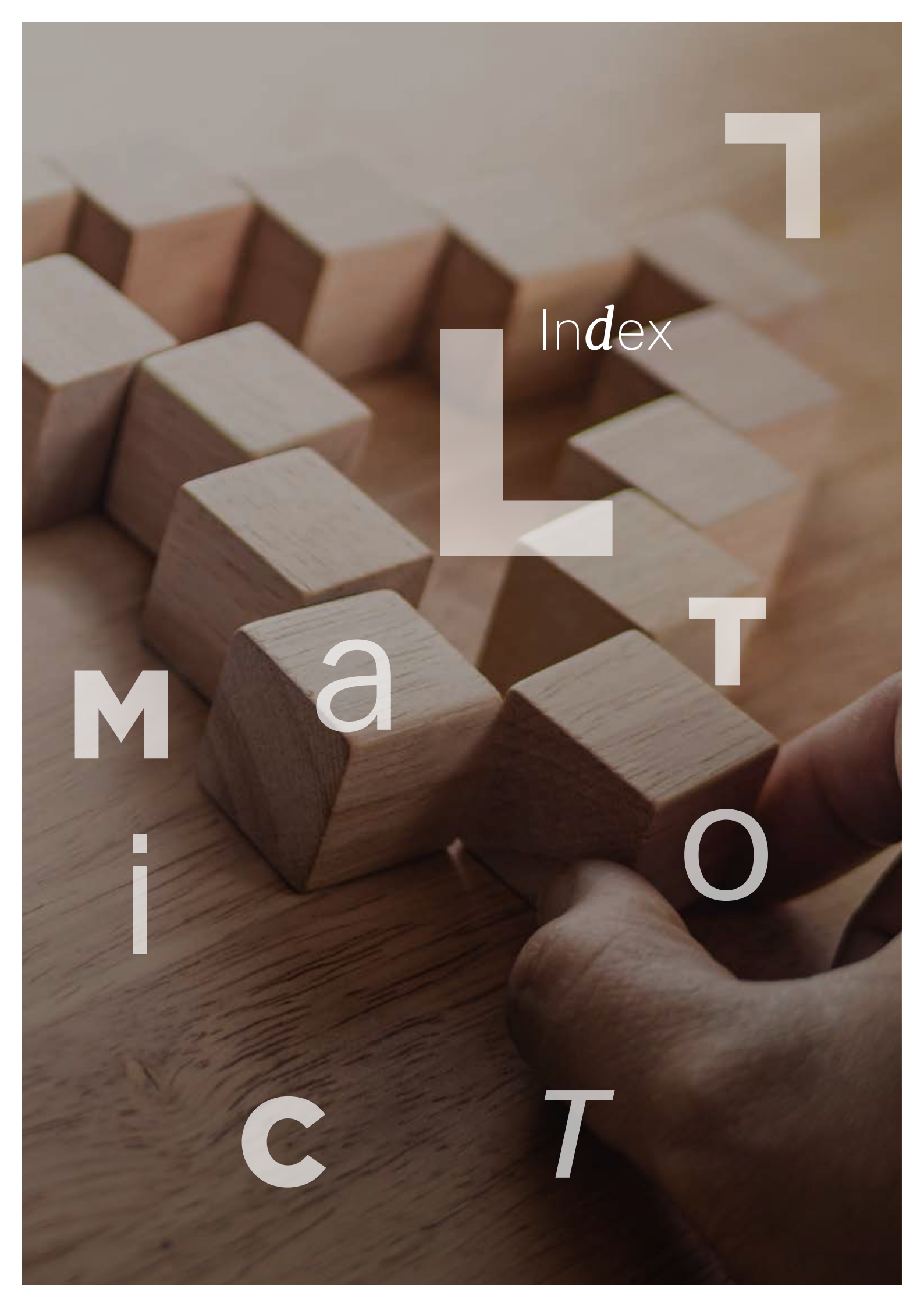


LOTTOMatica



Sustainability
REPORT
2022



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A close-up photograph of a hand holding a pen, writing on a document. The background is dark and blurred. Overlaid on the image are large, stylized letters: 'L' and 'T' in white, 'M', 'a', 'i', 'O', 'C', and 'T' in a light grey color. The text 'Letter to the stakeholders' is written in white in the upper right quadrant.

Letter
to the
stakeholders

M

a

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A year of growth and important goals



Despite the numerous challenges posed by macroeconomic environment, 2022 was an important year for our Group's **growth** and **consolidation**. Following the corporate transaction in 2021 that resulted in Lottomatica's current form, in 2022 we decided to make significant investments in terms of business development, as well as in terms of strengthening and implementing our **sustainability strategy**.

The market results have been extremely positive, with **quality growth** being achieved both organically and through acquisitions, which in turn has led to a diversification of the business mix and greater competitiveness.

Lottomatica remains **Italy's largest Group** in the public gaming sector. We're the **market leader** in all the segments in which we operate, and are **one of the most prominent companies** within Italy's socio-economic fabric, boasting more than 1,600 direct employees, and over 16,000 people working within the context of our specialised franchise network.

Our positive economic results have been accompanied by the achievement of equally challenging sustainability goals. In fact, 2022 was the year in which we established and launched our **Sustainability Plan**: a well-structured and cross-cutting programme that commits the entire Group to **continuously improving its ESG performance**, and integrates our business model with specific targets designed to **generate sustainable value** for all our stakeholders over time.

Responsibility, People, and Community & Environment: these are the three main pillars of Lottomatica's Sustainability Plan, which serve as our guiding principles on ESG issues.

Responsibility means promoting legality and a healthy and conscientious approach to gaming; dedicating particular attention to consumer protection throughout the development, communication, and distribution phases of its gaming products and services, especially for the more vulnerable segments of the population; and adopting and observing the highest standards of ethics and integrity in the governance of its corporate processes.

The strategic and systemic approach adopted in relation to all the relevant stakeholders has led to the development of programmes aimed at maximising their impact and effectiveness. One outstanding example is the partnership with the **Agostino Gemelli University Hospital Foundation**, which has allowed top quality training content to be developed for employees and collaborators, and led to the launch of a centre for the research, study, and treatment of addiction.

2022 was the year in which we established and launched our Sustainability Plan, with the aim of integrating our business model with specific targets designed to generate sustainable value for all our stakeholders over time.

Our **People** are the heart and soul of our Group, a **fundamental resource** for building our sustainable business model, and we're committed to providing them with a safe, inclusive, and stimulating working environment. It is with them in mind, thinking of how to enhance them, cultivate their potential, that Lottomatica bolstered its **People Strategy** in 2022, a medium/long term programme that traces the **development pathways of both people and the organisation** in terms of the company's sustainable growth objectives.

Lottomatica continues to be **highly appealing to young people**: in 2022, the number of new recruits more than doubled with respect to the previous year, and one third of them were under 30 years of age. The training and professional development of **highly qualified profiles** are therefore strategic keys to our success, as evidenced by the almost 9,000 hours of training provided during the course of the year.

The **Community & Environment** constitute our third pillar. In fact, in accordance with the Group's vision of itself as part of a complex system of stakeholders, the Group is committed to having a **positive and tangible impact on the community** through social initiatives, by adopting policies aimed at reducing direct and indirect environmental impacts, and by creating value for the entire production chain. Among other things, this includes the **Lottomatica Foundation**, established in 2022, whose purpose is to bolster the creation of collective value through community benefit projects.

The ESG rating assigned by Morningstar Sustainalytics places the Group in first places worldwide amongst the companies evaluated by the agency in the “Consumer Services” industry, as well as in the “Casinos and Gaming” sub-industry, thus attesting to the effectiveness of our strategy and the quality of our Plan.

The Group has also embarked on a strategic and structured pathway for the management of climate-related issues, in compliance with the sustainability regulations, and in keeping with the major international standards. In fact, a gradual process of analysing Lottomatica’s **Scope 1, 2 and 3 emission mitigation** levers was launched in 2023, with the simultaneous expansion of the Scope 3 perimeter reported, and the establishment of the impact reduction targets within a well-defined **decarbonisation strategy**, with the aim of **achieving the SBTi** (Science Based Target initiative) target by the end of the year.

Knowing that we are on the right track, in July of 2022 we asked the international ESG rating agency **Morningstar Sustainalytics** to measure the Group’s exposure to a number of risks associated with ESG factors, and to verify the effectiveness of the relative mitigation measures put in place: the ESG rating assigned by Morningstar Sustainalytics places the Group in **first places worldwide** amongst the companies evaluated by the agency in the “Consumer Services” industry, as well as in the “Casinos and Gaming” sub-industry, thus attesting to the **effectiveness** of our strategy and the **quality** of our Plan.

These **extraordinary results** have prompted us to ensure that sustainability will remain an increasingly integrated and cross-cutting key-factor in all our business decisions, as a guarantee of **lasting growth and with maximum** respect for the planet and its inhabitants.



GUGLIELMO ANGELOZZI
CEO

Snapshot

M i a T
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C T 2



23 Bln

BET

REVENUES

€ 1.4 Bln

€ 2.2 Bln

TAX CONTRIBUTION

ECONOMIC VALUE
DISTRIBUTED TO EMPLOYEES,
SUPPLIERS AND OTHER
STAKEHOLDERS

€ 1.2 Bln

18K

POINTS OF SALE

1.2 Mln

ONLINE CUSTOMERS

12K

TOBACCONISTS/BARS

9.5 Mln

INVESTMENTS
IN TECHNOLOGY

6K

SPECIALISED
POINTS OF SALE

750 Mln

TRANSACTION
PER DAY

Responsibility

CERTIFICATION

G4

FOR ONLINE
RESPONSIBLE
GAMING

DIRECTLY MANAGED
HALLS TRAINED ON
RESPONSIBLE GAMING

100%

ISO 27001

INFORMATION SECURITY

ISO 27701

INFORMATION PRIVACY

ISO 9001

QUALITY
AND SAFETY

ISO 37001

BRIBERY
PREVENTION



Legality rating

AGCM



16K
PEOPLE

ON THE SPECIALIST
FRANCHISE NETWORK

+26% COMPARED
TO 2021

1.597
EMPLOYEES

263
NEW RECRUITS

+102% COMPARED
TO 2021

8,939

HOURS OF
TRAINING PROVIDED

+19% COMPARED TO 2021

67%

BENEFITED FROM
SMART WORKING

 **Community
and Environment**

+106%

CONTRIBUTIONS TO SOCIAL
INITIATIVES AND PROJECTS
COMPARED TO 2021

ENERGY FROM
RENEWABLE SOURCES
FOR DIRECTLY MANAGED
HALLS

100%

63%

RECYCLED
PAPER USED

OF SUPPLIERS
ASSESSED ACCORDING
TO ESG CRITERIA

78%

82%

LOCAL SUPPLIERS
BASED IN ITALY

About *us*

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us

3.1. We are Lottomatica

We're Italy's leading Group on the regulated public gaming market, and one of the sector's most important players in Europe.

We want to be the first choice for our customers, creating sustainable opportunities for our people and the communities in which we operate, striving for excellence in order to offer safe, unique, and innovative gaming experiences through every sales channel.

Lottomatica is the largest operator in the public gaming sector authorised by Italy's Customs and Monopolies Agency, and is one of the major players in Europe.

The Group is active in the following operating segments: **"Online"** (online sports betting and gaming); **"Sports Franchise"** (sports betting and gaming on the physical network); and **"Gaming Franchise"** (amusement and entertainment machines).

Lottomatica is able to rely on the skills of approximately **1,600 direct employees and over 16,000 people who work within the context of its specialised franchise network**, all of whom provide a wealth of ideas, talent, and experiences that are crucial to achieving the Group's goals.

The Group has the **largest specialised distribution network in Italy's gaming sector**, with nearly **6,000 dedicated outlets** on a network with a total of **18,000 points of sale**, not to mention over **1.2 million online customers**.

Innovation, digital and technology are the keys to guaranteeing a **complete, entertaining, and, above all, safe offer**, with the aim of ensuring maximum **consumer protection** and promoting a legal and **responsible gaming model**.

On 3 May 2023, the Group was listed on the **Euronext Milan Market of the Italian Stock Exchange, Borsa Italiana**. The Group's main shareholder is **Apollo Global Management Inc.**, a company listed on the New York Stock Exchange, and a worldwide leader in alternative investment management.

Lottomatica's Corporate DNA

Lottomatica's soul is reflected in its **Corporate DNA model**, a framework of values that provides a clear and unambiguous indication of what it means to be part of the Group: sharing an ambitious **Vision**, which can be attained by operating with a clear **Mission**, and with wide-reaching and firmly-rooted **Attitudes**.

VISION

To be the first choice for our customers, creating sustainable opportunities for our people and the communities in which we operate.

MISSION

Create safe, unique and innovative gaming experiences, online and in-life.

Generate sustainable value for our customers, people, partners, institutions, communities and shareholders.

Sustainably innovate our industry through technological excellence and experimentation with new business, work and relationships models.

MISSION PILLARS

 PEOPLE

 SUSTAINABLE VALUE

 CUSTOMER EXPERIENCE

 INNOVATION & TECHNOLOGY

ATTITUDES



COLLABORATION
Be a team



RESPONSABILITY
Act consciously



INCLUSION
Enhance uniqueness



EXCELLENCE
Exceed expectations



ENTREPRENEURIAL SPIRIT
Think beyond

History

Today's regulated market of games with cash prizes is the result of a complex regulatory journey, and is currently **the most important factor for combating illegal gaming**, for ensuring the **protection and safety of players**, especially minors, and for maintaining **public order**.

It is within the context of this system that Lottomatica has managed to achieve **solid and sustainable growth**, supported by the trust of its shareholders, and encouraged by the enthusiasm and professionalism of its people.

2023

Upgrade of the Morningstar Sustainalytics ESG rating to a "Negligible Risk" of suffering significant financial impacts due to ESG factors: Industry and Regional 2023 Top Rated Company by Sustainalytics.
Listing of Lottomatica Group on the Euronext Milan Market.

Consolidation of the Group's Sustainability strategy and implementation plan.
Accession to the UNGC. Morningstar Sustainalytics ESG rating as "Low Risk" of suffering significant financial impacts due to ESG factors.
Acquisition of Betflag.
Renewal of G4 responsible gaming certification for Lottomatica.it and Goldbet.it.

2022

Acquisition of Lottomatica Scommesse and Lottomatica Videolot Rete and change of name to Lottomatica.
G4 responsible gaming certification obtained for GoldBet.it.

2021

Acquisition of Gamenet Group by Apollo Global Management, and delisting from Borsa Italiana's Electronic Stock Market.

2020 - 2019

Acquisition of Goldbet. Consolidation of the betting segment and development of the online segment.
Listing in the STAR segment of Borsa Italiana's Electronic Stock Market.

2018 - 2017

Acquisition of Intralot and establishment of Gamenet Group.
Development of the betting segment.

2016 - 2015

Development of the gaming machines segment.

2014 - 2013

Entry of the investment fund Trilantic Capital Partners as majority shareholder.

2010

2006

Establishment of Gamenet, holder of the Customs and Monopolies Agency license for gaming machines.

3.2. Group structure

Lottomatica mainly operates in the public gaming sector as a licensee and retailer, through subsidiaries specialised in specific business sectors.

Combined with a solid and recognisable brand portfolio, the professionalism, know-how, and specific skills of each of the Group's companies are what make Lottomatica a **high-performance gaming company in all of its business areas**¹.



3.3. Lottomatica's Governance

Responsibility, integrity and transparency are the guiding principles upon which Lottomatica's corporate governance model is based.

The Group's governance is aimed at **creating sustainable value** for all of its stakeholders, **ensuring corporate integrity and maximum transparency** in the decision-making processes.

Board of Directors

The Board of Directors of Lottomatica Group is made up of members that meet the legal requirements, who remain in office for up to a maximum of 3 financial years. The table below shows the Board of Directors of Lottomatica Group SpA, in the office since May 3, 2023.

CHAIRMAN	Andrea Moneta
CHIEF EXECUTIVE OFFICER	Guglielmo Angelozzi
DIRECTORS	John Paul Maurice Bowtell Nadine Farida Faruque Catherine Renee Anne Guillouard Augusta Iannini Marzia Mastrogiacomo Gaia Mazzalveri Michele Rabà Michael Ian Saffer Yulia Shakhova

In view of the listing on the regulated market Euronext Milan, Lottomatica Group SpA (holding company Lottomatica SpA, of which it holds the entire share capital) has implemented specific regulations and policies on stakeholder involvement, diversity, independence and organizational impact.

The regulations and policies are in line with market best practices and aim to make the Group one of the top players among Italian issuers. Following the listing, the selection and appointment of the members of the BoD and its committees is carried out by Lottomatica Group SpA.

As of 31 December 2022, the average age of the members of Lottomatica SpA's Board of Directors was 44, with 33% of the members consisting of women, and was made up of nine members²: Andrea Moneta (Chairman³), Guglielmo Angelozzi (CEO), John P. M. Bowtell, Catherine R. A. Guillouard, Michele Rabà, Michael I. Saffer, David B. Sambur, Yulia Shakova, and Natalia Tsitoura.

Board of Directors composition

2022	Total		Men	Women
<=29	1	11%	0	1
30-50	5	56%	4	1
Over 50	3	33%	2	1
Total	9	100%	6	3

As of 31 December 2022, some of the members also held other positions, within the board of directors of other Group's companies (CEO) or within the administrative and/or control bodies of other companies (other members). With the exception of the Chief Executive Officer, the members of the Board of Directors are the expression of the reference shareholder Apollo Global Management.

The remuneration of the members of the Board of Directors is determined by the shareholders meeting⁴.

The governance structure of Lottomatica SpA, in addition to the board of directors, the board of statutory auditors and the supervisory body, described below, is also made up of the internal **ESG Committee** and the **Audit Committee**, responsible for decision-making processes and the control of impact management of the organization on economy, environment and people⁵.

2) As of 12.31.2022, Lottomatica S.p.A. wasn't a listed company, therefore the assessment pursuant to the Consolidated Law on Finance (TUF, Testo Unico della Finanza) and the Corporate Governance Code was not carried out with respect to the independence of the members of the BoD.

3) The President of the highest governing body does not appear to be also a senior executive of the organization.

4) The listing on the Euronext Milan Stock Exchange, which took place on 03 May 2023, provided for the establishment of an internal Board Committee for the definition of the Remuneration Policy, also made up of independent members of the BoD, which will carry out its activities according to the rules of the Corporate Code Governance and market best practices. Following the listing of Lottomatica Group SpA, Board's committees of Lottomatica SpA were terminated and new committees were created in Lottomatica Group SpA, namely: Risk and Control Committee, also with responsibility to oversee Privacy and Data Protection issues; ESG Committee; Nomination and Remuneration Committee; Transactions with Related Parties Committee.

5) For more information, see chap. 4 "The creation of sustainable value" and chap. 5 "Responsibility".

Board of Statutory Auditors

The Board of Statutory Auditors of Lottomatica Group SpA, in office since May 3, 2023, consists of five members, including three standing auditors and two alternate auditors.⁶ The current composition of the Board of Statutory Auditors is as follows:

CHAIRMAN	Andrea Lionzo
STATUTORY AUDITORS	Giancarlo Russo Corvace Veronica Tibiletti
ALTERNATE AUDITORS	Angela Frisullo Alberto Incollingo

Both the Board of Directors and the Board of Statutory Auditors have established specific diversity policies in order to take advantage of multiple qualified points of view and to allow for a more open approach to disruption and new developments.

Supervisory Body

The Supervisory Board, established pursuant to Legislative Decree no. 231/2001, consists of three members.⁷ The current composition of the Supervisory Body is as follows:

CHAIRMAN	Francesca Rosetti
MEMBERS	Stefano Baduini Valentina Lazzareschi

Independent Auditing Firm

The statutory audit is carried out by PricewaterhouseCoopers (PwC).

6) As of 31/12/2022, Lottomatica's Board of Statutory Auditors was made up of: Maurizio de Magistris (Chairman), Andrea Collalti and Francesca Di Donato (Standing Auditors), Giovanni Parisi and Maria Federica Izzo (Alternate Auditors).

7) As of 31/12/2022, Lottomatica's Supervisory Board was made up of: Anna Spaggiari (Chairman), Stefano Baduini, and Valentina Lazzareschi.

Composition of the Group Companies' Governing Bodies by gender and age group

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Boards of Directors	46 (90%)	5 (10%)	51 (100%)	35 (89%)	4 (11%)	39 (100%)	29 (93%)	2 (7%)	31 (100%)
<=29 years	0	1 (100%)	1 (100%)	0	1 (3%)	1 (3%)	0	0	0
30-50 years	18 (90%)	2 (10%)	20 (100%)	13 (33%)	3 (8%)	16 (41%)	10 (32%)	2 (7%)	12 (39%)
Over 50	28 (93%)	2 (7%)	30 (100%)	22 (56%)	0	22 (56%)	19 (61%)	0	19 (61%)
Board of statutory auditors	19 (79%)	5 (21%)	24 (100%)	15 (83%)	3 (17%)	18 (100%)	12 (75%)	4 (25%)	16 (100%)
<=29 years	1 (100%)	0	1 (100%)	1 (5%)	0	1 (5%)	0	0	0
30-50 years	4 (57%)	3 (43%)	7 (100%)	3 (17%)	3 (17%)	6 (34%)	2 (12,5%)	3 (19%)	5 (31,5%)
Over 50	14 (87,5%)	2 (12,5%)	16 (100%)	11 (61%)	0	11 (61%)	10 (62,5%)	1 (6%)	11 (68,5%)
Supervisory bodies	10 (71%)	4 (29%)	14 (100%)	8 (73%)	3 (27%)	11 (100%)	6 (60%)	4 (40%)	10 (100%)
<=29 years	0	0	0	0	0	0	0	0	0
30-50 years	1 (20%)	4 (80%)	5 (100%)	2 (18%)	3 (27%)	5 (45%)	1 (10%)	4 (40%)	5 (50%)
Over 50	8 (89%)	1 (11%)	9 (100%)	6 (55%)	0	6 (55%)	5 (50%)	0	5 (50%)

3.4. The value of our business

Lottomatica is the largest operator in Italy's public gaming industry in terms of both bet collected and the size of its distribution network.

The Group is active in three operating segments:

- “**Online**”, which includes online sports betting and gaming;
- “**Sports Franchise**”, which includes sports betting and gaming on physical networks;
- “**Gaming Franchise**”, which includes activities involving AWP (Amusement With Prize) and VLT (Video Lottery Terminal) amusement and entertainment machines, and the direct management of gaming halls and proprietary machines (“Retail and Street Operations”).

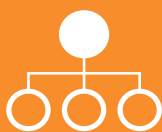


Online

The Group is Italy's leader in the online gaming segment, where it maintains a presence with the **Lottomatica, Better, Goldbet and Betflag** brands.

Distinguished by the **highest security standards**, Lottomatica's online offering consists of a **comprehensive and innovative portfolio** of remote games, which can be enjoyed via the web, as well as through numerous dedicated apps for smartphones and tablets.

The Group's online games have been authorised and certified by Italy's Customs and Monopolies Agency to guarantee the highest levels of security, and are provided by select international partners, who not only offer the most popular content, but also the most secure and reliable gaming platforms.



Sports Franchise

Lottomatica leads the physical network betting and gaming sector with three brands, which boast strong roots throughout the country: **Better, Goldbet and Intralot**.

Thanks to its network of **thousands of outlets** dedicated to sports betting, horse racing, and other gaming products, such as virtual games, as well as the professionalism of thousands of specialised operators, Lottomatica has become the leading betting operator in Italy.

The betting network's points of sale are divided into shops and corners: the shops are environments dedicated to sports and betting, while the corners are more confined areas set up within other commercial establishments, like bars or tobacconists.



Gaming Franchise

Thanks to top quality infrastructures and technologies designed to ensure **maximum player protection**, Lottomatica installs and monitors amusement and entertainment machines within public establishments and dedicated gaming halls throughout Italy.

The Group is also engaged in the **direct management of gaming machines** (Street Operations) **and gaming halls** (Retail). Located throughout Italy, the gaming halls managed by Lottomatica have **distinctive and recognisable brands**, and have come to represent a benchmark for their **high levels of service and customer attention**, as well as for the **quality and security** of their offer.

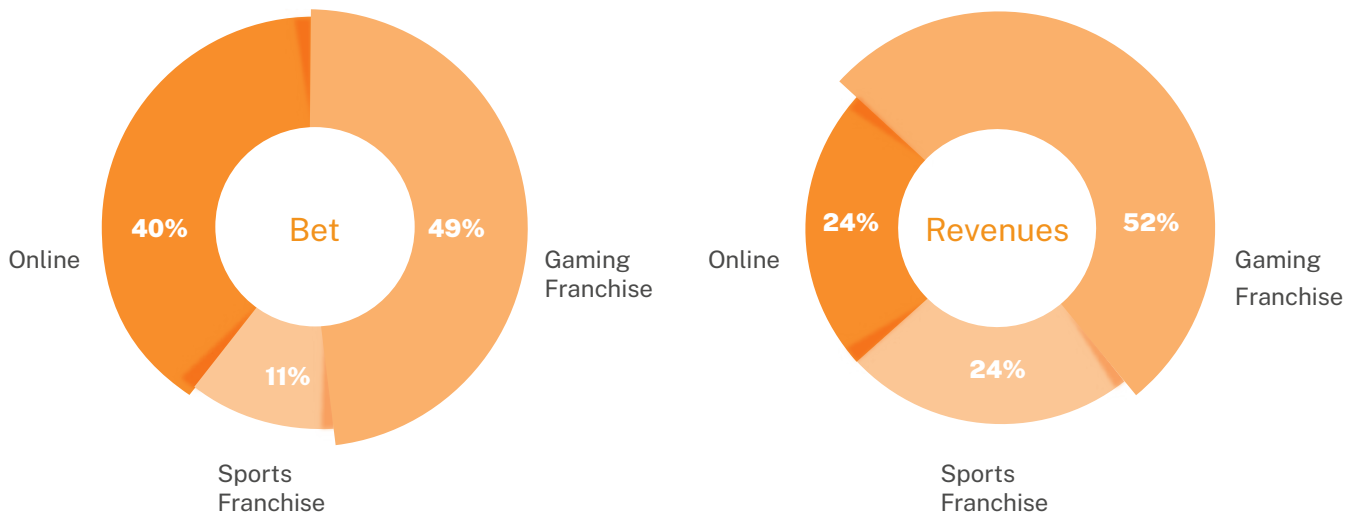
Lottomatica Group's bet by operating sector (€/M)

	2022	2021	2020	Change in 2022/2021	% of the 2022 total
Online	9,199.0	6,764.1	2,262.2	36%	40%
Sports Franchise	2,528.3	1,156.5	975.6	119%	11%
Gaming Franchise	11,119.0	5,941.9	2,446.4	82%	49%
Total	22,846.4	13,862.5	5,684.2	65%	100%

Lottomatica Group's revenues by operating sector (€/M)

	2022	2021	2020	Change in 2022/2021	% of the 2022 total
Online	328.6	279.6	114.3	18%	24%
Sports Franchise	340.8	153.2	138.0	123%	24%
Gaming Franchise	725.5	375.4	127.9	93%	52%
Total	1,394.9	808.2	380.2	73%	100%

Bet 2022 Revenues



Sustainable
value
creation

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4.1. The sustainability strategy

As part of its DNA, starting from its corporate Vision and Mission, Lottomatica has always sought to generate sustainable value, and to have positive impacts on the stakeholders with whom it interacts, as well as the community and the environment.

Lottomatica has always been highly attentive to the **sustainability of its activities**, and their **impacts on the community**. For this reason, over the years, the Group has become **increasingly committed to the governance of ESG issues**, adopting a structured strategy integrated with sustainability drivers and specific business objectives.

GRI 2-24

2022	Approval of Lottomatica's first Sustainability Plan. Adhesion to the UN Global Compact. Voluntary adhesion to the Morningstar Sustainalytics ESG rating process, with the assessment of a negligible risk of suffering significant financial impacts from ESG factors: Industry and Regional 2023 Top Rated Company by Sustainalytics.
Publication of the first Lottomatica Sustainability Report. Participation in the achievement of the UN Sustainable Development Goals (SDGs).	2021
2018	Identification of the three fundamental pillars of commitment to the community: 1) support for tax revenues; 2) creation of qualified employment for an indefinite period; 3) sharing of the value generated with the community and the supply chain.
Listing on the MTA of the Italian Stock Exchange and publication of the Non-Financial Statement, in addition to the Sustainability Report. Establishment of the Control, Risk and Sustainability Committee.	2017
2016	Publication of the first Sustainability Report, compliant with the GRI standards and subject to assurance. Definition of the material topics and stakeholders

The Sustainability Plan

Established for the first time in 2022, and updated on a periodic basis, the Sustainability Plan lays out and highlights **Lottomatica's commitment to ESG issues in a single comprehensive framework**, with the aim of ensuring the **continuous improvement of its sustainability performance**, and greater responsiveness to all the reasonable expectations of the Group's stakeholders.

Contains the guidelines, programmes, initiatives, and targets established by the Group in relation to ESG issues

Strengthens the corporate culture on ESG issues, by raising awareness among and empowering all the Group's resources

THE LOTTOMATICA SUSTAINABILITY PLAN

Establishes the Group's ESG governance, and ensures the oversight of its material sustainability issues

Promotes compliance with ESG criteria throughout all stages of the value chain, and in the activities of the suppliers and business partners

The Sustainability Plan is divided into three strategic pillars, around which the corporate commitments, programmes, and goals are centred:



Responsibility



People



Environment and Community



Responsibility we act responsibly

Lottomatica operates with a full awareness of its role in promoting a legal and responsible gaming model, respecting the consumer as a subject to be protected, and to whom we must strive to offer safe, high-quality, innovative, and engaging gaming experiences. The Group meets the highest standards of ethics and integrity, through a governance system made up of models and procedures designed to protect all of its stakeholders.

