annually, all of our employees receive performance and career development reviews. We provide our employees with a path to grow their careers and expand the impact of their work. It creates an opportunity to explore new skills, roles, contexts and disciplines over time and increases employees' tenure.

For instance, in 2021 we implemented a Career Path for the individual contributor roles in the development tribes in Technology of the ProTech pillar. The guiding principles are the following:

- » the framework reflects a team-oriented, culture-driven environment
- » career progression within Tipico comes with the increased impact that an individual has within the company

- » with an increase of professional maturity, an employee will naturally become a resource for even larger parts of the organization
- » it provides opportunities for generalists, who demonstrate knowledge and skills across a variety of areas, and specialists, who focus on one specific area and demonstrate deep knowledge and skills within it

Within this framework, the employee sets the pace. If an employee is growing within the career path framework, the employee is having a bigger impact on the company. This is reflected in the Tipico salary structure, which refers to the hierarchy of roles in Tipico and to the salary ranges for each role.

MEASURING ENGAGEMENT: A COLLABORATIVE CULTURE

Annually, we conduct two internal surveys: the Tipico Engagement survey and the Pulse survey. The Engagement survey gives a more accurate picture of how our team members feel about working at Tipico and we can continue committing to making Tipico an even better place to work. The purpose of the Pulse survey is to check-in with staff, collecting real-time feedback and providing a pulse check on certain topics, in order to better understand what is driving engagement at Tipico. The main focus of both surveys was Tipico's One Team culture. We are always looking for improvement and building this culture is one area in which we can develop.

OUR ACHIEVEMENTS WITH THE ENGAGEMENT SURVEY IN 2021:

- » highest overall participation score to date: 94 % or 795 colleagues Group-wide
- » highest average engagement score to date: 80 %
- » higher ratings for each factor in comparison to the Tipico Engagement survey 2020

We exceeded our 70 % target of engagement score by 10 % in 2021. The highest average engagement score of 80 % showed that we are bound by our passion for Tipico's success and respect for each other. This leads to a more collaborative and stronger team. Moreover, 86 % of our employees stated that they would recommend Tipico as a good place to work.

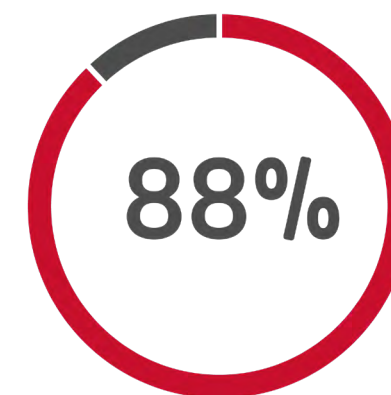
According to the Engagement survey, our employees have been showing even greater interest in Corporate Responsibility over the past years.

TIPICO EMPLOYEES STATE:

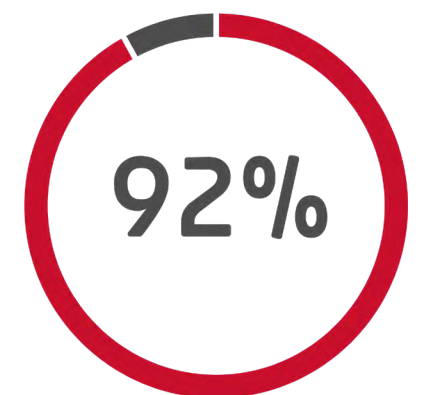
TIPICO IS A RESPONSIBLE AND TRUSTWORTHY OPERATOR



TIPICO SUFFICIENTLY PROTECTS ITS CUSTOMERS



IT IS IMPORTANT TO WORK WITH A RESPONSIBLE COMPANY



OUR PEOPLE: OUR GREATEST ASSET

FEEDBACK CULTURE

At Tipico, we identified the need for a more formal opportunity to receive feedback from peers. A structured feedback process was created in 2021. We love learning from each other, and receiving constructive feedback from our peers allows us to identify behavior strengths and opportunities, with the aim to grow and further develop our competencies and skills.

The aim of the process is to also recognize similarities and differences in the perception of our peers versus that of the participants themselves, so that they can build self-awareness. A training called “How to Give and Receive Feedback” was developed and delivered internally to those participating in the exercise, to strengthen this skill on how to communicate feedback effectively.

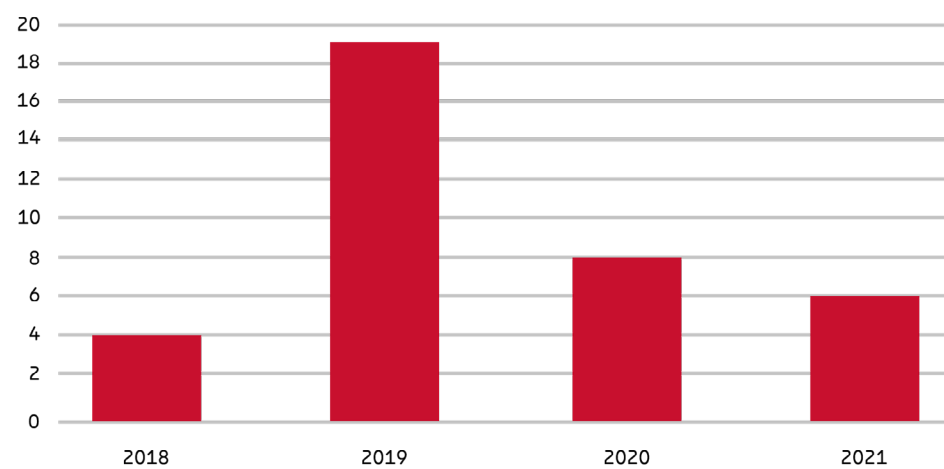
At Tipico, people managers may also participate in a formal 360-degree feedback exercise as an opportunity to receive feedback from their manager, reporting staff members, peers/co-workers, and other stakeholders. The aim is to create a detailed overview of the strengths and improvement opportunities. A survey was formed around competencies expected of people managers at Tipico, and is used to gather feedback and increase self-awareness.

UPSKILLING AND DEVELOPMENT OPPORTUNITIES

At Tipico, we inspire and support employees to have the ambition and opportunity to develop themselves professionally, using a creative and collaborative approach to learning. We invested an average of €104 per employee on training and development opportunities in 2021 (-€27 in comparison to 2020 due to a decrease in training hours).

The COVID-19 pandemic unfortunately restricted the usual face-to-face training. Nevertheless, in 2021, Tipico office employees dedicated over 4,800 working hours to training. That’s around six hours of training on average per employee. On management positions, our employees dedicated 1,166 hours for the trainings, which is nine hours per employee. We keep adjusting our training offer to the remote situation, but we cannot deny that many of the elements and interactions that made our trainings special and specifically attractive for colleagues cannot easily be replicated online. We will adapt to the situation, but also strive to roll out face-to-face formats as early as possible, without putting participants’ health at risk.

TRAINING HOURS PER EMPLOYEE



More than 920 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 people and management skills. We love learning from each other!

Tipico offers strategic programs focused on continuous development that create significant differences in the way we approach tasks and projects, creating an innovative and dynamic working environment. These include:



We are also focusing on bringing our initiatives and people agenda to life with our people managers. At Tipico, Leadership Programs continued to run successfully in a virtual context during 2021, with an aim to widen the capacity of individuals to perform efficiently in their management roles. Building a strong and aligned leadership culture and bringing the company’s leadership standards to life are goals of the Leadership Development Program, also referred to as “Leading Spannung”. The aim is to build a strong and aligned leadership culture and bring the company’s leadership standards to life.

A new cohort of participants was established in 2021, with 35 new people managers. In 2021 there were 91 people managers participating in the program. Since we started the program, we have increased positive perception of line managers by 5% (from 82% in 2020 to 87% in 2021 according to results of the Tipico Engagement survey).

SPOTLIGHT - LATERAL LEADERSHIP PROGRAM

In October 2021, we introduced a program called the “Lateral Leadership Program” for the first time – a program for thought leaders at Tipico. This was designed to support the development of team members who have specific roles and responsibilities to manage others – more horizontally than vertically – with an impact towards the delivery of projects, tasks and achievement of our objectives. Some of the topics included earning natural authority, selling ideas, dealing with resistance, mechanisms of team dynamics and achieving consensus in conflicts with others. The program started in October 2021 and 33 (4% of all employees) of our “thought leaders” participated.

COMPENSATION AND BENEFITS

We believe that the hard work and outstanding achievements of our employees should be decently rewarded. Employees are not covered by collective bargaining agreements, but we benchmark salaries of employees against the industry standard to ensure that our employees receive a competitive salary and to prevent gender pay gap for comparable roles. In average, the minimum wages in our Tipico offices are 20% higher than the respective local minimum wages. The average annual raise in compensation was 4.21% in 2021.

OUR PEOPLE: OUR GREATEST ASSET

INDICATOR	% DIFFERENCE
MANAGEMENT LEVEL (BASE SALARY ONLY)	2%
MANAGEMENT LEVEL (BASE SALARY + OTHER CASH INCENTIVES)	1%
NON-MANAGEMENT LEVEL (TTC)	-2%*

* negative difference means that in average men received higher salary than women

At Tipico, parental leave and minimum notice periods are handled in accordance with national laws. On top of public social security programs, which are applicable in our locations, we offer our employees a range of additional benefits applicable for both full-time and part-time employees. We provide private dental and health insurance, bikes for rent, various discounts, and gym membership refunds to name just a few. In 2021, we extended the offer of health-related benefits for employees in Malta and launched the pension scheme to all office employees in Germany.

SPOTLIGHT - ONE TIPICO BONUS SCHEME

In January 2021, our Tipico Team across all offices started working within the framework of One Tipico Bonus Scheme that provides an incentive to employees based on the achievement of company and department targets. The Bonus Scheme recognizes the impact and scope of employees' roles in achieving the company and department targets. Therefore, it encourages collaboration and the achievement of common goals across all Tipico, preventing risks of non-compliance.

TARGETS FOR 2022 AND BEYOND:

In 2022, we will continue our journey described in our People & Organization strategy to continue the evolution of our human resources framework, grow talent and leadership capability and develop an organization fit for both current and future challenges. Some of our most important goals will be:

- » increase the share of women within the company to 30% by 2023
- » further improve the range of reporting and commit to the standards of data quality through the implementation of quality-check dashboards
- » establish relationships with local universities in Malta and Germany to facilitate recruitment of graduates within the programs we offer at Tipico
- » invest in high-performers and high-potentials to offer a growth path and development to employees who demonstrate a learning mindset and are eager to own their career path



PRODUCT QUALITY: IN SAFE HANDS

WE ARE COMMITTED TO:

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

LAST YEAR'S TARGETS:

- » further reduce the financial impact of problem gambling
Despite the ongoing effects of the pandemic, we managed to reduce the financial impact of problem gambling to 2.6% of turnover and 2% of revenue.
Behavioral monitoring showed a downward trend in high-risk behaviors throughout 2021.
- » connect every single retail shop with the cross-operator exclusion database OASIS
Our online product has been fully connected with OASIS since 2020; in the course of the licensing process for retail shops, more than 500 shops now have the permission to be connected to OASIS.
A total of >85% of our customer base is connected to OASIS.
- » improve knowledge about customers and actively manage their limits to reduce the risks of overspending
Our capabilities to investigate customers' financial situations were ramped up and the number of such investigations strongly increased throughout 2021.
Several new tools to assess customers' financial situations were tested in the online and retail businesses.
- » publish an annual Player Protection Report
An annual Player Protection Report to evaluate the functioning and effectiveness of our player protection measures was put in place and shared with regulatory authorities to allow for evidence-based decisions.

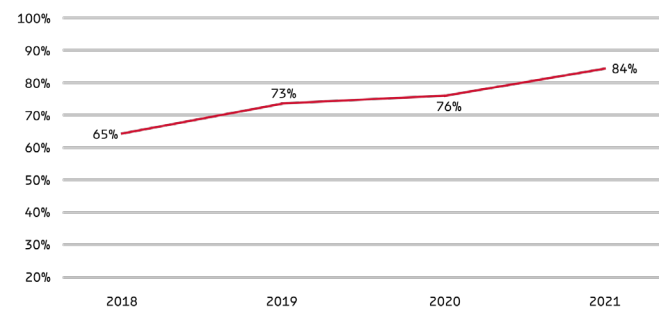
PRODUCT QUALITY: IN SAFE HANDS

CUSTOMER TRUST: PROVIDING A SAFE AND EXCITING EXPERIENCE

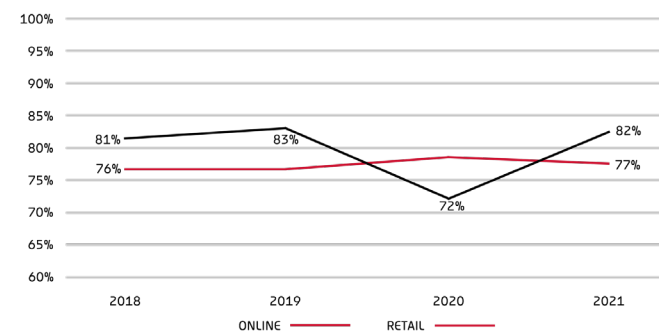
You can be a market leader, if customers trust you. Tipico has managed to gain the trust of our customers and of the market as a whole. Still, we cannot take this trust for granted but have to earn it every single day anew. For this purpose, we need feedback about our perceived performance, and we collect it through various forms of surveys.

The business model of betting is a competition between the customer and the bookmaker and only one can be right. As a consequence, the relationship between a punter and a bookmaker will always be competitive. They are not friends – the customer’s goal is always to “beat” the bookie. Therefore, customer satisfaction works differently than in other sectors and tends to fluctuate with a customer’s success.

SATISFACTORY CUSTOMER CONTACTS



GREATLY SATISFIED CUSTOMERS

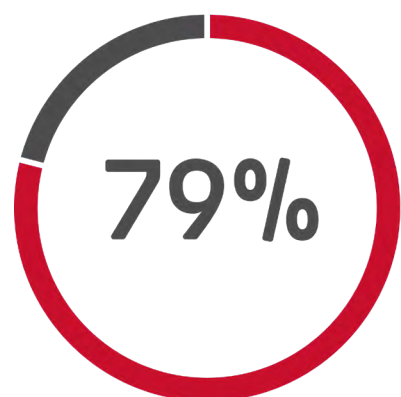


Still, for the fourth subsequent year, the ratings of our customer interactions have improved. This is also reflected in overall customer satisfaction. Even despite ongoing COVID-related restrictions in the retail market, further improvements were achieved in 2021.

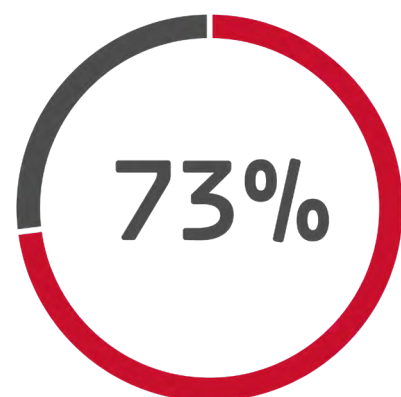
Our customer-centric approach results in a unique reputation on the German market. Customers are aware that the way we implement protective measures is in their own best interest. Therefore, 79% of our customers believe that Tipico is a responsible operator.