◀ LEGAL GAMING

For more information, please refer to: Chapter 5.1 “The regulatory framework for regulated gaming”

Lottomatica operates with a full awareness of its role in the industrial sector of legal gaming, through proactive collaboration with the institutions and **compliance with the regulatory framework**.

◀ RESPONSIBLE GAMING

For more information, please refer to: Chapter 5.2 “Lottomatica’s commitment to responsible gaming”.

Lottomatica promotes a **responsible approach to gaming** and establishes an annual **responsible gaming Programme**, which is structured according to three intervention guidelines covering the areas of gaming influence and governance in which the Group operates: the **protection** of minors, the **prevention** of excessive gaming, and the **promotion** of a healthy and knowledgeable gaming model.

◀ PLAYER PROTECTION

For more information: Chapter 5.3 “Innovation and respect for the consumer”.

Lottomatica focuses on the **central role of the customer** during the development, information, and distribution phases of its gaming products and services. The Group has adopted an approach based on **awareness, transparency, and accountability**, as defined also by the specific **Responsible Marketing Policy** formally adopted in 2022, and is committed to ensuring the highest standards of **data privacy and cyber-security**, as governed by specific procedures, such as the **Personal Data Processing Procedure** and the **Data Breach Management & Notification Operating Procedure**.

◀ GOVERNANCE, ETHICS AND INTEGRITY

For more information: Chapter 5.4 “Ethics and compliance”.

Lottomatica aims to strengthen its corporate governance through the execution of **business ethics** programmes, the integration of **ethical and environmental risks** within the risk management model, and the maintenance of **ISO 37001 certification** to support its Anti-Corruption and Anti-Money Laundering policies and programmes. In keeping with the principles and values of the code of ethics that guide the conduct of the business activities and the execution of the Group’s strategies, this commitment has been further strengthened through **alignment with the UNGC** as of 2022.



People we care about People

Lottomatica considers its people to be a fundamental resource for building a sustainable business model. The Group guarantees its employees an inclusive and stimulating working environment with high standards of safety and well-being, where diversity is valued, and professionalism and know-how are developed.

For more information:
Chapter 6.3
“Personal safety
and well-being”.

HEALTH AND SAFETY, WELFARE AND WELLNESS

Lottomatica is dedicated to maintaining a work environment that's compliant with the highest **health and safety** standards, and where individual characteristics will not lead to discrimination or conditioning, guaranteeing the ability to exercise all trade union and political rights. The company has adopted its own **Human Rights Policy** (which supplements the **Freedom of Association Policy**, the **Principle of Non-Discrimination**, and the **Working Hours Policy**), as well as an appropriate **Smart Working Policy**.

For more information:
Chapter 6.4
“Personal development
and skill valuation”.

PROFESSIONAL DEVELOPMENT

Professional development is an important competitive factor for the Group, as it is necessary to **attract and retain high quality human resources**, to **develop skills**, and to **build appropriate career paths**. The company is therefore committed to implementing well-structured **Brand/DNA awareness**, **Employer acquisition**, **People development**, **Management revolution** and **Learning & development** programmes.

For more information:
Chapter 6.5
“Diversity, inclusion and
equal opportunities”.

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

Diversity is another important factor for the Group's growth. To this end, Lottomatica has adopted a **Diversity policy** and **specific programmes** focused on enhancing diversity, above all gender diversity, bolstering the **management's responsibilities** and **monitoring the company's performance levels** in the field of diversity, even including specific social standards within the supplier code of conduct.



Community and Environment we share with Communities

Lottomatica contributes to the achievement positive and tangible results for the community by implementing social initiatives and policies aimed at reducing its direct and indirect environmental impacts. The Group is also committed to the sustainable development of the production chain, and promotes value creation for every operator within the chain.

For more information:
Chapter 7.1
“The community
in which we operate”.

COMMUNITY

Lottomatica has always been engaged in **initiatives of public interest** in well-defined areas, including work and training; legality; diversity; social inclusion; education; health; innovation and technological progress. This support for the community is further bolstered and enhanced by the **Lottomatica Foundation**, established in 2022, which is dedicated to supporting **projects of high social impact**.

For more information:
Chapter 7.2
“Lottomatica’s
commitment to the
Environment”

ENVIRONMENT

The creation of shared value must be environmentally friendly. The Group has established guidelines to support this commitment within the context of an appropriate **ISO 14001-certified Environmental Management System**, with the adoption of an **Environmental Policy**, and a **Green Procurement Policy**, and an ongoing commitment to the efficient use of energy and natural resources, and the management and monitoring of its environmental performance.

For more information:
Chapter 7.3
“Responsible
management of the
production chain”.

NETWORK, PARTNERS AND SUPPLIERS

Lottomatica has adopted a **Supplier Code of Conduct** and a **Green Procurement Policy**, which guide the selection of and relationships with its business partners. The company is also committed to creating an **ESG certified supply chain**.

Lottomatica’s Sustainable Development Goals

Lottomatica supports the United Nations’ 2030 Agenda and, through its Sustainability Plan, intends to actively contribute to the achievement of 8 out of 17 Sustainable Development Goals (SDGs), embarking on a pathway of collaboration and responsibility dedicated to tackling the complex challenges of today and tomorrow.



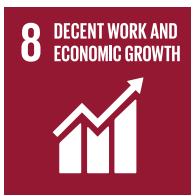
The 2030 Agenda for Sustainable Development, adopted in 2015 by the United Nations, is an action plan consisting of 17 ambitious and interconnected goals intended to guide institutions, governments, businesses, and citizens towards the construction of a more sustainable future.



HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages



GENDER EQUALITY
Achieve gender equality and empower all women and girls



DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote sustainable industrialisation and foster innovation



REDUCED INEQUALITY
Reduce inequality within and among countries



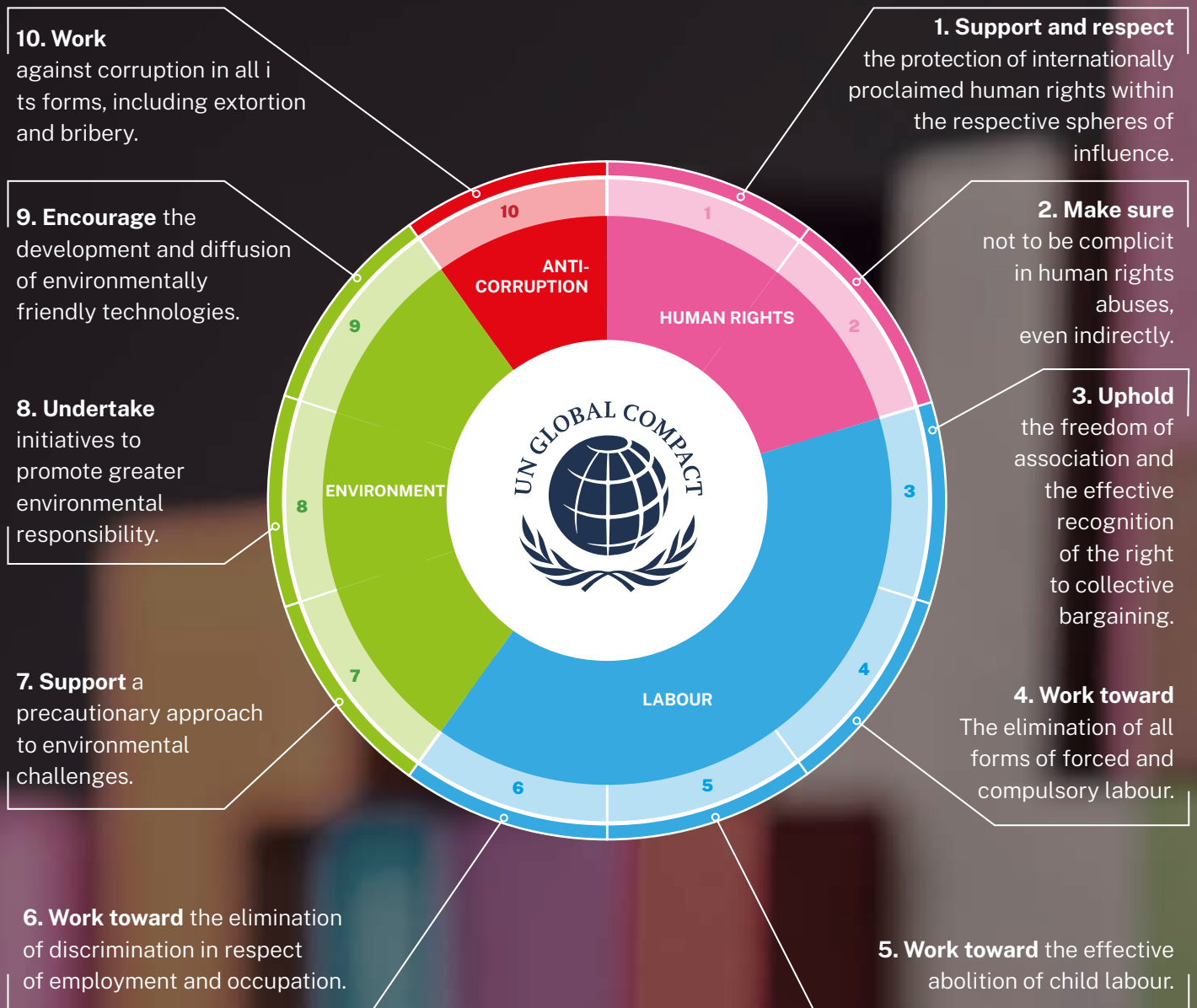
RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns



CLIMATE ACTION
Take urgent action to combat climate change and its impacts



PEACE, JUSTICE AND STRONG INSTITUTIONS
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Adhesion to the United Nations Global Compact

Another major sign of the importance that Lottomatica attributes to sustainability and to ethical, economic, and environmental responsibility is its **participation in the UN Global Compact**, the initiative launched by the United Nations Organisation to promote the construction of a **sustainable global economy** that's respectful of human and labour rights, diversity, and environmental protection, and is dedicated to fighting corruption.

4.2. Stakeholders and material topics

In order to report its sustainability performance in an increasingly broad and comprehensive manner, Lottomatica periodically reviews the main material topics of relevance to the Group and its stakeholders.

The dialogue with the stakeholders

As a leading company in a highly strategic and sensitive sector like that of public gaming, Lottomatica's activities are of considerable interest to a large number of stakeholders, with whom the Group maintains **relationships based on transparency and dialogue** in order to foster the construction of a sustainable business model geared towards the creation of value.

GRI 2-29



STAKEHOLDER ENGAGEMENT

For the purposes of this Report's preparation, the most relevant categories of **internal and external stakeholders** were **directly involved in updating the assessment of the material topics** and their relevance to Lottomatica Group.

These included: the shareholder Apollo Global Management, the credit institutions, the internal management, the managers of the directly-managed gaming halls, and the betting agencies.

This process has enabled Lottomatica Group to **deepen the most up-to-date vision** regarding **material topics** and their impacts, and to consolidate with its shareholders the **relationships based on trust and cooperation** that it has built with them over the years, while at the same time adhering to the **best practices in the field of sustainability reporting**.¹

The material topics and the Group's impacts

The materiality analysis was carried out in accordance with the latest **GRI Universal Sustainability Reporting Standards 2021**, and led to the identification of **14 material topics**: some of the topics from previous years were reaffirmed, while others were redefined in order to express their relevance more effectively. Finally, two new ones were also added, attesting to the Group's commitment to constantly **improving the monitoring of its ESG impacts**: these are "Promotion of innovation and digital development", and "Fiscal contribution and transparency".

This year's materiality analysis also focused on the identification and prioritisation of the impacts associated with the material topics, in order to assess the **effectiveness of the tools adopted** to mitigate and prevent negative impacts, as well as to highlight the positive impacts.

This was possible thanks to the involvement of the departments that oversee the ESG topics most directly (ESG Office; Internal Audit & GRC; Human Resources, and Organisation & PSS), which were asked to assess the "**severity**" and "**likelihood**" of the impacts identified for each material topic.

1) For more details on stakeholder engagement, please refer to the Methodological Note.



Responsibility



PROMOTION OF LEGAL AND RESPONSIBLE GAMING

The importance of the promotion of legal and responsible gaming in Lottomatica's business model and operations, in a manner that complies with the regulatory provisions, placing the protection of customers at the centre of its operations, especially with regard to the most vulnerable segments of the population.

GRI 416
Customer health and safety

QUALITY OF THE SERVICE OFFERED

Maximum product and service quality, from design to market launch, guaranteeing customer consideration and satisfaction.

GRI 417
Marketing and labelling

BUSINESS ETHICS AND INTEGRITY

Conduct of the business activities with moral and ethical integrity, in compliance with the values and principles laid out in Lottomatica's Code of Ethics and 231 Model, with a particular focus on combating corruption and illegality throughout all stages of the Group's value chain.

GRI 205
Anti-corruption

DATA SECURITY AND PRIVACY PROTECTION

Data management and privacy protection, in compliance with the EU and Italian legislation, with particular regard to Lottomatica's personnel, customers, and partners.

GRI 418
Customer Privacy

PROMOTION OF INNOVATION AND DIGITAL DEVELOPMENT

Adoption of innovative technological and digital solutions as a key factor for ensuring an increasingly comprehensive, engaging and, above all, safe range of products and services.



FISCAL CONTRIBUTION AND TRANSPARENCY

Timely and transparent fulfilment of tax and fiscal obligations and proactive collaboration with regulatory bodies and public administrations to achieve the objectives of public interest.

GRI 207
Taxes





PERSONAL DEVELOPMENT AND SKILL VALUATION

Continuous commitment to exalting the value of our personnel, ensuring their professional satisfaction through appropriate career paths and training programmes aimed at improving their skills and knowledge.

GRI 401
Employment

GRI 404
Training and education

OCCUPATIONAL HEALTH AND SAFETY

Protection of the health and safety of the Group's Personnel, not only through legislative compliance, but also through the application of management systems aimed at disseminating a culture of safety and protecting the employees' physical and moral integrity.

GRI 403
Occupational health and safety

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

Importance of respect for diversity within the corporate culture, and promotion of an inclusive work environment, offering equal opportunities for professional growth, with zero discrimination.

GRI 405
Diversity and equal opportunity

GRI 406
Principle of non-discrimination



**Community
and Environment**



ENERGY CONSUMPTION AND REDUCTION OF EMISSIONS

Implementation of strategies to reduce environmental impacts, with the aim of ensuring efficient energy consumption and the use of renewable sources, and reducing the climate-changing emissions generated both directly and throughout the value chain.

GRI 302
Energy

GRI 305
Emissions

VIRTUOUS MANAGEMENT OF WASTE AND ENERGY CONSUMPTION

Implementation of initiatives to promote the circular economy, with a commitment to reducing the consumption of water resources and the materials utilised, ensuring proper management of the resulting waste products.

GRI 301
Materials

GRI 303
Water and water discharges

GRI 306
Waste

SUPPORT FOR THE COMMUNITY

Promotion of a business model that respects the needs and requests of the community and its stakeholders, enriched with projects beneficial to the community, in order to encourage the creation of shared value.

GRI 413
Local communities

CREATION AND DISTRIBUTION OF VALUE

Creation and distribution of sustainable value for customers, people, partners, institutions, communities, and Lottomatica Group shareholders through responsible conduct and through technological excellence and experimentation with new business, work, and relationship models.

GRI 201
Economic
Performance

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN AND THE NETWORK

Selection, evaluation, and management of commercial relationships with partners and suppliers based on criteria of fairness, equity, and transparency, ensuring respect for the ESG criteria throughout the value chain.

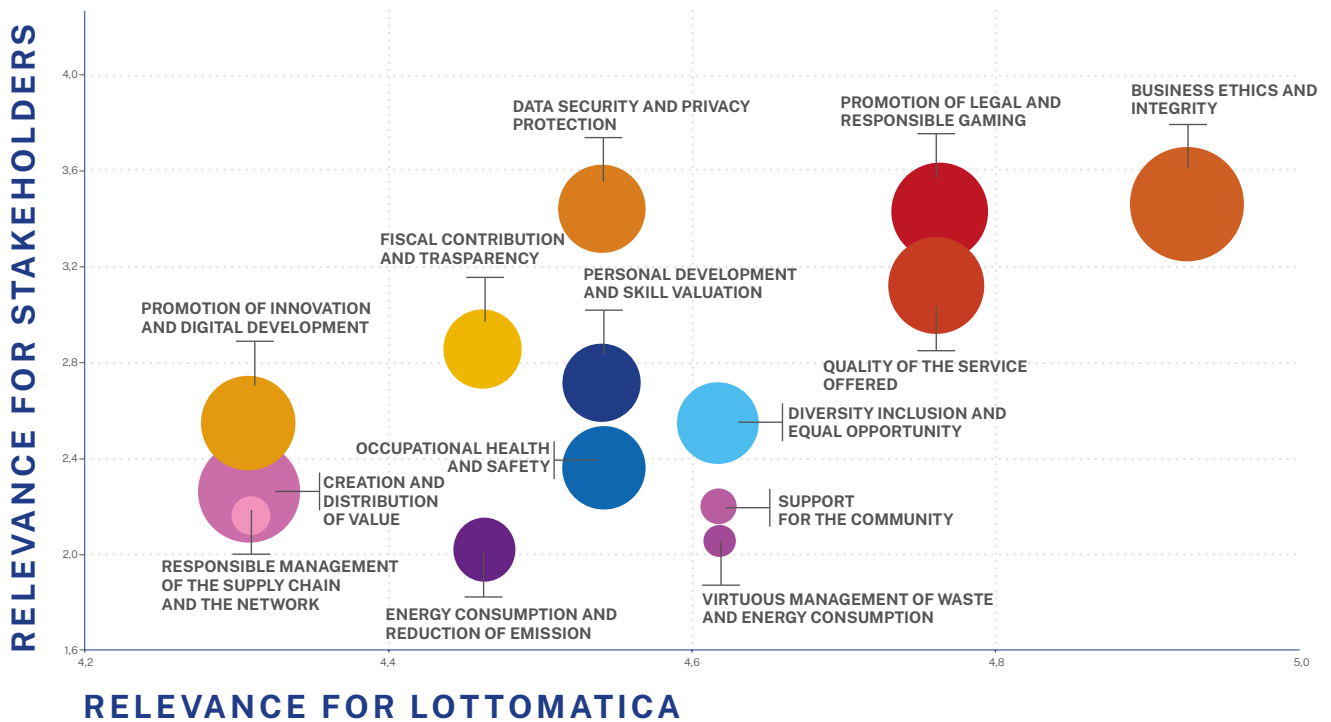
GRI 204
Procurement practices

GRI 308
Environmental assessment
of suppliers

GRI 414
Social assessment of
suppliers

The materiality matrix

The materiality matrix, updated in 2023 and approved by Lottomatica’s CEO, summarizes the assessments carried out during the internal and external stakeholder engagement phase with regard to the relevance of the material topics, and the impacts associated with each of them.





Responsibility



People



Community and Environment

- Promotion of legal and responsible gaming
- Personal development and skill valuation
- Energy consumption and reduction of emission
- Quality of the service offered
- Occupational health and safety
- Virtuous management of waste and energy consumption
- Business ethics and integrity
- Diversity inclusion and equal opportunity
- Support for the community
- Promotion of innovation and digital development
- Creation and distribution of value
- Responsible management of the supply chain And the network
- Fiscal contribution and transparency

4.3. Sustainability governance

Lottomatica has sought to integrate sustainability within every aspect of the company's activities with increasing tenacity, guaranteeing oversight of the ESG strategy and the relative plan, with governance distributed among the internal stakeholders concerned.

Formally established in 2022, the sustainability governance structure consists of **4 organisational levels**: the Board of Directors, the Board's internal ESG Committee, the ESG managerial operations Committee, and the departments most directly involved in the specific sustainability issues.

As of June 2022, these were joined by the **ESG Officer**, who is tasked with coordinating and overseeing the implementation of the Sustainability Plan's activities.

BOARD OF DIRECTORS

is assigned the responsibility of approving the ESG strategy, and approving and publishing the Group's annual Sustainability Report.

BOARD'S INTERNAL ESG COMMITTEE

has been assigned a preliminary, propositional, and advisory support role on sustainability matters in relation to the Board of Directors, with particular regard to any changes in the trends and the adequacy of the strategic guidelines established. This body reports to the Board of Directors at least once a year, or when requested by the Board.

ESG MANAGERIAL OPERATIONS COMMITTEE

is in charge of developing the ESG strategy, the Sustainability Plan, and the relative programmes, setting the ESG targets and monitoring the relative KPIs. It coordinates with the Board's internal ESG Committee and includes the heads of the following departments: ESG Office; Human Resources, Organisation & PSS; Finance, Administration & Control; Corporate & Legal Affairs; External Relations & Communications.

DEPARTMENTS AND FUNCTIONS

most directly involved in the specific ESG issues, with dedicated officers to support the implementation and monitoring of the programmes, and the representation of the sustainability commitments.

Following the listing on the Euronext Milan Stock Exchange, a regulated market organized and managed by Borsa Italiana, Lottomatica Group SpA implemented specific regulations and policies for assessing the performance of the members of the Board of Directors and appointed four independent directors. Due to Lottomatica's listing, it is subject to the legal provisions which require the drafting of a Report on corporate governance and the owner-

ship structure, from which information on the assessment of the work of the highest governing body must emerge, also in relation to the performance and achievement of specific ESG objectives. Lottomatica Group SpA has created its own ESG Committee with competence to oversee the entire activity of the Group, therefore ESG Committee of Lottomatica SpA was terminated.

4.4. The value creation model

The ability to respond effectively to the challenges posed by the context in which it operates allows Lottomatica to generate and distribute sustainable value, which benefits all the players involved in the value chain.

In conducting its business activities, the Group is guided by **solid principles of environmental, social and governance responsibility**, and believes that its success in generating sustainable value primarily depends on its ability to **effectively respond to the demands** that arise from the context in which it operates, managing all forms of capital that oversee the creation of that value **in a balanced and conscientious manner**.

The value creation model represents the transformation process of the various forms of capital with which Lottomatica interacts, both in its business dealings and in pursuit of its ESG goals.

Forms of capital



FINANCIAL CAPITAL

Includes the equity, economic and financial resources necessary for the organisation's business activities.



PRODUCTION CAPITAL

Includes the proprietary areas and buildings, equipment, and all the material assets functional to carrying out the business activities.



RELATIONAL CAPITAL

The various relationships established by the Group.



HUMAN CAPITAL

The wealth of skills, abilities, and knowledge of those who work for the company.



INTELLECTUAL CAPITAL

Includes the internal management processes and procedures, as well as intellectual property and information systems.



ENVIRONMENTAL CAPITAL

Includes the environmental aspects upon which the Group's activities have an impact.

The following diagram illustrates the value creation process. Thanks to the Group's activities, its focus on material sustainability issues topics, and the characteristic traits of its corporate DNA, the **capital inputs** are able to produce **successful outputs** and generate **positive outcomes**, which create value over the short, medium and long term.

INPUT



OUTCOMES



4.5. Creation of economic value and fiscal contribution

Lottomatica is committed to developing its business in a responsible and sustainable manner, in order to generate and distribute value to all of its stakeholders and ensure a significant source of revenue for the community.

Lottomatica is a solid and growing organisation, as evidenced by the acquisitions and integrations undertaken over the years, including in 2022.

In 2022, the Group achieved revenues of approximately **€ 1,408 million** and generated an **EBITDA of € 460 million**.

With regard to the **revenues** generated, the increase in relation to the Online segment with respect to 2021 was attributable to the increase in online gaming products and services, improvements to the websites and applications, and the establishment of policies and strategies aimed at retaining customers and expanding the customer base. The increase in revenues recorded in the Betting Retail and Retail and Street Operations business areas was largely driven by the end of the restrictions aimed at limiting the spread of the Covid-19 pandemic.

The increase in **EBITDA** was also linked to the improvement of the Group's customer portfolio (Online) and the synergies associated with the integration of the companies Lottomatica Scommesse SpA and Lottomatica Scommesse Videolot Rete SpA.

Economic performance (€/thousands)

	2022	2021	2020
Revenues and other income	1,407,686	948,682	453,966
EBITDA	460,350	228,190	109,743
Net profit / (loss)	79,349	(54,875)	(50,705)
Net equity	107,476	264,145	32,303
Net financial debt	1,694,714	1,287,442	(396,831)

Lottomatica's ability to create wealth for its stakeholders can be measured by calculating the **economic value generated and distributed** during the year. The distribution of this value, shown below, is the result of the reclassification of the income statement items on the Group's Consolidated Financial Statements according to the requirements of the reporting standards.

Distribution of economic value (€/thousands)

	2022		2021		2020	
Economic value generated	1,407,686	100%	948,682	100%	453,966	100%
Economic value distributed	1,170,322	83%	861,926	91%	418,627	92%
Operating costs	910,415	78%	694,394	73%	331,561	73%
Value distributed to employees	80,472	7%	67,100	7%	30,474	7%
Value distributed to capital providers	124,251	11%	92,808	10%	56,455	12%
Value distributed to the Public Administration	55,184	5%	7,624	1%	137	-
Economic value retained	237,364	17%	86,756	9%	35,339	8%

During 2022, Lottomatica Group incurred operating costs of over € 910 million, which mainly consisted of costs for services. These costs are mainly attributable to the fees paid to the Group's distribution network.

Over € 80 million were allocated to the **remuneration of employees and collaborators** in the form of wages, salaries, other personnel costs, and provisions for severance pay.

About € 55 million were earmarked for the **Public Administration**, for taxes pertaining to the year (this amount does not include the portion of the collections paid to the tax authorities, nor the license fees). Over € 124 million were allocated to **debt capital remuneration** for financial expenses.

The **economic value retained** by Lottomatica, or rather the difference between the **economic value generated and distributed**, is equal to nearly € 237 million.

Lottomatica's tax contributions

As the largest operator in the public gaming sector authorised by the Customs and Monopolies Agency, Lottomatica plays an extremely important role in the **achievement of major public interest** objectives through its contribution to the revenue of the Treasury and the Italian State.

Lottomatica has always prioritised **fulfilling its tax obligations** and **making its tax payments** (including those related to gaming products and services) **in a timely and transparent manner**, and takes prudent measures to **responsibly manage its tax risk**.

Therefore, considering the impact of its work in this regard, and in the interest of ensuring **transparency, accountability, and improvement in the reporting** of its ESG performance, the Group has chosen to include the topic "**Fiscal contribution and transparency**" within the materiality process for the first time.

The Group has adopted an internal policy aimed at describing the activities, management methods, roles and responsibilities, as well as the authorisation and communication flows associated with the taxation process.

Lottomatica has always prioritised fulfilling its tax obligations and making its tax payments in a timely and transparent manner, and takes prudent measures to responsibly manage its tax risk.

Tax risk management and compliance fall under the purview of the Finance Administration & Control area's **Fiscal & Tax department**.² This department is responsible for the timely application of the tax legislation, in keeping with the best practices established by the Revenue Agency and the sector, and carries out reporting activities for the Supervisory Body and the CFO (Chief Financial Officer), as well as operational activities. The income tax disclosure is subject to verification by the Independent Auditing Firm during the audit of the financial statements.

2) This area is made up of the following professional figures: the Fiscal & Tax Director, the department manager, the Fiscal & Tax Expert, and the Fiscal & Tax Specialists, which consist of the operational staff.

In order to ensure tax management in line with legislative updates and the sector's best practices, Lottomatica organizes periodic **training and refresher courses on the subject**, intended for the employees most directly involved in these activities.

Subjects covered include: tax law, analysis of financial statements, treasury management -legal and contractual aspects, risk assessment and analytical skills.

In addition to providing a disclosure of the Group's approach to taxation, tax governance, and the management of tax-related risks, this year the Group provides for the first time the financial, economic, and tax information for each jurisdiction in which it operates.

FISCAL JURISDICTION	NUMBER OF EMPLOYEES	REVENUES FROM SALES TO THIRD PARTIES (€) ³	PROFIT/LOSS BEFORE TAXES (€)	TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS (€)	CORPORATE INCOME TAXES PAID ON A CASH BASIS (€)	CORPORATE INCOME TAXES ACCRUED ON PROFITS/LOSSES (€) ⁴
Italy	1,594	1,405,944,943	447,752	103,873,006	32,135,534	65,482,261
USA	1	-	91,268	-	-	14,199
UK	1	-	39,266	795	-	157

3) It should be noted that no revenues from intra-group transactions with other tax jurisdictions were recorded during the reporting period.

4) The reasons for the difference between the amount on the corporate income accrued on the profits/losses and the tax due are mainly attributed to the difference between the amount accrued in the 2021 calendar year and the amount paid that same year, which refers to the balance and advance payments for 2020. For the tax consolidating company Lottomatica SpA, only IRAP was paid in 2021 (not IRES), while for Lottomatica Scommesse SpA and Slottery Srl, both IRAP and IRES were paid.

Gaming taxes

Managed through selected and highly qualified concessionaires and operators, for the Italian government the public gaming sector represents **an important source of public revenues**.

Lottomatica Group's contribution to tax revenue in 2022 amounted to approximately € 2,194 million.

L € 2.2 bln¹
tax contributions 2022

+ 87%

The table below details the gaming taxes relating to the Group's activities, as well as the income taxes and the local taxes, paid during for the three-year period 2020-2022, calculated according to the criterion of economic competence. Taxes have increased by over 87% with respect to the previous year.

Impact on taxation (€/thousands) ⁵	2022	2021	2020
PREU and gaming taxes	1,646,593	899,258	379,818
Taxes on winnings	124,845	63,431	19,853
Consolidated tax on public gaming	243,561	147,330	80,054
License fees	102,135	58,211	25,709
Salva sport fund	-	6,557	4,983
Total gaming taxes	2,117,134	1,174,786	510,417
Income taxes	73,988	7,620	137
Local taxes	3,276	1,211	700
Total	2,194,398	1,183,617	511,254

5) It should be noted that, as a result of the containment measures imposed due to the Covid-19 pandemic, gaming hall and betting hall activities were suspended from early March through the first half of June 2020, and for almost the entire first half of 2021. These activities only gradually resumed starting in June, and with differentiated openings by region.

4.6. The ESG rating



The ESG rating awarded by the international agency Morningstar Sustainalytics indicates a negligible risk that Lottomatica will suffer any significant financial impacts due to ESG factors, and ranks it first worldwide in the “Consumer Services” industry and the “Casinos and Gaming” sub-industry.

In July of 2022, the Group voluntarily underwent an assessment by the international ESG rating agency Morningstar Sustainalytics to measure its exposure to a number of risks associated with ESG factors, and to verify the effectiveness of the relative mitigation measures put in place.

The ESG rating obtained by Lottomatica is currently⁶ **9.9**, which implies a **negligible risk** of suffering any significant financial impacts due to ESG factors.

Lottomatica SpA's ESG rating places the company in **first places worldwide** amongst the companies evaluated by Sustainalytics in the “Consumer Services” industry, as well as in the “Casinos and Gaming” sub-industry.

Lottomatica has also been accredited as an **ESG Industry Top Rated company** and an **ESG Regional Top Rated company** for 2023, thus placing it on the **list of companies with the best ESG ratings at the global, regional and industry levels** that Morningstar Sustainalytics publishes each year.

This recognition is a **further affirmation of the Group's commitment to ESG issues**, and the effectiveness of its corporate **environmental, social and governance sustainability** strategy.



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6) As of 13 April 2023.

Responsibility

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5.1. The regulatory framework of regulated gaming

Lottomatica operates in a highly regulated sector that's aimed at pursuing important objectives of public interest, including the protection of legality, the fight against illegal gaming, and the protection of consumers, especially minors.

The Italian public gaming sector in which Lottomatica operates, is the result of a lengthy and complex regulatory process that, over the past twenty years, has led to the determination and regulation of the gaming **requirements**, the gaming provision **methods**, the **characteristics** of the distribution network and the places of sale, and the **criteria for dividing** collections and revenues among the various subjects involved in the supply chain (consumers, the State, concessionaires, operators, and retailers).

The regulation of the sector is mainly the responsibility of the **Ministry of Economy and Finance**, specifically the **Customs and Monopolies Agency (ADM)**, which entrusts the management of the gaming activities to **concessionaires**: subjects chosen through **open, competitive, and non-discriminatory procedures**, in compliance with the principles of the European and national rules.

In addition to constantly checking the work of the concessionaires, the ADM carries out control activities aimed at **combating irregularities and illegal gaming products and services**, alongside the public safety authorities, and **ascertaining the specific taxes** for the sector: in particular, the Consolidated Tax Withholding (PREU) for the Gaming Machines with cash prizes sector, and the consolidated tax on bets for the betting sector. Lottomatica has always worked proactively with the Customs and Monopolies Agency and all the public institutions to ensure **compliance with the regulatory and legislative framework** and to promote its adequacy in the face of market changes and industry challenges.

Public interest objectives ensured by the gaming sector

Protection of legality and combating illegal gaming products and services	Contribution to tax revenues and the emergence of untapped revenues	Consumer protection, with particular regard to minors and data privacy	Launch of interventions for the prevention of gaming-related disorders	Economic, business, and occupational development throughout the Country
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Collections and tax revenues from the gaming sector

Thanks to the considerable tax revenues that it is able to ensure, the public gaming sector makes a significant contribution to the Italian economy and the well-being of the Italian state.

In 2022, the industry's total collections, or rather the total amount of the bets made, amounted to approximately **€ 133 billion**, for an increase of 19.8% with respect to the previous year.

In turn, the resumption of the gaming collections translated into a substantial increase in tax revenues, which, in 2022, amounted to **€ 10.8 million**, for an increase of 37% compared to the previous year.


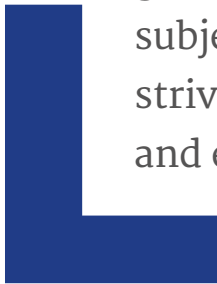
Type of gaming	Bet (€/M)			Expenditure (€/M)		
	2022	2021	2020	2022	2021	2020
Gaming Machines	33,075	18,178	18,813	8,859	4,721	4,831
Betting & Online ¹	79,725	68,297	50,970	9,020	4,298	3,466
Other games	19,866	22,436	16,246	2,385	6,444	4,652
Total	133,296	108,911	86,029	20,264	15,463	12,949

Type of gaming	Tax revenues (€/M)		
	2022	2021	2020
Gaming Machines	5,680	3,086	3,269
Betting & Online ¹	3,967	1,269	999
Other games	1,167	3,539	2,569
Totale	10,813	7,894	6,837

Source: Prisma SpA estimates based on ADM.market data.

1) Includes virtual games and horse racing games. Does not include the Betting Exchange.

5.2. Lottomatica's commitment to responsible gaming



Lottomatica operates with a full awareness of its role in promoting a legal and responsible gaming model, respecting the consumer as a subject to be protected, and to whom we must strive to offer safe, high-quality, innovative, and engaging gaming experiences.

For the majority of consumers, gaming is a form of **occasional entertainment**, and a **totally healthy and controlled** way to spend leisure time. However, a small percentage of players can potentially develop problematic behaviours related to gaming, especially when a combination of risk factors is present. In some cases, these behaviours even lead to a true disorder (clinically referred to as “Gambling Disorder”, or GD).

Lottomatica is committed to taking all the necessary measures to ensure that **attention to responsible gaming** will remain a **central component of its sustainable business strategy**, and an integral part of its daily operations.

That's why the Group works every day with honesty and professionalism to promote a **responsible and conscientious approach** to gaming, and helps its customers approach these activities in a manner that's **healthy** and **respectful of their limits**.

This commitment has been formally documented within the **Lottomatica Code of Ethics** itself, and in the **Responsible Gaming Programme**, which lays out the extensive **action plan** put in place to **protect consumers**, and namely to **protect minors**, to **prevent excessive gaming**, and to **promote a responsible, healthy, and conscientious gaming model**.

FOCUS ON RESPONSIBLE GAMING IN LOTTOMATICA'S CODE OF ETHICS

Lottomatica's approach to the issue of Responsible Gaming is one of extreme caution and maximum dedication to the protection of minors and players, and the company has expressly committed itself to the principles of awareness, information, transparency, education and governance.

In this regard, the Company:

- **has committed itself to taking all measures necessary**, in relation to its customers, to increase the sense of responsibility with respect to the practice of gaming itself;
- **has informed the users and customers** of the likelihood of winning, the risks associated with gaming, and the relative prohibitions, in accordance with the applicable legislation. The communication activities are focused on increasing the players' awareness and helping them better understand and monitor their gaming habits;
- **has trained all of its staff**, regardless of whether they are in contact with customers and players, so that they can provide support and help those who do not approach gaming as a leisure activity;
- **does not permit children under 18 to engage in gaming**. To this end, the Company has given precise instructions to its entire sales network not to accept gaming requests from minors under the age of 18.

The External Relations & Communication Department is responsible for the Responsible Gaming Programme's implementation.



THE RESPONSIBLE GAMING COMMITTEE

In order to ensure **maximum focus on the Responsible Gaming Programme** at both the corporate and business levels, as well as its effectiveness within the broader scope of the Corporate Sustainability Plan, at the beginning of 2023 the Group established a **Responsible Gaming Committee**.

The Committee is a dedicated governance structure that involves representatives of the External Relations & Communication, the ESG Office, and the Betting & Digital, VLT, AWP & Direct Distribution business lines.

In accordance and coordination with the ESG Management Committee, the Responsible Gaming Committee aims to **foster increased integration between the business processes and the Responsible Gaming Programme**, ensuring the continuous improvement of the Programme itself, and the achievement of the expected results.

Player protection and regulatory compliance

Lottomatica operates in **full compliance with the current regulations** on **safe gaming**, the **prevention of excessive gaming**, and the **protection of minors**, and stays constantly up to date on any changes to the regulations issued by local authorities, adapting the products and services that it offers nationwide to ensure that they are always compliant with the rules implemented by the Regions, the Municipalities, and other local bodies. In fact, the Group considers its duty to ensure **maximum protection for users, especially the most vulnerable segments of the population**, and to provide a safe and high quality range of gaming products and services, and requires its commercial partners, employees, and counterparts to conduct themselves in a **fair and transparent manner**. Lottomatica and all the Group companies strictly adhere to the regulations governing gaming activities and relative communications. Specifically:

- the **Balduzzi Decree** (Decree-Law no. 158/2012), which introduced a ban on advertisements for games with cash prizes, stipulating that any advertisements must not in any way incite or glorify the practice of gaming, and must instead contain specific warnings on the risk of addiction and the likelihood of winning;
- the **Dignity Decree** (Decree-Law no. 87/2018), which reaffirmed the prohibition on any form of advertising for games and betting, on any medium, and provided for additional disclosure obligations, extending the obligation to display warnings about the risk of addiction and the likelihood of winning to include VLT machines and all areas where AWP are present;
- regulations issued at the local level by the Municipalities and Regions in terms of **combating problematic gaming, proximity to so-called “sensitive places”,** and the **times for carrying out the activities**.

Responsible Gaming Guidelines

In managing its activities, the Group has adopted specific **guidelines covering all the areas of gaming influence and governance**, raising awareness and empowering the human resources who work throughout the supply chain in various capacities: from the business lines, to the figures who interact with players directly, whether in the gaming halls or on the remote gaming platforms.



Protection of minors, through the adoption of specific measures aimed at preventing any form of under-age access to gaming.

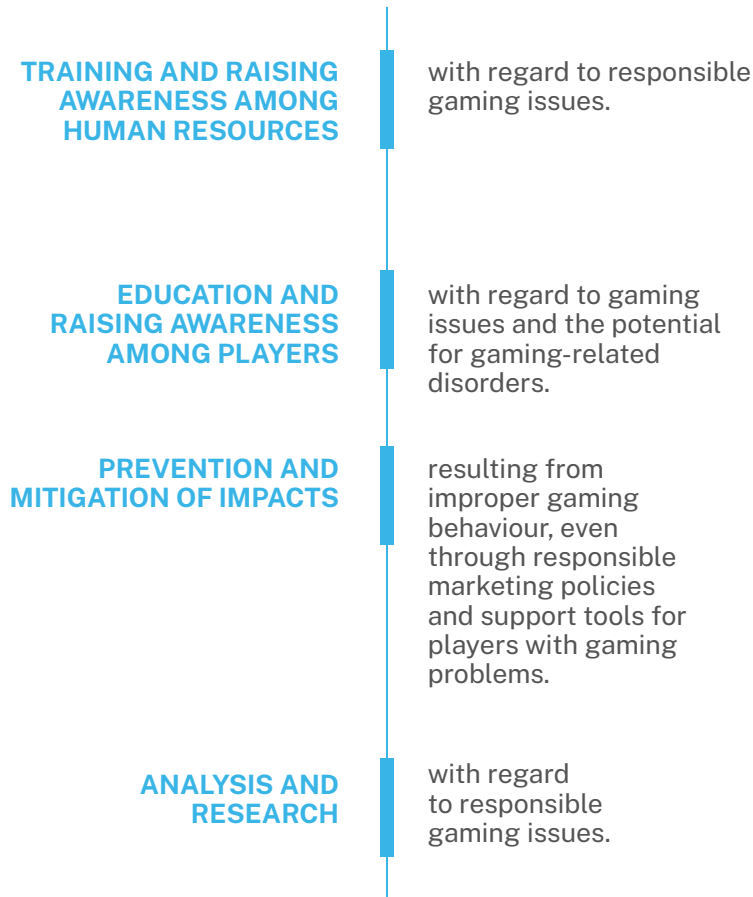


Prevention of excessive gaming, through training, monitoring, governance tools, and support for players with gaming problems.



Promotion of a responsible gaming model, to be understood as a form of entertainment to be chosen with awareness, and characterised by clarity, completeness, and impartiality of information.

By virtue of these guidelines, Lottomatica has established a continuous dialogue with all the stakeholders involved in the promotion of legal and responsible gaming (employees, regulatory authorities, institutions and other stakeholders), and carries out **projects focusing on 4 macro-areas**.



TRAINING AND RAISING AWARENESS AMONG ITS HUMAN RESOURCES

As indicated in its Code of Ethics, Lottomatica guarantees an adequate degree of professionalism in the execution of the tasks assigned to its collaborators. To this end, it is committed to **promoting the skills of its human resources** by providing suitable **training, professional updating, and development tools**.

All the employees are aware of their own contribution to the pursuit of the responsible gaming objectives, including through the **mandatory training** provided on the Code of Ethics, which they sign, and whose principles they undertake to share and observe.

Moreover, in light of the particularly important roles played by certain professional figures due to their proximity/contact with the players, the Group has launched dedicated initiatives.

The “Punto Gioco intelligente” training programme

In collaboration with the “Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions” (CePID), which arose from the partnership between Agostino Gemelli University Hospital Foundation IRCCS and the Lottomatica Foundation, the Group has launched a structured **training and awareness programme** on responsible gaming for its staff and sales network.



The course, which is called “**Punto Gioco intelligente**”, is conducted by medical personnel from Gemelli Hospital with experience treating GD, and consists of several modules covering addiction topics, namely gaming addiction, which focus on the concrete aspects of **preventing and combating problem gaming** and Gambling Disorder, as well as the **identification of individuals potentially at risk**, and their **proper management** within the gaming halls.

After having covered **100% of the directly managed network in 2022**, the Group plans to **offer the course to its business partners and contractors** operating throughout the network of **indirectly managed VLT and betting halls** during 2023.

The Group also plans to offer the basic “Punto Gioco intelligente” module to **all of its in-house personnel**, and is currently developing a **module specifically dedicated to online gaming**.

This module takes on the form of an update on **mandatory training** already carried out at the time of onboarding by the **personnel in closest contact with online customers**, such as those employed in the Anti-Money Laundering, Customer Support, CRM, and VipTeam areas. Currently, 100% of the Group employees working in these areas have undergone the training on responsible gaming.

Results and targets

- ✓ **In 2022**, Lottomatica achieved its goal of training **100% of the operators in its directly managed gaming halls (about 130 halls)**.
- ➔ **In 2023**, Lottomatica aims to:
 - train at least **70% of the operators at the VLT gaming halls** managed indirectly;
 - train at least **70% of the betting shop operators**;
 - provide basic training to **100% of the Group’s employees**;
 - train **100% of employees in contact with online gamers** with the new specific module of the “Punto Gioco Intelligente” course.

EDUCATION AND RAISING AWARENESS AMONG PLAYERS

In keeping with its approach to responsible gaming, and in compliance with the so-called “Dignity Decree”, all communications regarding the products and services offered by Lottomatica Group are of a **purely informative nature**, and do not serve any promotional purposes.

Moreover, the Group does not make use of or address minors or weak or vulnerable members of the community in any of its communications, and undertakes to provide **only reliable and objective information**, including information regarding the characteristics of the games and the odds of winning.

In fact, the primary goal of the communications is to provide the broadest knowledge of the products and services offered, so as to maximise the customers’ awareness and equip them with all the necessary tools to approach gaming in a safe and legal manner.

For this reason, appropriate safeguards that reflect these principles have been put in place at **every point where gaming is promoted and where contact is made with the player**.

Information tools on all channels



ADM and Responsible Gaming logos

All the materials present at the Lottomatica network’s points of sale, as well as on all the online gaming sites and platforms, bear the logos of the

Customs and Monopolies Agency (ADM), as well as **specific logos encouraging responsible gaming and indicating that gaming is prohibited for people under 18 years of age**. In compliance with the provisions of art. 7 of Law Decree no. 158/2012 (the so-called “Balduzzi Decree”), specific indications are also provided on the risk of addiction and on the odds of winning.

Results and targets

- **In 2023**, Lottomatica plans to create a **single responsible gaming logo** for use by all the Group companies and gaming verticals, with the aim of maximising its visibility and recognisability across all channels.

The Ten Commandments of Responsible Gaming

The Ten Commandments of Responsible Gaming, which are available at all the touch points with the players, including the points of sale and the Group's websites and online platforms, consist of **10 rules of conduct** intended to help players maintain a **conscientious approach to gaming**.

1

Gambling is entertainment, not a way to make money

2

Only gamble with amounts that are within your financial means

3

Play just for the sake of the game, and in full knowledge of the rules

4

Only gamble for the length of time that you set at the beginning and take a break when you have been gambling for too long

5

If you decide to stop or to gamble less, commit to doing so

6

Do not play to "recoup losses", and accept the outcome as an expense of the entertainment

7

Do not borrow money in order to gamble

8

Don't overdo the frequency of your gambling, and do not give up other leisure activities to focus on gambling

9

Don't lie to friends and family about the amounts that you have spent on gambling

10

Don't treat gambling as a way of resolving issues and concerns, and do not gamble while under the influence of alcohol or drugs

Self-assessment test

The self-assessment test is a tool designed to allow customers to evaluate their own **player profiles** in an entirely anonymous and untraceable manner, and to determine whether they are potentially at risk of developing problematic behaviour, by answering questions regarding their **gaming behaviour over the past twelve months**. In this case, the player is invited to contact the National Health Institute's Helpline or the nearest help centre².

The test is available in interactive form on all the Group's main websites, and is even available in paper format at the Group's gaming halls and points of sale.

In the last twelve months how often have you...

Gambled more than you could afford to lose?

Needed to gamble more to feel any excitement?

Returned to gambling with the idea of getting back the money you have lost in order to "get back on your feet"?

Asked for a loan or sold something to have money to gamble with?

Had the sensation of having a gambling problem?

Been accused by someone of having a gambling problem, whether you consider it true or not?

Thought that gambling has caused you economic problems or has caused them to your family finances?

Felt guilty for your way of gambling or for what happens when you gamble?

2) See the chapter entitled "Player Support" below.

Physical points of sale

Minors under 18 years of age are strictly forbidden from entering and engaging in gaming activities at the Lottomatica network's points of sale. The gaming hall staff is required to verify that all the customers and patrons are of legal age, and to remove all those who have not yet turned eighteen.



Informative and support tools

The Group creates and disseminates a wide range of **information materials at its points of sale to promote responsible gaming practices**, to encourage conscientious gaming behaviour, and to provide a wide range of information on its gaming products.

These include: informative leaflets, postcards and posters; the “Ten Commandments of Responsible Gaming” for players; the self-assessment test and informative guides to facilitate the identification of problematic behaviour and to identify the tell-tale signs of a possible gaming problem; references and contact details for the help centres in the vicinity of the point of sale; posters containing information on the odds of winning the various games; signs indicating that entry and access to games is prohibited to minors under 18 years of age; information on the anti-money laundering legislation and the processing of personal data; gaming regulations for videolottery terminals, betting, and virtual games.

Results and targets

- ✓ **In 2022**, Lottomatica carried out a project to revise the information materials present within the gaming halls. 100% of the gaming machines present within Lottomatica's gaming halls currently bear **labels with responsible gaming content**.
- ➔ **In 2023**, Lottomatica intends to prepare **a corporate campaign** to be deployed at the main touchpoints of all the gaming verticals.

Websites and online platforms

The Lottomatica corporate website, gaming websites, and mobile platforms have **large sections dedicated to player protection and promoting responsible gaming**, which contain all the detailed information, initiatives, and tools useful for pursuing the objectives set in these areas.

G4 certification for Responsible Gaming

The GoldBet.it and Lottomatica.it online gaming platforms have obtained **responsible gaming certification** according to the standards of the **Global Gambling Guidance Group (G4)**, an international organisation of gaming experts dedicated to promoting responsible gaming and reducing the harm caused by problem gaming.



The G4 certification programme represents a **worldwide benchmark** for the proper application of the **best practices relating to responsible gaming**, in accordance with globally accepted standards and protocols.

This **three-year certification** was issued following an **audit (repeated every 18 months)** conducted to verify the adoption and effective implementation of the tools, policies, and procedures necessary to ensure the highest levels of security and protection for customers and employees alike. The parameters assessed include the effectiveness of the player age verification process, the presence of mechanisms designed to limit spending and to self-exclude oneself from gaming for a fixed or indefinite period of time, the presence of clear contact information if needed, and the actual training received by the staff, especially the operators in close contact with customers.

Results and targets

- ✓ **In 2022**, Lottomatica **renewed its G4 certification** for Lottomatica.it and GoldBet.it by **passing the intermediate audit**.
- ➔ **In 2023**, Lottomatica intends to obtain G4 certification for its online platform Betflag.it.

Gaming accounts

Prohibition on gaming for minors under 18 years of age

It is strictly forbidden for minors under the age of 18 to register, bet, and participate in any games on the Lottomatica Group gaming websites and apps.

The gaming account is nominative and personal, and ownership and age of majority checks are carried out by the ADM / SOGEI by **verifying each customer's tax code** and the consistency of their data during the registration process.

The complete activation of the gaming account only takes place once the signed contract has been received, accompanied by a copy of the user's identity document (within 30 days under penalty of account suspension, and within 60 days under penalty of contract termination), and only after the weekly deposit limit has been set.

It is strictly forbidden for minors under the age of 18 to register, bet, and participate in any games on the Lottomatica Group gaming websites and apps.

Player data security

The online gaming websites' restricted areas are accessed via an **encrypted connection**, and each login is logged by the system, which records the date and time of the last login, as well as each access to the page containing the user's account statement.

Tools for responsible online gaming

The Group's online gaming platforms implement a wide range of tools aimed at providing a wide range of information, guiding customers towards greater awareness of their gaming behaviour, and discouraging all forms of problematic behaviour.

<p>Monitoring of online activities, including the history of logins, transactions, and gaming activities.</p>	<p>Automatically logout from the account if the user remains inactive for over 20 minutes.</p>
<p>Voluntary self-limitation of the weekly deposit amount. The establishment of a weekly deposit limit is mandatory to open the gaming account, and can be changed afterwards: more restrictive changes are implemented immediately, while for changes imposing less restrictive limitations require a 7-day waiting period.</p>	<p>Voluntary self-exclusion from gaming, which can either be temporary (30, 60 or 90 days), or permanent. Customers who have requested self-exclusion will still be able to make withdrawals from their account, but will not be able to make deposits or participate in any types of gaming activities.</p>

Results and targets

→ **In 2023**, Lottomatica plans to implement an automatic management system for sending email/SMS reminders about the self-exclusion operating methods (set deadline, block on all concessionaires, inability to make deposits/engage in gaming activities, possibility of making withdrawals, etc.). Activities are also in progress that will allow for the possibility of blocking individual gaming verticals, and improving the monitoring of self-exclusion cases, in order to identify cases of compulsive gaming and the relative preventive intervention methods.

Dedicated pages and customer communications

All mass market communications sent to Lottomatica's on-line customers contain **explicit references to responsible gaming**.

In 2022, the Group conducted a review of the responsible gaming sections of the Lottomatica.it and GoldBet.it gaming websites in order to standardise their content and tone of voice.

At the same time, a **communication and awareness-raising campaign on responsible gaming** was carried out for the customers on both platforms, consisting of 6 different communications, each focusing on a specific topic related to responsible gaming:

- The rules of the game;
- Setting gaming limits;
- Odds of winning and RTP;
- Myths and common beliefs about gaming;
- Approach to gaming;
- “Gioca Intelligente” (prohibition on gaming for minors under 18 years of age, tips on seeking help).



Results and targets

- ✓ **In 2022**, Lottomatica completed the **delivery of the DEM campaign** on responsible gaming to 100% of the online customer-base and the **review of the responsible gaming content** on the Lottomatica.it and GoldBet.it websites. This activity will also be carried on the Betflag.it platform during the course of 2023.
- ➔ **In 2023**, Lottomatica intends to prepare a corporate campaign on **responsible gaming** to be deployed at the main touchpoints of all the gaming verticals, including online.

PREVENTION AND IMPACT MITIGATION

Responsible marketing and supply chain

In carrying out its work activities, Lottomatica is inspired by the principles of **loyalty, correctness, transparency, efficiency, legal compliance**, and **respect for the values** expressed in the Code of Ethics, including the commitment to responsible gaming, and demands similar conduct on the part of all those with whom it has commercial and/or financial relations.

In particular, in carrying out its business activities, the Group's main priority is to **protect players** at every stage of their customer experience through **responsible conduct policies**, from the selection and manufacture of our products, to their distribution through all channels and points of contact with consumers.

Lottomatica has therefore adopted a specific **Responsible Marketing Policy**, which was approved in 2022 and updated in February of 2023, and lays out the **general principles** guiding the development, selection, communication, and marketing of its products, in compliance with the current regulations and the company's commitment to **promoting Responsible Gaming as a key factor for business sustainability**.³

3) For more details, see chapter 5.3 "Innovation and respect for the consumer".

Player support

The CEPID of the Agostino Gemelli University Hospital IRCCS

Thanks to the partnership launched in 2022 between the Agostino Gemelli University Hospital Foundation IRCCS and the Lottomatica Foundation, the **Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (CEPID)** at the A. Gemelli University Hospital IRCCS was inaugurated in early 2023.



The centre is dedicated to carrying out clinical and research activities aimed at preventing, combating, and treating pathological addiction disorders. In this sense, its goals are to raise awareness of these phenomena from an epidemiological standpoint, to optimise the diagnostic and treatment pathways, and to improve the possibilities for social and educational intervention.

National toll-free telephone number for the National Institute of Health

Lottomatica posts the **National Toll-Free Telephone Number** for Gambling-Related Issues (TVNGA) at all its points of sale and on its websites and online platforms.

The service, which is managed by Italy's **National Institute of Health**, is anonymous and free of charge, and is not only intended for players, allowing them to get in touch with and seek the help of professionals, but is also open to anyone who wishes to receive information about the health services dedicated to the treatment of gaming-related problems, services for the management of debt-related socio/economic and/or legal problems, and the Regional Toll-Free Numbers dedicated to these same issues.

800 55 88 22
NATIONAL TOLL-FREE NUMBER
NATIONAL INSTITUTE OF HEALTH

The National Institute of Health has also launched a website called **“Uscire dal gioco”**, where problem gamers and their families can find information and support to embark on a pathway of change and be directed towards gambling disorder treatment services.

Gambling Therapy

Lottomatica has entered into a partnership with Gambling Therapy, a service provided by Gordon Moody (the UK's leading provider of gambling therapy and support services), which offers assistance and support to anyone directly or indirectly impacted by problem gambling.

This partnership has allowed Lottomatica to render various tools available to its customers, including: **helplines** and **multilingual support groups** for players and family members, a **forum and direct assistance** via email, and a dedicated app with information and tools useful for identifying and overcoming any gambling problem.

Results and targets

- ✓ **In 2022**, Lottomatica brought the service to its platforms, and provided its Customer Support and CRM staff with training on the tools rendered available by Gambling Therapy.
- ➔ **In 2023**, Lottomatica, within the context of this partnership, plans to implement new projects that specifically entail the direct referral of the most delicate cases to the Gambling Therapy services and the establishment of specific KPIs to identify and prevent the occurrence of gaming related problems.

4) For more information see chap. 7, titled "Community and Environment".

ANALYSIS AND RESEARCH OF RESPONSIBLE GAMING ISSUES

Lottomatica actively promotes the **analysis and research of legal and responsible gaming issues**, creating opportunities for in-depth investigation and discussion on the role that the legal gaming industry specifically plays with regard to ensuring public order and legality, and consumer protection.

In this regard, the Group has organised a series of meetings entitled “**Lottomatica Talks: Public gaming, responsibility and consumer protection**”, which are aimed at improving dialogue and discussion with institutions, local authorities, and social actors. After the first meeting held in Rome in October of 2021, additional Lottomatica Talks meetings were held throughout Italy in 2022, in cities like Trento, Florence, and Naples.

The Group’s commitment in this regard was also highlighted by the presentation of the first Issue of the **Censis-Lottomatica Permanent Observatory on Legal Gaming in Italy** in July of 2022, which served as an update to the Censis-Lottomatica Report on Legal Gaming presented in November of 2021, emphasising the important role that the public gaming sector plays in ensuring legal gaming protecting consumers.

In collaboration with the **Luiss Guido Carli University**, Lottomatica is one of the main partners of the “**Legality and Merit in Schools**” project, which aims to raise the new generations’ awareness of the values of legality and respect. Thanks to Lottomatica’s support, two scholarships were awarded for the 2022-2023 academic year.⁴

The activities of **the Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (CEPID)** at the A. Gemelli University Hospital IRCCS, which was inaugurated in early 2023 and arose from a partnership established between the **Agostino Gemelli University Hospital Foundation IRCCS and the Lottomatica Foundation** in 2022, will also contribute to the study of responsible gaming, and research on preventing, combating, and treating pathological addiction phenomena.

Results and targets

- **In 2023**, Lottomatica aims to launch a pilot project at its directly operated gaming halls in order to **screen for potentially at-risk players**, who will be detected based on the “Punto Gioco Intelligente” training methodologies.

5.3. Innovation and respect for the consumer

The drive for innovation is part of Lottomatica's DNA. One of the pillars of Lottomatica's mission consists of offering an innovative and excellent customer experience that's capable of guaranteeing consumer protection and personal data protection, both online and at the points of sale.

The promotion of innovation and digital development

The drive for innovation is part of Lottomatica's DNA. As reported in the corporate Mission, in fact, the Group undertakes to **"innovate its sector in a sustainable way, through technological excellence and the experimentation of new business, work and relationship models"**. This vocation is confirmed by the presence, for the first time, of the material topic **"Promotion of innovation and digital development"** within the 2022 materiality matrix.