TIPICO CUSTOMERS STATE:

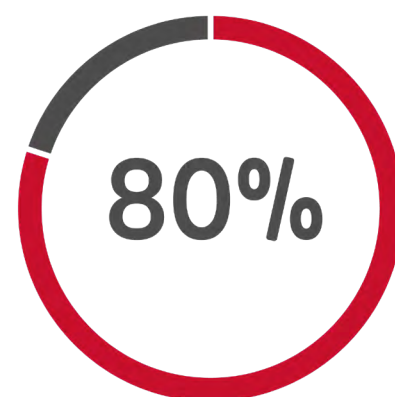
TIPICO IS A RESPONSIBLE AND TRUSTWORTHY OPERATOR



TIPICO'S PLAYER PROTECTION MEASURES ARE EFFECTIVE



IT IS IMPORTANT TO PLAY WITH A RESPONSIBLE COMPANY



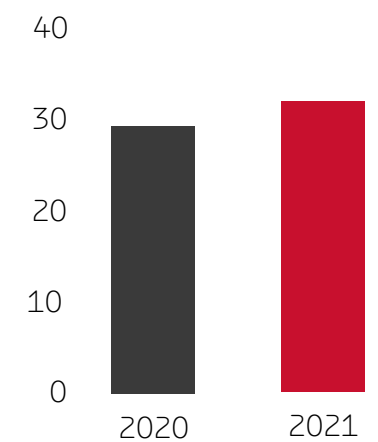
While many KPIs can shed light upon important details, overall performance is measured by means of the Net Promoter Score (NPS). By contrasting customers who will likely act as promoters and such who would likely act as detractors, it provides a very sharp metric of Tipico’s reputation among consumers. It has a range between -100 and 100, where positive values indicate a majority of satisfied customers.

PERFORMANCE INDICATOR - NET PROMOTER SCORE

Although Tipico still has a very good NPS compared to direct competitors, COVID has taken its toll. While restrictions of sports events had only a relatively short-lived effect in 2020, restrictions on the retail business have persisted throughout 2021. Even at this point, the expected experience of a betting shop cannot be provided to customers. As a consequence, the NPS is still below our expectations.

With many of the other customer-related metrics pointing up, we are confident that the NPS will gradually improve.

NET PROMOTER SCORE



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 join sports associations in their efforts to protect the integrity of sport and the associated betting offer. Tipico is committed to the fight against the manipulation of sport events and fosters clear and evidence-based regulation. 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 proponents and betting operators are well aligned in combating this form of crime.

Aggregated data from betting operators is a most valuable source of data for tracking down potential incidents. Therefore, we support sports federations by participating in several early warning systems. A specially dedicated department painstakingly investigates any indication of potential criminal activities by working closely with relevant authorities and security organizations. Associations and event organizers are contacted as soon as suspicious betting behavior is detected. We collaborate with the international football association FIFA, the International Olympics Committee, the Tennis Integrity Unit of the International Tennis Federation, Sportradar's integrity department, Betgenius as well as the Malta Gaming Authority's dedicated sports integrity unit, which was founded in 2019.



CONSUMER PROTECTION FRAMEWORK

Although betting is a thrilling form of entertainment for many customers, it can become a risk for some. That's why protecting minors and vulnerable customers is deeply ingrained into our business model. This is also how our customers perceive it. They expect us to provide the safest platform for gambling and betting. The trust of German customers who are enthusiastic about sports and sports betting proves that Tipico is right.

SPOTLIGHT - PLAYER PROTECTION CONCEPT EVALUATION

During 2021, our player protection concept underwent a scientific evaluation to assure the effectiveness of the functions and processes applied to protect customers. Based on the evaluation and changes in the legal framework, the concept was amended and recently resulted in the publication of a revised version.



While the practical implementation of the player protection concept affects every employee's daily work, there are teams who focus as experts on implementation, evaluation and constant improvement thereof. The Corporate Responsibility department (two full-time equivalent employees (FTEs)), which is part of Compliance and reports to the Chief Regulatory Officer, is responsible for the strategic direction of the concept. Operationally, they are supported by the three Responsible Gaming Managers and a Responsible Gaming team, consisting of nine FTEs. Additionally, throughout the German franchise network, almost 350 Responsible Gaming Managers are employed to support Service employees in the shops. Shop controls and mystery shopping exercises are conducted by the quality team. Despite the COVID-related temporary shop closures, the team size remained stable with nine FTEs, including trainers. Especially for the retail part of the business, an effective control framework is essential to ensure that all customer interactions are performed in a compliant manner that ensures the protection of minors and vulnerable customers.

12,500 person hours of face-to-face player protection training for cashiers

1,700 mystery shopping visits

For those player protection topics which are beyond our reach, like education, counselling and treatment, we cooperate with partners from the counselling and treatment sector. This is especially important, so that excluded players can easily find support and counselling. We have at least one partner for every market in which we operate.

PRODUCT QUALITY: IN SAFE HANDS

PROTECTION OF MINORS

Account-based gambling tracks all transactions and assigns them to an identity-verified customer. As a consequence, participation in our offers generally requires identity and age checks, so that there are effective measures in place to prevent harm to underage persons.

A customer card registration always involves an age and identity check. A minor therefore cannot register a customer card.

An online account registration always involves a check against identity databases and subsequently an identity verification using a strong method like video identification within three days after the registration. During this period, a maximum of €100 can be deposited, and no winnings will be paid out.

This setting leaves no room for minors to successfully register and verify a customer card or an account, and no incentive to even try.

PERFORMANCE INDICATOR - NO REVENUE FROM MINORS

Finally, all transactions made by minors would be considered invalid and rolled back. Any losses would consequently be refunded.

No Revenue from Underage Gambling

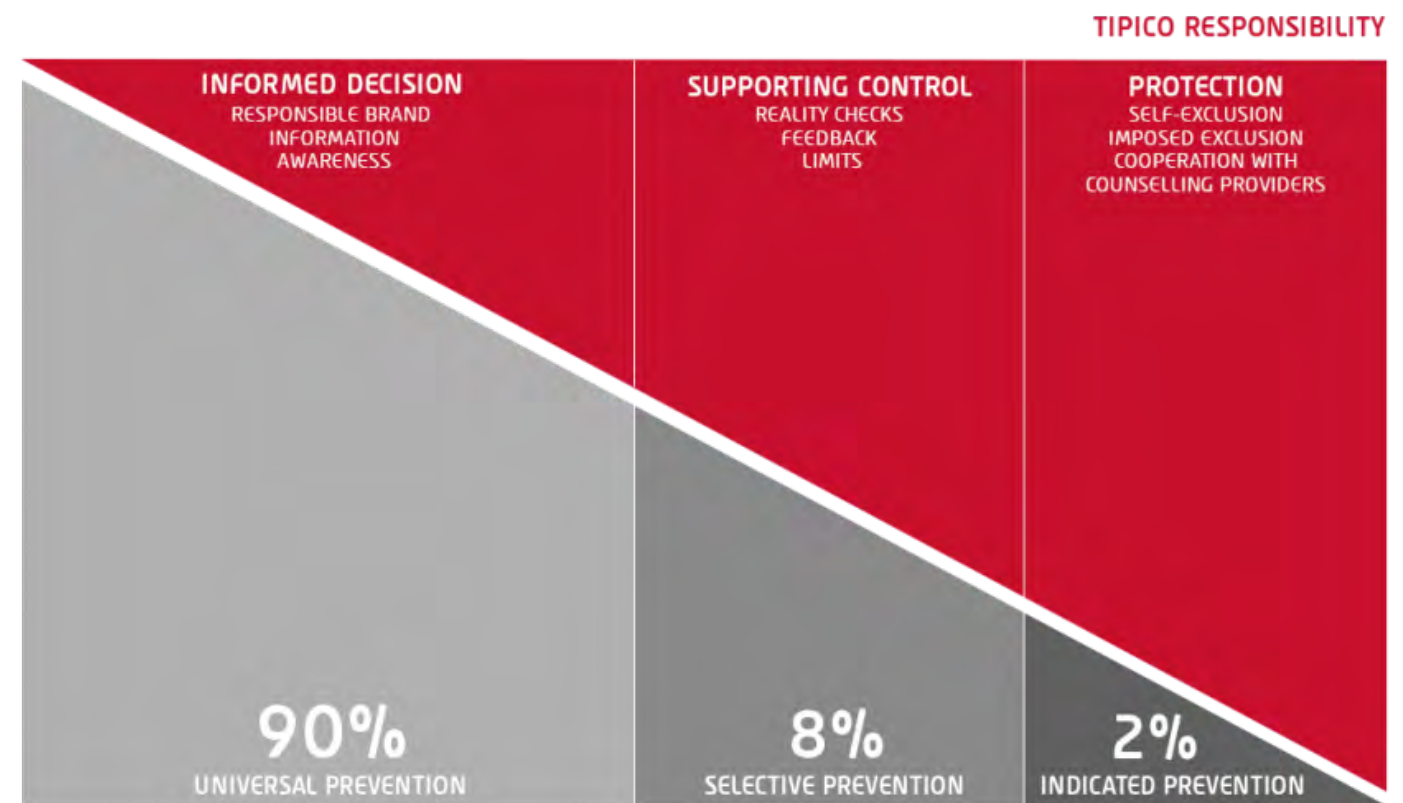
As a result, Tipico's products have minimal exposure to minors and no revenue is derived from minors.



PROTECTION OF VULNERABLE CUSTOMERS

Traditionally, responsible gambling is defined as providing customers with all the information they need to make responsible, informed decisions. But this approach leaves the ultimate responsibility for their decisions with the customer. And although this approach may be right and sufficient for the vast majority of customers, we believe it is insufficient for the most vulnerable ones. In those cases, it is our responsibility to impose measures.

The majority of our customers believe that the intensity of our player protection measures is about right. At the same time, around 40% still believe that the measures are somewhat patronizing. This illustrates not only that we have strong protection in place but also that each customer perceives a different level of protection as appropriate.



CONSUMER RESPONSIBILITY

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.²

- » 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

² Bundeszentrale für gesundheitliche Aufklärung (BZgA) quote

PRODUCT QUALITY: IN SAFE HANDS

RESPONSIBLE ADVERTISING

Advertising is one of the most important tools to channel customer demand into the regulated gambling market. But also, irresponsible advertising content can put vulnerable persons at risk. Therefore, Tipico's marketing concept, which governs the tone of voice of our campaigns, was submitted to the applicable German authorities and approved. On top of that, Tipico has as strict Responsible Advertising policy to assure no content that could attract minors or endanger vulnerable persons is being used.

In 2021, there were no compliance incidents related to marketing or advertising.

INFORMED DECISION: FULL TRANSPARENCY ON SPENDING

They say that there are no clocks in Las Vegas. The legend goes that this is in order for visitors to lose track of time. This not our approach. Tipico believes in full transparency. Customers should always be aware of their current spending to make rational decisions. For this purpose, an account statement provides a precise breakdown of all transactions.

But even for customers who do not check their transactions, there is an automatic pop-up that provides a breakdown of winnings and losses of the previous session. That way, we can ensure that customers do not lose track of the costs of their gambling. And yes, the current time can be found in the footer of every page of our online site and every monitor which displays the betting program in our shops.



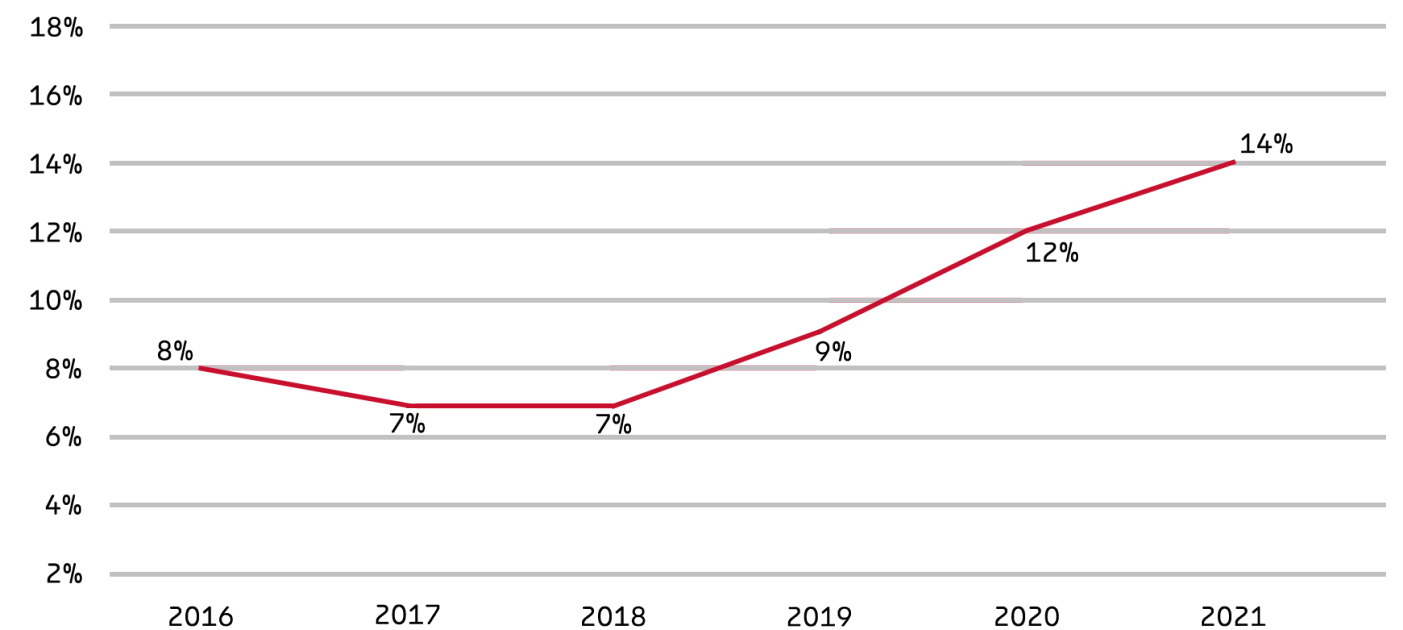
SUPPORTING CONTROL: LIMITS

A limit agreement is a way of sharing responsibility between customer and gambling operator. While the customer chooses an appropriate gambling budget, the operator ensures that the customer can under no circumstances exceed that limit. That way, the financial consequences of gambling are under strict control, even if the customer is tempted to exceed them.

Most customers do not need external limits. They decide on a budget and stick to it – they do not need external support. However, for a very distinct group of customers, such external limits are important. For problem gamblers, on the other hand, limits are typically not sufficient since they do not give them the needed distance from gambling. For them, an exclusion is required.

Therefore, it is the group in the middle, who can budget their gambling realistically but is at risk of not always adhering to that budget, that profits most from limits. This group likely constitutes around 8% of all gamblers.