Innovation and technology are decisive factors for Lottomatica to guarantee an increasingly complete, engaging and, above all, safe offer for customers and consumers. Approximately **About 400 people are involved in technology and process digitization, out of a company total of about 1,600 employees**. From 2018 to today, **investments in technology have grown by about 50 percent**, reaching around 9.5 million euros in 2022 those specifically in cybersecurity have increased by almost two and a half times, while the capacity of IT infrastructures has been doubled to better respond to the company's growth in size and ensure the constant improvement of service levels.

Lottomatica's IT systems manage over **750 million transactions per day** through an infrastructure made up of **eight ISO 27001 certified Data Centers** and **1,600 virtual servers**, with more than 3 Terabytes of data passing daily.

€ 9.5 mln
INVESTMENTS
IN TECHNOLOGY
IN 2022

750 mln
TRANSACTIONS
PER DAY

8 data center
ISO 27001
CERTIFIED

In line with the Group's technological vocation, **Lottomatica Digital Solutions** was born in Bari in 2022, with the ambition of creating a **technological hub** in Southern Italy entirely focused on **software development**, in particular for the European and North American markets. To carry out this project, Lottomatica has also signed a **three-year collaboration agreement with the Polytechnic of Bari** which provides, among other things, for the recruitment of recent graduates in STEM disciplines ("Science, Technology, Engineering, Mathematics") with knowledge of modern technologies for software development and data analysis.

Since 2021, Lottomatica has been carrying out **Become Digital**, a project designed to **promote the development of a digital mindset** within the organization and stimulate an open mindset towards the opportunities offered by digital transformation. Each person in the Group was able to obtain their own digital identikit and a **training platform** was made available with a large library of contents and insights related to digital transformation. As part of the project, thematic webinars were also held focused on the main trends and innovations on the digital and innovation front, which saw the participation of over 200 employees in 2022, confirming the **propensity to grow and innovate that it is part of Lottomatica's DNA**.

Furthermore, in 2022, as part of Become Digital, an ambitious **Digital Transformation process** was launched with the aim of accelerating the **optimization of business processes** and their **evolution in a full digital key**, significantly reducing paper consumption. The project **involved all corporate functions** and was based on **three operational pillars**.



DIGITAL MINDSET

Analysis of **operational workflows** and redesign based on a **Paperless Paradigm**.



DIGITAL SIGNATURE

Native digitization of documents, through the use of **electronic signature** tools to reduce the use of paper.



ARCHIVING

Introduction of digital archiving tools that make it **easier to manage, search and share documents**.

An initial **process analysis and mapping** phase, which occupied a good part of 2022 and was aimed at determining the starting digitization level and the efficiency margins, was followed by the **design** and **implementation** phases of the technological solutions, with the creation of the **new operational workflows** and the configuration of the new **natively digital systems**. The project, still ongoing in 2023, will bring a series of benefits capable of extending over several levels: not only in terms of **standardization** and **simplification** of work, but also more efficient **use and sharing** of documents, greater **security** and **traceability** and last but not least, a **significant reduction in environmental impact**.

Furthermore, in 2022, Lottomatica launched a **Cyber Security Awareness programme addressed to the entire corporate population**, with the aim of increasing awareness of the importance of IT security and the adoption of the right behaviors to guarantee the protection of data, information, networks and systems. The programme provides for the production and publication, within the company intranet, of multimedia pills each focused on a specific theme: from the protection of privacy to safe navigation on the web, passing through attention to malware, spam and fake news.

The success of Lottomatica's commitment to promoting innovation and digital development, especially as regards the gaming products and services offered, is reflected in the growth of Lottomatica's customer base, increasingly involved in the **variety of gaming experiences** offered by the Group and the **continuous improvement** made to **websites** and **gaming applications**.

Customer protection, listening, and engagement

Lottomatica is committed to guaranteeing a safe, legal, and high quality range of gaming products and services, promoting innovation and business excellence, while at the same time respecting all of its counterparts, especially its customers.

In carrying out its activities, the Group's priority is to **protect consumers throughout every stage of the customer experience**, from the selection and manufacture of its products, to their distribution through all channels and points of contact with consumers.

This commitment is enshrined in the Group's **Responsible Marketing Policy**, adopted in 2022, which lays out the guidelines necessary to ensure sustainable business development.

The Lottomatica Responsible Marketing Policy Guidelines

Transparency

of the products and services, the characteristics, and the gaming conditions, which must always be represented in a clear, truthful, and unequivocal manner in order to allow for a healthy and conscientious approach to gaming.

Awareness of excessive gaming,

avoiding any initiatives and/or messages that could be misleading with respect to appropriate gaming behaviour, especially in relation to the most vulnerable members of society, for example by representing gaming as a solution for financial problems or as an alternative to work.

Respect for the territory

in choosing the locations of operational headquarters and points of sale, which must be done in consideration of the area's social and urban context, and, in the case of the commercial network, with due consideration being given to safety and proximity to sensitive places, in collaboration with representatives of local institutions and in compliance with the current legislation.

Protection of minors,

in terms of combating all forms of under-age gaming, both online and at the points of sale, as well as in terms of creating and advertising products and services, which must not include content and language designed to attract children and under-age young people.

Promotion of a responsible gaming model,

with the goal of preserving and promoting the concept of healthy gaming, adapted to the dimension and opportunities of the target audience, where fun, challenge, and the desire to socialise remain the key elements.

CUSTOMER EXPERIENCE

Consumer awareness and responsibility play a central role in every aspect of the Group's business, and guide the conduct of every player in the value chain throughout every stage of the process.

Due to the nature of the sector in which it operates, Lottomatica Group caters to a diverse customer base. It maintains an **ongoing and constructive dialogue** with them, with their needs serving as the impetus for the research and development of new products, services, and technological solutions designed to meet every market need, while at the same time always maintaining **the utmost levels of quality, transparency, and safety**, in full compliance with all the rules and regulations in force.



The Group is also committed to ensuring that **the customer journey is always pleasant and engaging**: in this sense, the Group's success is in part owed to the high level of professionalism of its staff, the attentiveness of its points of sale, the security and reliability of its gaming platforms, and the technical and commercial support provided to its partners.

Results and targets

- ✓ **In 2022**, Lottomatica began sending out a quarterly feedback questionnaire to its customer base and conducting market research activities regarding the offered and perceived quality of the Group's products and services.

Data security, privacy protection, and cybersecurity

Data security and privacy protection are crucial to Lottomatica, which has reaffirmed their importance by **once again including them as material topics** for 2022. In fact the Group **views these concepts as interconnected and related to all the corporate risks**, and dedicates particular attention to **training its employees** how to handle personal data and counteract potential cyber attacks.

The Group manages the collection and processing of personal data in accordance with the **highest standards of conduct**, in compliance with the European regulations laid out in the **GDPR** (EU Regulation 2016/679). In particular, the most recent interventions in this regard were the following:

- the implementation of **technical and organisational measures** for the protection of the personal data processed;
- the updating of the **impact assessments** for specific types of processing activities;
- the updating of the **suppliers who carry out personal data processing activities** on behalf of Group companies.

Data security and GDPR compliance

LAWFULNESS, FAIRNESS, AND TRANSPARENCY

The data subjects' personal data are processed in a fair and lawful manner, and for the purposes clearly laid out in the Disclosures.

LIMITATION OF PURPOSE

The personal data are only processed for specific, explicit, and legitimate purposes in terms of collection and all other processing-related activities.

DATA MINIMISATION

The information collected is limited to that which is strictly necessary for the pursuit of the data processing purposes.

ACCURACY

Lottomatica has adopted all the measures necessary to promptly delete or rectify data any that are inaccurate with respect to the purposes for which they are processed.

LIMITATION OF RETENTION

The personal data are only retained for the amount of time necessary for the data controller to fulfil its purposes or to meet its legal obligations.

RESPONSIBILITY

The data controllers and data processors take the most appropriate and effective measures to ensure data protection.

INTEGRITY AND CONFIDENTIALITY

The personal data are adequately protected against unauthorised processing and accidental loss or modification.

ISO 27001 CERTIFICATION

Lottomatica Group has adopted an **Information Security Management System (ISMS)** compliant with the international **ISO/IEC 27001:2013** standard.



Gamenet SpA and GBO Italy SpA are both currently **ISO 27001**.

At the beginning of 2023, Gamenet SpA and GBO Italy SpA also obtained **ISO/IEC 27701:2019** certification for their **information security and privacy management system**.



ISO 27701 certification represents an extension of the ISO 27001 information security management standard, for which the two companies have been certified since May of 2021, and specifically regards privacy, thus attesting to their synergistic and integrated approach to information security and Europe's General Data Protection Regulation (GDPR).

The **Group's compliance with the international standards** allows for a synergistic and integrated approach to the **protection of data security and privacy**, thus reducing the risk of data breaches and ensuring the continuous updating and improvement of the processes and safeguards identified.

DATA PROTECTION GOVERNANCE

Lottomatica has established a specific **governance structure on data processing, data protection, and cybersecurity**, under which the main corporate departments have different responsibilities.

The company entrusts the Corporate & Legal Affairs Department, among others, with responsibilities for the protection of personal data, which, in addition to keeping the Data Processing Logs of the Companies attributable to Lottomatica Group and preparing all the relative disclosures, also include the procedures and appointment agreements aimed at ensuring that Lottomatica Group's data processing activities are carried out in a lawful manner and in full compliance with the principles and requirements of the GDPR.

The role of the **Data Protection Officer** has also been created, who is tasked with supporting the data controllers, employees, and data processors in protecting and retaining the data in compliance with the regulations, protecting the rights of the data recipients ensured by the GDPR, and ensuring cooperation with the Data Protection Authority, and any other competent authorities.

The Group has established a **governance structure for customer data protection and Cyber Security**: the company began the process back in 2018 by establishing its Technology Security department, which is tasked with ensuring the security of all the Group's companies, and is headed by the Technology Security Senior Manager, who reports directly to the Chief Operations Officer (COO).

Following the listing of the Lottomatica Group on Euronext Milan, the **Control and Risk Committee** assumed **responsibility for supervision also in relation to Privacy and Data security issues**.

Oversight in this area was later further bolstered with the formal adoption of a **Data Protection Policy** applicable to all the Group companies, which contains the main procedures and regulations already in use for the management of any information security incidents constituting personal data breaches, such as the **Data Protection Regulation** and the **Data Breach Management & Notification Procedure**.

Lottomatica Group has also made it mandatory for third parties to read and comply with its Data Protection Policy, integrating its general purchasing conditions with a specific clause, and including, also within individual agreements, a direct reference to compliance with the provisions contained in the Data Protection Policy.

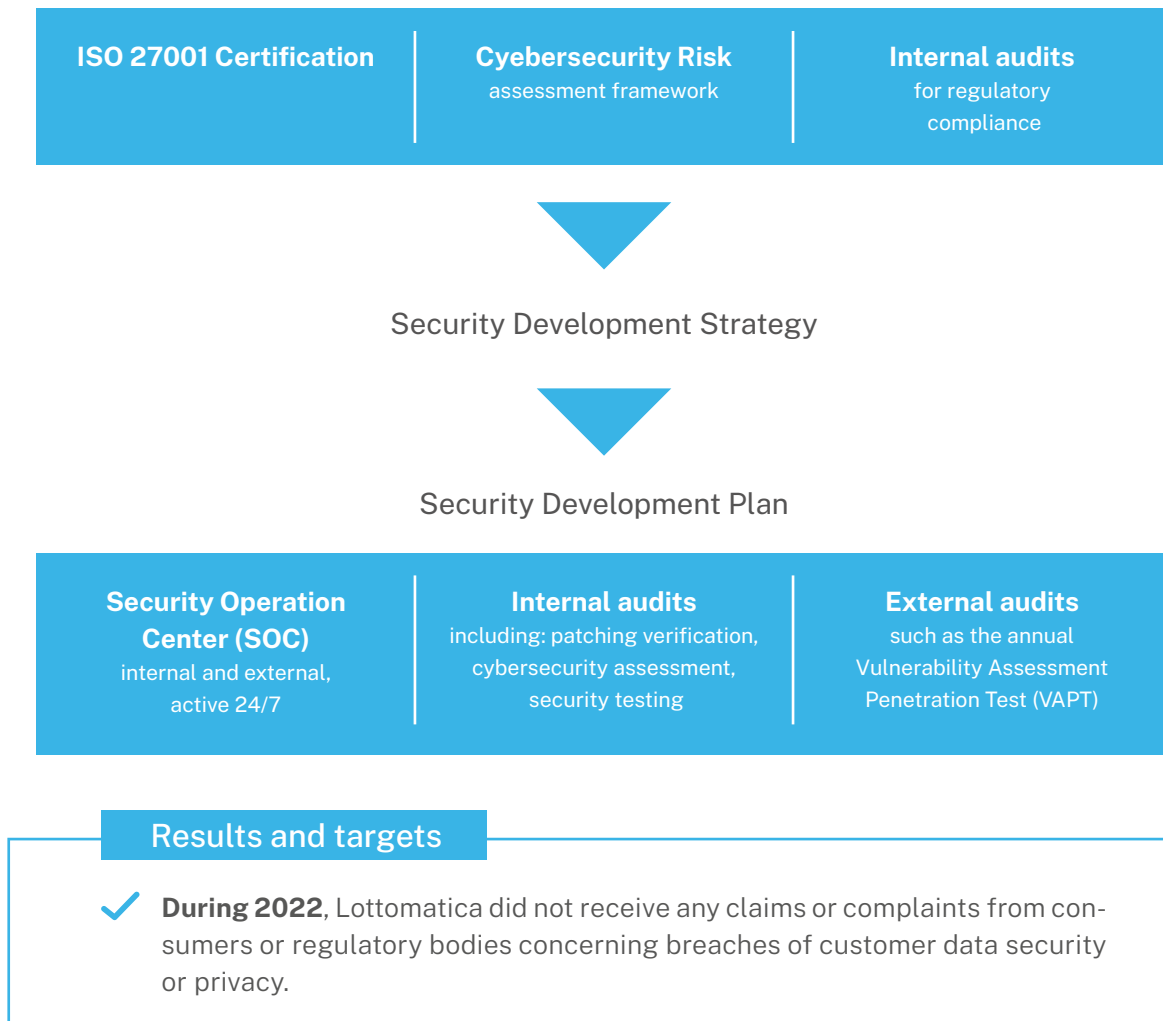
Lottomatica has introduced a **cyclical Security Governance process**, based on which the **Security Development Strategy** and **Security Development Plan** were established.

The Lottomatica Group pays particular attention to **training courses on data privacy** for all new entries and provides periodic training on data protection for all employees who deal with this issue (100% of those concerned). These training activities also include contractors (consultants, commercial partners...) through courses in e-learning mode.

Thanks to its IT systems, the Group is capable of protecting the security of each transaction carried out, managing an average of over **150 billion events** per year attributable to over 25,000 attacks managed, including approximately 2,000 malware attacks, 15,000 malicious URLs and 150 exploits blocked, and over 3,500 intelligence reports.

150 Bln
EVENTS MANAGED
BY LOTTOMATICA'S IT
SYSTEMS EACH YEAR

Cyclical Security Governance process

**TRAINING**

Lottomatica has created a specific **training course on data security**, through a Security Awareness & Training platform designed to deliver customised courses based on the individual resources' knowledge and skill levels, and the standards required by the individual structures.

Furthermore, in collaboration with the Human Resources, Organisation & PSS department and the Data Protection Officer, the Corporate & Legal Affairs department ensures the **periodic updating of the employees with regard to the protection and processing of personal data, privacy training** for all the Group employees involved in the processing of personal data, and specific training on the **contents of the GDPR** and the **main security measures** in place for all new employees at the Rome headquarters.

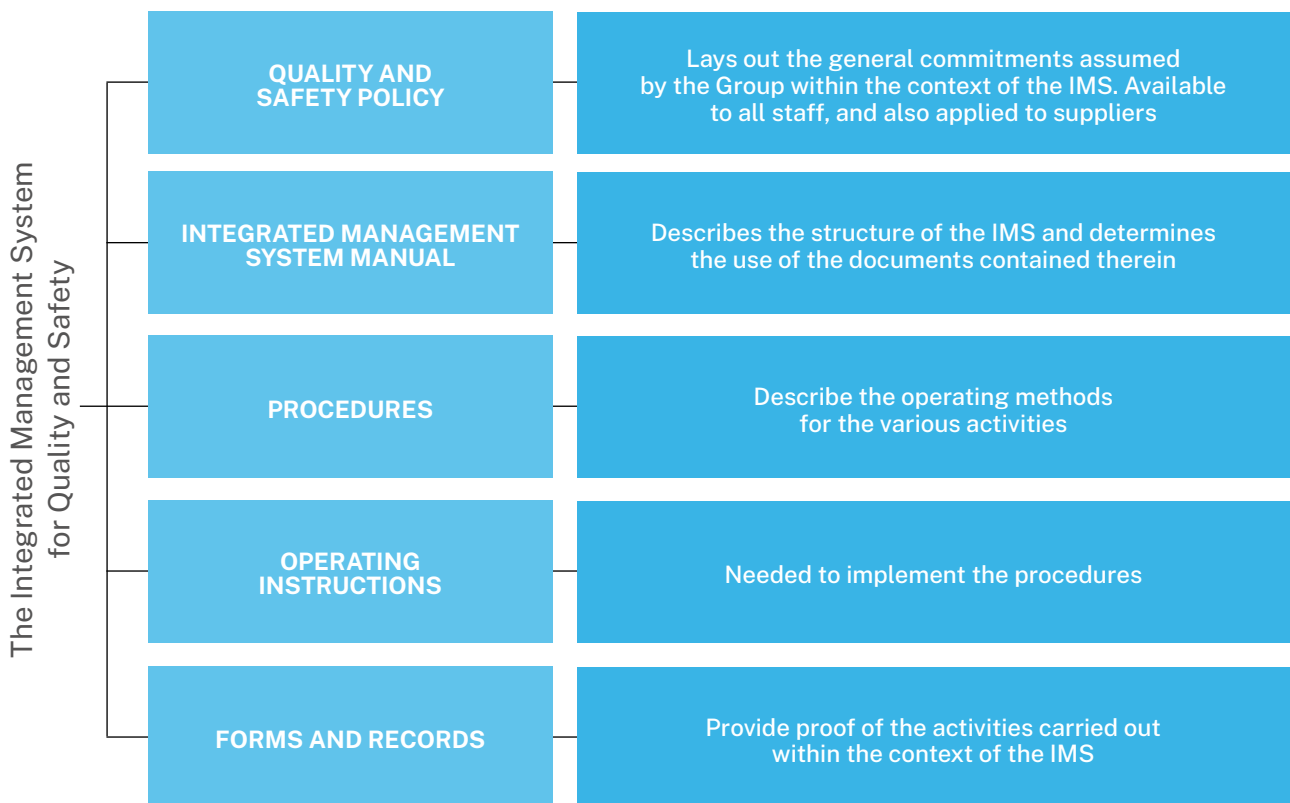
QUALITY AND SAFETY

Lottomatica has an **Integrated Quality and Safety Management System (IMS)** for which it has maintained **UNI EN ISO 9001:2015 Quality** certification over the years, to which **UNI EN ISO 45001:2018 Worker Health and Safety certification** was also added in 2018 for Gamenet SpA and GBO Italy SpA.



Lottomatica has an Integrated Quality and Safety Management System (IMS) compliant with the ISO 9001 standard, to which UNI ISO 45001 Worker Health and Safety certification has also been added.

The adoption of the IMS has allowed the Group to consolidate a **corporate culture focused on Quality and Safety**, which is further bolstered by continuous relevant training, as well as to implement an effective **process control** system, which serves the dual purpose of **preventing** and **managing risks**, and guaranteeing the **health and safety of employees** and the **satisfaction of the end-customer** through the proper planning of the corporate strategies.



5.4. Ethics and compliance

Lottomatica operates according to the highest standards of ethics and integrity through a governance system made up of models and procedures designed to protect all of its stakeholders.

The pillars for ethical business conduct

THE 231 MODEL

Lottomatica Group has adopted an Organisation, **Management and Control Model pursuant to Italian Legislative Decree no. 231/2001**⁵ aimed at ensuring that the company conducts its business activities in a fair and transparent manner, the seventh revision of which was issued on 27 February 2023. The Supervisory Body is responsible for overseeing the functionality and observance of the Model, and for proposing any necessary updates to the same.

The Model is prepared and periodically updated according to a series of steps, which involve the mapping of the risk activities and the analysis of potential risks, the as-is and gap analysis, and the preparation of a risk assessment document.

It consists of a set of rules, instructions, and internal organisational procedures that guide the Company's operations and regulate specific control activities, which serve:

- to identify any company activities potentially at risk;
- to establish an internal regulatory framework aimed at preventing crimes (e.g. Code of Ethics, system of proxies, formal procedures, penalty system);
- to promote an organisational structure aimed at encouraging and monitoring the correctness of the conduct adopted;
- to identify the processes for the management and control of financial resources;
- to provide adequate training and information to the employees regarding the Model itself.

Following the various changes to the Group's structure that occurred in 2022 and 2023, Lottomatica approved the 231 Model of the company Valtellina Giochi SpA in March of 2022, the Model of Lottomatica Group SpA and Gioca On Line Srl in February 2023 and the Model of Marim in May 2023. In addition, the Models of other Group companies (Lottomatica SpA, GBO Italy SpA, Lottomatica Videolottery SpA, Gamenet SpA, Slottery Srl and The Box Srl) were updated during the period considered.

Cases of non-compliance with the laws and regulations

In the reporting period, there were no significant cases of non-compliance with laws and regulations that led to significant fines for the Lottomatica Group.



⁵ See the [Lottomatica Group 231 Model](#)

CODE OF ETHICS

Lottomatica has adopted a **Group Code of Ethics**⁶, approved by the Board of Directors, which lays out the **values and principles** which all the Recipients must uphold, and constitutes an integral part of the 231 Model adopted by the individual companies.

All the Recipients must familiarise themselves with the contents of the Code of Ethics and are required to formally accept it. In fact, together with the 231 Model and the Anti-Bribery and Corruption Policy and Guidelines, the Code of Ethics constitutes a specific training topic for all new recruits, and, in addition to being explicitly referenced in every contract, is also made available on the Group's main websites, on the corporate intranet, and on the portals dedicated to the Group's commercial partners and suppliers.

In relation to conflict of interest, the Code of Ethics states that the members of the Board of Directors "must avoid any situation and refrain from any activity that could oppose a personal interest - direct or indirect - to those of the Company". Furthermore, the Code of Ethics provides that - within the limits established by the regulations - the members of the Board of Directors provide the information, clarifications, data and documentation requested by customers, suppliers, public supervisory authorities, institutions, state agencies and other stakeholders in a timely and complete manner.



⁶) See the Lottomatica Group Code of Ethics

The principles of Lottomatica's Code of Ethics

COMPLIANCE WITH THE LAWS AND REGULATIONS	The recipients must know and respect the laws and internal rules in force, and must refrain from engaging in any conduct that is inconsistent or conflicts with them.
ETHICS AND FAIRNESS	Moral integrity is a constant duty, and the pursuit of the Company's interests can never be used to justify conduct that is inconsistent with the principles of fairness and honesty.
INDIVIDUAL INTEGRITY AND IMPARTIALITY	We defend and promote human rights, guaranteeing physical and moral integrity, and respectful, safe and healthy working conditions, and avoiding all forms of discrimination.
PROFESSIONALISM AND MAXIMISATION OF HUMAN RESOURCES	We guarantee the necessary professionalism in the execution of the tasks assigned to our collaborators, and do our best to make the most of their skills, even thanks to specific training programmes.
COMPETITION AND ANTI-TRUST LEGISLATION	We operate on the market in an honest manner, without violating the principle of free competition, and we do not tolerate any unethical or unlawful practices aimed at obtaining information about competitors, customers, and suppliers.
RESPONSIBLE GAMING	We aim to increase the sense of responsibility towards the practice of gaming, providing transparent information about the risks, prohibitions, and the possibility of winning, training our staff to assist those who do not consider gaming a leisure activity, and prohibiting minors under 18 years or age from engaging in gaming activities.
MODELS AND RULES OF CONDUCT	The recipients' conduct and relationships must be inspired by the principles of professional commitment, moral fortitude, managerial correctness, fairness, transparency, and mutual respect.

The Code of Ethics emphasises the importance that Lottomatica attributes to values like individual integrity and impartiality, with explicit reference being made to the protection and promotion of **human rights**. The document also regulates **the Company's relations with political organisations and trade unions**, with respect to which the Group maintains relations based on transparency and fairness, in strict compliance with the current legislation, refraining from making any direct or indirect contributions, in any form whatsoever. This includes solidarity initiatives, which the Company considers as an essential value, and in which it actively participates and raises awareness, with subjects operating in the social field.

WHISTLEBLOWING PROGRAMMES

In keeping with that which is laid out in the 231 Model, and in compliance with the legislative provisions, Lottomatica has established a **system for managing reported offences**, which, through the implementation of the EthicsPoint web platform (present on both the corporate intranet and the corporate website), ensures the **privacy** and **confidentiality of the data** pertaining to the both whistleblowers and the reported parties.

Lottomatica has established a system for managing reported offences, which, through the use of the EthicsPoint web platform, ensures the privacy and confidentiality of the data pertaining to both the whistleblowers and the reported parties.

The system for managing whistleblower reports is governed by the **“Whistleblowing Management” procedure**⁷, which is published on the corporate website and is applicable to all the Group companies. This procedure encourages the parties involved to promptly report, in good faith and based on reasonable facts, any potential violations of, or conduct or practices that are not compliant with, the laws applicable to the Group and/or the indications contained in the Code of Ethics, the Model 231, and/or the applicable internal procedures and guidelines.

The reports received are verified, investigated, and summarised in a report, which contains the details about the type of misconduct encountered and the measures taken, including any corrective actions, and is submitted to the Board of Directors on an annual basis.

During the past three years there have not been any incidents of corruption, and no reports have been received, even through the Whistleblowing system.



⁷ See the [Whistleblowing Management Procedure](#)

Instances of corruption	2022	2021	2020
Total number and nature of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents for which employees were dismissed or disciplined for reasons of corruption	0	0	0
Total number of confirmed incidents for which contracts with business partners were terminated or not renewed due to corruption-related violations	0	0	0
Legal cases in the public domain concerning corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	0	0	0

Internal control, anti-corruption and anti-money laundering activities

Lottomatica has an **Internal Control System**, which consists of the tools necessary to guide, manage, and verify the Group's activities, with the aim of preventing and mitigating business risks of all kinds, and ensuring compliance with the relevant legal requirements concerning **money laundering, corruption, privacy protection**, and the **prevention of under-age and problem gaming**.

INTERNAL AUDITING

The adequacy and suitability of the Internal Control and Risk Management System is monitored by the **Internal Audit & GRC – Anti-Bribery & Corruption** Department, which periodically reports to the chairmen of the Board of Statutory Auditors, the Audit Committee, and the Board of Directors on the department's activities, on the ways in which the risk management is conducted, and on compliance with the plans for the containment of any such risks.

The responsibilities entrusted to this Department include the preparation of the annual **Group Audit Plan**, which is subsequently approved by the Board of Directors.

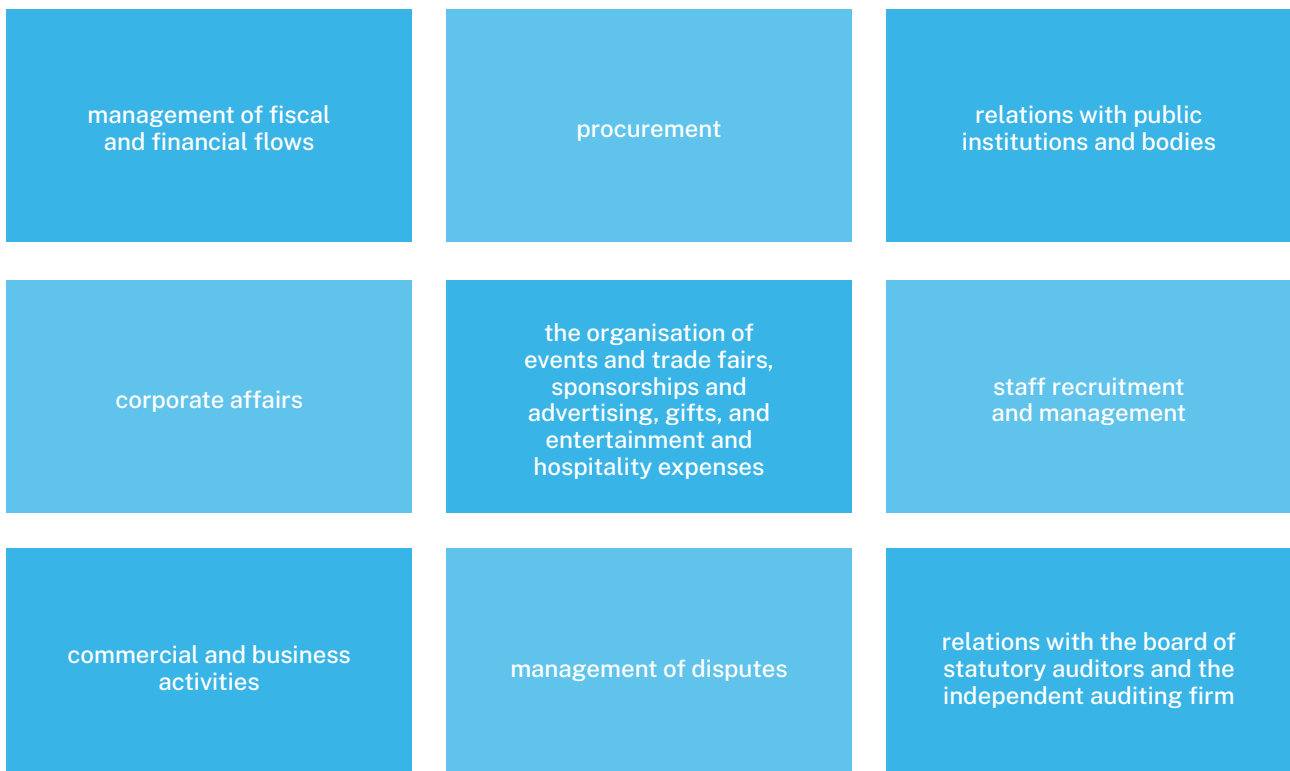
The Audit Plan is **prepared using a risk-based approach** that determines the corporate processes deemed to be most at risk, and is broken down into three areas of intervention: **Audit** (which includes the audit activities carried out in the Business Ethics area in compliance with the Organizational Model), **Compliance** and **Risk Management**.