USAGE OF LIMITS



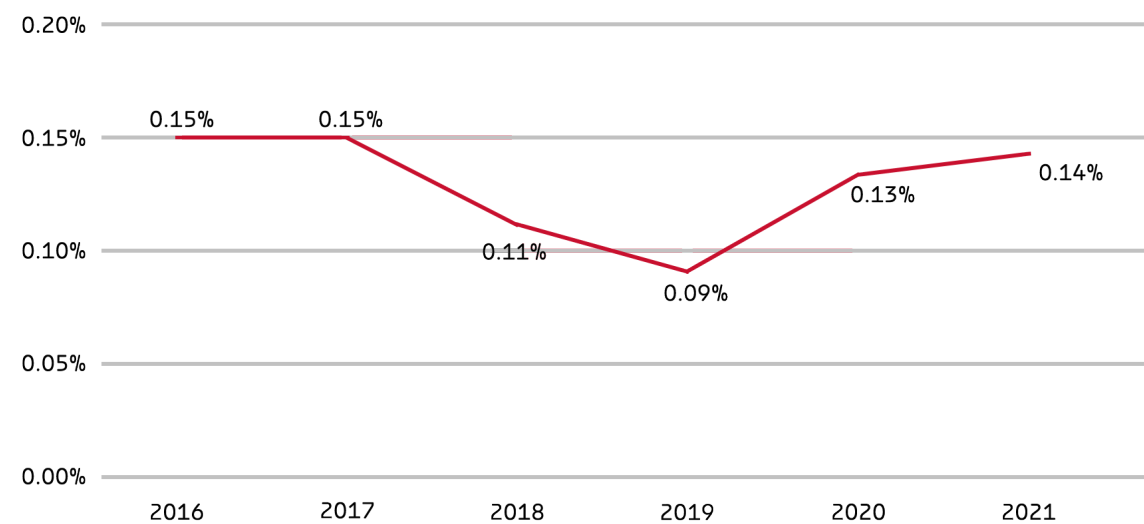
In 2021, very close to 15% of active customers had chosen to use a limit agreement and set themselves a limit, lower than what Tipico would have allowed them. As a consequence, we can expect that most customers who could profit from using limits have set one.

PRODUCT QUALITY: IN SAFE HANDS

PROTECTION: EXCLUSIONS

Exclusions are used to prevent those affected by a gambling disorder from getting access to gambling offers. They have the form of self-exclusion agreements, where the customer asks for an exclusion, or imposed exclusions, where an operator imposes the protective measure on a customer, based on credible reports from third parties or evidence collected by the operator.

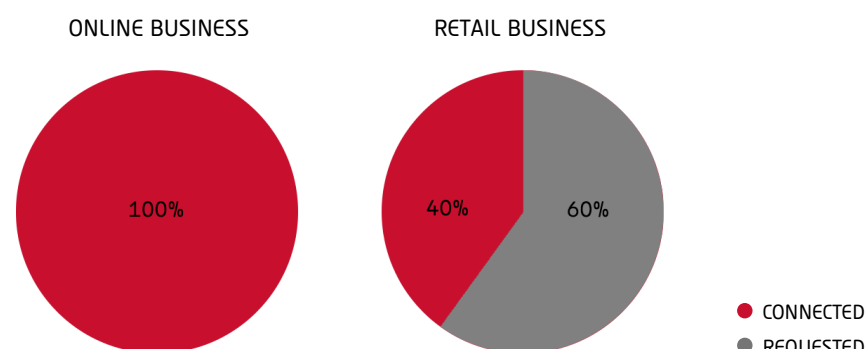
USAGE OF EXCLUSION AGREEMENTS



To be effective, an exclusion must be irrevocable – at least for a certain period of time. The standard is one year, but players can also request longer minimum durations. Otherwise, customers would revoke their exclusion in the case of a lapse. Also, in order to prevent circumvention of an exclusion, ideally all operators in a jurisdiction cooperate in a government-hosted exclusion database. In Germany, this database is called OASIS.

Tipico has been participating in OASIS since 2018. We had aimed at connecting the entirety of our business to OASIS by the end of 2021. However, this was not possible due to the slower than expected permission process in several German states. In order to be allowed to share data with OASIS, a betting operator or land-based shop must be in possession of permit. While all of Tipico's betting offers have applied for permits, to date not all state authorities have processed the applications and handed out permits. Out of approximately 1,300 requested permits, around 520 have been granted so far.

SHARE OF BUSINESS CONNECTED TO OASIS



IN 2021, TIPICO:

- » requested 14,000 exclusions in OASIS protecting minors and vulnerable players
- » queried OASIS almost 500 million times, with a hit rate of 0.1%

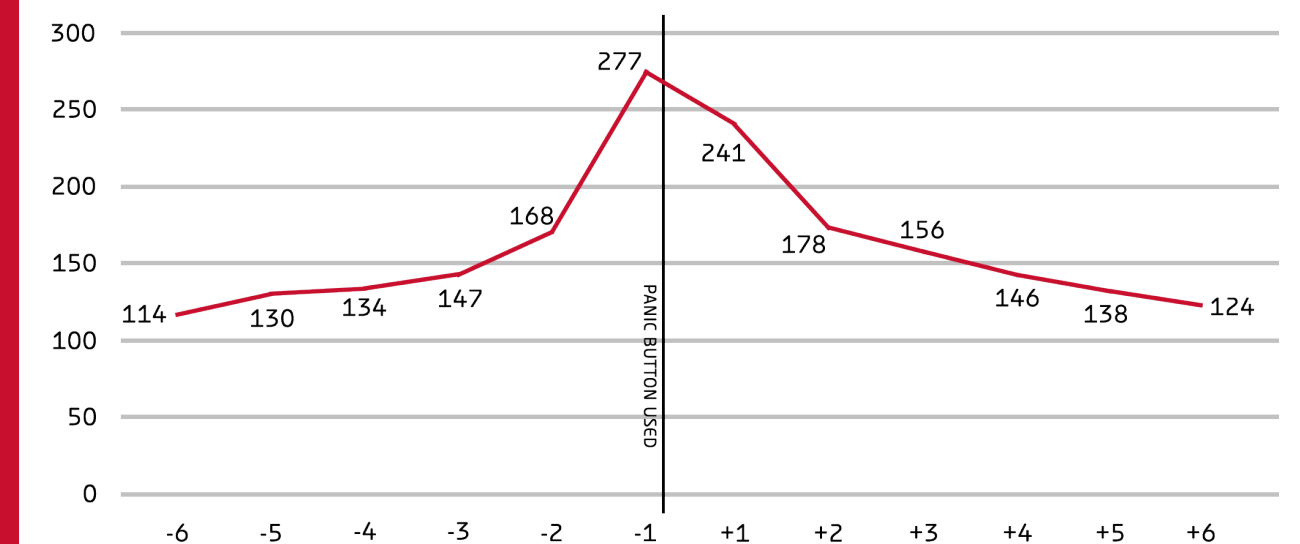
SPOTLIGHT – PANIC BUTTON

Although exclusions are considered an effective method to protect vulnerable customers, there is often a high threshold. Vulnerable customers use them as a last resort, typically after a certain degree of harm has already occurred. In some cases, this can be mitigated by exclusions imposed by the operator, but these depend on whether problem behavior can be detected early enough with sufficient certainty.

Therefore, new regulatory requirements added a more lightweight, simple exclusion, which was implemented by Tipico in the form of a Panic Button. Always on screen, it gives customers a one-click option to get excluded in OASIS for 24 hours. That way, the customer can ward off a potential loss of control or gain the necessary time to think about an indefinite self-exclusion. With about 10,000 customers using it every month, it is well-accepted.

During the first months of operation, we were the first to conduct and publish an evaluation of the feature and found that it is much more likely to be used than an exclusion. It is typically used once – repeated usage is very infrequent. After using the Panic Button, customers display a reduction in turnover, which indicates a more moderate gambling behavior.

STAKES PER WEEK

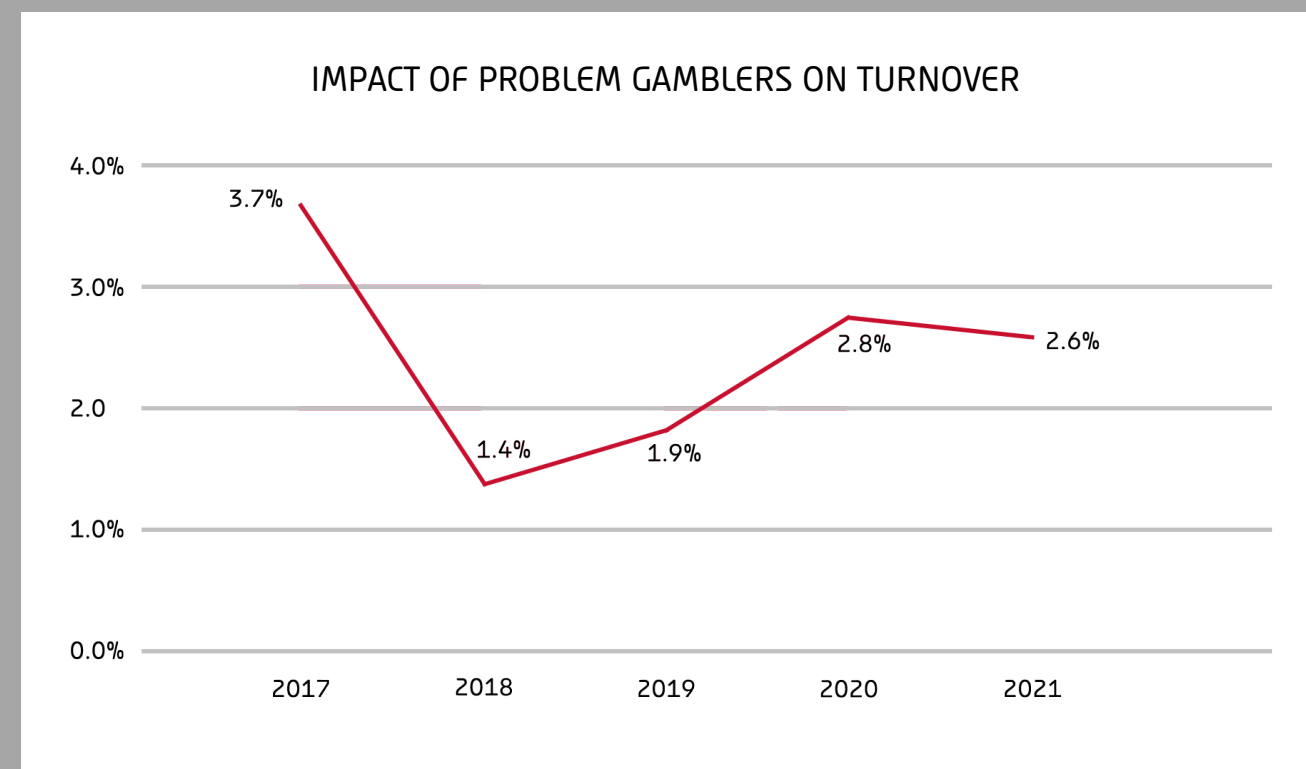


This initial evidence points towards the Panic Button being well-accepted, non-invasive and effective. However, more research will be required to investigate betting motives and the choice of bets in the phase after the Panic Button break.

PRODUCT QUALITY: IN SAFE HANDS

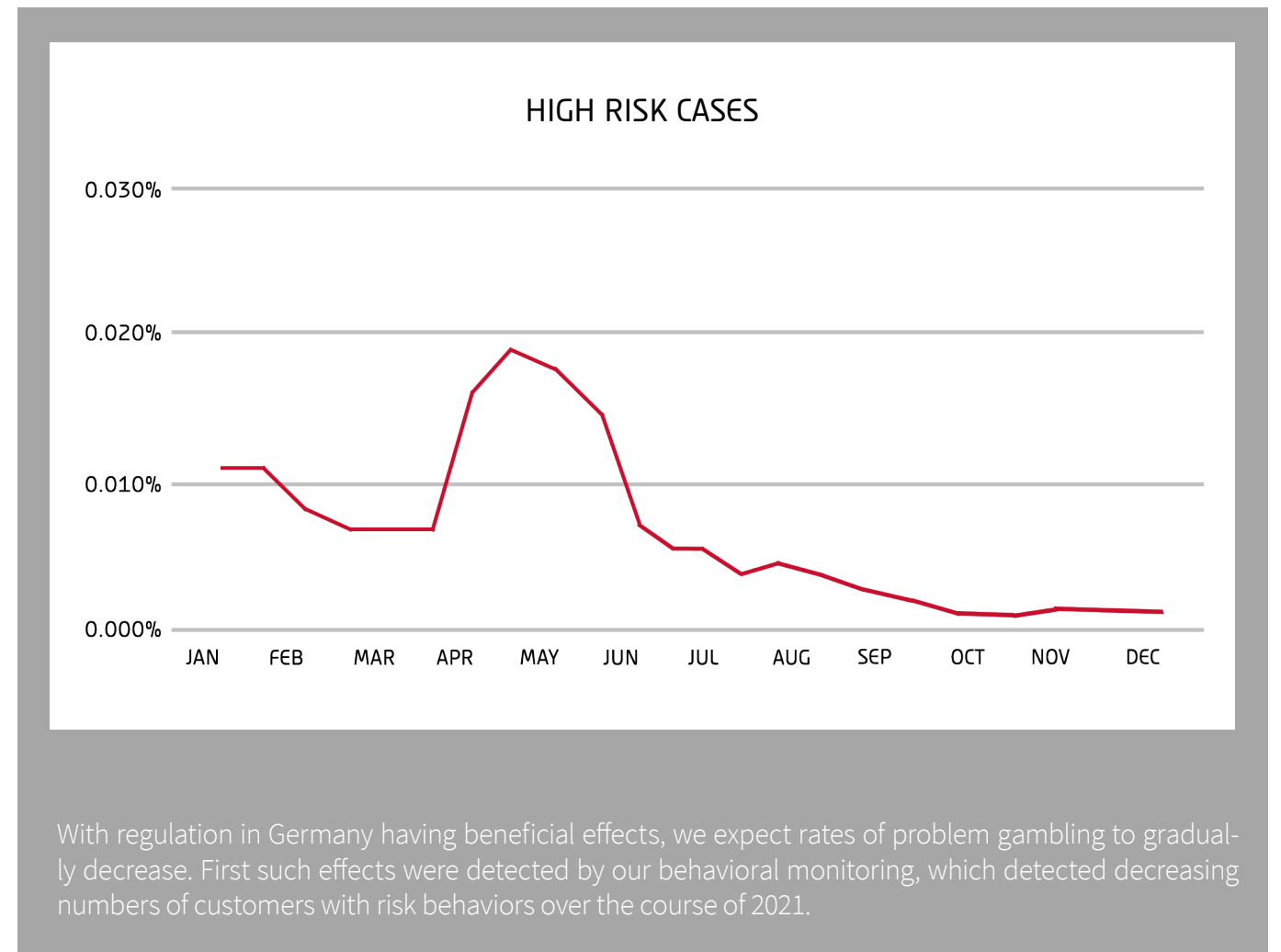
PERFORMANCE INDICATOR - REVENUE FROM PROBLEM GAMBLING

To measure the protection of vulnerable customers, Tipico has defined a KPI that consists of the turnover conducted by customers who would later exclude or be excluded before they were identified and given the protection they require. German prevalence surveys indicate ~2-3% of gamblers developing problems. Also, it is discussed that those who develop problems would likely spend much more than average gamblers. As a consequence, if this KPI is below 3%, this indicates that potential problem gamblers are tracked and excluded fast enough to prevent them from spending more than an average customer would.



Since 2018, Tipico has consistently been below this threshold, which indicates the effectiveness of our behavioral monitoring. Even though many commentators suspected COVID to have a detrimental impact on problem gambling rates, while the impact of problem gambling on our turnover slightly increased, we still managed to ensure that harm was prevented.

In 2021, we eventually saw a first downturn with the impact of problem gambling decreasing to 2.6% of our turnover and below 2.0% of our revenue. And with our continuous improvements in player protection, we expect to be able to sufficiently protect vulnerable customers at an increasingly early point after their registration. As a result of both effects, we expect revenue from problem gamblers to stabilize at a level of 1.5% or less.



With regulation in Germany having beneficial effects, we expect rates of problem gambling to gradually decrease. First such effects were detected by our behavioral monitoring, which detected decreasing numbers of customers with risk behaviors over the course of 2021.

TARGETS FOR 2022 AND BEYOND:

- » increase Net Promoter Score to 35 until 2023
- » reduce impact of problem gambling to 1.5% or less by 2025
- » complete OASIS project with all shops connected to the cross-operator exclusion database
- » revise and update Player Protection Concept in line with evidence gathered



RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH

WE ARE COMMITTED TO:

- » operating only in regulated markets and 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
- » operating in a way that safeguards against unfair business practices
- » supporting and respecting the protection of internationally proclaimed human rights

LAST YEAR'S TARGETS:

- » obtain a games license under the new legal framework
Licensing materials were submitted within the legal deadlines, but no licenses were granted by the authority to any operator within 2021.
- » risk management software rolled out to all entities
The risk management software has been rolled out in all locations except the U.S.
- » finalize Tipico Privacy Accountability Framework
The Tipico Privacy Accountability Framework, a Group-wide self-assessment benchmark, was successfully rolled out.
- » annual GDPR audits and annual overall benchmark for all Tipico Group operational entities
We kicked-off annual audits based on EGBA³ COC for the Online Gambling Sector and conducted physical GDPR Audits for Tipico Shops (TSAW - Frankfurt).

³ EGBA (2020). Retrieved from: <https://www.egba.eu/news-post/egba-demonstrates-commitment-to-gdpr-with-sectoral-code-of-conduct-for-data-protection/>

- » data retention matrix and implementation of effective data deletion practices
The customer data retention matrix is finalized, the employee data retention matrix is in a final approval phase and first effective data deletion techniques have been implemented. In 2022, we will finalize the remaining data retention matrixes (e.g. third-party data) and continue the implementation of effective data deletion practices.
- » keep compliance-related training for Tipico employees above +99% and the training for retail employees above +95% on a monthly basis
A completion level of 99% for online and 97% for retail employees was attained.
- » report data breaches to DPAs within 72h (if applicable) at 100%
No data breaches had to be reported to the Information and Data Protection Commissioner (IDPC) in 2021.

UNDERSTANDING AND MANAGING OUR PRINCIPAL RISKS

The gambling industry is a highly regulated market. At Tipico, we process the personal data of a million customers per year and conduct financial transactions for just as many. As a consequence, on top of gambling-specific regulation, anti-money laundering and data protection are regulatory topics that require our highest attention. As a regulated operator and obliged entity for the prevention of money laundering, in our approach to compliance, failure is not an option.

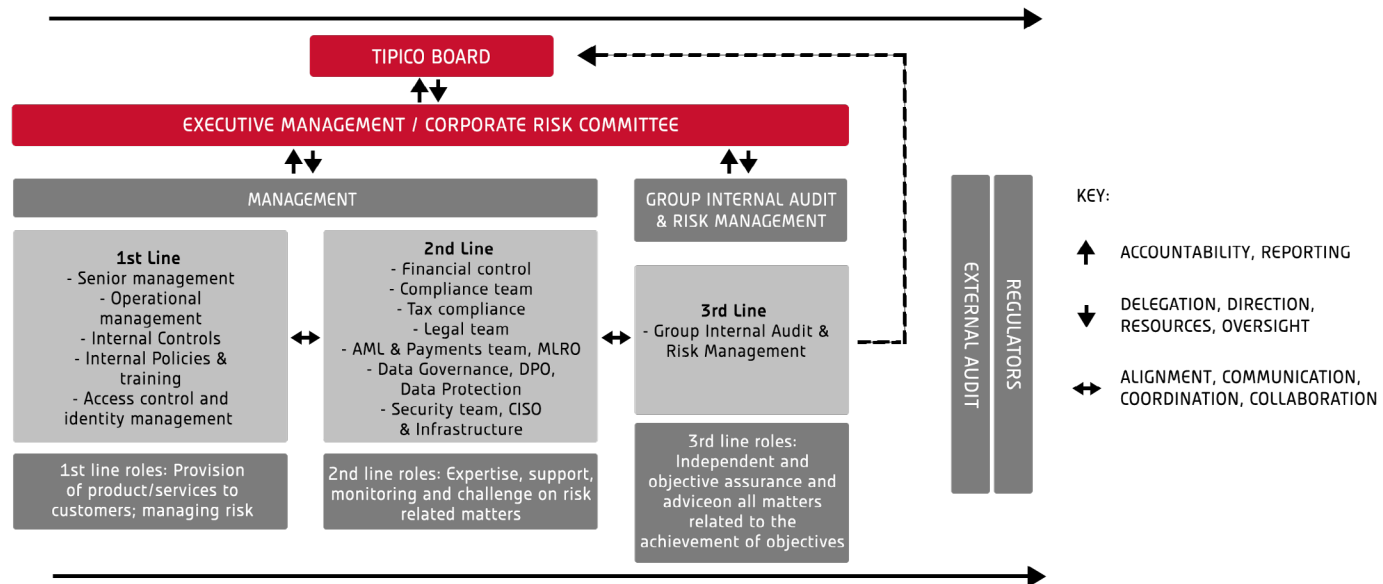
In order to enable the business to focus on achieving its strategic objectives and sustainable long-term growth, the identification and active management of both existing and emerging financial and non-financial risks is paramount.

We recognize both the threats and opportunities arising from these risks. This drives a better understanding of risk appetite, tolerance and management across our entities and locations.

RISK GOVERNANCE AND RESPONSIBILITIES:

THE BOARD'S RESPONSIBILITY	<ul style="list-style-type: none"> » Overall responsibility for risk management framework » Assess the scope and effectiveness of the risk management systems established by management
THE CORPORATE RISK COMMITTEE'S RESPONSIBILITY	<ul style="list-style-type: none"> » Ensure management and lines of defense are performing their roles in managing risk » Ensure that the risk register is properly maintained, updated and that the risks are managed » Ensure that the risk appetite is reviewed and understood » Ensure that material risks are being properly addressed » Ensure that emerging risks are identified, measured and monitored
EXECUTIVE MANAGEMENT RESPONSIBILITIES	<ul style="list-style-type: none"> » Identify, assess, monitor, manage and mitigate risk within the agreed risk appetite and exploit opportunities » Embed risk management as business as usual » Ensure that appropriate internal controls are in place and operating effectively » Ensure that all key risks are identified, including emerging risks, and that actions to mitigate risks are implemented

RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH



RISK MANAGEMENT FRAMEWORK AND PROCESS

We manage risks through detailed processes that emphasise the importance of the achievement of strategic objectives, regulatory and license compliance, integrity, trustworthiness, public accountability, and operational excellence.

The risk management framework seeks to ensure that there is an effective process in place to manage risk across all Tipico's entities and locations. Risk management is integral to all aspects of our activities and is the responsibility of all staff. Management has a responsibility to evaluate the risk environment, put appropriate controls in place 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.

On an annual basis, in the form of a stress testing, risks are identified, assessed and managed at both business level ("bottom-up") and Corporate Risk Committee level ("top-down"). This process takes into account material Environmental, Social and

Governance risks. The Corporate Risk Committee has oversight of these processes. Emerging or topical risks are examined to understand the significance to the business.

Tipico's Annual Report provides a full description of these principal risks, our mitigation strategy, and expected development.



SPOTLIGHT - RISK CULTURE AND INCENTIVIZING COMPLIANCE

Flawless compliance and effective efforts to mitigate environmental, social and governance risks can only be assured if every single employee strives to minimize risks on a daily basis. And while training and good processes can be a viable fundament, there also needs to be a very personal incentive. Therefore, every Tipico employee, independent of role or level in the company, has a Compliance and Risk mitigation target, which is directly linked to potential annual bonuses. Employees are only eligible for an annual bonus if we as a company succeed in mitigating our principal risks and manage to effectively prevent compliance breaches.

COMPLIANT PRODUCT OFFER

We focus on running our business in a transparent, fair and compliant way. 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 pronounced goal to obtain a German license once the legal framework allows us to apply for one. This became possible in late 2020, when a German Sports Betting license was awarded to Tipico. But this was not the end of the process. In summer 2021, directly after it became possible, Tipico filed for a license for Virtual Slots Games. By the end of 2021, no such license had been granted – neither to Tipico nor to any state-owned or private operator. As a consequence, Tipico is still operating those offers based on the requirements of the Gambling State Treaty and the interim regime declared in late 2020.

REVENUE FROM REGULATED MARKETS: 100%

where Tipico is licensed or has submitted licensing documents and the offer is tolerated.

We also filed for permits for every single land-based venue in Germany within 2021. And even though many of the federal States have started to issue formal permits according to their own State regulations, the process is still not complete.

We are confident that the highly complex regulatory situation favors operators like us, since we have a proactive approach to compliance. It is our goal to offer the best solution for the customer within the regulated and licensed market. Our expertise in compliance management guides the company towards adapting to the newly regulated environment in a quicker, smarter and thus better way than our competitors. On top of managing the compliance framework regarding obligations associated with our gambling license, our compliance department manages anti-money laundering, responsible gambling and the dialog with regulatory authorities.

RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH

SPOTLIGHT - COMPLIANT PRODUCT DEVELOPMENT

A variety of regulatory requirements directly affect product features and functionalities. As a consequence, Compliance is directly involved in the development of every product feature that is part of a regulatory requirement or could affect regulatory requirements.

For this purpose, Compliance defines formal acceptance criteria the product must satisfy in order to be released. These acceptance criteria become part of the product testing catalogue and are the templates for product testing cases. The testing cases are conducted before the release and before subsequent releases of other product changes.

As long as testing cases do not lead to the desired compliant outcome, a product release cannot be approved.

Our team also analyses regulatory risks and consults all business areas concerning the implementation of regulatory requirements, providing relevant Group guidelines and training content. It is thereby an important goal to be a trusted partner of the regulatory authorities and our external partners.

Despite the success concerning the German concession, we continue to advocate the introduction of modern and viable sports betting regulations in collaboration with the German Sports Betting Association (DSWV), which was founded in 2014 by leading German and European betting providers, as well as the Österreichischer Sportwettenverband (OSWV). The focus of the further development particularly includes the aspects of player and youth protection as well as addiction prevention.

PERFORMANCE INDICATOR - REGULATORY SUPERVISION

The Responsible Gaming Unit within the Malta Gaming Authority (MGA) conducted an audit on Tipico Co. Limited and Tipico Games Limited against the requirements stipulated in the Player Protection Directive. The findings confirm that the internal policies and procedures are robust and in line with the requirements set out in law, specifically the Regulations and the Player Protection Directive. Also, the audit provided important insights to help us further improve player protection in our day-to-day operations.

Tipico was fined €531,250 by the Dutch gambling regulator Kansspelautoriteit (KSA). At times, while not targeting the Dutch market with advertising or offering our services in Dutch, the company had not explicitly blocked its offers for the Dutch region through geo-blocking. In order to prevent access, we had set up IP geoblocking independently of the activities of the KSA. At no time did Tipico intend to bypass existing restrictions. The KSA imposed at least 23 fines of comparable size, whereby almost every well-known provider was affected.

No further fines or rulings regarding gambling compliance, anti-money laundering (AML), data protection or anti-competitive behavior were issued in 2021.

KEEPING OUR DATA SAFE

We are 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 (DSAR) process is set up along with an updated privacy policy section where customers can find transparent information on their data subject rights.

In 2021, we experienced equally high (as compared to 2020) demands for information related to data protection by our customers.

As a result, we noticed nearly 30,000 data subject access requests in 2021. All were handled in close collaboration between the Customer Service and Responsible Gaming Teams and our Tipico Data Protection Officer (DPO). More than 90,000 data subject access requests were noticed since the GDPR became effective on May 25, 2018.

MORE THAN

90,000

DATA SUBJECT ACCESS REQUESTS SINCE
THE GDPR BECAME EFFECTIVE ON
MAY 25, 2018.

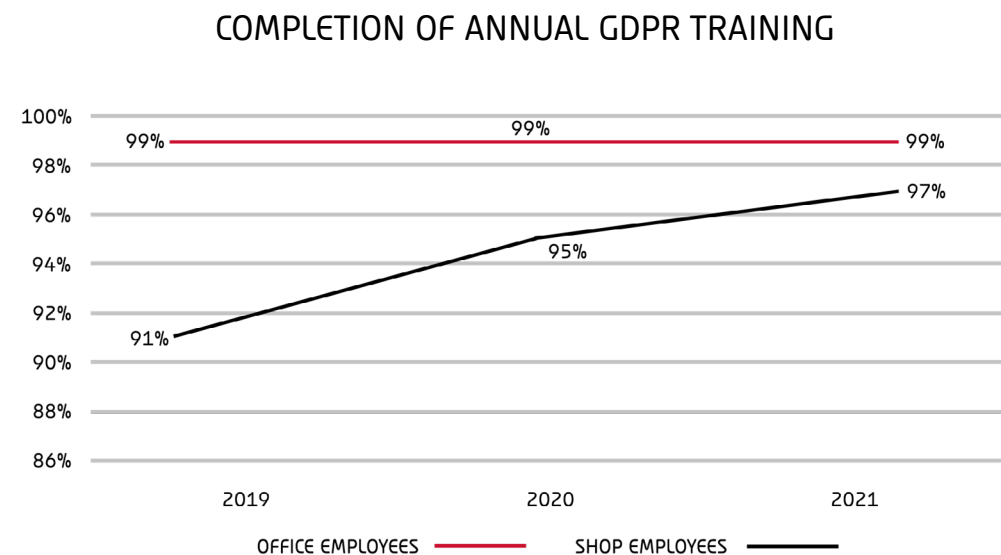
SPOTLIGHT - PRIVACY BY DESIGN

Compliance is of course not a one-shot exercise. To assure compliance with the General Data Protection Regulation (GDPR), we implemented a process for continuous monitoring of the impact felt by new legislation (e.g. use the new SCCs (Standard Contractual Clauses) adopted by the EC on June 4, 2021) and communicate requirements and action points to the business if needed (e.g. comply with the EDPB Recommendations 01/2020 on measures that supplement transfer tools to ensure compliance with the EU level of protection of personal data (v2.0) adopted on June 18, 2021).

We established several data protection impact assessments (DPIA's) concerning high-risk processing activities (e.g. regarding the Gaming Malta Foundation vaccination program for employees in the gaming sector, contact tracing in retail, etc.) and continued cooperating with all relevant authorities.

RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH

To continuously embed the topic within the company, various GDPR awareness actions (e.g. article on Data Protection by Design and by Default (DPbDD) for the Scrum Master Chapter) and training sessions were also carried out in 2021:



More than 99% of Tipico Office employees and 97% of Tipico Retail employees completed the annual GDPR training (refresher and awareness) in 2021.

On an uninterrupted basis, in close collaboration with the Chief Information Security Officer (CISO), IT Security and Digital teams, we continuously improve our Technical and Organizational Measures (TOMs) to stay ahead of security threats. We were able to successfully cope with all cyber-attacks we encountered during 2021 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 the recertification audit in 2021. We also kicked off annual audits based on EGBA¹ COC for the Online Gambling Sector and conducted physical GDPR Audits for Tipico Shops (TSAW - Frankfurt).

BUSINESS ETHICS

Around four years ago, we developed our Tipico Ethics Code, which provides guidance to all employees, who individually sign off on the policy. 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 who receives gifts and/or 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 in order to allow for a transparent discussion of the involved risks and to ensure 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. Furthermore, 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.