The main activities carried out under the 2022 Audit Plan were the following:

- approval of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 of the holding company Lottomatica SpA and of the companies Valtellina Giochi SpA and GBO Italy SpA (resulting from the merger of Lottomatica Scommesse SpA and GoldBet SpA);
- updating of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 of the companies Slottery Srl, The Box Srl, and Lottomatica Videolot Rete SpA;
- performance of specific training activities within the context of Italian Legislative Decree no. 231/01 for Lottomatica Group employees;
- monitoring of the information flows to and from the Supervisory Bodies of the Lottomatica Group companies that have adopted the Organisation, Management, and Control Model pursuant to Italian Legislative Decree no. 231/01;
- review of the Lottomatica Group Enterprise Risk Management (ERM) Model and the relative Key Risk Indicators in order to account for any corporate developments and expand the scope of the ERM's applicability to include the recently acquired companies (Big Easy Srl);
- obtaining UNI ISO 37001 certification for Lottomatica SpA, Gamenet SpA, Lottomatica Videolot Rete SpA, GBO Italy SpA;
- performance of UNI ISO 37001 audits;
- implementation of a specific platform for conducting e-learning training within the context of 231 (2022) and of anti-Bribery and Corruption (2023);
- conduct of internal audits in accordance with the provisions defined in the Group's Audit Plan.

ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING OBLIGATIONS

The Group acknowledges and undertakes to prevent the risk of corruption and money laundering associated with the following areas of activity:



Anti-money laundering

The companies belonging to Lottomatica Group are subject to the obligations indicated in Italian Legislative Decree no. 231/2007, as amended, concerning the **prevention of money laundering and the financing of terrorism** (AML & CTF).

In promoting a corporate culture based on legality, ethical conduct, and good corporate governance, the Group has adopted an **AML & CTF Policy**⁹ in order to lay out the responsibilities, duties, and operating procedures for the **prevention and management of the risks** associated with the use of the financial system for the purposes of money laundering and terrorist financing.

Lottomatica has adopted an AML & CTF Policy, and has established robust verification and monitoring controls for the prevention and management of the risks associated with the use of the financial system for the purposes of money laundering and terrorist financing.

The company has established **robust verification and monitoring controls** through procedures and systems **compliant with the privacy regulations** and based on the **Risk-Based Approach** principle. Adequate **screening tools** also ensure that the Group does not establish relationships with or provide any services to persons and entities subject to domestic and/or international sanctions.

The initiatives launched by the Company in this area include the Data Identification System (**DAISY**) for identifying customers at VLT and Betting outlets, which allows a for a series of **real-time checks** to be carried out, even through **integration with specific databases**, and provides for the **dematerialisation of the identification forms**. Through Daisy, in 2022 over **750,000 identifications for anti-money laundering purposes** were managed in the Group's point of sales in a natively digital way, with an estimated reduction in paper consumption in the order of around 7,500 reams of 500 sheets each.

Employees and third parties are adequately **trained and made aware of the risks** to which they are exposed based on their roles, and the Group provides appropriate communication channels for **reporting unacceptable behaviour**.¹⁰



8) See the Lottomatica Group AML & CTF Policy

9) For more information, see "Whistleblowing programmes" above

AML & CTF SAFEGUARDS

customer identification and verification, with respect for privacy and using a risk-based approach

registration and retention of data and supporting documentation

monitoring of compliance with the established procedures and safeguards for identifying suspicious transactions

active collaboration with the Financial Intelligence Unit and the other competent Authorities

continuous awareness-raising of business partners with regard to AML and CTF issues

training and continuous updating of the supply chain

Anti-corruption

In compliance with the tenth principle of the UN Global Compact, which asks member organisations to “fight corruption in all of its forms, including extortion and bribery”, Lottomatica is committed to **fighting corruption in all of its forms**, and aims to promote a culture that deters corrupt activities, facilitating the prevention and detection of any such conduct.

In its commitment to combating corruption in all of its forms, the Group has established a specific “Anti-Bribery & Corruption Policy and Guidelines”, and has adopted a Corruption Prevention Management System compliant with the ISO 37001 standard.

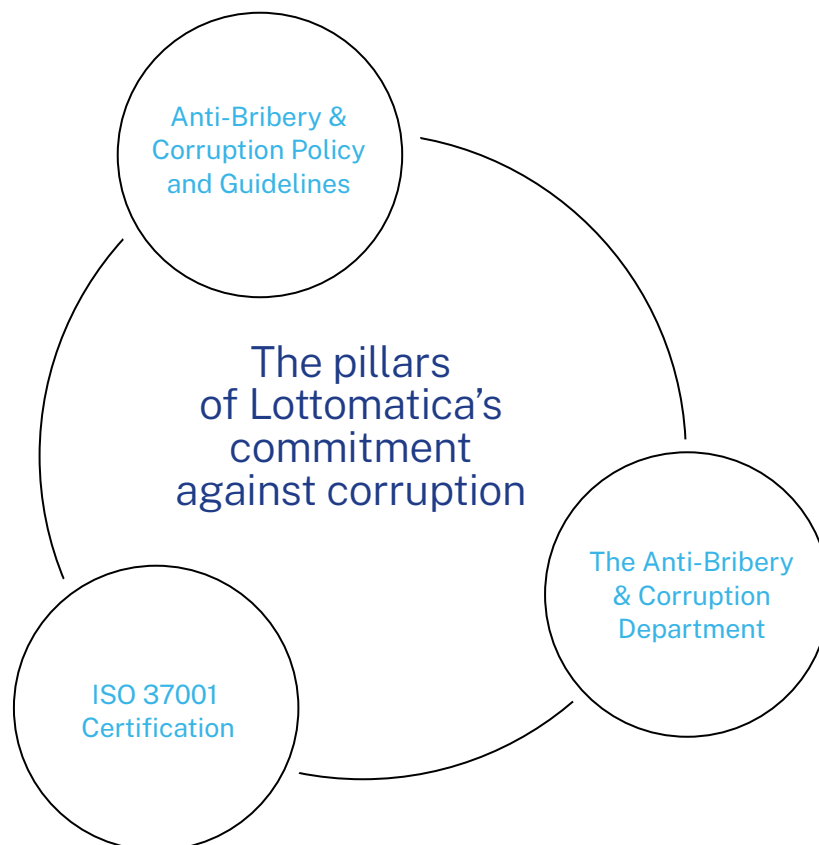
Therefore, within the context of its Internal Audit & GRC Division, in 2022 the Group established the Anti-Bribery & Corruption department, headed by the Anti-Bribery and Corruption Officer, and adopted a specific “**Anti-Bribery & Corruption Policy and Guidelines**” policy.¹¹

The policy outlines the commitments undertaken with regard to the prevention of corruption, the rules of conduct to be followed, the procedures for reporting violations, and the training and educational activities carried out, and provides for appropriate checks regarding the reliability, reputational profiles, and suitability of any third parties with whom Lottomatica considers establishing business relations.

In 2022, following an audit of the control systems and measures in place to prevent and mitigate any risks in this area, Lottomatica and all the Group’s concessionaire companies also implemented a **Corruption Prevention Management System**, which has been certified according to the international **UNI ISO 37001:2016** standard.



¹⁰ See the Lottomatica Group Anti-Bribery & Corruption Policy and Guidelines



ETHICS, COMPLIANCE, AND ANTI-CORRUPTION TRAINING

Lottomatica promotes the dissemination of **knowledge of Model 231, the Code of Ethics**, the specific protocols and their updates among all Recipients, providing for specific **training/information programmes**, and encourages collaboration in enforcing and implementing these procedures.

During the 2022 reporting year, training courses were provided, including for employees of the newly acquired companies, with the aim of promoting knowledge of the Code of Ethics and the 231 Model among Lottomatica people.

The topic of anti-corruption was also dealt with as part of the training activities. In order to improve all the Group personnel's knowledge of the subject, even pursuant to the UNI ISO 37001:2016 standard, in 2022 specific courses were also launched for personnel identified as particularly sensitive in this area, including the Chief Executive Officer, the first reporting line, the newly hired staff, and the employees of the newly acquired company Betflag SpA. The recipients of these training activities also appear to be the contractors (e.g. consultants, service managers, etc.).

At the beginning of 2023, approximately 900 employees (equal to almost 100% of the personnel included) were involved in these training activities.

5.5. Risk management

Lottomatica identifies, prevents, and manages the risks associated with its activities, ensuring the achievement of the business and corporate responsibility objectives, thanks to a solid internal control system, which is supported by a dedicated body of procedures and organisational structures.

In order to identify, manage, and monitor the main risks to which it is exposed, Lottomatica Group has implemented an **Internal Control and Risk Management System** and applies the **Enterprise Risk Management (ERM) - Integrated Framework**, an international best practice for risk management systems and corporate governance.

Adopted in 2017, the Enterprise Risk Management model breaks down the risks into “**Categories**” and “**Risk Areas**”, whose management is assigned to the various company departments responsible for them, and determines **the controls** and **monitoring levels** to be implemented for the various risk categories considered relevant.

The key elements for proper enterprise risk management

GOVERNANCE & CULTURE	establishment of the roles and responsibilities, and promotion of a culture of risk awareness and respect for ethical values
STRATEGY & OBJECTIVE	strategic planning based on the interpolation of the ERM strategy itself and goal setting
PERFORMANCE	process and operational mechanisms related to the identification, measurement, and management of risks
REVIEW & REVISION	process of monitoring and continuously improving the ERM components
INFORMATION, COMMUNICATION & REPORTING	process and tools used to manage information and data in support of the ERM process, as well as the reporting model adopted

Risk categories identified within the ERM framework

COMPLIANCE

- Internal and External Fraud Management
- Regulatory compliance
- Management of payments
- Anti-money laundering
- Privacy
- Trademarks and patents
- Taxation
- External communication
- Protection of dignity and respect for human rights
- Gifts
- Responsible gaming

FINANCIAL/REPORTING

- Credit
- Liquidity
- Market
- Taxation

OPERATIONAL

- Problematic Industrial Relations
- Data Security
- IT Systems/Infrastructures
- Disaster Recovery
- Point of sale start-up and transfer of rights between the opening and closing of points of sale
- Contracts
- Job Rotation/Succession Plan
- Retention Plan/Reward system
- Benefits
- Litigation Management
- Entry of the value of the betting odds
- Supply chain
- Logistics
- Roll out

STRATEGIC

- Merger & Acquisition
- Reputational risk
- Business strategy
- Management of third parties in charge of collections
- Merchant abandonment
- Referrals
- Organizational sizing
- Point of sale selection and management of the merchant network
- Responsible Gaming
- Strategic plan alignment
- Key resources/Development plans/Training
- Customer Care
- Partnership management
- Business Continuity
- Risk Rating
- Strategy & Initiatives
- Climate Change

ASSESSMENT OF ETHICAL RISKS

The Governance & Culture, component of the ERM framework, promotes **respect for the ethical values of integrity, transparency, and accountability**, which Lottomatica considers fundamental, to the point of having provided for a **specific ethical risk assessment**, not only in terms of legislative compliance, but also in terms of the commitments expressed by the Group in its Policies, Procedures, and Code of Ethics.

Within the context of ethics, three risk areas have been identified, and the organisation has put the relevant mitigation measures in place.

Ethical risk areas and mitigation measures

RISK CATEGORY: COMPLIANCE	
Risk area	Mitigation safeguards
<p>Protection of dignity and respect for human rights</p> <p>Failure to respect the human rights enshrined in the relevant regulations and conventions (Universal Declaration of the United Nations, Fundamental Conventions of the International Labour Organisation, and the OCSE Guidelines)</p>	<ul style="list-style-type: none"> • Code of Ethics; • Corporate policy on the safeguarding and protection of human rights; • Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01; • Disciplinary Code; • Health insurance Policy; • Smartworking Policy; • Welfare programmes (children’s scholarship); <p>For further information, see paragraphs 4.1 “Sustainability strategy”, “5.4 Ethics and compliance” and “6.3 People’s safety and well-being”.</p>
<p>Responsible gaming</p> <p>Failure to protect players; Non-compliance with the applicable regulations</p>	<ul style="list-style-type: none"> • Responsible Gaming Programme; <p>For further information, see the following paragraphs: “5.2 Lottomatica’s commitment to responsible gaming” and “5.3 Innovation and respect for the consumer”.</p>
<p>Gifts</p> <p>Behaviours that could compromise the independence of judgement of representatives of the PA/Business Partners, or that could lead them to secure any sort of undue advantage for the Company</p>	<ul style="list-style-type: none"> • Gifts Policy; • Code of Ethics; • Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01. <p>For further information, see the paragraphs “5.4 Ethics and compliance”.</p>

Climate change risk assessment

Aware of their increasing relevance and potential impacts at the strategic and operational level, and despite having assessed them as having a low impact on the Group's activities as a service company, Lottomatica has integrated **climate change risks** into its Enterprise Risk Framework.

The Lottomatica Group is constantly engaged in the progressive updating of the system for identifying and assessing climatic and environmental risks, aiming at ever greater integration, also through analyzes based on complex medium-long term scenarios, of these types of risk in the Group and in its operations.

RISKS ASSOCIATED WITH CLIMATE CHANGE

Acute physical risks (e.g. floods) or chronic risks (e.g. increase in temperatures, decrease in resources, etc.)

Decreased revenues due to business interruptions

Devaluation of company assets

Increase in operating costs due to extraordinary maintenance activities (e.g. restoring assets to their original conditions following any damage suffered)

Increased insurance costs for assets

Technological interruptions due to damage to assets

Transitional risks (financial losses resulting from the process of adapting to a low-carbon and/or more environmentally sustainable economy)

Increase in the cost of utilities (electricity, water, gas)

Increased costs due to energy efficiency measures imposed by new legislative obligations, or as a result of higher energy efficiency standards being imposed

Damage in terms of brand reputation, if the company should be deemed to have an inadequate environmental reputation

Damage resulting from direct or indirect legal action (e.g. in the case of failure to adapt to the legislative changes)

5.6. Legality Rating

Two of the Group's largest companies, Gamenet SpA and GBO Italy SpA, were awarded a **Legality Rating** by the Italian Competition Authority (**AGCM**) in 2022 and 2023. Both companies were awarded the **maximum rating** of 3 stars, and the Group plans to apply for and obtain the rating for Lottomatica SpA as well by the end of 2023.

In addition to compliance with a series of voluntary **regulatory and extra-regulatory requirements**, the rating also certifies the **high standards of legality and transparency** adopted by the companies, which are thus able to be objectively assessed in terms of the degree of attention paid to a series of issues in the conduct of their business activities, including **corporate risk management**, corporate social responsibility, sustainability, **prevention of corruption**, **respect for legality**, attention to customer relations, and **traceability of payments**.



People

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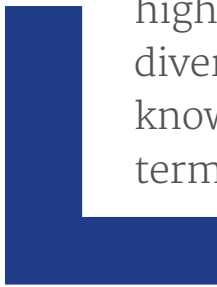
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6.1. Lottomatica's People

Lottomatica focuses on its people, in order to maintain a sustainable business model. The Group guarantees its employees an inclusive and stimulating working environment with high standards of safety and well-being, where diversity is valued, and professionalism and know-how are developed over the medium term.

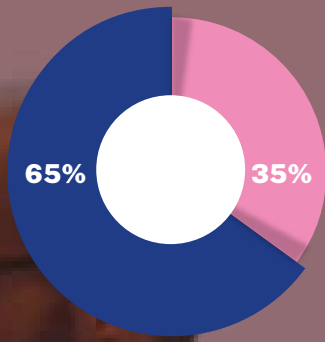


Staff composition

As of 31 December 2022, Lottomatica Group had **1,597 employees**. 35.3% of the company's direct employees are female. This figure is consistent with that of the previous year, even considering the significant increase in staff due to the acquisitions, and reflects the high level of IT specialisation typical of the Group's operations, with a strong commitment to promoting gender diversity in order to balance the presence of women at all levels of the organisation.

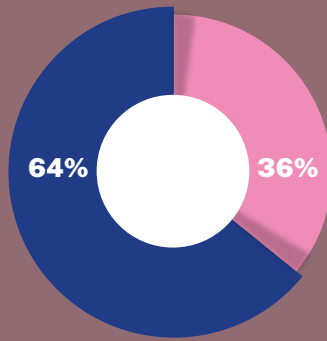
In 2022, the workforce increased by 26% (equal to 326 units) compared to 2021, due to organic growth factors and due to corporate acquisitions made during the year.

1,597 EMPLOYEES
IN 2022
COMPARED TO 2021 **+26%**



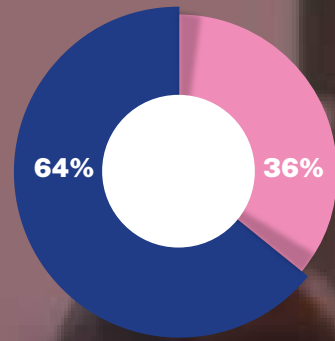
2022

Men 1033
Women 564



2021

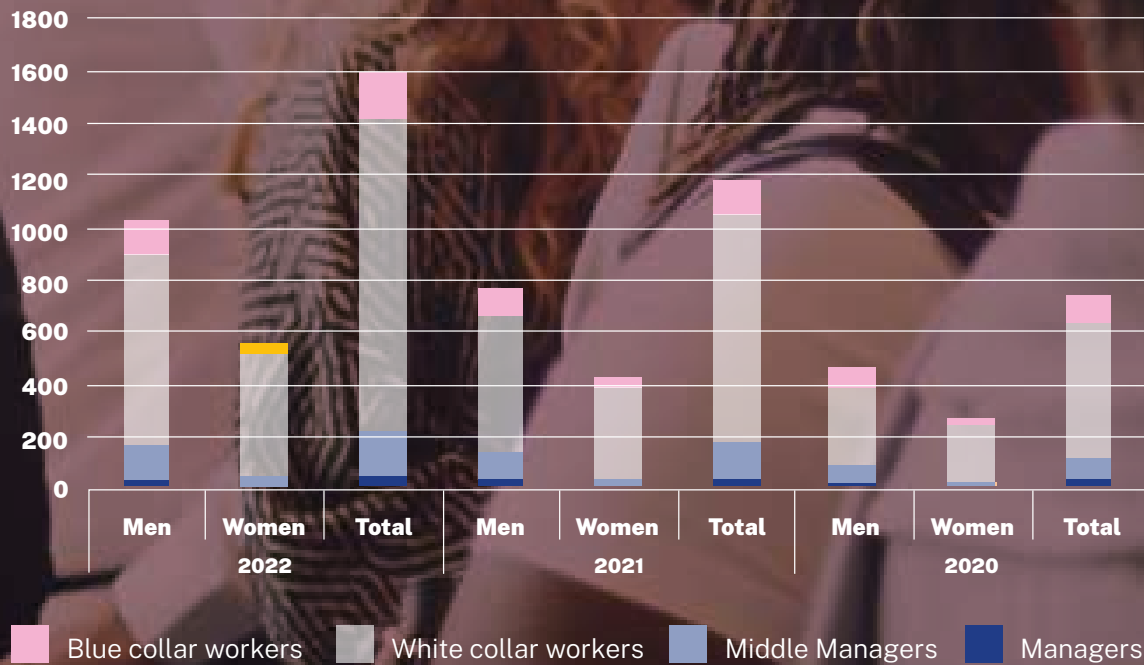
Men 761
Women 428



2020

Men 469
Women 268

Number of employees by professional category (2022)



Total personnel by gender and professional category

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	36	7	43	32	7	39	26	6	32
Middle Managers	131	40	171	110	34	144	57	21	78
White collar workers	726	474	1,200	525	342	867	309	213	522
Blue collar workers	140	43	183	94	45	139	77	28	105
Total	1,033	564	1,597	761	428	1,189	469	268	737

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	84%	16%	100%	82%	18%	100%	81%	19%	100%
Middle Managers	77%	23%	100%	76%	24%	100%	73%	27%	100%
White collar workers	61%	39%	100%	61%	39%	100%	59%	41%	100%
Blue collar workers	77%	23%	100%	68%	32%	100%	73%	27%	100%
Total	65%	35%	100%	64%	36%	100%	64%	36%	100%

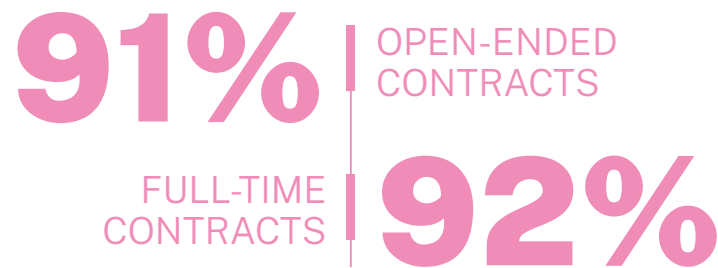
Total number of employees by contract type, by full-time/part-time, and by geographical area

Geographical area / Contract type		2022		
Northern Italy	Men	Women	Total	
Permanent	249	122	371	
Fixed-term	28	32	60	
Full-time	265	119	384	
Part-time	12	35	47	
Central Italy	Men	Women	Total	
Permanent	650	361	1,011	
Fixed-term	47	29	76	
Full-time	689	352	1,041	
Part-time	8	38	46	
Southern Italy	Men	Women	Total	
Permanent	51	12	63	
Fixed-term	6	8	14	
Full-time	38	6	44	
Part-time	19	14	33	
Abroad	Men	Women	Total	
Permanent	2	0	2	
Fixed-term	0	0	0	
Full-time	2	0	2	
Part-time	0	0	0	

Total number of non-employee workers	
Contract type	No.
Permanent	0
Fixed-term	11
Internship	4
Total	15
Part-time / Full-time	No.
Part-time	2
Full-time	9
Internship	4
Total	15

The Group's composition has undergone a significant transformation over the past few years due to strong organic growth and a series of extraordinary transactions, which were carried out without affecting the employment levels.

In particular, 91% of the employees in 2022 had permanent contracts and 92% had full-time contracts, thus confirming Lottomatica's commitment to ensuring stable and secure employment opportunities for its resources.



The growth and changes experienced by the Group in recent years were not only reflected in the size and composition of its workforce, but also led to the establishment of important organisational review processes and specific **integration and people caring pathways, in line with the Lottomatica People Strategy**, with the aim of ensuring the full and synergistic integration of the Group's organisational structures.

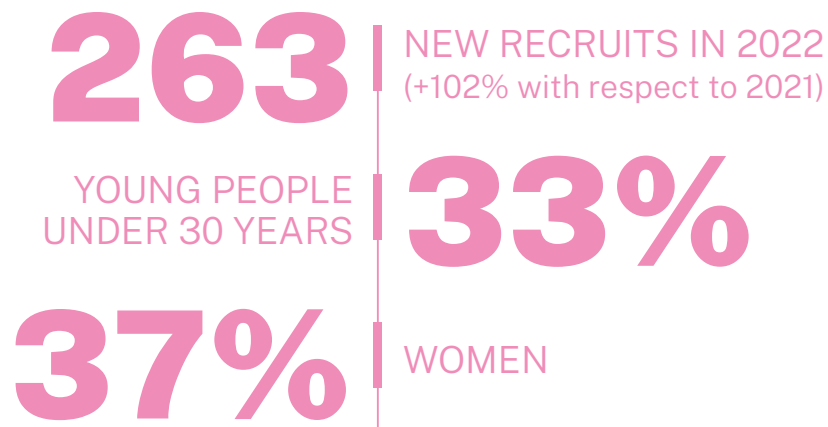
Lottomatica has reaffirmed itself as a youthful Group: in fact, the average age of its employees is 42, with 70% of them being 30 to 50 years of age.



Total personnel by gender and age	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<= 29	94	73	167	46	37	83	38	24	62
30-50	709	407	1,116	563	342	905	357	220	577
Over 50	230	84	314	152	49	201	74	24	98

Turnover

Lottomatica Group is highly dedicated to seeking out new resources and professional figures, in line with its development goals. In 2022, the **talent attraction activities** led to the **hiring of 263 new staff members** (+102% with respect to 2021): of these, **over half were young people** under the age of 30, and 37% were women.



As shown below, 263 new staff members were hired during the course of the 2022, with 118 terminations due to resignation, while in 2021 the new hires totalled 130, with 106 terminations due to resignation.

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Incoming employees by gender and age									
<= 29	52	34	86	20	22	42	8	4	12
30-50	101	57	158	55	26	81	45	18	63
Over 50	13	6	19	6	1	7	6	0	6
Totals	166	97	263	81	49	130	59	22	81

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Outgoing employees by gender and age									
<= 29	11	17	28	10	9	19	9	8	17
30-50	47	24	71	47	24	71	23	19	42
Over 50	17	2	19	12	4	16	2	3	5
Totals	75	43	118	69	37	106	34	30	64

The following table, on the other hand, shows the **turnover rate of incoming and outgoing employees** over the three-year period, broken down by gender and age group. The turnover rate consists of the ratio between incoming and outgoing employees during the year in question, and the number of employees present at the end of the reporting year.

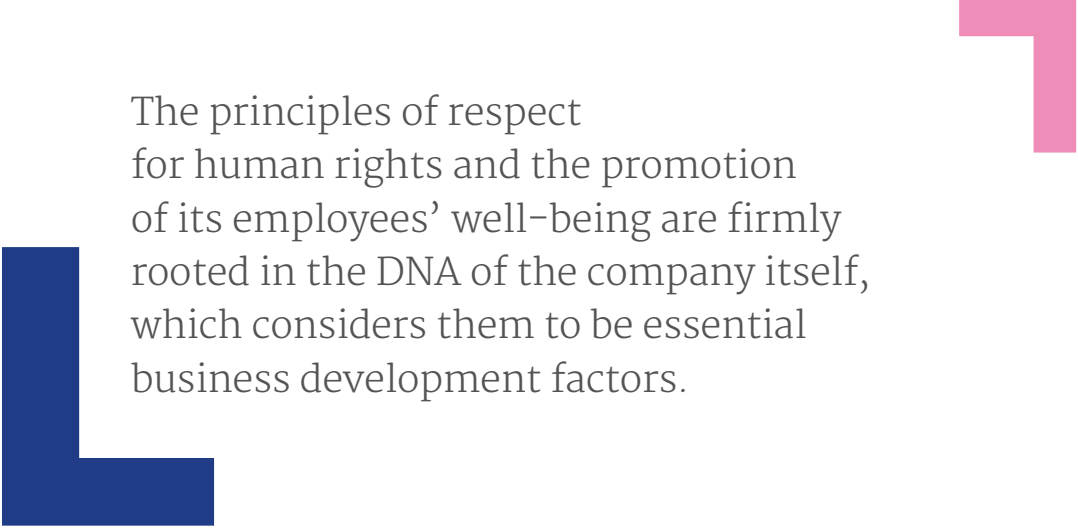
Once again, **the hiring rate for new resources under the age of 30 was very high in 2022**, thus attesting to the effectiveness of the talent attraction policies that the Group has implemented for young people: **51% of personnel under the age of 30 were hired in 2022**.

With regard to the Group turnover rates, the average figure for 2022 was equal to 9.6%. However, if we only take into account voluntary resignations on the part of the Group's personnel (the so-called "voluntary"), this figure amounted to 8.2%, below the national average, whereas it had been 6.1% in 2022.

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rate of new hires by gender and age									
<= 29	55%	47%	51%	43%	59%	51%	21%	17%	19%
30-50	14%	14%	14%	10%	8%	9%	13%	8%	11%
Over 50	6%	7%	6%	4%	2%	3%	8%	0%	6%

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Turnover rate by gender and age									
<= 29	23%	36%	29%	22%	24%	23%	24%	33%	27%
30-50	10%	12%	10%	7%	8%	8%	6%	9%	7%
Over 50	10%	6%	9%	8%	8%	8%	3%	13%	5%

6.2. Respect for human and workers' rights



The principles of respect for human rights and the promotion of its employees' well-being are firmly rooted in the DNA of the company itself, which considers them to be essential business development factors.

The company does not pose any particular risks in this regard, as it operates in a well-regulated sector, and in Countries where the protection of workers' rights is fully regulated. Nevertheless, Lottomatica remains actively involved in **safeguarding the well-being of the people who work for and collaborate with the Group** or who are part of the communities in which it operates. As a further confirmation of this commitment, at the beginning of 2022 the Group adopted a specific **Human Rights Policy**, which is inspired by the **Declaration on Fundamental Principles and Rights at Work**, and is in line with the fundamental conventions of the **the International Labour Organisation (ILO)**.

In 2022, Lottomatica adopted a Human Rights Policy, which is inspired by the Declaration on Fundamental Principles and Rights at Work, and in line with the fundamental conventions of the International Labour Organisation (ILO).

This Policy reinforces the existing safeguards within the organisational model and the company's internal control system in terms of responsibilities and controls, thus establishing a methodological framework aimed at guaranteeing the protection of human and workers' rights.

PROTECTION OF HUMAN AND WORKERS' RIGHTS: THE CORE PRINCIPLES OF LOTTOMATICA

Absolute rejection of any form of discrimination

Promotion of just, favourable, and equitable working conditions

Workplace health and safety

Ongoing training

Guarantee of freedom of association and the right to collective bargaining

Fight against child and forced labour

Adoption of a working hours policy

Despite the fact that all of Lottomatica Group's working relationships are governed by National Collective Labour Agreements (NCLAs), **the company acknowledges and promotes the right to freedom of association and union expression**, and has committed itself to opposing any form of abuse or discrimination against persons engaged in organisation or worker representation activities.