PERFORMANCE INDICATOR - RISK OBSERVATIONS AND DATA BREACHES

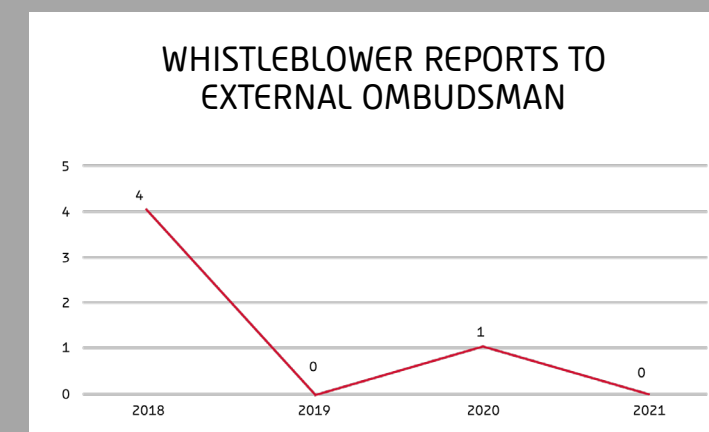
As a result of the excellent training level, employees are highly sensitive to risks. In 2021, our DPO was made aware of 27 potential data breaches. Those reports were investigated and none of them signaled a potential (high) impact on the rights or freedom of the data subjects. Consequently, no data breaches were reported to the Information and Data Protection Commissioner (IDPC) in 2021.

POTENTIAL DATA BREACHES REPORTED	2018	2019	2020	2021
Observations reported to DPO (internal)	24	28	23	27
Incidents reported to IDPC by DPO	2	0	0	0
Within 72 hours (target 100%)	100%	N/A	N/A	N/A

Further to the above, we followed up on two official requests for investigation from outside parties/regulatory bodies which were received in 2021. The Tipico Data Protection Office provided full cooperation in these investigations. Nevertheless, we had not received final feedback by the end of the year.

PERFORMANCE INDICATOR - WHISTLEBLOWING CASES

As part of our Whistleblowing Policy, we have instituted an external, independent ombudsman as a contact for whistleblowers.



ZERO WHISTLEBLOWING REPORTS WERE REGISTERED TO THE EXTERNAL INDEPENDENT OMBUDSMAN

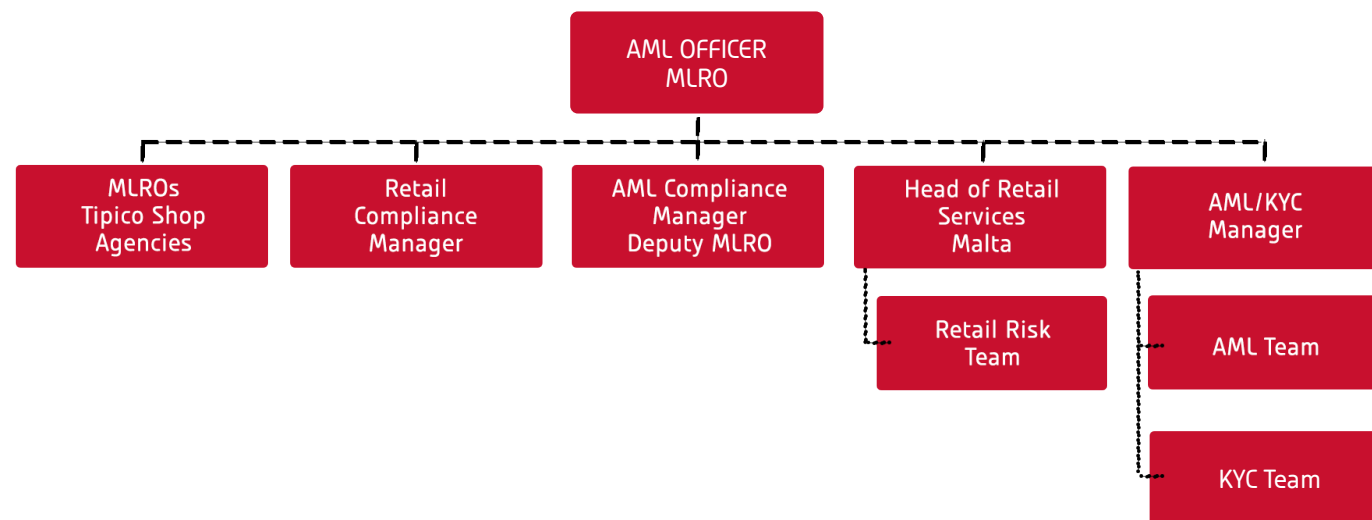
ZERO WERE CLASSIFIED AS SERIOUS CASES

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.

RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

In 2021, Tipico continued strengthening its internal anti-money laundering (AML) and combating the financing of terrorism (CFT) framework and the operational teams were expanded in order to further strengthen AML/CFT compliance. This was especially necessary since the regulatory requirements and the expectations of the competent authorities are continuously growing.



The basis of all AML/CFT efforts is laid out within the AML/CFT Policy, which must be read by every employee of the Tipico Group. While the policy defines the regulatory requirements and responsibilities, there are several subordinated procedures which provide detailed guidance to the operational teams on how to:

- » carry out customer due diligence
- » investigate potential matches for politically exposed persons and sanctioned individuals
- » carry out enhanced due diligence and
- » assess unusual/suspicious behavior

The policy, procedures and mandatory risk assessments, such as the customer and business risk assessment (CRA and BRA), undergo regular reviews in order to comply with applicable legislation and to continue focusing on the mitigation of the most present risks.

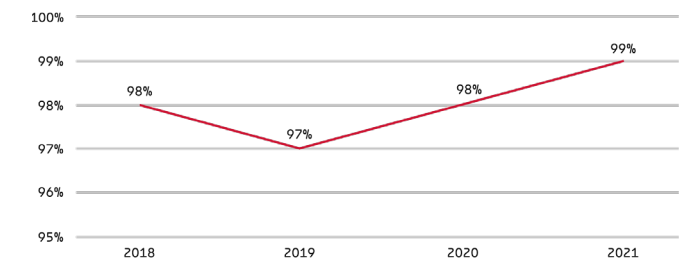
The AML/KYC team and the Retail Risk team follow a risk-based approach in monitoring the activities of all customers and franchise partners on a daily basis. At the end of 2021, more than 40 FTEs were carrying out AML/CFT-related B2C and B2B checks.

All Tipico Group employees are required to complete an internal AML/CFT online training. At the end of this training, the employees must successfully complete an assessment of questions. Furthermore, the online training needs to be repeated on an annual basis. Since 2018, the completion rate has been >97% and it was 99% in 2021.

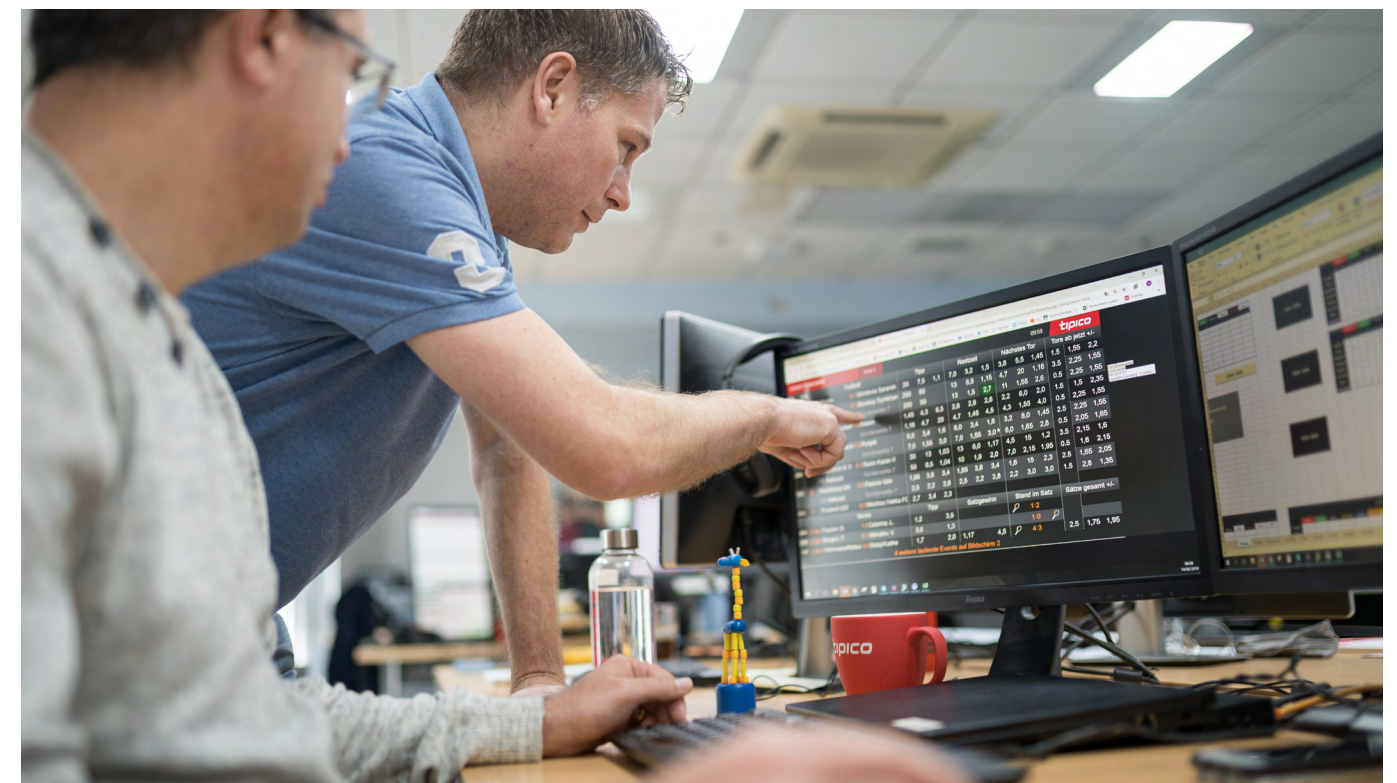
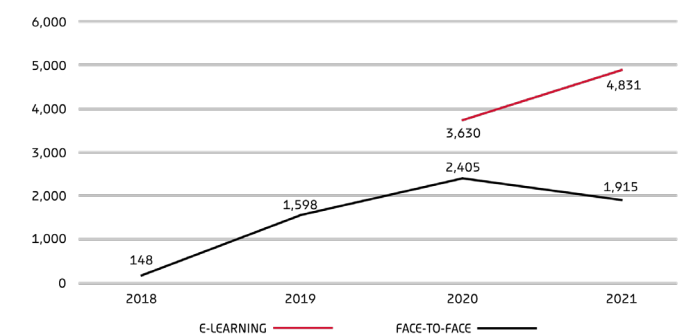
The cashiers in the Tipico betting shops are also required to receive AML/CFT training. New cashiers need to attend classroom training as well as an eLearning course, which both cover AML/CFT-related matters. The eLearning course needs to be repeated by all cashiers on an annual basis. In 2021, a total of 1,915 cashiers attended the classroom training and 4,831 completed the eLearning course. Consequently, 93%/99% of all cashiers have completed the classroom training and eLearning respectively.

Additionally, more specific training is provided either by the MLRO/Deputy or external providers to relevant operational teams, such as AML/KYC, Customer Support, RG, Payment & Fraud or bookies, who are most likely to observe AML/CFT-relevant behavior.

COMPLETION OF ANNUAL AML TRAINING



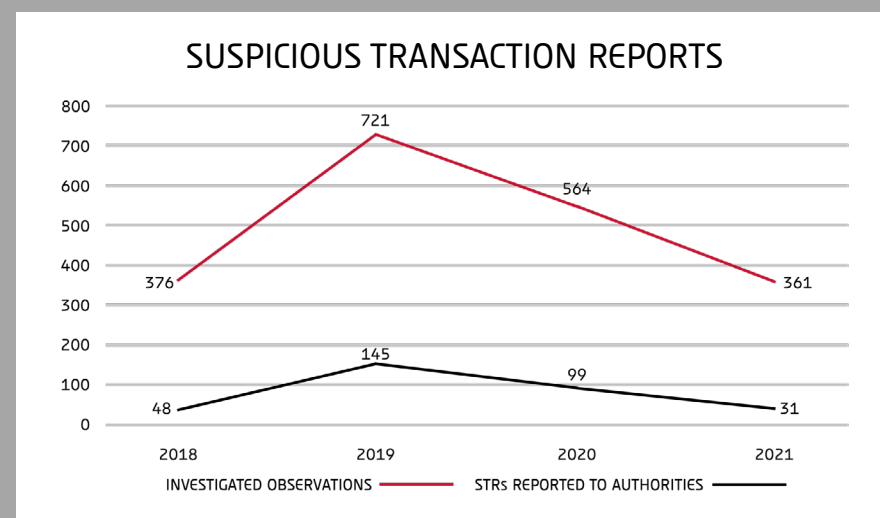
RETAIL SERVICE STAFF TRAINED



RESPONSIBLE BUSINESS OPERATIONS: OUR APPROACH

PERFORMANCE INDICATOR - SUSPICIOUS TRANSACTION REPORTS

Over the past years, all internal STRs were reviewed by the responsible MLRO and, in those cases where the suspicion could be corroborated, reported externally to the responsible authorities. With the help of the operational teams and systematic controls, the number of investigated cases and the number of suspicions reported to the authorities remained on a high level. The quality of internal STRs improved significantly, due to the employees' better awareness and understanding of typologies that are relevant for AML/CFT and therefore need to be reported internally. This consequently led to a decrease in internal STRs since 2020, since many irrelevant observations are no longer being reported.



While Tipico has always carried out EDD investigations in the previous years, the trigger events for an EDD investigation were revised, aligning them even more with the risk-based approach. The EDD procedure was comprehensively updated and the AML team was equipped with new tools, allowing them to conduct more accurate investigations, not only on account-basis, but on a customer basis. Since the roll-out of the new process, on average 1,000 alerts are being generated in a month and are then investigated by the AML & KYC team. Depending on the risk detected for each customer, actions and measures are applied to mitigate said risks, e.g. account closures, ongoing monitoring, deposit limits, document request for the source of wealth/funds.

TARGETS FOR 2022:

- » safeguard full compliance of our products in all markets
- » consider ESG and compliance-based targets for performance evaluation for all employees
- » put a Schrems II task force in place and review and adapt all new and existing contracts to comply with the Schrems II decision (ECJ Case C-311/18)





STAKEHOLDER ENGAGEMENT

WE ARE COMMITTED TO:

- » expressing our values through charitable giving and corporate projects
- » promoting active involvement in the communities through volunteering initiatives
- » supporting employee-driven activities
- » monitoring our supply chain to reduce risks and minimize negative societal impacts
- » informing business partners about responsible business practices
- » focusing on trustful, long-lasting and sustainable business relationships

LAST YEAR'S TARGETS:

- » organize at least four events in which employees can learn more about sustainability while supporting local organizations (e.g. CSR Days)
 - Due to COVID-19 restrictions, we did not organize as many events as in the years before the pandemic. However, in 2021, we managed to organize Diversity Day, Pink October and Movember events in an online mode where our colleagues learned about social aspects of sustainability and contributed to good causes in their locations.
- » offer possibilities to participate in charitable sporting initiatives
 - All sporting initiatives were cancelled or rescheduled in 2021. Sport is essential to us, so we therefore aim to restart Tipico's participation in sporting initiatives in 2022, which will be assessed as risk-free taking next year's COVID-19 pandemic situation into consideration.

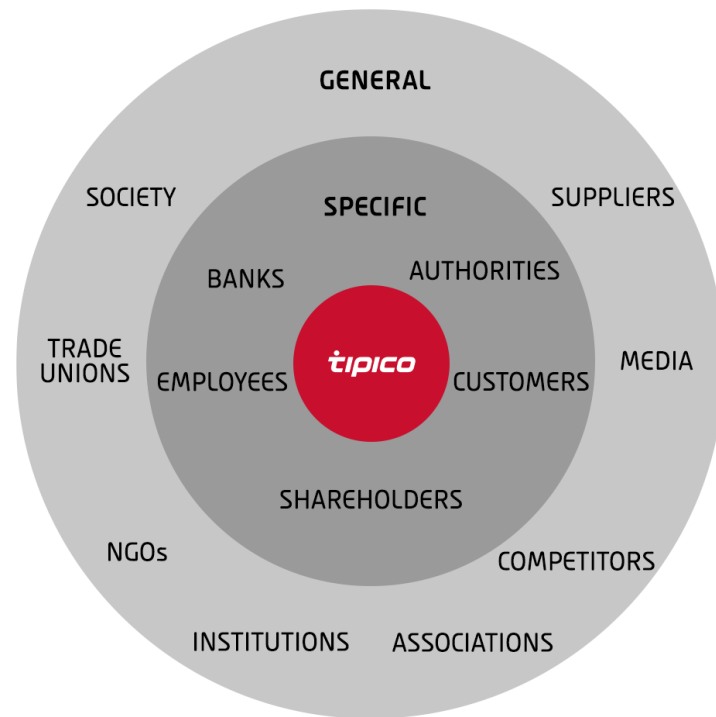
- » increase integration of further business entities, especially Croatia
 - As we were limited in organizing offline CR events in 2021, we therefore did not involve our entity in Croatia as planned. Nevertheless, our Croatian office kicked off an online CR initiative.
- » keep our good partnerships with the NGOs in our local communities
 - We supported eight NGOs in 2021 in our business locations in Malta and Germany, contributing to their efforts to combat women's rights violations, food scarcity, unemployment among youth, environmental injustice, and other crucial topics. We also partnered with three institutions which focus on the prevention of gambling addiction.
- » upgrade procurement function through standardization, digitalization, and consolidation of the supplier onboarding and purchasing process within Tipico
 - By moving operations into a digital environment in 2021, we were able to continue business operations with minimum disruption, especially during the pandemic period.
- » onboard further Tipico entities into established procurement process
 - In 2021, we continued with the roll-out of the purchasing and contract management tools to other locations, as well as the supporting documents around them. The scope of entities included in the report increased from seven to ten with inclusion of our Tipico Technology Services and Retail Services offices in Germany.
- » increase scope of Data Protection and Information Security responsibilities of our suppliers
 - We increased the scope due to regulatory changes emerging from Brexit in 2021. A task-force was set up to monitor developments to steer through the changes and implement them in accordance with timelines.
- » increase scope of our HIRA assessment (Human Rights and Impact Assessment) from local operations to main suppliers outside the local community
 - In 2021, we extended the scope of HIRA assessment to our most relevant suppliers' locations, where we have at least 10 suppliers.
- » keep procurement from countries outside the EU below 5% (long-term target)
 - In 2021, we procured mainly in the EU, EFTA⁴, the UK and the U.S. (62%) and the local community (28%), while 10% of partners came from outside of these countries.

⁴ EFTA countries include Iceland, Liechtenstein, Norway and Switzerland.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER MAPPING

We decided to differentiate stakeholders by the focus of their interest and knowledge. The inner ring shows stakeholders with a detailed knowledge and a high degree of interest in our business model. They are highly engaged and vital for our success. The outer ring shows stakeholders who are equally relevant but who may perceive Tipico's impacts in less detail and more from a holistic point of view. And although they also influence Tipico's operations and are part of our circle of our attention, they might interact with Tipico on a more general, superficial level.



OUR COMMUNITIES: OUR CONTRIBUTIONS

We 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 gambling offers. In 2021, more than €220 million 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

The Tipico Group complies with all national requirements of fiscal legislation, including betting taxes, relevant to the respective tax jurisdictions in which the Company and its subsidiaries operate, VAT, permanent establishment and transfer pricing considerations.

We also regularly monitor change in tax laws in countries in which the Group operates as well as developments on an international level (EU, OECD) and consider 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.

In 2021, additionally more than €195,000 was spent by Tipico on donations, research to prevent gambling addiction and player counselling programs within the main markets in Germany and Austria.

Every project, organization, and association that was supported with donations in 2021 pursues charitable purposes. We follow strict internal guidelines and emphasize the support of projects that suit Tipico values, meet our own sustainability requirements and support local communities.

ENGAGEMENT WITH NGOS AND INSTITUTIONS

We believe that good causes matter and continued supporting NGOs and institutions for development of local communities in 2021. For Tipico, the most central topic is to work with stakeholders to make gambling as safe as possible. Therefore, in 2021, Tipico supported research projects of several leading German institutions with financial funding, access to de-identified data and signposting their projects to our customers. Research into the prevention of gambling-related issues is still a relatively new discipline and all too often regulation takes place devoid of a solid evidence base. Therefore, fostering this research is in the interest of all stakeholders to strengthen the applied player protection framework. The gambling industry plays a unique role here: Only we have direct access to customers. Only we have direct access to transactional gambling data. Both are important for many research topics and we are aware of our responsibility to support innovative research.

It is central for the prevention of addiction that gambling operators like Tipico aim to identify gambling issues as early as possible and intervene appropriately. And although an exclusion can be an important first step for a person to overcome gambling-related issues, it cannot replace counselling and treatment. Therefore, Tipico does not only signpost contact data of counselling and treatment providers but also actively supports them in the markets in which we operate.

SPOTLIGHT – FOSTERING CONSUMER PROTECTION THAT BENEFITS THE CONSUMER

For years, Tipico has supported research projects that aim at improving consumer protection and the prevention of gambling-related issues. This support has taken the form of financial funding, signposting projects to customers or access to de-identified transaction data.

In 2022, Tipico will be taking these projects to the next level. Instead of supporting singular, promising projects, Tipico – together with other private and public operators – will establish a foundation to award outstanding work in the area of player protection. Research into player protection that takes into account the effectiveness of protective measures as well as their acceptance by consumers shall qualify for awards.

This is relevant because consumers are often disregarded and not consulted as stakeholders when it comes to gambling regulation. This can lead to the problematic situation where consumers are only the object of player protection, but not the subject. We believe the voice of consumers must be heard and regulation should focus on science-based player protection measures that are effective and considered relevant by consumers.

STAKEHOLDER ENGAGEMENT

In 2021, we continued our collaboration with the United Charity and the Austrian Sportsaid Association (Sporthilfe Österreich) in order to auction unique jerseys signed by football stars and VIP tickets to football matches. We raised €3,000 from the auctions, which were donated to good causes.

Bundesliga-Hammer! Zwei VIP-Tickets für das Heimspiel des FC Bayern gegen den VfL Wolfsburg – plus Trikot

In 2021, we provided donations to eight further local NGOs which are engaged in combating women rights violations, food scarcity, unemployment among youth, environmental injustice, and other crucial topics.

EMPLOYEES ENGAGEMENT AND VOLUNTEERING

We encourage the involvement of our colleagues in volunteering and charity initiatives driven by them. Each Tipico employee has two days per year which can be spent on volunteering activities. We also offer a matching scheme to support fundraising for CR-related events and provide a personal budget for the participation in charity races and charity tournaments.

In 2021, we were unfortunately limited in participation in on-site charity events due to the pandemic. However, we were able to organize them in an online mode. At the beginning of the year, our colleagues had the opportunity to stock up on numerous Tipico merchandise items by contributing a donation. Due to their support, almost €10,000 were collected including the Tipico extra payment and part of the donation went to United Charity, which submitted the donations to various social projects around the world. The other part supported the earthquake victims in Croatia.



In summer, after the devastating news of the catastrophic floods in Germany, many of our colleagues wanted to help in any way they could and supported the flood relief efforts. Across our Tipico locations, we managed to collect €2,000. This sum was sent to the German Red Cross, who were working to provide help and support to all those affected by the floods. We are proud that our colleagues also participated on-site supporting rescue operations in the damaged area.

October and November were dedicated to raise cancer awareness. In autumn, we therefore kicked off online Pink October and Movember events which were aimed at raising awareness about breast and prostate cancer and support projects associated with these issues. We started by launching Pink October at Tipico, and received some great and creative photos of our colleagues wearing pink clothes. In total, we managed to raise €3,120, as Tipico donated money per photo posted in the internal channel. Our Croatian office then invited everyone to participate in the Best Moustache Contest for the Movember initiative where Tipico donated for every single photo with a moustache.



SUPPLY CHAIN ENGAGEMENT

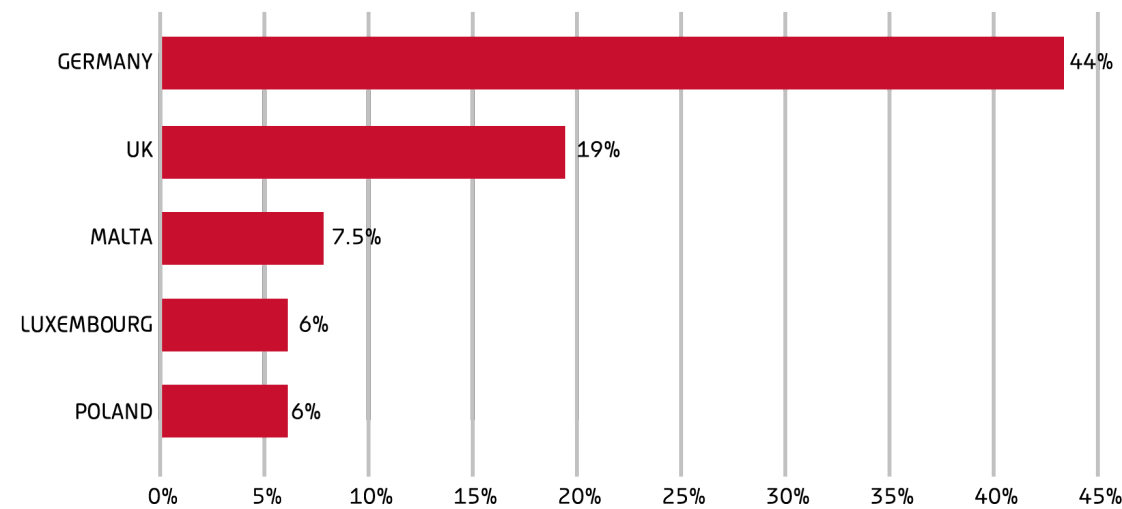
Being a provider of digital services, our supply chain is not very complex. We do not rely on raw materials, but rather purchase products and services supporting our daily operations, such as professional consultancy, marketing and sponsorship, sportsbook and gaming, infrastructure, and IT security.

We classify suppliers into 3 categories: “local”, “non-local (EU associated, the UK and the U.S.)” and “non-local (Rest of World)”. For us, “local” means suppliers based in the same country as the receiving entity. The second “non-local” category includes 27 EU member states, 4 EFTA countries, the UK and the U.S. The remaining countries are included in the “non-local” (Rest of World) category.

STAKEHOLDER ENGAGEMENT

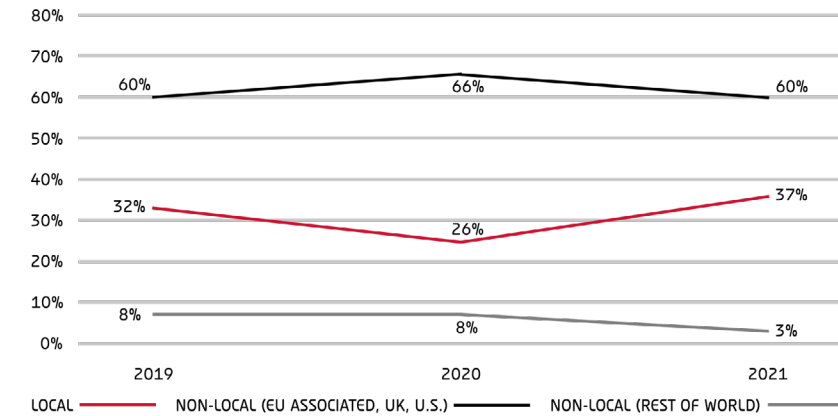
Based on spendings, we purchased most of the products and services from Germany, the UK, and Malta in 2021:

SPENDINGS PER COUNTRY IN 2021



The number of local suppliers has increased by 11% compared to 2020, while the number of non-local suppliers within the EU, EFTA, the UK and the U.S. has dropped by 6% in 2021. Thus, in terms of number of suppliers, we are on the right track to act more locally. However, in terms of spending on local suppliers and our positive impact on local economy, there is still room for improvement.

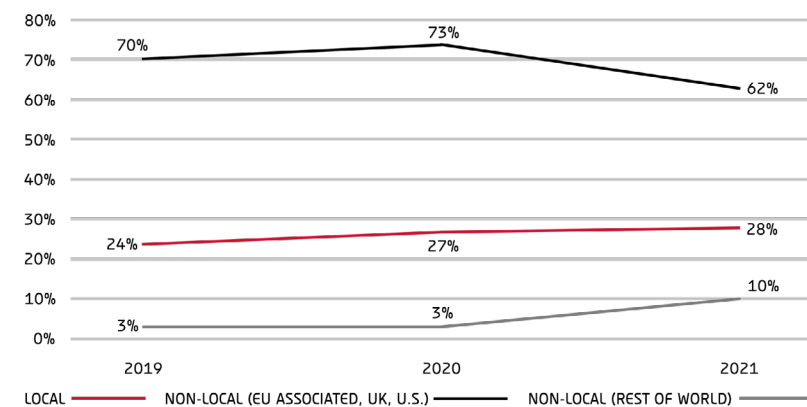
GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON AMOUNT OF PARTNERS



PERFORMANCE INDICATOR - OUR PROGRESS TOWARDS LOCAL PURCHASING

Compared to 2020, we purchased more from non-local suppliers outside of the EU, EFTA countries, the UK and the U.S. in 2021 (+8%). Our aim is to purchase more from the local suppliers, supporting communities there and thus the local economy where we operate (+4% compared to 2019). Also, as a positive effect, we will reduce the environmental impact from shipping by purchasing from the countries in which Tipico entities are located.

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS BASED ON AMOUNT OF SPENDINGS



Trust, transparency and reliability are crucial for us when choosing new business partners. For each of our potential business partners, a risk assessment is conducted by Tipico. The screening is based on such parameters as the country of operation, type of service or monetary value of the contract to name a few. Based on the results, specific due diligence checks are carried out in line with regulatory requirements. As part of these checks, we screen individuals and organizations through an established compliance-checking engine. Enhanced due diligence (EDD) is subsequently triggered in the case that any suspicious result is encountered during the checks, always in accordance and agreed with the Money Laundering Reporting Officer.



STAKEHOLDER ENGAGEMENT

Each of our suppliers acknowledges Tipico's Supplier Code of Conduct, which is based on the UN Global Compact values and thereby promotes ethical, social, environmental and economic progress. Besides this, we perform a HIRA assessment, identifying risk of violations based on 14 human rights indicators included in international standards. 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; wage; health & safety; contract workers; community impact (e.g. on the environment, health, livelihood, etc.); land management; bribery and corruption; support of armed actors; grievance mechanisms.