8.6% of the employees were registered with the main national trade unions in 2022.

100% | OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Another major contribution to upholding the rights of all individuals lies in the **Group's commitment to supporting local communities**, with specific initiatives dedicated to **social inclusion and the promotion of the right to education and culture**, especially among for young people. These initiatives are often promoted and carried out in collaboration with major organisations and associations, and with the participation of central and local public administrations and Service Industry organisations.¹

1) For further details, please refer to Chap. 7 "Community and Environment".

6.3. Personal safety and well-being

Lottomatica is committed to maintaining a safe work environment by adopting all the necessary prevention and protection measures, and guaranteeing a proper work/life balance by promoting the well-being of its employees and their families.

Occupational Health and Safety

In keeping with its Code of Ethics and the current provisions of Italian Legislative Decree no. 81/2008, Lottomatica is committed to maintaining a safe work environment (including on the Company's premises open to the public) by ensuring the adoption of all the prevention and protection measures necessary to avoid, or at least minimise, any risks to health or physical safety, and by optimising the working conditions through the selection of suitable work equipment and the adoption of appropriate working methods.

In the interest of ensuring continuous improvement in these areas as well, in 2022 the Group expanded its internal procedures governing the activities performed by the Occupational Health and Safety Manager (OHSM), and updated the **Risk Assessment Document and the emergency management procedures** for all of the Group's companies. The RAD is subject to an annual adequacy check, and, at the Company's request, the risk assessment is carried out by the **OHSM**, in collaboration with the company physician and the Workers' Safety Representatives (WSRs). The risk assessment begins with an inspection of the workplace and an analysis of the activities performed, and is carried out according to recognised guidelines and based on the type of workers involved.

The protection of health and safety is the responsibility of everyone throughout all levels of the organisation, including the individual workers, who help improve the safety standards and eliminate potential occupational health and safety risks by submitting specific reports to the Human Resources Department and by sharing their concerns with the OHSM.

On an annual basis, the company doctor and the OHSM carry out site inspections at all Group offices in order to identify any actions to be taken to **ensure continuous improvement in the management of safety and health** within the workplace.

Ongoing training on occupational health and safety issues is essential for the establishment of an appropriate corporate culture and the dissemination of responsible behaviour. In fact, every employee is required to attend a general training course, as well as a specific training course based on the job they perform and the relative risks to which he/she is exposed. These are in addition to the courses required by the Italian Legislative Decree no. 81/08 for the company figures responsible for Health and Safety matters (managers, supervisors, emergency response staff, and the Workers' Safety Representative).

In addition to that which is required by the current regulations, the Group has also voluntarily structured **additional training and information activities for 2023, in order to disseminate the importance of prevention and protection at all levels, both at the workplace and in our daily lives**. These include the educational course on the prevention of myocardial infarction and cerebral stroke, and the BLS (Basic Life Support Defibrillation) course for the use of defibrillators (which purchased earlier this year) in the event of cardiac arrest.

In 2022, the Group provided, among others, 1,216 hours of occupational health and safety training, in compliance with Italian Legislative Decree 81/08, for 273 Group employees.

1,216 | HOURS OF OCCUPATIONAL
HEALTH AND SAFETY
TRAINING IN 2022

In addition to adequate training, health and safety protection also requires having the right tools and devices available at the workplace to be used when needed. To this end, periodic updates are carried out with regard to the mapping and use of the **PPE** (Personal Protective Equipment) delivered to the workers by whom they are required, based on the risk assessment at the various locations.

Although not mandatory, inside the headquarters, there is a clinic with **daily medical supervision** to be contacted in case of need.

In order to provide a single and immediate point of contact for all the employees, the Group has also set up a dedicated **Health & Safety email address**, which can be contacted for any needs that may arise, and from which all occupational health and safety-related communications are sent out.



ISO 45001:2018 CERTIFICATION

Two of the Group's largest companies – Gamenet SpA and GBO Italy SpA – are certified according to the **ISO 45001:2018** –standard for Occupational Health and Safety Management Systems.

The scope of the certification (which was renewed also in 2022) concerns the system, and the management and monitoring of the business processes aimed at improving the prevention policies and effectively combating occupational injuries and diseases.

In keeping with the requirements of ISO 45001:2018, the Management System is subjected to continuous monitoring through internal and third-party audits, which are carried out by specifically designated certification bodies.

INJURIES

In 2022, 4 injuries were recorded that occurred in transit, none of which had serious consequences. No injuries occurred at work sites and, despite the increase in personnel, the accident rate decreased with respect to the previous year, thus further demonstrating the company's good health and safety management.

With regard to non-employed workers, 12,883.44 work hours were recorded during 2022, during which no accidents occurred of any kind.

	2022			2021			2020		
	MEN	WOMEN	TOT.	MEN	WOMEN	TOT.	MEN	WOMEN	TOT.
Total hours worked (h)	1,504,376	771,775	2,276,130	1,194,323	587,857	1,782,180	684,005	365,527	1,049,532
Workplace accidents	2	2	4	4	1	5	1	4	5
Rate of recordable workplace accidents	0.26	0.52	0.35	0.67	0.34	0.56	0.29	2.19	0.95
Accidents with serious consequences	0	0	0	0	0	0	0	1	1
Rate of occupational accidents with serious consequences ²	0	0	0	0	0	0	0	0.55	0.19
Fatal accidents	0	0	0	0	0	0	0	0	0
Rate of deaths caused by workplace accidents	0	0	0	0	0	0	0	0	0

2) The rate is calculated based on 200,000 hours worked.

PROTECTION AND PROMOTION OF HEALTH

In order to expand the protection measures for its own staff, the Group has maintained a **supplementary health insurance policy** for its employees since 2019, which was further bolstered in 2021 in terms of medical services provided and the types and numbers of affiliated facilities, and was renewed again 2022.

Policies on occupational and non-occupational injuries are also provided, as well as a temporary coverage in the event of death or total permanent disability, and a “Long Term Care” coverage with an annuity.

Also, since the company considers prevention to be essential to the physical and mental well-being of its personnel, it provides them with paid leave for medical visits at public facilities, for up to 4 hours a day, and up to a maximum of 50 hours per year.

The response to the Covid-19 pandemic

Following the conclusion of the emergency phase, **the Group maintained all the main prevention and protection measures necessary to prevent the spread of the COVID-19 virus** (masks, plexiglass partition panels in the offices, disinfectant gel, communications and information on conduct to be adopted, etc.).

For employees identified as “vulnerable” workers, the Group continued to apply more protective measures, namely by allowing them to carry out all their work activities using agile work methods.

With the support of the competent physician, the Group also continued to apply the procedures adopted for the contact tracing of workers who tested positive for Covid-19 or had close contact with a person who tested positive. In order to facilitate communications and exchange of information on this topic, a dedicated e-mail address has also been made available, in order to enable the employees contact the company’s Competent Physician directly.

In 2022, the Group maintained **the insurance policy for all employees in the event of contagion from Covid-19** introduced for the first time in May 2020, which provides coverage and indemnities relating to hospitalizations and treatments caused by infection from Covid-19, in addition to a package of guarantees for serious illnesses not directly related to the virus.

Parental leave

The organisation supports its employees during some of the most important times of their private lives, promoting various forms of **work flexibility to facilitate maternity and parenthood** in general, as much as possible.

Furthermore, for paid parental leave, the Group **voluntarily grants same-parent couples the same conditions** envisaged for heterogeneous couples following the birth, adoption or assignment of a child. Although not required by law, the company deems it fair to take charge of these leaves to ensure total equal treatment for homoparental and heteroparental couples.

In 2022, a total of 94 employees took parental leave (64 women and 30 men), 96% of whom returned to work once their periods of leave had elapsed.

Parental leave (no. Employees)	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees who took parental leave during the year	30	64	94	18	54	72	5	44	49
Employees who should have returned to work during the year at the end of their parental leave periods	29	61	90	18	52	70	5	42	47
Employees who have returned to work after parental leave	29	61	90	18	48	66	5	42	47
Employees who returned to work after their parental leave periods the previous year	0	6	6	0	1	1	0	0	0
Employees who are still employed by the Group 12 months after having returned from parental leave	29	61	90	18	44	62	3	42	45

6.4. Personal development and skill valuation

Lottomatica dedicates considerable attention to the valuation and growth of its personnel, by creating the conditions for them to develop their abilities and achieve their full potential.

Lottomatica's People Strategy

People are the heart and soul of Lottomatica Group. It is with them in mind, thinking of how to enhance them, cultivate their potential, and promote individual and organisational well-being, that Lottomatica's **People Strategy** arose. In fact, starting with the corporate DNA and the goal of **further consolidating the sense of belonging** within a single large Group, this medium/long term programme keeps track of the **development pathways of both the staff and the organisation** in terms of **culture, tools, systems, and processes**, even in relation to the company's sustainable growth objectives.

THE PRIORITIES OF LOTTOMATICA'S PEOPLE STRATEGY

- Enablement** ◀ Investing in the development of our people, cultivating their potential and skills through learning plans, projects, and dedicated programmes.
- Empowerment** ◀ Promoting outstanding organisational behaviour, performance, and processes through a leadership and competency model in line with our corporate DNA.
- Engagement** ◀ Feeding everyone's passion and energy, improving team spirit and personal well-being, so that everyone will feel more proud of their Group and the work they do every day.

The Group's People Strategy is laid out in **multiple guidelines for the human resource attraction, development, and retention programmes**, each of which contains specific initiatives and projects carried out by the Human Resources and Organisation department, in collaboration with the specific departments involved.

People Growth & Development

People Excellence & High Performance

People Engagement & Total Reward

These drivers aren't vertical in terms of function or organisation, but rather constitute the nodes of a **"network" type system that synergistically links a series of activities** (e.g. brand awareness, training, upskilling programmes, and employer branding and people management initiatives). In fact, people attraction is also achieved through people retention, with development programmes, benefits, MBO, long-term incentive plans (LTIP) and, starting in 2023, stock-based incentive plans (ESOP) involving selected groups of employees.

PEOPLE GROWTH & DEVELOPMENT

- PEOPLE MANAGEMENT
- LEARNING & DEVELOPMENT
- RESKILLING - BECOME DIGITAL

PEOPLE EXCELLENCE & HIGH PERFORMANCE

- HR DASHBOARD
- PERFORMANCE MANAGEMENT
- IT TOOLS
- MERGER

PEOPLE ENGAGEMENT & TOTAL REWARD

- NEW BRAND AWARENESS
- EMPLOYER BRANDING & KEY PEOPLE ACQUISITION
- WELFARE FOR ALL
- PEOPLE SURVEY
- COMP&BEN
- D&I



PEOPLE GROWTH & DEVELOPMENT

StepUP

With the aim of recognising, cultivating, and maximising the potential of its employees, in 2022 Lottomatica developed **StepUp**, the people growth & development programme that, through experiential training, networking and discussion opportunities, thematic webinars, and technical and language training courses, aims to provide the stimuli, inspiration, and tools necessary to cultivate skills and abilities central to the company's competency model.

THE GOALS OF THE STEPUP PROGRAMME

To cultivate and develop the skills and potential of the Group's people

To create a distinctive leadership style in line with the competency model and the corporate DNA

StepUP

To establish specific training and development pathways aimed at professional and career growth, with a particular focus on women's empowerment

To promote the retention of internal resources

Within the context of the StepUp Programme, **3 clusters** have been identified based on seniority level (Young, Senior and Ready), with the aim of developing specific plans to support Lottomatica Group's continuous development at every organisational level.

Each pathway consists of **4 stages**, with related areas of activity, specifically designed with different levels of depth and focus based on the target group's seniority level.

1. **Assessment:** assessment sessions aimed at determining the motivation level and alignment with the competency model.
2. **Coaching / Mentorship:** development of each individual's own potential and areas for improvement through discussion with coaches (Ready), or through mentorship/group coaching experiences (Young/Senior).
3. **Experiential training:** training/experiential sessions aimed at facilitating internal/external interactions by focusing on the competencies and meta-competencies of the Lottomatica leadership model.
4. **Technical training:** in relation to the professional role, and with respect to specific English language requirements.

Training

Personnel training and the development of highly qualified and specialized profiles represent important **strategic keys to success** for Lottomatica, and are aspects in which the organization invests decisively and constantly, supporting employees in their personal and professional growth path.

The Group resources have access to **specific and personalized development paths**, also identified with the help of the MyEvaluation evaluation platform.

8,939 | TRAINING HOURS PROVIDED IN 2022

In 2022, a total of **8,939 hours of training were provided**, with an average of 5.6 hours per employee. Among the main areas covered are occupational health and safety, language training, soft skills and specialist/technical training, including: AWS Technical Essentials, Power BI, Project Management, Sustainable Procurement, Energy Management Master.

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hours of training by employee category									
Managers	393	243	636	364	313	677	440	324	764
Middle Managers	1,079	622	1,701	1,068	431	1,498	1,139	628	1,767
White collars	3,629	2,700	6,329	2,888	2,143	5,031	3,758	2,726	6,484
Blue collars	239	35	274	206	116	322	175	42	217
Total hours	5,340	3,599	8,939	4,525	3,003	7,528	5,512	3,720	9,232

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average hours of training by employee category									
Managers	10.9	34.7	14.8	11.4	44.8	17.4	16.9	54	23.9
Middle Managers	8.2	15.6	9.9	9.7	12.7	10.4	20	29.9	22.6
White collars	5.0	5.7	5.3	5.5	6.3	5.8	12.2	12.8	12.4
Blue collars	1.7	0.8	1.5	2.2	2.6	2.3	2.3	1.5	2.1
Total hours	5.2	6.4	5.6	5.9	7.0	6.3	11.8	13.9	12.5

PEOPLE EXCELLENCE & HIGH PERFORMANCE

In 2022, Lottomatica launched an extensive reorganisation project aimed at aligning the Group's corporate structure with the operational business structure, and ensuring greater efficiency in the execution of activities, faster decision-making, more streamlined management, and a more immediate understanding of the progress of the various divisions' activities.

The Reorganisation Project mainly involved of **3 phases**:

- 1. Reorganisation of the corporate structure** sbased on the business channels, through company mergers.
- 2. Reallocation** of the employees among the various companies based on their activities, through the transfer of the individual contracts.
- 3. Streamlining of the NCLAs** through specific union harmonisation agreements.

Performance Management

Every year, the Group carries out an evaluation of all the personnel using the **MyEvaluation**, platform: a tool developed entirely in-house, which has been calibrated based on the specific characteristics of the organisation and each company department that in 2022 underwent a major change.

The heart of the evaluation system is the **new leadership and competency model**, which is an integral part of the People Strategy that identifies the **key competencies and behaviours to be cultivated in order to pursue the organisational goals** in a manner consistent with the Attitudes included in the corporate DNA: Collaboration, Inclusion, Responsibility, Excellence and Entrepreneurial Spirit.

In this context, the MyEvaluation platform represent a **tool that's geared towards the development of virtuous organisational behaviour**, and is no longer simply a means for evaluating the resources' adherence to their roles.

HR Dashboard

With a view to constant monitoring and improvement of HR and organizational KPIs, a special **HR Dashboard** was set up in 2022, an important data analysis tool for collecting all the information that may have direct or indirect impacts on personnel and the organisation.



BEST HR TEAM

In the first months of 2023, the Lottomatica Group obtained the **Best HR Team**. certification. The recognition, promoted by the HRC Community Network – MyHRGoal, attests to the commitment made by the Group in 2022 and, in particular, by the HR team, in accompanying people and the organization through innovative projects and paths, capable of stimulating business growth, performance and engagement, in the name of an increasingly inclusive and stimulating work environment.

PEOPLE ENGAGEMENT & TOTAL REWARD

The recruitment of new human resources is planned based on the organisational needs, and the recruiting process is carried out in compliance with the principles laid out in the Code of Ethics, **guaranteeing equal treatment** based on the candidates' individual abilities, and **avoiding favouritism and preferential treatment** of any kind, with the choice being made exclusively based on the **criteria of professionalism and expertise**.

New hires undergo onboarding sessions, which entail involvement on the part of the managers, team colleagues, and the Human Resources office, for an induction pathway aimed at encouraging the pursuit of the company's objectives and complete integration within the company itself.

THE ONBOARDING JOURNEY

Lottomatica believes that a **cohesive team supported by robust relationships** can make all the difference, and is committed to ensuring that every new resource feels like they're part of the team from day one with the company.

That's why, at the beginning of 2023, the **"Onboarding Journey" HR project** was created, which revamped the traditional onboarding process to **place a greater focus on the employee experience**, and to better accompany all new resources during their first month with the company.

The Onboarding Journey aims to provide a **comprehensive overview of the world of Lottomatica**, and consists of various stages, which are designed to **provide all the tools and information necessary** to orient and familiarise oneself with the new organisational context: one-on-one meetings with the HR team, dedicated meetings with the Chief and Managing Directors, group activities, and in-the-field experiences.

The Group has launched a series of projects and initiatives aimed at **recognising, cultivating and maximising the potential of its collaborators**, which include:

- the revision of the performance review system based on the progress of the corporate career pathways, and annual **Salary Review**;
- the reporting of the **human capital risk assessment** for the human capital Key Risk Indicators identified in the ERM Model, and the establishment of structured annual training plans for all the employees;
- the establishment of the **new leadership model**, which, within the framework of the corporate DNA, determines the skills to be cultivated in order to pursue the corporate objectives, as well as the characteristic elements of the evolution, style, and managerial approach;
- the improvement of the platform for annual skill assessment purposes, developed to facilitate **performance review** activities and promote a culture of open feedback and transparency;
- **reskilling** initiatives aimed at acquiring and developing new skills (e.g. Become Digital).

COMP&BEN – WEIGHTING OF POSITIONS

In 2022, the Group introduced the establishment of **position classes**, which consists of the **weighting of different organisational positions** based on the **Mercer International Position Evaluation (IPE) system**.

This activity entailed the precise mapping of all the roles present within the company through interviews and organisational analyses, and led to the creation of an index representing the weight of each individual position, thus rendering the associated remuneration easily comparable with that of similar positions, both inside and outside the organisation.

PEOPLE SURVEY

The tools that the Group has made available to its employees include:

- **Onboarding:** making new employees active participants in the Onboarding process, thus creating a caring relationship with the organisation from the very outset
- **Exit Interview:** a survey conducted among those who resign from the company in order to determine their main reasons
- **Pulse Survey:** a survey conducted to measure people's feelings regarding certain significant organisational aspects.

MYLOTTOMATICA: THE GROUP'S NEW CORPORATE INTRANET

In 2022, the Group launched its new **MyLottomatica** corporate intranet.

Even the name, MyLottomatica, conveys how the platform is intended to serve as a **space for all the Group's personnel to share and communicate**, and as a support for **engagement and networking initiatives**. A space to talk about the organisation and its activities, as well as its people and their stories, where everyone has the opportunity to **actively participate** by submitting their own contributions and experiences.

The importance of the MyLottomatica platform not only lies in its function as an **information hub**, but also in the fact that it's the **primary point of access** to all the main corporate **tools and systems**, as well as to all the **policies, procedures**, and guidelines in force.

A dynamic and continuously-evolving space, where new functions will be implemented in 2023, including a calendar of upcoming events with booking possibilities, advanced profile customisation functions, and buy&sell and lost&found message boards.

Remuneration policies

As part of its personnel development policies, the Lottomatica Group has **an incentive system based on the results achieved against** pre-established individual and business objectives (so-called MBO, or “Management by Objectives”), aimed at **motivating and retaining the key resources** who have received a specific letter of assignment.

The process of defining the specific objectives takes place annually by the direct manager and follows the “**SMART**” principle: the targets must be **specific, measurable, achievable, relevant** and **well defined** over time.



The incentive scheme envisages Group and individual objectives, legal and business management and organizational development targets, in line with the Group’s strategic priorities.

In 2022, the **MBO policy** was updated, which envisaged the **assignment of specific objectives attributable to ESG factors**, measurable and consistent with the objectives of the Sustainability Plan, which can come to weigh up to 20% of the variable component each year and have also been assigned for the year 2023.

This ESG objectives, assigned in 2022 to top management, have been extended in 2023 to all personnel receiving MBO and include, among others, targets relating to: initiatives aimed at mitigating environmental impacts and safeguarding the value chain, implementation of corporate programs on D&I and professional development, responsible gaming and governance strengthening projects.

The MBO policy complements other incentive systems, such as the one aimed at sales staff that was updated in early 2023.

Lottomatica has planned, starting from 2023, the introduction of a **Performance Bonus for 100% of the Group’s corporate employees**: an economic contribution that is recognized to the worker in addition to the normal salary and is linked to the achievement of business-specific objectives. The company also provides **non-compensation benefits related to staff welfare and well-being**, in particular the supplementary pension: from July 2022 the reference fund is the FONTE fund, as required by the Tertiary NCLA.³ The share to be paid by the company on the gross salary useful for the formation of the taxable severance pay will be increased to 1.9%.

³ Currently active for the companies that have signed supplementary agreements (Lottomatica SpA, Lottomatica Videolot Rete SpA, Gamenet SpA and GBO Italy SpA).

Welfare and wellbeing


Lottomatica undertakes to promote the well-being of its people both inside and outside the workplace, paying particular attention to family needs and the psycho-physical health of the staff, through **people care and welfare projects and initiatives**, dedicated to promoting the right balance between work experience and private life.

The Group’s action in this area includes flexibility solutions such as, for example: flexibility of entry and exit times; granting part-time hours, especially to women; hours bank for employees who do not accrue ROL; smart working; parental leave; “pink” car parks for future mothers and reserved parking spaces for protected categories and shift workers, protecting in particular, with forms of extensive nocturnal smart working, those who, due to the activity or duties performed, encounter greater difficulty in reconciling times work with private life.

The initiatives implemented in the **welfare** and **wellbeing** areas are open **to all Group employees**. Among the main ones are:

welfare 

- ▶ Hours bank for employees who do not accrue ROL
- ▶ Meal vouchers
- ▶ Supplementary health insurance
- ▶ Optional maternity leave for 3 months (after 100% of the mandatory)
- ▶ Scholarships for the best report card and school vouchers
- ▶ Kindergarten and nursery school refunds
- ▶ Affiliations with children’s summer camps
- ▶ Paid leaves for medical visits
- ▶ Gift vouchers
- ▶ Vouchers with discount codes

wellbeing 

- ▶ Flexible arrival and departure times
- ▶ Granting of part-time hours (especially for women)
- ▶ Smart working
- ▶ Parental leave
- ▶ “Pink” parking spaces for future mums employees
- ▶ Reserved parking spaces for protected categories and shift workers
- ▶ Partnership and affiliations
- ▶ Activation of sports groups and team walking initiatives at the headquarters

SMART WORKING

Born as an experimental project before the pandemic, in 2019, smart working has proven to be a useful and profitable way of working, both professionally and personally.

The possibility of reconciling life times with working times, combined with the growing digitization of processes, has made it possible to find increasingly sustainable, lean and efficient work approaches, even in agile mode.

Extensively adopted during the emergency phase of the pandemic in order to ensure maximum protection for Group employees, this working method was governed at the beginning of 2022 by a specific company policy and by second-level agreements.

Approximately **67% of personnel benefited from this working method in 2022**, with the possibility for employees to have a maximum of two days a week of work in agile mode even once the needs associated with the health emergency have been overcome.

Talent attraction

Over the years, Lottomatica has bolstered its dialogue with several major institutes of higher and specialised education, in order to seize upon the needs of the younger generations and invest in new profiles to be included in the workforce.⁴

National partners

- **The Polytechnic University of Bari:** for the selection and placement of young people specialising in STEM disciplines (Science, Technology, Engineering, Mathematics).
- **ELIS:** for the recruitment of young people completing their Masters' degrees obtained at the Centre; for the creation of the skills needed for the ecological and digital transition, while stimulating female participation (TRED project); for the encouragement of dual education, with the creation of a "work project" by two students from the Polytechnic University of Milan ("Student Working").
- **42 Roma Luiss:** the innovative coding school brought to Italy by the Luiss Guido Carli University, for holding innovative training courses aimed at identifying young digital and IT talents.

International Internships

- The **American University of Rome Luiss and Luiss Business School:** an internationalisation project launched in collaboration with the American University of Rome in 2021, and with the Luiss & Luiss Business School in 2022, with the aim of promoting cultural contamination and the inclusion of young talents from different countries in the corporate context.

4) For more information, please refer to Chap. 7.1 "The community in which we operate".

6.5. Diversity, inclusion, and equal opportunity

The inclusion and appreciation of the uniqueness of individuals are an integral part of Lottomatica's DNA. In fact, the company is committed to maintaining a work environment in which everyone can feel fulfilled and motivated to contribute to the achievement of the common goals.

The Principle of Non-Discrimination

Lottomatica Group dedicates a great deal of attention to the integration of the **values of diversity and inclusion** within its corporate conduct, at all levels, by adopting corporate, organisational, and management mechanisms designed to ensure **respect for people's rights and freedoms**.

In this regard, in line with that which is stated in its Code of Ethics, the Group continues to pursue **the integration of the commitment to protect diversity, and to promote a work environment free of any forms of discrimination or harassment, with the establishment of a proactive strategy** aimed at overcoming all forms of stereotyping and identifying and resolving any factors that could hinder the seamless inclusion of all its personnel.

The company operates impartially and **does not allow direct or indirect**, multiple and interrelated discrimination on gender, age, sexual orientation and identity, disability, health, ethnic origin, nationality, political opinion, social category and religious belief.

The Group has established **specific channels reporting and identifying potential cases of discrimination**: in particular, it has equipped itself with four dedicated tools for listening to its personnel, monitoring the work environment, and verifying the effectiveness of the D&I approach adopted throughout the Group.



A tool used by Human Resources and completed by the Group's employees in order to analyse the trends with regard to the following topics: credibility, respect, fairness, cohesion, and pride.



A tool developed on the company's intranet that allows messages, proposals, and reports to be sent to the Human Resources team in an entirely confidential manner.



A tool used by Human Resources to interview outgoing staff in order to improve employee engagement, reduce turnover, and improve the future onboarding and selection processes.



A system for reporting crimes in a discreet and confidential manner, which can be easily accessed, even via the company's intranet.

The company is particularly sensitive to gender-based violence, and has adopted a **protocol on workplace harassment and violence**, in line with the Code of Ethics, in order to maintain a high level of attention and supervision towards inclusion.

No instances of discrimination against internal or external counterparts were reported among any of the Lottomatica Group companies in 2022.

The dimensions of diversity

The appreciation of each individual's uniqueness is in Lottomatica's DNA: in fact, **inclusion is one of the five corporate Attitudes**, and the Group is convinced that each member of its staff has a wealth of personal experience that deserves to be valued and shared for the purpose of achieving our common goals.

Lottomatica Group's commitment to cultivating the value of people, ensuring that everyone feels included and can perform at their best, is embodied in a **human resources development and management strategy capable of promoting an inclusive culture** to enhance the uniqueness of people and access to the same opportunities for professional growth regardless of the role held in the organisation.

Each person brings with them an experience and a richness that must be valued and shared. From these premises, in 2022, the Become Younique program was born, which aims to promote a widespread D&I culture and an open, welcoming and inclusive mindset.

The strategy is described in the **Diversity & Inclusion Policy**,⁵ which was approved during the first half of 2022 and updated in early 2023, and entails a **commitment to five specific areas**: gender equality, sexual orientation and gender identity, intergenerational appreciation, recruitment and inclusion of people with disabilities, and promotion of an intercultural outlook.

Gender equality

- The Lottomatica Group values gender balance and promotes training, information and awareness initiatives aimed at overcoming bias, discrimination and prejudices related to gender and also promotes policies and actions in favor of equal opportunities, the reconciliation of life and work and the sharing of family responsibilities.
- In this context, learning and development programs, remuneration and growth policies are aimed at guaranteeing gender equality and fair gender representation in programs aimed at developing managerial and leadership skills, in career paths and in positions responsibility for complex structures.
- The Group has always paid particular attention to the issue of gender-based violence and has therefore adopted a protocol on harassment, with a zero tolerance policy towards all forms of violence.

Sexual orientation and gender identity

- The Group works to eliminate all forms of discrimination and self-discrimination on the basis of sexual orientation or gender identity: each person must feel free to fully express themselves in their work context.
- This commitment takes the form of training, information and awareness-raising activities on the importance of using inclusive, non-discriminatory and respectful language for all LGBT+ people and through actions and policies aimed at guaranteeing equal access to rights and institutions. For example, the Group recognizes parental leave for homoparental couples.

Intergenerational appreciation

- The presence of different generations within the organization is recognized and valued in the corporate D&I strategy.
- From this point of view, internal Diversity and Inclusion policies aim to encourage intergenerational dialogue and comparison and take into account demographic prospects and the related impacts on company turnover.
- The attention is not only focused on the age and professional seniority of the workers, but also on the search for effective ways to encourage the exchange of knowledge and the contamination of experiences, skills, knowledge and both soft and hard skills (such as digital ones) typical of each generation.



⁵ See the Diversity & Inclusion Policy of Lottomatica Group.

Disability and accessibility

- The Group affords equal opportunities to all its personnel regardless of any sensory, cognitive, and/or motor disabilities. In this respect, the company is committed to taking concrete measures to promote the recruitment and inclusion of people with disabilities, making full use of their talents and skills within the company, and thus contributing to eliminating cultural, sensory, and physical barriers.

Promoting an intercultural vision

- The company is committed to foster a plural and multicultural context, open to discussion, the exchange of ideas, different perspectives and points of view is the basis of the company's Diversity and Inclusion strategy.
- The Group, through training, information and awareness-raising activities and through ad hoc projects and programs aimed at promoting, for example, the inclusion of international resources, wants to support and promote an open and multicultural approach that is also functional in supporting innovation and accelerate business growth.