In 2020, we carried out this assessment for the Tipico operations and came to the conclusion that none of the countries posed a risk in terms of human rights violations, whereby only Colombia was rated as a moderate risk.

COUNTRY	NO. OF EMPLOYEES	HDI INDEX ⁵	FREEDOM IN THE WORLD ⁶
GERMANY	1260	0.94	FREE
MALTA	376	0.89	FREE
GIBRALTAR*	6	0.93	FREE
U.S.	25	0.92	FREE
CROATIA	142	0.85	FREE
COLOMBIA	47	0.76	PARTLY FREE
WEIGHTED SCORE		0.92	

In 2021, we extended the scope of this assessment from Tipico's operational locations to suppliers' locations where we have at least 10 suppliers. All locations were assessed as low risk, having a high HDI index (Human Development Index) and freedom in the world.

COUNTRY	SUPPLIERS AMOUNT IN 2021	HDI INDEX ⁵	FREEDOM IN THE WORLD ⁶
GERMANY	226	0.94	FREE
MALTA	132	0.89	FREE
UK	81	0.93	FREE
U.S.	47	0.92	FREE
AUSTRIA	36	0.92	FREE
IRELAND	17	0.96	FREE
GIBRALTAR*	10	0.93	FREE
POLAND	10	0.88	FREE
SWITZERLAND	10	0.98	FREE

In 2021, we continued to invest in standardizing procurement processes 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. We also rolled out our new purchasing tool to Tipico Technology Services and Retail Services, which helps to centralize all approvable purchases. Having a common framework, understanding and controls ensures that all measures and requirements for evaluation are kept to approved levels and by making this digital, the processes can continue to be available and met in accordance with our policies. Additionally, we moved purchasing operations into a digital environment to continue business with minimum disruption. By digitalizing, we also reduced the need to depend on paper resources in line with our environmental strategy.

Data protection, data privacy and information security are embedded within the company and we expect our suppliers to also comply with the constantly changing regulatory environments by implementing appropriate practices and frameworks in accordance with timelines. To enable us to stay on top of developments, we have task forces within the company with key stakeholders to monitor, detect and react to changes as and when they occur as well as to manage and prevent any of the risks. As a multinational Group of Companies, it is increasingly important to us to ensure standards are uniform throughout.

TARGETS FOR 2022 AND BEYOND:

- » increase the supplier review process scope regarding supplier credit scores, cyber security scores, ESG scores and due diligence
- » keep procurement from countries outside the EU, EFTA, the UK and the U.S. below 10%
- » create a funding structure to systematically support research focused on creating effective player protection, which is embraced by customers
- » increase volunteering offer and CR activities as per pre-COVID level with a long-term participation goal of 50% of employees by 2025

⁵ UNDP (2020). Retrieved from: <http://hdr.undp.org/en/countries>

⁶ Freedom House (2020). Retrieved from: <https://freedomhouse.org/report/freedom-world>

* in our assessment for Gibraltar we used data for the UK from HDI and Freedom in the World



OUR ENVIRONMENTAL IMPACT: LESS IS MORE

WE ARE COMMITTED TO:

- » measuring our environmental performance through the 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
- » relying on innovations and technologies to minimize atmospheric emissions
- » promoting awareness regarding environmental guidelines for employees and society

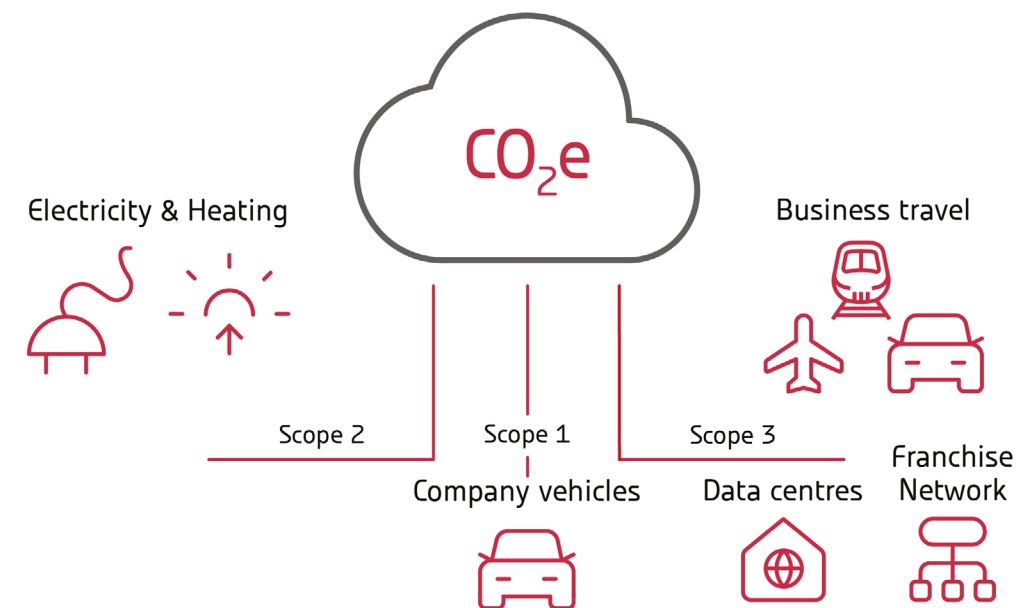
LAST YEAR'S TARGETS:

- » adjust the new travel booking system in order to increase the tracking accuracy of our business travel
 - We introduced a new travel booking system in our office in Malta and Tipico Retail Services in Germany in March 2021. The new system is more accurate in tracking travelling data and efficient in calculating the carbon footprint of business trips.
- » further improve CO₂e emissions from a pre-COVID level
 - We reduced CO₂e emissions in Scope 3 due to travel restrictions and an 85% increase of virtual meetings replacing physical ones compared to 2020.
- » source renewable electricity in all Tipico shops (by 2023)
 - The project is on track. In 2021, 80% of electricity originated from renewable sources across all retail shops operated by Tipico.

EMISSIONS TO AIR

We operate mainly in the European Union countries which are parties to the United Nations Framework Convention on Climate Change, its Kyoto Protocol and the Paris Agreement. Following the Framework obligations, we report annually on our greenhouse gas emissions, climate policies and progress towards the targets. In 2021, our greenhouse gas intensity (Scope 1 and Scope 2) in relation to gross Tipico Group revenue was 2.1 metric tonnes of emissions per million euros of Gross Gaming Revenue.

As a service provider, we have a low level of emissions. However, we assume responsibility for our climate impact and take steps to put more back into the environment than we take from it. We have identified direct and indirect emissions from operations of Tipico Group entities. The highest level of emissions is in Scope 2 associated with electricity and heating consumption by Tipico shops and in Scope 3 connected to Tipico franchise partner shops' operations. Based on this, we set an ambitious target to switch to renewable sources of energy across all Tipico shops by the end of 2023 to significantly reduce our carbon footprint.



SPOTLIGHT - DATA QUALITY IMPROVEMENTS AND ENERGY AUDIT

In past reports, Scope 2 data referred to our office locations but left out the Tipico shop locations. These have been included in this report, which will lead to a substantial increase in Scope 2 emissions. For reference, the 2021 emissions based on the previous reporting will also be displayed.

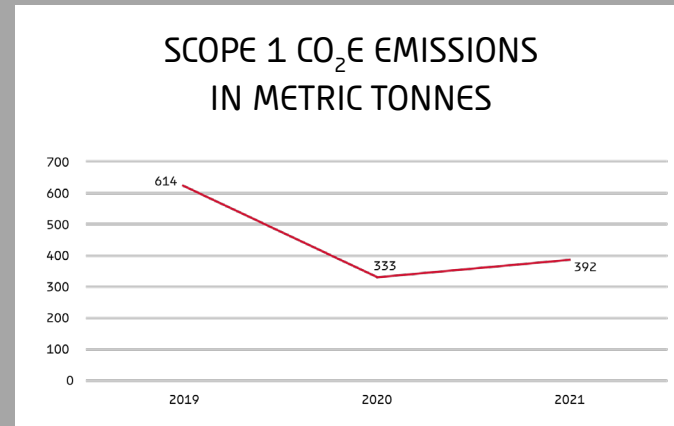
In past reports, Scope 3 focused on business travel and data centers. However, it left out emissions from shops operated by our franchisees. This report will include an estimate of the emissions of our franchise partner shops based on the floor area of the shops. For reference, the 2021 emissions based on the previous reporting will also be displayed.

Also, for the first time, we had our energy usage data audited. The scope of the energy audit covered all German Tipico shops and our German office locations. The audit contributed to our data quality and provided Tipico with concepts to further reduce our consumption. Consequently, we plan to repeat the audit in 2022 across several European locations.

OUR ENVIRONMENTAL IMPACT: LESS IS MORE

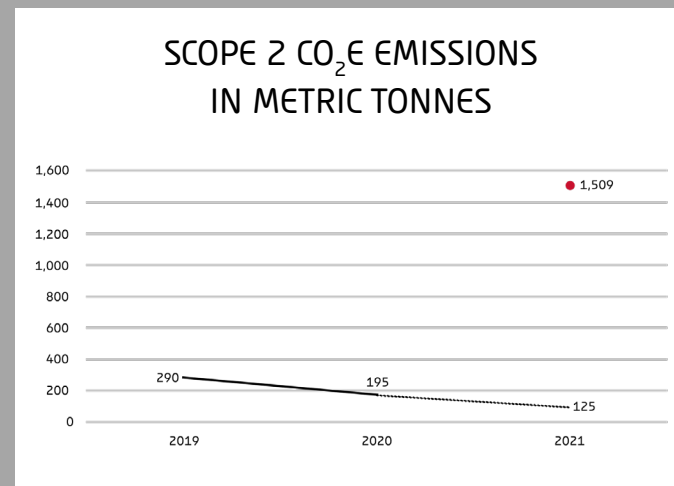
PERFORMANCE INDICATOR - SCOPE 1 EMISSIONS: COMPANY CARS

The company car fleet is used only by Tipico Shop Agencies and Tipico Retail Services for business trips across Germany and Austria, where the highest number of business trips by cars were made by Tipico Retail Services in Germany. Compared to the pre-COVID level in 2019, we significantly reduced fuel consumption and consequently CO₂e emissions by 36% in 2021. We aim at keeping such a reduced level of emissions in Scope 1 even after the end of COVID-related restrictions.



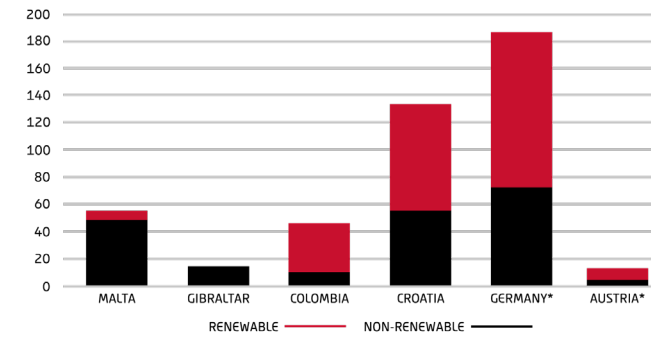
PERFORMANCE INDICATOR - SCOPE 2 EMISSIONS: ELECTRICITY AND HEATING

We operationalized Scope 2 emissions by consumption of electricity and resources used for heating. As detailed above, data was restricted to office locations and did not include the Tipico shops network. By adding Tipico shops in 2021 to the report, the estimate of emissions increased (red data point). Based on the same entities as reported in 2020 (excluding Tipico shops), the Scope 2 emissions from electricity and heating consumption for 2021 were 125 CO₂e metric tonnes, which is a 36% reduction from 2020 (dashed line).



In 2021, we collected data connected to renewable energy mix from energy providers at all Tipico sites. The highest share of renewable energy in the grid was reported in our locations in Germany and Austria where wind, biomass, solar and hydro power are widely used. Total electricity consumption split by Tipico sites corresponds to office sizes and number of employees there.

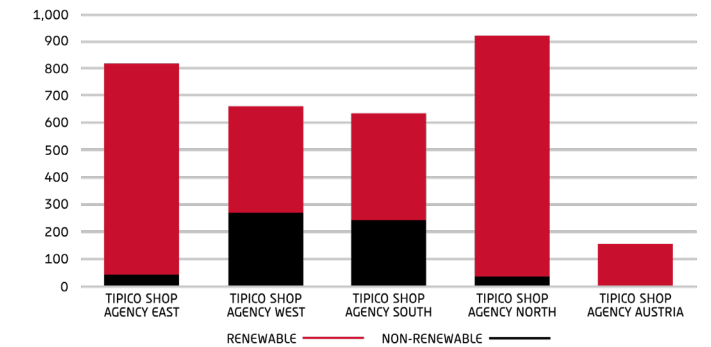
ELECTRICITY CONSUMPTION IN 2021 IN MEGAWATT HOURS



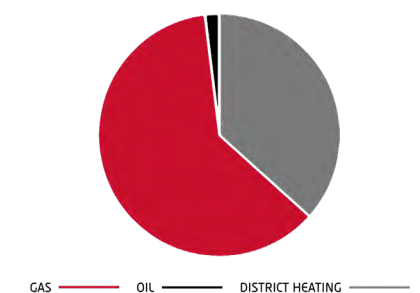
* without Tipico Shop Agencies

In total, the electricity mix consumed by our Shop Agencies is 80% based on renewable sources. Total CO₂e emissions from heating (gas, oil and district heating) was 1,240 metric tonnes across all Tipico locations in 2021. Some of our locations use electricity for heating, which was included in total CO₂e emissions from electricity consumption. Gas heating was prevailing among all mentioned types.

SHOP AGENCIES - ELECTRICITY CONSUMPTION IN 2021 IN MEGAWATT HOURS

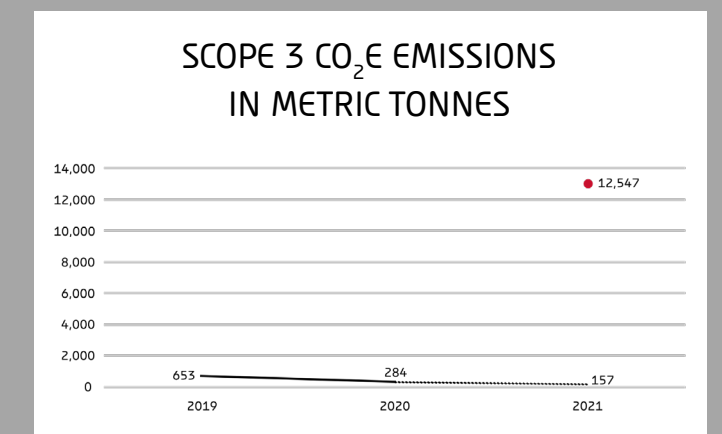


HEATING BY TYPE IN ALL TIPICO LOCATIONS IN 2021 IN KILOWATT HOURS



PERFORMANCE INDICATOR - SCOPE 3 EMISSIONS IN THE VALUE CHAIN

In 2020, we based Scope 3 emissions on business travel and data centers. Another big component of our value chain is our franchise network of shops operated by entities outside the Tipico Group. For 2021, we decided to include an estimate of their emissions based on the floor area of those shops. By adding the franchise network in 2021 to the report, the estimate of emissions increased tremendously (red data point). Based on the same entities as reported in 2020, the Scope 3 emissions were 157 CO₂e metric tonnes, which is a 45% reduction from 2020 (dashed line).

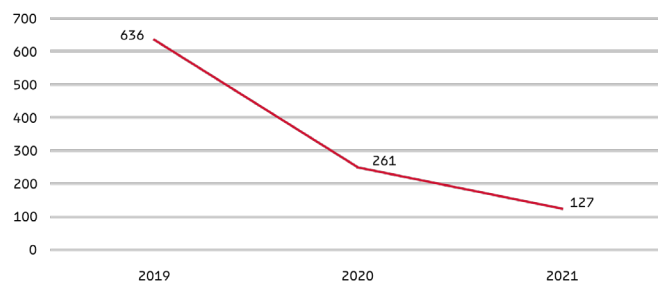


OUR ENVIRONMENTAL IMPACT: LESS IS MORE

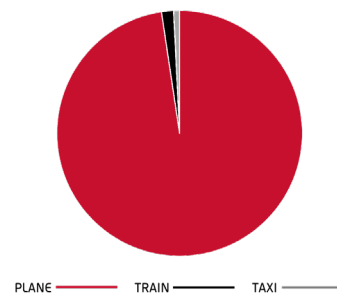
BUSINESS TRAVEL

Business travel is an essential part of our operations. Following GHG Protocol Scope 3, we collected business travel data by such means of transport as taxis, trains and airplanes. Although COVID restrictions were gradually released throughout 2021, we managed to further reduce the number of flights, so that emissions consequently dropped by 51 % in 2021 compared to 2020 and even by 79 % compared to the pre-COVID level in 2019.

CO₂e EMISSIONS FROM BUSINESS TRAVEL IN METRIC TONNES



MEANS OF BUSINESS TRAVEL BY EMISSIONS IN 2021



The pandemic has accelerated our use of technology. By reducing the number of business trips, we instead increased the number of virtual meetings in 2021:

- » around **212,000 meetings** were scheduled via virtual meeting rooms (LifeSize and MS Teams)
- » up to **858 meetings per day** (+85 % compared to 2020)
- » on average, **five participants** joined each meeting

Having embraced a culture of online meetings, Tipico aims at keeping the current low level of business travel to a large extent even in a post-COVID scenario.

DATA CENTERS

We continue to reduce Scope 3 emissions caused by data centers' usage. At the end of 2018, we moved to the Amazon Cloud (AWS), which significantly contributed to Tipico's ambition to reduce the carbon footprint caused by its operations. AWS aims at reaching 100 % renewable energy consumption. We therefore expect a further reduction of CO₂e emissions from the usage of AWS data centers in the coming years.

- » **30 metric tonnes of CO₂e emissions** in 2021
- » **274 metric tonnes of CO₂e emissions** were saved due to a transition to higher % of renewable energy share

FRANCHISE SHOP NETWORK

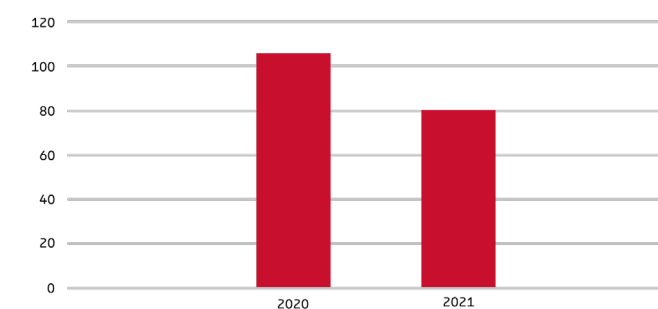
Tipico shops operated by independent franchisees have a total floor area of 195,979 square meters in Germany and Austria. Due to an overarching shop concept that governs the look and feel of a Tipico shop, we can assume that the emissions by square meter of shop area are largely similar to those of shops directly operated by Tipico Shop Agencies. As a consequence, we must assume that franchisees are accountable for 12,395 metric tonnes of CO₂e emissions coming from their electricity and heating consumption in 2021.

PAPER

SPOTLIGHT - DIGITAL SHOP

One of the main contributors to Tipico's paper usage is the daily printing of betting programs in Tipico shops. This is not in line with our strategy of a digital shop and only requested by a few customers. Therefore, in 2022 we will launch trials throughout all Tipico Shop Agencies to print betting programs only on demand. Across Tipico shops, we aim to reduce paper consumption by 50 % by 2023.

TOTAL PAPER CONSUMPTION IN ALL LOCATIONS IN TONNES



All paper which was purchased for the shops had sustainability certification, such as FSC, PEFC, or EU Ecolabel.

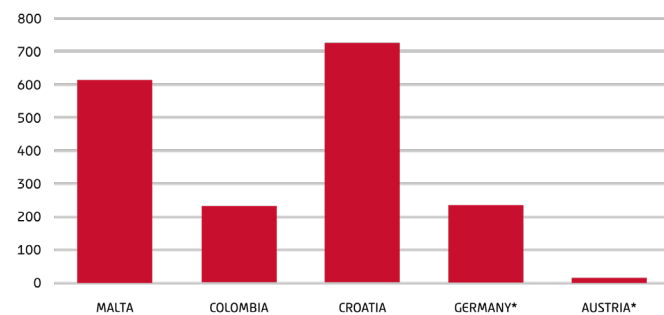
OUR ENVIRONMENTAL IMPACT: LESS IS MORE

WATER

At Tipico, as a service provider, we consume relatively low amounts of water. It is used only for sanitary purposes and office kitchens. Wastewater is further discharged to the communal facilities for treatment. In our location in Gibraltar, salted water is used for sanitary purposes. The highest water consumption is reported by Tipico shops in Germany corresponding to the number of shops in each location.

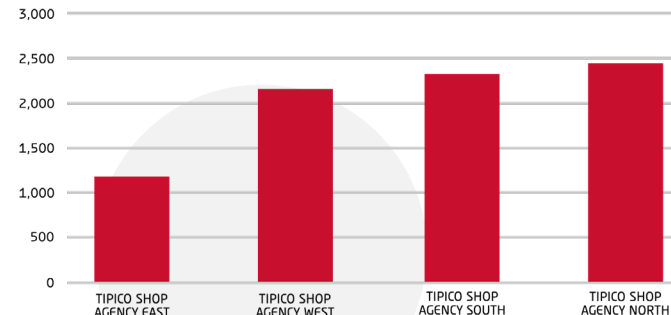
Furthermore, we buy drinking water in the locations where tap water is not appropriate for consumption or install filters on taps. To avoid more plastic waste from empty bottles, we buy water in reusable bottles and encourage our employees to instead use filtered water from the tap.

WATER CONSUMPTION IN OFFICE LOCATIONS IN 2021 IN CUBIC METERS



* without Tipico Shop Agencies

WATER CONSUMPTION BY TIPICO SHOP AGENCIES IN GERMANY IN 2021 IN CUBIC METERS



WASTE

The amount of waste in our offices and shops is comparably low, as we are a provider of digital services. The largest amount of waste is caused by paper consumption in our shops and communal waste in the offices. In each location, we have an efficient waste management in terms of separation and possibilities for recycling according to local waste disposal facilities.



TARGETS FOR 2022 AND BEYOND:

- » source electricity from 100% renewable sources in all Tipico shops by 2023
- » reduce paper consumption in Tipico shops by 50% by 2023
- » expand the scope of the energy audit from German entities' locations to all European Tipico locations in 2022



APPENDIX 1: BACKGROUND ON ESG REPORTING

CONTENT AND SCOPE

For the fourth time, we are publishing our annual ESG report. We are proud to present the impacts of the Tipico Group covering the reporting year 2021. The report is published as a stand-alone report and will be renewed on an annual base. The report focuses on topics impacting Tipico stakeholders to the greatest extent. The goal is to transparently address these topics and outline a path to continuous progress, assuring the trust of all stakeholders.

The standards of the Global Reporting Initiative (GRI) were used as the framework for structuring the content of the report. Tipico systematically used the GRI standards to conduct a formal materiality analysis in order to define the key reporting aspects and guide further standard disclosures. The report additionally includes the GRI content index and commitment to the UN Sustainable Development Goals (see Appendix 2). 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.

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 (accessible in Germany and Malta), emissions from electricity consumption are calculated with factors provided by the GHG Protocol tool for stationary combustion.⁷ In Germany and Austria, statistics on renewable energy sources was either provided by the energy suppliers in purchasing agreements and proved by renewable energy guarantees of origin or was provided on webpages of the energy suppliers. In Malta, renewable energy percentage was provided by Eurostat renewable energy statistics in the European Union (latest version in 2020).⁸ Emissions resulting from business travel are calculated with the UK Government GHG Conversion Factors for Company Reporting (version 2.0; year 2021).⁹ 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 PwC.

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.

APPENDIX 2: GRI AND SDG CONTENT INDEX

GRI CONTENT INDEX	
GRI 1 used	GRI 1: Foundation 2021
Tipico Group Ltd. has reported the information cited in this GRI content index for the period 01.01.2021 - 31.12.2021 with reference to the GRI Standards.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 8-9, 12
	2-2 Entities included in the organization's sustainability reporting	the scope is stated in each chapter
	2-3 Reporting period, frequency and contact point	76
	2-4 Restatements of information	76
	2-5 External assurance	not applicable
	2-6 Activities, value chain and other business relationships	5, 8-9
	2-7 Employees	20-22
	2-9 Governance structure and composition	6-7
	2-10 Nomination and selection of the highest governance body	7
	2-11 Chair of the highest governance body	6
	2-13 Delegation of responsibility for managing impacts	7
	2-14 Role of the highest governance body in sustainability reporting	12
	2-15 Conflicts of interest	53
	2-17 Collective knowledge of the highest governance body	6-7
	2-22 Statement on sustainable development strategy	4, 76, 80
	2-23 Policy commitments	across all chapters
	2-24 Embedding policy commitments	across all chapters
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	53
	2-27 Compliance with laws and regulations	across all chapters
	2-28 Membership associations	82
	2-29 Approach to stakeholder engagement	60
	2-30 Collective bargaining agreements	31
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13
	3-2 List of material topics	13
	3-3 Management of material topics	13

⁷ World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.7.

⁸ Eurostat (2020). Retrieved from: <https://ec.europa.eu/eurostat/databrowser>

⁹ GOV.UK (2021). Retrieved from: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

APPENDIX

GRI STANDARD	DISCLOSURE	PAGE NUMBER
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	provided in the Annual Financial Report
	201-2 Financial implications and other risks and opportunities due to climate change	described in the Tipico Climate Risk Policy
	201-3 Defined benefit plan obligations and other retirement plans	32
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	32
	202-2 Proportion of senior management hired from the local community	21
	203-2 Significant indirect economic impacts	14-15
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	64
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	66
	205-2 Communication and training about anti-corruption policies and procedures	53
	205-3 Confirmed incidents of corruption and actions taken	53
GRI 207: Tax 2019	207-1 Approach to tax	15, 60
GRI 302: Energy 2016	302-1 Energy consumption within the organization	71
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	74
	303-5 Water consumption	74
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	70
	305-2 Energy indirect (Scope 2) GHG emissions	70
	305-3 Other indirect (Scope 3) GHG emissions	71
	305-4 GHG emissions intensity	69
	305-5 Reduction of GHG emissions	70-73
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	74
	306-3 Waste generated	74
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	25, 28
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32
	401-3 Parental leave	32
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	32
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	30
	404-2 Programs for upgrading employee skills and transition assistance programs	28
	404-3 Percentage of employees receiving regular performance and career development reviews	28

GRI STANDARD	DISCLOSURE	PAGE NUMBER
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	6, 20-22
	405-2 Ratio of basic salary and remuneration of women to men	32
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	20
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	66
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	66
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	66
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	61-63
	413-2 Operations with significant actual and potential negative impacts on local communities	61-63
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	66
	414-2 Negative social impacts in the supply chain and actions taken	66
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	36-37
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	38, 44-45
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	40
	417-2 Incidents of non-compliance concerning product and service information and labelling	40
	417-3 Incidents of non-compliance concerning marketing communications	40
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52

COMMITMENT TO SDGs

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<div data-bbox="219 522 489 791"> <p>13 CLIMATE ACTION</p> </div> <p>Take urgent action to combat climate change and its impacts</p> <p>We are reducing greenhouse gas emissions caused by Tipico and our value chain. For instance, we aim to source electricity from 100% renewable sources in all Tipico shops by 2023.</p> <p>We are a digital business. Even in the physical shop. Therefore, we are reducing paper consumption and printing in shops operated by Tipico. Our target is to reduce paper consumption in Tipico shops by 50% by 2023.</p>	<div data-bbox="599 522 869 791"> <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <p>Ensure healthy lives and promote wellbeing for all at all ages</p> <p>We assure that every customer gets the level of protection they need in order to play safely and well within their financial means. We aim to reduce impact of problem gambling to 1.5% or less by 2025.</p> <p>We offer our employees competitive salaries and a wide range of additional benefits contributing to their well-being.</p>	<div data-bbox="982 522 1252 791"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>As a market leader, customers trust us not only with their personal data but also with their money. To assure this trust is justified, Tipico has established a leading policy framework in these areas.</p>



APPENDIX 3: 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 competitions.

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 OSWV 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 4: LIST OF ABBREVIATIONS

ABBREVIATION	FULL TERM
ACAMS	Association of Certified Anti-Money Laundering Specialists
AML	Anti-Money Laundering
AWS	Amazon Web Services
BRA	Business Risk Assessment
BZga	Bundeszentrale für gesundheitliche Aufklärung
CCO	Chief Commercial Officer
CAMS	Certified Anti-Money Laundering Specialist
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFT	Combating the financing of terrorism
CISO	Chief Information Security Officer
COC	Code of Conduct
CO2e	CO2 equivalent
CRA	Customer Risk Assessment
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
DPbDD	Data Protection by Design and Default
DSAR	Data Subject Access Request
DSWV	Deutscher Sportwettenverband
EC	European Commission
ECJ	European Court of Justice
eCOGRA	eCommerce Online Gaming Regulation and Assurance
EDD	Enhanced Due Diligence
EFTA	European Free Trade Association
EGBA	European Gaming and Betting Association
ESG	Environmental, Social and Governance
FSC	Forest Stewardship Council
GDPR	General Data Protection Regulation
GRI	Global Reporting Initiative
GHG	Greenhouse Gas Protocol
HDI	Human Development Index
HIRA	Human Rights and Impact Assessment
IDPC	Information and Data Protection Commissioner

ABBREVIATION	FULL TERM
iGEN	iGaming Executives Network Association
ISMS	Information Security Management System
KSA	Kansspelautoriteit
KYC	Know Your Customer
MGA	Malta Gaming Authority
MLRO	Money Laundering Reporting Officer
OASIS	Onlineabfrage Spielerstatus
OECD	Organization for Economic Co-operation and Development
OSWV	Österreichischer Sportwettenverband
PEFC	Program for the Endorsement of Forest Certification
PEP	Politically exposed person
RG	Responsible Gaming
SAR	Suspicious transaction/activity report
SCC	Standard Contractual Clause
SDG	Sustainable Development Goal
STR	Suspicious Transaction Reporting
TCFD	Task Force on Climate-related Financial Disclosures
TOM	Technical and Organizational Measure
TSA	Tipico Shop Agency
TSAW	Tipico Shop Agency West
UNGC	UN Global Compact
WBCSD	World Business Council for Sustainable Development
WRI	World Resource Institute

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

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

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