This commitment also takes on the form of training, education, and awareness-raising activities regarding the importance of using **language that's inclusive, non-discriminatory, and respectful** of all LGBT+ people, and actions and policies aimed at ensuring **equal rights and access to institutions**. For parental leave, for example, the Group voluntarily **recognises for homoparental couples the same treatment provided** for heteroparental couples.

The Group also works to **break down the architectural barriers** that can affect the **inclusion** and **valorisation** of people with disabilities: for this reason, for example, it has moved the Venice office to a structure suitable for allowing a disabled colleague to move freely and in safety, while a "sled" was purchased for the Rome office to allow for the correct evacuation, in the event of an emergency, of a worker with disabilities, on the use of which the floor emergency workers received special training from part of the OHSM.

The main initiatives carried out to **promote Diversity & Inclusion** among the Group's employees fall within the scope of 3 work areas, where specific projects were launched or continued in 2022.

CULTURE

As part of the Become Younique project, described in the following sections, several **webinars** and **workshops** were organised on Diversity & Inclusion issues. These initiatives involved **762 employees**, and took place over **2,500 training hours**, covering various aspects of diversity, including gender, disability, age, culture, and LGBTQ+ issues.

The Group also participated in the **4WEEKS4INCLUSION** initiative, organised with the help of various companies sensitive to diversity issues, which, together, prepare a 4-week programme of shared digital events each year, including Webinars, Digital Labs, and creative groups dedicated to inclusion.



In order to encourage equity, inclusion, and self-empowerment throughout all levels of the organisation, two cross-cutting initiatives that directly involve the company's employees have also been organised: the Sheru Project, structured into 3 different sessions, which include the Sheru Project, the "D&I Morning Workouts", and the "D&I Labs".



HIRING & ATTRACTION

This programme was developed to ensure the adoption of the D&I principles during the recruitment of new talents throughout all areas of the organisation, with particular attention being paid to the promotion women in areas where STEM skills (Science, Technology, Engineering and Mathematics) are most prevalent.

To this end, the **Group also intends to participate in the TRED Project**, in partnership with ELIS, which is focused on the creation of the skills necessary for the ecological and digital transition, encouraging participation by women, as well as **collaboration with international universities** based in Rome for the recruitment of interns from abroad.

Since the project began in mid-2021, 14 young people have been involved in this initiative, who have become an integral part of the organisation, bringing with them diversity and an inter-cultural outlook.



FEMALE LEADERSHIP

This programme is aimed at selecting and promoting female talents within the organisation through leadership development programmes.

In 2022, **Female Mentorship** initiatives were launched among various generations of professional figures at the company, and Lottomatica participated in the **Management Revolution Programme**, where five of the Group's female Middle Managers from different areas of the organisation had the opportunity to take part in a process aimed at stimulating an innovative and change-oriented mindset in the interests of sustainability.

The **Human Resources, Organization & PSS Department** operates as an **activator and promoter of the Diversity & Inclusion Policy** and related programs, in close conjunction with the staff and business functions, which in turn are responsible for embracing and internalizing the values of diversity and inclusion in working relationships.

The Become Younique project



With the aim of further promoting the **culture of inclusion** and the development of an inclusive mindset, the **Become Younique project** was launched in 2022, structured around three main activities:

D&I workouts

6 webinars on the main areas of D&I (introduction to D&I, disability, gender equality, LGBTQ+, culture, and generational diversity), the attendance of which entitle each participant to obtain a 2-tiered training badge: Starter and Hero.

Progetto SHERU

Organised in collaboration with FIJLKAM, this project is open to all Lottomatica employees, both men and women, and is aimed at raising awareness of gender-based violence and providing self-empowerment tools.

D&I LAB

A conversation panel on D&I and “diversity”, moderated by a facilitator, and aimed at stimulating virtuous behaviour.

Gender diversity

In 2022, Lottomatica Group had 564 female employees, respectively equal to 35% of the workforce. With regard to the Group companies' governing bodies, on the other hand, there were:

- 5 out of 51 members of the Boards of Directors were women;
- 5 out of 24 members of the Boards of Statutory Auditors were women;
- 4 out of 14 members of the Supervisory Bodies were women.

With regard to the salary gap, the Group has introduced a new calculation method based on position classes, which, according to the Mercer International Position Evaluation (IPE) system, give weight to different organisational positions, based on qualitative and quantitative criteria.

To analyze the data in a meaningful and consistent way, Lottomatica defined their aggregation into homogeneous bands in terms of role and organizational weight. Specifically: executives in bands 6 and 7, executives and senior managers in band 5, junior managers and white-collar workers in bands 2, 3 and 4, and white-collar workers and blue-collar workers in band 1.

The analysis for 2022 shows that Lottomatica's position is **in line with the figures for the Italian remuneration market**⁶: excluding the Management Team, **the overall gender pay gap was equal to -6.9%**, in reduction compared to 2021.

The company has pledged **to completely eliminate the gap by 2030, with a target of -6% for 2023.**

Market Reference	BAND	2022		2021	
		Gender pay gap	Weighted Gender pay gap	Gender pay gap	Weighted Gender pay gap
Administration, Facilities & Secretarial	Band 1	-5%	-0.1%	4%	0.05%
	Band 2	4%	0.01%	13%	0.02%
Customer Service & Contact Center Operations	Band 1	3%	0.2%	-7.2%	-0.8%
	Band 2	-9%	-0.1%	-2.9%	-0.1%
Finance	Band 2	0%	0.01%	0%	0.02%
	Band 3	8%	0.04%	7%	0.04%
	Band 4	-12%	-0.1%	-5%	-0.03%
	Band 6	-25%	-0.04%	-19%	-0.04%
	Band 7	17%	0.04%	-	-
	Band 5	10%	0.04%	14%	0.1%
Human Resources	Band 2	52%	0.2%	-	-
	Band 4	16%	0.1%	-16%	-0.1%

6) Results of the study by the Jobpricing Observatory, which studies the labour market and wage dynamics in Italy.

Market Reference	BAND	2022		2021	
		Gender pay gap	Weighted Gender pay gap	Gender pay gap	Weighted Gender pay gap
Legal, Compliance & Audit	Band 2	-14%	-0.4%	-14%	-0.5%
	Band 4	-15%	-0.1%	-17%	-0.1%
Logistics	Band 1	-14%	-3.5%	-16%	-2.8%
	Band 2	-17%	-0.9%	-22%	-1.1%
	Band 3	-37%	-0.4%	-39%	-0.5%
Procurement	Band 2	10%	0.03%	5.7%	0.02%
Sales, Marketing & Product Management	Band 1	6%	0.5%	9.7%	0.7%
	Band 2	-8%	-1.4%	-1.6%	-0.3%
	Band 3	12%	0.2%	7.5%	0.2%
	Band 4	-8%	-0.2%	-9.5%	-0.4%
	Band 5	48%	0.1%	49.2%	0.1%
	Band 6	4%	0.1%	-0.1%	-0.002%
Technology & Operations	Band 1	8%	0.1%	8.0%	0.1%
	Band 2	-9%	-0.9%	-16.8%	-1.7%
	Band 3	-20%	-0.5%	-34.4%	-0.9%
	Band 4	-1%	-0.01%	3.6%	0.04%
			-6.9%		-7.8%

The gender pay gap is calculated on the basis of the Bands and Market Reference, used in Mercer's IPE system, and is **monitored on a quarterly basis**. Using this methodology, the gap differs considerably between bands. For this reason, to make it consistently analysable, it has been weighted by the band's own numerosity, in order to identify the actual impact of the gap on the entire corporate population.

Lottomatica is committed to implementing interventions aimed at both normalizing individual gender pay gaps and lowering the overall gender pay gap, with the goal of **eliminating the latter by 2030**.

Community
and
Environment

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7.1 The community in which we operate

Lottomatica contributes to creating value for the community by actively supporting projects aimed at promoting the quality of life, the socio-economic development of the communities in which it operates, and the training of human capital.

Initiatives and projects for the community and the territory

Lottomatica Group, aware of the fact that its business sector, organisational model, and value chain render is highly interconnected with the communities and the territory in which it operates, has always promoted and implemented a wide range of community benefit initiatives, both directly, through the involvement of its staff and customers, and in collaboration with its partners.

These projects include **training** and development of **young talents**, the promotion of **sports** as a means of inclusion and exalting individuality, **scientific research**, and **charitable initiatives**.

The Group's commitment in this area continues to increase significantly each year: in 2022, Lottomatica's contribution to community benefit initiatives more than doubled with respect to the previous year (+106%).

CONTRIBUTIONS
TO SOCIAL
INITIATIVES AND
PROJECTS IN 2022

+106%

COMPARED
TO 2021

FONDAZIONE LOTTOMATICA

Established in 2022, the **Lottomatica Foundation** is an autonomous, independent and non-profit organisation that was born as an **expression of Lottomatica's social commitment**, in order to uphold the Group's **dedication to responsibility, legality, people, the community, and the territory**.

The Lottomatica Foundation promotes the development of a cultural **approach consistent with the ESG criteria**, ensuring respect for the environment and the territory, awareness of social impact and diversity & inclusion issues, and good corporate governance.

The Lottomatica Foundation was established to help raise greater awareness and understanding of **social, economic, and sustainable development** issues, both locally and globally, through **social and sustainability projects** and initiatives dedicated to research, debate, training, and education.

In keeping with the purposes laid out in its Statute, the Foundation **carries out social and charitable initiatives**, with a focus on certain key sectors.



The Foundation's **administrative bodies** include: a Board of Directors, headed by a Chairman, who is also the Foundation's legal representative; an Advisory Board, made up of experts in the Foundation's areas of interest; and a General Secretary, who establishes programmes and initiatives, and oversees the performance of the Foundation's activities. The Foundation's governance is supported by the **ESG Committee** and the **internal ESG managerial committee**. In particular, the latter provides investigatory, propositional, and consultative support to the Foundation, with particular regard to social initiatives for the community.¹



CEPID and the partnership with the Gemelli University Hospital Foundation

The initiatives launched by the Foundation include the partnership with the **Agostino Gemelli University Hospital Foundation IRCCS**, which led to the establishment of the Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (**CEPID**).

This **state-of-the-art facility**, to which citizens can turn for assistance and support, boasts a **highly qualified staff and specialised equipment**. Inaugurated in February 2023, the CEPID was set up and rendered operational within the context of the Complex Operative Unit for Clinical

¹) For more information, please refer to Chapter 4.3 "Sustainability governance".

and Emergency Psychiatry at the Gemelli Hospital. The centre is dedicated to carrying out clinical and research activities aimed at **preventing, combating, and treating pathological addiction disorders**. In this sense, its goals are to raise awareness of these phenomena from an epidemiological standpoint, to optimise the diagnostic and treatment pathways, and to improve the possibilities for social and educational intervention.

The partnership between the **Agostino Gemelli University Hospital Foundation IRCCS** and the Lottomatica Foundation also led to the creation of the “Punto Gioco Intelligente” training and awareness programme for the Lottomatica Group staff and sales network.²

OTHER PROJECTS FOR THE COMMUNITY AND THE TERRITORY



Italian Federation of Judo, Wrestling, Karate and Martial Arts

Lottomatica supports **FIJLKAM** (Italian Federation of Judo, Wrestling, Karate and Martial Arts), which was established in 1902 as the Italian Athletic Federation, an organisation dedicated to regulating the sports of Greco-Roman wrestling and weight lifting.

In collaboration with FIJLKAM, in 2022 the Group launched the SHERU project, which is open to all Lottomatica employees, and is dedicated to raising awareness of gender-based violence and providing self-empowerment tools.³



The Italian Gymnastics Federation

The Group supports **FIG** (Italian Gymnastics Federation), which was established in 1869 and, in 1896, became a non-profit organisation dedicated to promoting physical education and safeguarding the physical and sporting wellbeing of Italian citizens.

The FIG carries out its activities in the four Olympic disciplines of Men’s Artistic Gymnastics, Women’s Artistic Gymnastics, Rhythmic Gymnastics, and Trampoline, and also has sections dedicated to Aerobics, Gymnastics for All, and Health and Fitness.



ASD Warriors Viadana

Lottomatica has been supporting the **Warriors Viadana** amateur sports association for years.

The association was established in 2014 for the purpose of promoting sporting activities for people with motor disabilities, namely Powerchair Hockey and Powerchair Football, as well as to carry out awareness-raising, visibility, and social inclusion projects.

With the association, the Group has launched a process of increasing awareness on the issues of disability and inclusion, also inviting its President, Fabio Merlino, to bring his testimony together with Lottomatica at 4Weeks4Inclusion, held at the end of 2022.⁴

2) For more information, please refer to Chapter 5.2 “Lottomatica’s commitment to responsible gaming”.

3) For more information, please refer to Chapter 6.5 “Diversity, inclusion and equal opportunities”.

4) For more information, please refer to Chapter 6.5 “Diversity, inclusion and equal opportunities”.



Together for Ukraine

In the aftermath of the outbreak of war in Ukraine, Lottomatica Group mobilised in support of the **Community of Sant'Egidio** and its initiatives in favour of the Ukrainian population.

In collaboration with the **Salvamamme Association**, and thanks to the solidarity of the Group's employees, an initiative dedicated to collecting medicines, foodstuffs, and basic necessities for adults and children, all to be donated to the war-torn areas, was able to be organised at the Rome headquarters.



Telethon

Lottomatica supports **Telethon** and actively participates in its awareness-raising and fund-raising initiatives to promote scientific research aimed at developing effective treatments and therapies against genetic diseases.

The Telethon campaigns supported by the company, through donations and with the involvement of its points of sale, online gaming portals, and social media channels, include the "Walk of life" campaign and the annual "Il gioco fa rotta sulla ricerca" ("Gaming for research") campaign, which, since 2005, has succeeded in raising money for scientific research thanks to the solidarity of Lottomatica and all the major companies operating in the legal public gaming sector.



Salvamamme

In its efforts to make a tangible difference in the fight against gender-based violence and discrimination, Lottomatica supports the **Salvamamme association** and the "**Valigia di Salvataggio**" project.

The association has been on the front lines supporting vulnerable women and families for over 20 years, and its "Valigia di salvataggio" initiative is aimed at helping female victims of violence or stalking, providing them with concrete support services immediately upon leaving the houses where they have been abused, often together with their children.

Therefore, on 25 November, the International Day for Combating Violence Against Women, Lottomatica launched a two-fold initiative involving a fund-raiser and the opportunity for Group employees to donate one of their working days to providing support, hospitality, and distribution services at the Salvamamme Association's headquarters in Rome.

Combined with the value of the days donated by colleagues and the contribution of Lottomatica, the donations received allowed Salvamamme to prepare 50 rescue suitcases and overnight bags for female victims of violence and their children.



Susan G. Komen Italia

Lottomatica supports the **Susan G. Komen Italia association**: a volunteer organisation that's on the front lines in the fight against breast cancer and the protection of women's health.

Every year, the Group promotes its staff's participation in the **Race for the Cure**, the largest event for the fight against breast cancer in Italy and worldwide.



Vidas

Lottomatica supports the **Vidas association**, which provides assistance to patients suffering from terminal conditions, thanks to the work of pain therapy and palliative care specialists.

Founded in Milan in 1982, in over 40 years the Vidas Association has assisted nearly 40 thousand patients completely free of charge, offering a comprehensive approach to both the individual and their immediate family.



The KIM Association

In keeping with the core principles of the company's DNA (inclusion, social responsibility and spirit of collaboration), in September of 2022 the Group took part in the **#Condividiamo charity Team Building event** within the context of a programme created by Confcommercio Roma and organised by the **KIM association**, a non-profit organisation that, since 1997, has been taking in, protecting, and providing hospital care for seriously ill minors who find themselves in situations of economic and social hardship.

Also in support of the KIM association, Lottomatica Group promoted the third edition of the **"Food 4 People"** event dedicated to **collecting food donations** for charitable organisations. Thanks to the solidarity displayed by the Group's colleagues, over 120 kg in foodstuffs were able to be collected during the 2022 Christmas Holidays.



Fondo per l'Ambiente Italiano (FAI)

Lottomatica supports **FAI - Fondo Ambiente Italiano** (the "Italian Environmental Fund") by participating in the **"Corporate Golden Donor"** membership program. This important decision has bolstered the company's image and corporate identity by calling attention to its support for and concrete commitment to Italian art, culture, and landscape initiatives.

University partnerships

Over the years, Lottomatica has increased its dialogue with the younger generations, in order to better understand their needs and integrate them within its business offering.



42 Roma Luiss

With the aim of investing in future talents in the fields of innovation and digital technologies, Lottomatica collaborates with **42 Roma Luiss**, an innovative coding school brought to Italy by the **Luiss Guido Carli University**. Consisting of over ten thousand students chosen based on merit at 22 campuses all around the world, the school is Italy's first "Network 42" campus and, in addition to Lottomatica, is also supported by numerous other large companies and businesses.

Thanks to the partnership with 42 Roma Luiss, the Group is able to hold innovative training courses aimed at recruiting young talents in the fields of digital technologies, who are becoming increasingly valuable for the technological transformation of our country.



The LUISS University and the “Legality and merit in schools” project

In collaboration with the **Luiss Guido Carli University**, Lottomatica is one of the main partners of the “**Legality and Merit in Schools**” project.

The project was conceived by the Vice President of Luiss Guido Carli, Paola Severino, and is aimed at raising the next generations’ awareness of the **values of legality and respect for the rules**, by establishing dialogues and connections between university and high school students, in order to allow them to grow together. Thanks to Lottomatica’s support as one of the main partners for the 2022 edition, **two scholarships** were awarded for the 2022-2023 academic year.



Polytechnic University of Bari and the promotion of STEM subjects

In 2022, **Lottomatica Digital Solution** was established in Bari with the goal of creating a technology hub in southern Italy focused entirely on software development, namely for the European and North American markets.

In order to achieve this goal, Lottomatica signed a three-year partnership agreement with the **Polytechnic University of Bari**, which, among other things, provides for the **recruitment of recent graduates with degrees in STEM subjects** (Science, Technology, Engineering, and Mathematics), and with knowledge of modern software development and data analysis technologies.

International internships

Lottomatica launched an internationalisation project with the **American University of Rome** in 2021, and with **LUISS** and **LUISS Business School** in 2022, with the aim of promoting cultural contamination and the inclusion of young talents from different countries in the corporate context.⁵



A CONSTANT DIALOGUE WITH THE INSTITUTIONS AND TRADE ASSOCIATIONS

Since 2022, Lottomatica has been a member of **Confcommercio – Enterprises for Italy**, the Italian General Confederation of Enterprises, Professional Activities and Self-Employment - the largest enterprise representation in Italy with over 700,000 associated.

Moreover, Lottomatica has been a member of **Unindustria**, the Confindustria system’s territorial association for the provinces of Rome, Frosinone, Latina, Rieti and Viterbo. This choice aims to combine the “networking” opportunities offered by the association with the potential offered by the Group as a digital and technological hub, and to establish dialogues and partnerships with some of the leading businesses in the Lazio region, where the group has deep roots.

⁵ For more information, please refer to Chapter 6.4 “Personal development and skill valuation”.

7.2 Lottomatica for the environment

Lottomatica is convinced that environmental protection is a strategic priority for the creation of sustainable value. That's why the Group is dedicated to pursuing goals aimed at mitigating its impacts, and to promoting virtuous conduct on the part of all its partners and suppliers.

Lottomatica is committed to adopting rules of conduct and behaviour that will **ensure its sustainable growth in a manner that's respectful of the natural environment**. In fact, the focus on encouraging **virtuous behaviour** in terms of limiting **emissions**, energy consumption, and the use of natural **resources**, as well as **waste** management, is an essential aspect of the pathway undertaken by the Group, which highly dedicated to ensuring respect for the planet and the needs of future generations.

The Group is highly committed to **promoting environmental protection throughout its entire value chain**, starting with the reduction of the environmental impacts generated by its operating activities, whether carried out directly or through its suppliers and partners, and, in 2022, adopted a **Green Procurement Policy** for the selection of suppliers who meet specific environmental protection criteria.

This year's decision to include **two distinct environmental issues among the Group's material topics** (Energy consumption and reduction of emissions, and Virtuous management of waste and energy consumption) confirms the **important role that this issue plays** in Lottomatica's operations and in determining its strategic priorities.

The integrated approach to environmental protection

The Group's approach to environmental protection has been formally documented in the **Environmental Sustainability Policy** adopted in 2022. This Policy lays out the **general principles** and **guidelines** that the company intends to adhere to in order to achieve its **environmental sustainability goals**.

LOTTOMATICA'S ENVIRONMENTAL SUSTAINABILITY POLICY

GENERAL PRINCIPLES

The prevention and reduction of environmental impacts, by basing the company's activities on criteria aimed at preventing pollution, reducing environmental impacts (even through the de-materialisation of the processes, products, and services), and protecting the health and safety of the people involved, with the establishment of specific environmental objectives and improvement programmes.

The promotion of an environmental culture, through in-house awareness-raising and environmental training activities, and by striving to increasingly spread ecological awareness and a sense of responsibility.

GOALS

Monitoring and optimisation of energy consumption, with increasing investments in energy efficiency solutions, such as the use of low-consumption electronic appliances.

Reduction of GHG emissions.

Minimisation of the use of natural resources, namely by seeking to reduce the use of water.

Reduction of environmental impacts, through the analysis of environmental risks and through the reduction of waste generated (including plastics).

Participation in recycling and responsible waste management programmes.

Reduction of paper consumption through the de-materialisation of documents.

Adoption of technologies with a lower environmental impact.

Commitment to procure and utilise **renewable energy sources**.

Conscientious and consistent action towards all stakeholders.

Awareness raising among all the staff of environmental issues, even through their involvement in dedicated projects and initiatives.



In order to achieve these goals, in 2022 Lottomatica implemented a certified **Environmental Management System** compliant with the **ISO 14001:2015** standard.

In line with the most widespread international standards and based on the **principle of risk management and prevention**, the Environmental Management System allows the Company to systematically integrate functional tools to **monitor its environmental performance**, minimising the risk of sanctions for non-compliance, and reducing the environmental passivity.

The tools of the Environmental Management System

Identification of the risks of environmental violations related to the company's activities and organisational areas.

The **analysis of the suppliers and partners** based on various environmental parameters.

Assessment of the identified risks in terms of impact and likelihood using specific metrics, and assessment of the adequacy of the mitigation and remediation measures adopted in relation to the identified risks, with a specific focus on climate change.

Performance of audits in areas identified as high-risk.

Establishment of prevention and mitigation action plans, also shared with suppliers and partners, which may include activities to extend, revise, and improve the company's procedures and controls and specific training and awareness-raising activities on environmental protection.

The **ISO 14001 certification** was given in the second half of 2022 to the **environmental resources monitoring system** used for the purposes of managing the main offices for the companies **Lottomatica SpA, GBO Italy SpA, Lottomatica Videolot Rete SpA, and Gamenet SpA**, representing **65% of the Group's operations**.⁶ The acknowledgement bears witness to Lottomatica's commitment to implementing continuous business improvement processes in the interests of environmental protection, and represents a strategic asset for the company's future management choices.

In line with the certification requirements, the system is subject to **continuous monitoring through annual internal and third-party audits**, carried out by specifically appointed bodies. Furthermore, with regard to the EMS system and certification, in 2022 Lottomatica provided adequate **communication both within and outside** the company, and trained eight resources, **representing 100% of employees** most involved. For 2023, the Group has planned special training and educational activities for the rest of the corporate population for 2023.

⁶) Calculated on the basis of the number of employees on the date of certification.

Green Recruiting

In addition to the Digital Transformation project undertaken in 2022,⁷ the Group has also introduced a **green recruiting** process, which entails the **selection of human resources with a minimal environmental impact**, thus raising potential candidates' awareness of the company's commitment to the environment.

In particular, the process includes:

- remote interviews conducted using digital platforms;
- online applications only, and digitised pre-recruitment assessments;
- digitised brochures to be used on "recruiting days", acceptance of CVs exclusively in digital format, and use of eco-friendly gadgets.

In addition, the Digital Transformation project led to the use of digital signatures for all major business processes, including HR processes, for which it is used to sign all internal and external documents.

Reduction of energy consumption and emissions

One of the Group's main environmental commitments consists of the monitoring and reduction of its energy consumption and emissions, which are mainly generated by:

- **employee mobility:** consumption of diesel and other fuels for the vehicle fleet;
- **heating:** use of natural gas to heat the company's headquarters and the gaming rooms;
- **purchase of electricity:** consumption of electricity for the offices' and the gaming halls' operational activities.

In 2022, Lottomatica adopted a **GHG Emission Reduction Plan**, which establishes appropriate measures to decrease its energy consumption and CO2 emissions.

EMPLOYEE MOBILITY

Within the context of the company's activities, employee travel can have multiple impacts on the environment.

For this reason, the Group periodically **renews its company car fleet**, replacing older models with **newer ones that have a lower environmental impact**. In order to encourage **more sustainable forms of commuting** with decreased atmospheric emissions, the Group's employees are also provided with a company shuttle service.



The Group's interest in promoting increasingly environmentally friendly lifestyles is also highlighted by the partnership launched with **E-GAP** in 2022 in order to allow all the employees to recharge their electric vehicles at a reduced rate while away from home. With the aim of providing an even more convenient and smart service, as of 1 February 2023 the employees have been able to recharge their electric or hybrid vehicles, e-bikes or e-scooters free of charge at the Rome headquarters, thanks to the presence of an E-GAP minivan.

7) For more information, please refer to Chapter 5.3 "Innovation and respect for the consumer".

Results and targets

- ✓ In 2022, Lottomatica implemented a new “Car policy”, and launched several initiatives aimed at reducing the CO2 emissions generated by vehicle fuel consumption. These include:
 - the introduction of an electric vehicle within the pool of company vehicles, which it is estimated will reduce the environmental impact by over 700 kg of CO2 per year;
 - the overhaul of the company car fleet by 2023, with the gradual replacement of a portion of the diesel vehicles with fully electric and hybrid cars, which it is estimated will decrease emissions by over 20,000 kg of CO2 per year;
 - the availability of a mobile charging service for the Group employees’ electric vehicles, thanks to a partnership with E-GAP (see above);
 - the promotion of commutes by taxi with hybrid or electric vehicles.

Moreover, in 2022, 20% of the travel routes within Rome and the surrounding province were covered using exclusively electric cars (company car pool, Car Sharing, taxis).

IMPROVEMENT OF ENERGY EFFICIENCY AT THE OFFICES AND GAMING HALLS

The goal of improving energy efficiency is pursued with every renovation project carried out at the Group’s headquarters, offices, points of sale, and gaming halls. This is the direction in which the **energy efficiency measures** introduced by the Group have been heading over the years.

The headquarters is equipped with a modern tri-generation plant, which generates over 50% of the electricity needed for the entire facility. In addition, renewable energy is produced by solar panels, which cover 2.3% of the total energy consumption needs.

Results and targets

- ✓ In 2022, interventions mainly regarded:
 - the procurement of **energy generated from 100% renewable sources for the directly operated gaming halls** (with the exception of those for the company Slottery, which were included in early 2023), which implied the switchover of 90% of the PODs to renewable energy;
 - the replacement of fluorescent lamps with LED lighting in the hallways;
 - the decrease/increase of the temperatures within the buildings by 2°C in the wintertime/summertime.
- ➔ In 2023, additional energy efficiency measures are planned and will include:
 - the expansion of the supply of energy generated from 100% renewable sources to directly managed halls not already included, and to other operational sites;
 - the purchase of carbon neutral flooring certified by Interface for the VLT gaming halls;
 - the activation of energy saving options for the Wall Display Hall, which can be activated via an app and according to a schedule.

THE GROUP COMPANIES' ENERGY CONSUMPTION

Despite Lottomatica's commitment to energy efficiency and decarbonisation, the expansion of the corporate perimeter, and the consequent increase in terms of staff (from 1,271 to about 1,600 people),⁸ office space, and points of sale, have led to an increase in the Group's energy consumption in 2022 with respect to 2021.

Employee mobility and the consumption of electricity within offices, gaming halls, and sales outlets are the main sources of direct and indirect energy consumption, the values of which have been aggregated in the following table, calculated in GJ. The reduction in the consumption of natural gas for heating is a testament to the Group's excellent work in terms of energy efficiency.

Direct consumption (GJ)	2022	2021	2020
Natural gas for heating	42,867.32	46,024.42	36,200
Diesel fuel for motor vehicles	22,146.99	13,952.33	5,412.6
Petrol for motor vehicles	2,386.74	997.89	128.1
Natural gas for motor vehicles	1,529.32	901.97	118.3
LPG for motor vehicles	38.36	0.74	-
Indirect consumption (GJ)	2022	2021	2020
Electrical energy purchased (from non-renewable sources)	63,040.17	60,751.63	17,150
Electrical energy purchased (from renewable sources)	28,659.88	-	-
Total consumption (GJ)	160,668.79	122,628.98	59,009.8

DIRECT AND INDIRECT EMISSIONS

In order to measure the positive effects of its commitment to environmental protection, Lottomatica considers it extremely important to **quantify the direct and indirect emissions** generated **throughout its entire value chain**. In particular, the reported emissions were classified into the following types:

- **Scope 1 direct emissions**, resulting from the consumption of fuel for the company car fleet and the use of gas to heat the gaming halls and offices;
- **Scope 2 indirect emissions**, resulting from the use of electricity purchased for its gaming halls and offices;
- **Scope 3 indirect emissions**, generated as a result of business trips made by Group personnel.

8) For more information, please refer to Chapter 6 "People".

The emission values generated by Lottomatica during 2022 are expressed in tons of CO₂ equivalent (tCO₂eq), which were calculated taking various emission factors into account, as specified in the notes.

Scope 1 Emissions

DIRECT EMISSIONS	2022	2021 ⁹	2020
Natural gas for heating ¹⁰	2,410.61	2,586.84	2,036
Diesel fuel for motor vehicles ¹¹	1,566.71	975.38	398.25
Petrol for motor vehicles ¹²	160.66	69.55	9.39
Natural gas for motor vehicles ¹³	73.87	42.67	6.65
LPG for motor vehicles ¹⁴	2.46	0.05	-
Total direct emissions (tCO₂)	4,214.31	3,674.49	2,449.88

Scope 2 Emissions

INDIRECT EMISSIONS	2022	2021	2020
Energy from non-renewable sources (Location-Based) ¹⁵	4,561.66	4,384.24	1,316.29
Energy from renewable sources (Location-Based)	2,073.86	-	-
Total indirect emissions (tCO₂)	6,635.52	4,384.24	1,316.29
Energy from non-renewable sources (Market-Based)	8,005.23	-	-

9) The 2021 direct emissions data have been restated following the refinement of the calculation methodology adopted in 2022.

10) The emissions resulting from the consumption of natural gas are calculated based on the values communicated by the suppliers, multiplied by the emission factor of 1.984 tCo₂ eq/1000scm published by the Higher Institute for Environmental Protection and Research (ISPRA) in 2021;

11) The values reported on the internal fuel sheets were multiplied by the emission factor of 3032.89 kgCo₂ eq/t published by Defra in 2022;

12) The values reported on the internal fuel sheets were multiplied by the emission factor of 2903.08 kgCo₂ eq/t published by Defra in 2021;

13) The emissions resulting from the consumption of natural gas are calculated based on the values communicated by the suppliers, multiplied by the emission factor of 2,539.25 kgCo₂ eq/t published by Defra in 2022;

14) The values reported on the internal fuel sheets were multiplied by the emission factor of 2939.29 tCo₂ eq/t published by Defra in 2022;

15) The emissions generated by the consumption of electricity, the data of which are communicated by the suppliers, were calculated: for Location-Based methodology, by multiplying the consumption values of renewable and non-renewable energy by the emission factor 260.5 gCo₂eq/kWh, entered in the database of the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) 2022; for Market-Based methodology, by multiplying the consumption values of non-renewable energy by the emission factor 457.15 gCo₂eq/kWh (AIB 2022).

Scope 3 Emissions

Aware of the need to take into account the emissions generated throughout its entire value network, in 2022 Lottomatica established a system for the disclosure and monitoring of the Scope 3 **emissions resulting from employee business trips**.

In 2022 reporting year, the emissions generated by the employees' travels, including travel carried out by train, plane and/or ship, amounted to **106 tCO₂eq** (compared to **65 tCO₂** generated in 2021). The **Group's Business Travel Policy** was also updated in 2022 in order to discourage, if not in exceptional cases, the use of the plane, a notoriously more polluting means of travel than rail transport.

In line with the **GHG Protocol**, the Company also intends to include other categories of **Scope 3 emissions** in future reports, based on their impact on its business activities. In particular, Lottomatica has embarked on a strategic and structured pathway for the management of climate-related issues, in compliance with the sustainability regulations, and in keeping with the major international standards.

In fact, a gradual process of **analysing the Scope 1, 2 and 3 mitigation levers** for the Group was launched in 2023, with the simultaneous **expansion of the Scope 3 perimeter** reported, and the establishment of the **impact reduction targets** within a well-defined decarbonisation strategy, with the aim of achieving the **SBTi** (Science Based Target initiative) target by the end of the year.

Emission intensity

EMISSION INTENSITY ¹⁶	2022	2021	2020
Scope 1 + Scope 2 (Location-Based)	6.79	6.34	5.11
Scope 1 + Scope 2 + Scope 3 (Location-Based)	6.86	6.39	n.a.
Scope 1 + Scope 2 (Market-Based)	7.65	-	-
Scope 1 + Scope 2 + Scope 3 (Market-Based)	7.72	-	-

16) For the calculation of the emission intensity rate of the Lottomatica Group, the number of employees as at 31 December of the three-year period was used as the denominator.

CONSUMPTION AND WASTE MANAGEMENT

For Lottomatica, the responsible management of the waste generated by its offices and gaming halls means **reducing the waste produced, disposing of it in an appropriate and sustainable manner**, and **promoting the use of recyclable** and reusable resources.

This commitment is thus maintained through a **structured waste management and monitoring system**, both for its own activities and those contracted to external organisations, as well as through **awareness-raising activities for employees** aimed at reducing waste.

Lottomatica Group's gaming halls and offices generate **almost exclusively municipal solid waste**, which are properly differentiated and mostly disposed of through public waste collection services based on the criteria established by the Municipalities in which they're located.¹⁷ The disposal of special waste (hazardous and non-hazardous) and waste similar to municipal waste, that is not managed at the municipal level, is entrusted to qualified companies that ensure the application of the current regulations.

The table below contains indicates the quantity of waste generated by Lottomatica, broken down by type. The increase in 2022 is mainly due to the expansion of the corporate perimeter, and the consequent increase in terms of staff.

Type of waste

Type of waste (tonnes)	2022	2021
Total waste	1,072.2	692.2
of which hazardous	45.8	15.6
of which non-hazardous	1,026.4	676.6

In order to ensure the proper management of the environmental aspects of the activities contracted out to external organisations, in 2021 Lottomatica adopted a **specific set of Operating Instructions for monitoring the waste cycle** and managing the operation and ordinary and extraordinary maintenance of the technological systems. These instructions, which apply to the Group's main companies (Gamenet SpA, Lottomatica Scommesse SpA, Goldbet SpA e Lottomatica Videolot Rete SpA) are designed to ensure that the activities are carried out in full compliance with the environmental policy and the current regulations, and the quality, workplace health and safety, energy savings, environmental protection, and business productivity objectives.

17) The municipal waste managed by the public service was considered non-hazardous waste.

WATER CONSUMPTION

Lottomatica strives to ensure the efficient management of water resources both at its headquarters in Rome and at its offices and gaming halls, with the goal of promoting proper forms of water use that will prevent and eliminate waste.

In light of Lottomatica's nature as a service provider, the Group only consumes water for civil use at its offices and gaming halls, which does not have any significant impact on the water sources.

Lottomatica has taken concrete measures to reduce water consumption within its offices and gaming halls. To this end, wash basin flow reducers were installed in the offices, and all the WC flushing tanks were replaced, in order to reduce water consumption by at least 20% (monitoring takes place every 2 months). Lottomatica's water consumption in 2022 amounted to **67,521.72** cubic metres of water.

Confirming its awareness of the importance for the territory of a fundamental resource such as water, for the first time ever Lottomatica mapped and monitored its water consumption, in order to determine the amount of water that it uses in areas subject to high water stress.

Water consumption – Water stress level ¹⁸	Unit of measurement (l)	%
Low (<10%)	15,104.72	22%
Low – medium (10 – 20%)	3,847.20	6%
Medium – high (20 – 40%)	8,711.83	13%
High (40 – 80%)	2,906.02	4%
Extremely high (>80%)	36,951.96	55%
Total	67,521.72	100%

18) For the purposes of classifying the level of water stress, the Water Risk Atlas platform was used as a reference.

PAPER CONSUMPTION

In 2022, Lottomatica launched an ambitious **digital transformation project**,¹⁹ which is not only having a positive impact in terms of the optimisation of its internal processes, but also in terms of the mitigation of its environmental impacts, especially with regard to the consumption of paper for office activities. In fact, the Group has eliminated most of the paper used for its internal operations, promoting greater operational efficiency and considerable savings in terms of natural resources.

Lottomatica's total paper consumption is shown below, broken down into recycled and non-recycled paper:

Paper consumed by Lottomatica	2022	
	kg	%
Recycled paper	1,122.66	63
Non-recycled paper	656.28	37
Total	1,778.94	100

CIRCULAR ECONOMY INITIATIVES

Lottomatica is aware that proper waste management must be accompanied by concrete measures aimed at reducing waste production and eliminating the inefficient use of materials and resources.

For this reason, in 2022 the company took several measures aimed at implementing the circular economy principles:

- the installation of new drinking water dispensers, and the distribution of thermal flasks to all staff at the Group's headquarters;
- the use of recycled paper for stationery;
- the use of refillable toners and colours with a lower environmental impact;
- the replacement of single-serve plastic and metal capsules with compostable pods for the coffee machines in the offices, for a reduction in KG of CO₂ produced in one year of about 62% with respect to the previous systems;
- the use of sustainable packaging for the products contained in the vending machines
- greater awareness of the use of paper by including the message "Save trees... Only print this email if absolutely necessary" at the end of emails.

¹⁹) For more information, please refer to Chapter 5.3 "Innovation and respect for the consumer".

Within the context of its innovative initiatives related to the development of sustainable products and services, in 2022 the Group also entered into a partnership with Interface® Flooring Corporation Srl for the installation of Carbon Neutral Floor™ certified carpeting within its VLT gaming halls.



BECOME GREEN

Within the context of the Become project, which was launched in 2019 to exalt and communicate Lottomatica's innovative identity internally through concrete projects and actions, the **Become Green** internal awareness campaign was initiated in 2020 to encourage more responsible and environmentally friendly conduct, to **minimise the use of disposable plastics** and **achieve zero waste**, to maximise sorted waste collection, and to encourage the use of renewable energy sources.

Lottomatica's partnership with Think About Srl, which is aimed at making use of surplus foods that would otherwise go to waste, is also part of the Become Green programme.

In fact, from 2019 through the end of 2022, Lottomatica supported ThinkAbout's "NO.W - No Waste" project: an ethical e-commerce platform that offers companies and their employees the opportunity to purchase quality foods online that would otherwise go to waste, at a discounted price.

Moreover, in line with the Group's vision, Lottomatica promotes environmental sustainability and carries out awareness-raising activities on conscientious consumption habits, even **posting articles on environmental topics and sustainability pills on the corporate intranet**. Among the initiatives in this sense is the launch, in 2023, of the **anti-waste food diary**: a quick and easy way to understand how much food to buy in relation to one's actual need.

In addition to this initiative, Lottomatica also pursued a **waste prevention plan** launched the previous year at its own company canteen, in order to effectively put any surplus food to good use.

7.3 Responsible management of the production chain

Lottomatica undertakes to select, evaluate and manage suppliers and business partners based on technical and economic criteria, as well as according to environmental and social factors, in order to ensure sustainability and respect for human rights throughout the production chain.

Lottomatica **relies considerably on the supply chain for the proper performance of its activities**, and, as also indicated in its Code of Ethics, establishes **relationships with its partners based on loyalty, fairness, transparency, efficiency, and compliance with law**, carrying out all the necessary investigations to evaluate the products and services it purchases, even with regard to their specific **sustainability characteristics**.

This commitment is demonstrated by the continued inclusion of the material topic “Responsible management of the supply chain and the network” within the Group’s 2022 Materiality Matrix, as well as the adoption of **internal policies and processes** aimed at ensuring **sustainable procurement**.

EXPENDITURE
ON SUPPLIERS
IN 2022

€ 170
Mln

With a total expenditure of over € 170 million in 2022, Lottomatica manages an extensive and diversified network of suppliers and commercial partners at both the national and international levels.



Proportion of spending on local suppliers	2022 %	2021 %
Europe	92	82
Italy	82	80
Abroad	8	18

Lottomatica's commercial network

The gaming hall managers and points of sale are key business partners for Lottomatica, which boasts a widespread presence, with about **6,000 dedicated sales outlets** out of a total network of **18,000 points of sale**, as well as distribution agreements with a large number of bars and tobacconists.

The physical sales network of games and services is a strategic resource for the Group, and is also an area that must be **constantly monitored to ensure compliance with the highest reliability and quality standards**.

Lottomatica maintains an open and transparent relationship with its partners based on well-defined logic.

Training and education

Lottomatica conveys the Group's strategy and **attention to consumer protection** by providing informative material (guidelines, operating instructions, and protocols to be followed) and training sessions to the dealers and managers of its gaming halls and points of sale, on an ongoing basis.

Exchange of know-how

As the main channel of information exchange with the territory, the commercial partners are capable of determining the players' needs, thus **developing virtuous innovation processes**. This information can be obtained by the Group in order to meet its customers' needs and share best practices with the network. Lottomatica, on the other hand, helps its partners create a comfortable gaming environment within the halls and points of sale by providing technical and commercial assistance.

Verification of compliance with the guidelines

In carrying out their activities, the partners are exposed to various risks, and must therefore pay scrupulous attention to the **security of customer data, the fight against under-age gaming, and the traceability of the amounts collected**. In order to monitor the commercial partners' performance and minimise risks, Lottomatica periodically carries out **checks and inspections throughout its entire network of physical points of sale**. The outcomes of these inspections are subsequently communicated to the competent bodies.

Supplier selection and evaluation criteria

The Group strives to be a virtuous “leader” by working to maintain a sustainability-driven value chain, and by only including **partners that meet the highest reliability standards** within its business network. Its partners and suppliers are therefore identified and selected in accordance with **the Group’s shared principles and value creation objectives**.

By virtue of its Quality Control System, Lottomatica regulates its supplier relations through its **Supplier Register**, which allows the suppliers to be digitally accredited and qualified by verifying their compliance with the Group’s requirements and the current regulations.

In particular, in order to be qualified in the **Supplier Register**, potential suppliers must submit and sign the following documents:

- Certification of registration with the CCICA (Chamber of Commerce, Industry, Crafts and Agriculture);
- Consolidated Social Security Compliance Certificate (DURC) and Consolidated Tax Compliance Certificate (DURF);
- general conditions of purchase;
- anti-Mafia declaration and Declaration pursuant to Italian Legislative Decree no. 81/2008;
- identity document of its legal representative;
- personal data processing policy;
- most recent financial statements;
- declaration of acceptance of the Lottomatica Code of Ethics.

In 2020, the Group’s Supplier Register was supplemented with its **E-procurement portal**, which guarantees **better operational efficiency, transparency, and traceability throughout the entire procurement process**, the **streamlining of the resources utilised**, and a greater assurance of **compliance with the organisational models** adopted pursuant to Italian Legislative Decree no. 231/01. This portal has improved the quality and performance of the entire procurement process through the use of web-based digital platforms, in compliance with Italian Legislative Decree no. 50/2016 (the Public Procurement Code).

In order to promote a supply chain management system that’s even more attentive to social, environmental, and governance criteria, in line with the company’s Sustainability Plan, in 2022 Lottomatica adopted a **Supplier Code of Conduct and Green Procurement Policy**.



THE SUPPLIER CODE OF CONDUCT

The **Supplier Code of Conduct** describes Lottomatica's basic expectations when choosing to initiate or extend collaboration relationships with suppliers, their parent companies, subsidiaries, affiliates, subcontractors, or any other subjects who are part of their supply chains.

The Group's expectations are included among the specific contractual conditions, and go beyond the safeguards like the Code of Ethics, the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01, and the Anti-corruption Policy.

Each Supplier, under its full and exclusive responsibility, warrants that all of its employees, representatives, and subcontractors fully understand and comply with these guidelines.

In addition to compliance with all the applicable laws and the international environmental, social, and governance standards, Lottomatica's suppliers must also comply with the principles described in the Code of Conduct, and Lottomatica will promptly terminate all relations with the supplier if they should fail to do so.



THE PRINCIPLES OF THE SUPPLIER CODE OF CONDUCT

Professional ethics and regulatory compliance

All Lottomatica's suppliers must conduct their business and manage business interactions with integrity, strictly complying with all rules and regulations relating to corruption, active or passive, money laundering, terrorist financing and trade prohibited.

Diversity and inclusion

Lottomatica's suppliers must guarantee equal contractual opportunities.

Compliance with anti-corruption regulations

Group's suppliers represent and warrant that they comply, directly and through their officers, directors, employees or agents, with all global anti-corruption laws.

Human rights and working conditions

Lottomatica expects its Suppliers to share the commitment aimed at promoting and respecting human rights and guaranteeing the principle of equal opportunities in the workplace.

Regulations and environmental protection

Lottomatica's suppliers must comply with all applicable environmental laws, regulations and standards, as well as implement an effective system for identifying and eliminating potential environmental risks.

Health and safety

Group's suppliers must ensure safe, suitable and hygienic work facilities and resources for their employees, adopting health and safety policies and procedures consistent with all national, international and industry laws and regulations.

Confidential and protected personal information

Lottomatica's suppliers must guarantee the protection of all sensitive information, including confidential and protected personal information, which may only be used for professional purposes.

THE GREEN PROCUREMENT POLICY

The **Green Procurement Policy** is part of the Environmental Sustainability Policy, and governs the supplier selection process by giving priority to those who guarantee the **lowest environmental impact** for the provision of the same goods and/or services.

In particular, the supplier selection process includes a reward system with regard to the following two elements:

- **compliance with the environmental assessment criteria** (compliance with the environmental legislation, implementation of processes with a focus on energy efficiency, and use of recyclable or compostable products);
- **possession of certified environmental management systems** (EMAS, ISO 14001, etc.) proving the suppliers' capabilities.

In this sense, the organisation acts as the **head of the supply chain**, analysing and monitoring the environmental performance of the suppliers contained in the Register through the **internationally-recognised SynESGY platform**, which calculates an **ESG score for each of the Group's suppliers** with regard to five macro-areas: economic, social, environmental, governance, and sector performance.

While giving precedence to suppliers with positive scores, the Group also encourages its business partners who have less-than-optimal ESG scores to improve by carrying out remediation activities, in order to determine the reasons for their poor performance and other critical issues.

45%
of suppliers
WITH ISO 14001
ENVIRONMENTAL
CERTIFICATION

HEAD OF THE
SUPPLY CHAIN



SUPPLIER

<p>Evaluate the corporate sustainability of the supply chain through a constantly updated survey system</p>	<p>01</p>	<p>Perform a self-assessment to assess its own sustainability level</p>
<p>Accredit the supply chain on the market rendering it more appealing to credit institutions and investors</p>	<p>02</p>	<p>Obtain the Synesgy certificate to be posted on its website and social media channels</p>
<p>Prevent operational and reputational risks and better manage its supplier register</p>	<p>03</p>	<p>Have a single ESG qualification process available for all leading supply chain companies that request it</p>
<p>Ensure transparency in the assessment of the supply chain's production process, thanks to dashboards and scores</p>	<p>04</p>	<p>Gain visibility and let its business partners know about its commitment to these issues</p>



In 2022, over 75% of the suppliers had been assessed according to environmental and social criteria.

The tables below show the number of qualified suppliers in the Lottomatica Register that have been assessed according to environmental and social criteria through the SynESGy platform.

Suppliers screened using environmental criteria	2022
Suppliers screened using environmental criteria	189
Total suppliers	240
Total	78%

Suppliers screened using social criteria	2022
Suppliers screened using social criteria	189
Total suppliers	240
Total	78%



Methodological
Note



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Objectives of this document

This document refers to the period from 1 January to 31 December 2022, and constitutes Lottomatica Group's seventh consecutive annual sustainability report, bearing witness to the Group's transparency towards its stakeholders with regard to its economic, social, and environmental performance.

The 2022 Sustainability Report plays a pivotal role in disclosing and documenting the commitment undertaken by the Group and its ability to generate sustainable and lasting value.

Events occurring after the reporting period

On 3 May 2023, in conjunction with the Group's listing on Euronext Milan, a regulated market organised and managed by Borsa Italiana, the Group underwent a major reorganisation process, with Lottomatica Group SpA taking on the role of holding company, with respect to which the data contained in the 2022 Financial Statements, approved on 27/03/2023, were consolidated.

It is therefore necessary to clarify that, while all the data collected for the purposes of this reporting as of 31/12/22, comparable with those of the previous 2021 Sustainability Report, refer to the scope of reporting in place up until 31/12/2022, consolidated under Lottomatica SpA, the Group's economic/financial data for 2020-2022 refer to the current scope of reporting.

For more information, please refer to the 2022 Annual Report published by Lottomatica Group in March of 2023 (<https://lottomaticagroup.com/en-us/home/investors>).

Preparation of the document and reference standards

The 2022 Sustainability Report was prepared according to the principles established by the "GRI Sustainability Reporting Standards" (hereinafter also the "GRI Standards"), published by the Global Reporting Initiative in 2021, in accordance with the "Core" reporting option, and was approved by the Lottomatica SpA board of directors on 15 June 2023.

The adoption of the GRI Standards requires the following reporting principles to be considered, in order to ensure the quality of the information reported: completeness, sustainability context, balance, comparability, accuracy, timeliness, clarity, and verifiability. This document represents Lottomatica Group's performance in a balanced manner through the presentation of reliable data, the use of clear and easy-to-comprehend language, the inclusion of easily comprehensible graphs and tables, and a level of content detail suitable for understanding and evaluating the Group's sustainability performance.

The indicators presented are reported for the three-year period 2020-2022, and are accompanied by comments regarding their trends, in order to allow for the comparability of Lottomatica's performance data over time. This document also describes any events and occurrences that took place after 31 December 2022 that are considered significant for the purposes of evaluating the Group's performance and representing its prospective sustainability strategies.

Materiality

Lottomatica is committed to ensuring proactive compliance with the changes introduced by the main sustainability reporting standards. For this reason, the materiality analysis was carried out in accordance with the 2021 GRI Universal Sustainability Reporting Standards with regard to the identification and prioritisation of the actual and potential impacts associated with all potentially material topics, both of a positive and negative nature.

The internal Management was asked to evaluate the identified impacts based on two factors:

- “Severity”: the seriousness and/or magnitude of the positive and negative impacts;
- “Likelihood”: the probability that the identified impacts will occur.

With regard to the identification of potentially material topics, Lottomatica’s materiality analysis process began with the internal analysis of the public sustainability documentation of several peers/competitors, the main ESG trends in the public gaming sector, and the applicable sustainability sector standards for determining the relevant impacts.

The result of this process led to the identification of 14 material topics. In particular, with regard to the topics reported in the 2021 Sustainability Report, the “core” material topics, or rather those directly related to the nature of the business and linked to compliance aspects, were reaffirmed, while other topics were redefined in terms of their content.

Finally, as a testament to the Group’s aim of broadening the scope of the topics deemed relevant to its corporate culture and having an impact on its business strategy and activities, two additional topics were included for the first time, namely “Promotion of innovation and digital development” and “Fiscal contribution and transparency.”

Scope of reporting

This document describes the environmental, social, and economic performance of the Lottomatica Group companies indicated in the following table:

SCOPE OF REPORTING	2022	2021
Parent Company		
Gamma Midco SpA (now Lottomatica Group SpA)	x	x
Subsidiaries		
Lottomatica SpA (formerly Gamenet Group SpA)	x	x
Billions Italia Srl	x	x
Gnetwork Srl	x	x
GBO Italy SpA (merger of Lottomatica Scommesse SpA and Goldbet SpA)	x	x
Jolly Videogiochi Srl	x	x
New Matic Srl	x	x
Agesoft Srl	x	x
RosilSPORT Srl	x	x
Lottomatica Videolot Rete SpA	x	x
Big Easy Srl	x	x
Goldbet News Srl	x	x
Lottomatica UK Ltd	x	x
The Box Srl	x	x
Slottery Srl	x	x
Betflag SpA	x	
Gnet, Inc	x	
Gioca Online Srl	x	
Valtellina Giochi SpA	x	
Lottomatica Digital Solutions Srl	x	
Ares Srl	x	
Marim Srl	x	
Tecno-Mar Srl	x	
IMA Srl	x	
AB Games Srl	x	
Battistini Andrea Srl	x	
Optima Gaming Service Srl	x	
Gamenet Pro Srl	x	
iPro Inc.	x	

Where not otherwise specified, this document shows a comparison between the qualitative and quantitative information for 2022 and that for the two-year period 2020-2021, contained in the previous reports. Any exceptions and changes to the scope have been adequately reported in the Financial Statements or the Methodological Note.

In particular, in addition to the information regarding the Economic Value Directly Generated and Distributed (GRI 201-1) and the Group's economic performance, it should be noted that, with regard to the ratio of basic salary and remuneration of women to men (GRI 405-2), in 2022 a data calculation methodology was implemented that brought several changes to the representation of the data for the two-year period 2020-2021 reported in the previous financial statements.

Previously, the analysis on the calculation of the Gender Pay Gap used the average of gross annual remunerations by position class. This determined a value of -5.8% for 2022, on which the target for 2023 of -5.1% was calculated. The new methodology, which is more correct and widely used internationally, calculates gaps using the median of gross annual remunerations. The figures in the table on page 122 refer to the latter metric and also consider the most up-to-date Group perimeter.

Furthermore, following the corporate transactions carried out by Lottomatica Group in 2022, it should be noted that:

- the data for the company Enjoy the Game Srl refer to the first half of 2022, as the company was merged into the company Big Easy Srl in July of 2022;
- the data for the company GBO Italy SpA, which was established in June of 2022 following the merger between Goldbet SpA and Lottomatica Scommesse SpA, refer to the second half of 2022;
- the company Betflag SpA was excluded from the environmental data reporting, as it was acquired in November of 2022.

External assurance

The content of the 2022 Sustainability Report is based on the information provided by the representatives of the company departments involved, each based on their own roles and competences. The ESG & Sustainability department is responsible for the collection of the data and the preparation of the document.

The Sustainability Report is subject to voluntary external Limited Assurance by PricewaterhouseCoopers (PwC) with regard to the data for the 2022 financial year. The results of the audits carried out are contained in the independent Auditor's report at the end of the document.

The Sustainability Report is published in both Italian and English, and is available exclusively in digital format on the corporate website www.lottomaticagroup.com in order to limit the use of paper, thus reducing the Group's environmental impact.

To request information about this document, please write to the following email address: ufficiostampa@lottomatica.com

GRI content index

Statement of use	Lottomatica S.p.A. has drawn up its 2022 Sustainability Report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.	
GRI 1 utilised	Core Principles 2021	
GRI STANDARD	NOTICE	SECTION / NOTES

GENERAL INFORMATION

GRI 2 General disclosure 2021	2-1 Organizational details	3.2 Group structure Last cover page
	2-2 Entities included in the organization's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	Methodological note
	2-5 External assurance	Methodological note Independent auditors' report
	2-6 Activities, value chain and other business relationships	3.4 The value of our business 7.3 Responsible management of the production chain
	2-7 Employees	6.1 Lottomatica's People
	2-8 Workers who are not employees	6.1 Lottomatica's People
	2-9 Governance structure and composition	3.3 Lottomatica's Governance
	2-10 Nomination and selection of the highest governance body	3.3 Lottomatica's Governance
	2-11 Chair of the highest governance body	3.3 Lottomatica's Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	4.2 Stakeholders and material topics 4.3 Sustainability governance
	2-13 Delegation of responsibility for managing impacts	4.3 Sustainability governance
	2-14 Role of the highest governance body in sustainability reporting	4.3 Sustainability governance
	2-15 Conflicts of interest	5.4 Ethics and compliance
	2-16 Communication of critical concerns	5.4 Ethics and compliance
	2-17 Collective knowledge of the highest governance body	4.3 Sustainability governance
	2-18 Evaluation of the performance of the highest governance body	4.3 Sustainability governance
	2-19 Remuneration policies	3.3 Lottomatica's Governance 6.4 Personal development and skill valuation
	2-20 Process to determine remuneration	3.3 Lottomatica's Governance

GRI STANDARD	NOTICE	SECTION / NOTES
GENERAL INFORMATION		
GRI 2 General disclosure 2021	2-21 Annual total compensation ratio	Requirements omitted: 2-21a, 2-21b, 2-21c. Partial or unavailable information. In view of the 2021 updated GRI Universal Reporting Standards, it should be noted that it was not possible to collect data records regarding intra-year changes in remuneration. The reporting regarding the indicator 2-21 requirements has therefore not been provided.
	2-22 Statement on sustainable development strategy	Letter to the stakeholders
	2-23 Policy commitments	5.4 Ethics and compliance 6.2 Respect for human and workers' rights 7.3 Responsible management of the production chain
	2-24 Embedding policy commitments	4.1 The sustainability strategy 5.2 Lottomatica's commitment to responsible gaming 5.4 Ethics and compliance 7.3 Responsible management of the production chain
	2-25 Processes to remediate negative impacts	5.2 Lottomatica's commitment to responsible gaming 5.3 Innovation and respect for the consumer 5.4 Ethics and compliance
	2-26 Mechanisms for seeking advice and raising concerns	5.4 Ethics and compliance
	2-27 Compliance with laws and regulations	Cases for which fines were imposed: 35
		Cases for which non-financial penalties were incurred: 0
		Fines for non-compliance with the laws and regulations occurring in the current reporting period: 14, € 134,000 Fines for non-compliance with the laws and regulations occurring in previous reporting periods: 4, € 28,694.41
	2-28 Membership in associations	7.1 The community in which we operate
2-29 Approach to stakeholder engagement	4.2 Stakeholders and material topics	
2-30 Collective bargaining agreements	6.2 Respect for human and workers' rights	

GRI STANDARD	NOTICE	SECTION / NOTES
MATERIAL TOPICS		
GRI 3 Material topics 2021	3-1 Process to determine material topics	4.2 Stakeholders and material topics
	3-2 List of material topics	4.2 Stakeholders and material topics
BUSINESS ETHICS AND INTEGRITY		
GRI 3 Material topics 2021	3-3 Management of material topics	5.4 Ethics and compliance
GRI 205 Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions take	5.4 Ethics and compliance
PROMOTION OF LEGAL AND RESPONSIBLE GAMING		
GRI 3 Material topics 2021	3-3 Management of material topics	5.2 Lottomatica's commitment to responsible gaming
GRI 416 Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.2 Lottomatica's commitment to responsible gaming
QUALITY OF THE SERVICE OFFERED		
GRI 3 Material topics 2021	3-3 Management of material topics	5.2 Lottomatica's commitment to responsible gaming
GRI 417 Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	5.2 Lottomatica's commitment to responsible gaming
	417-2 Incidents of non-compliance concerning product and service information and labelling	During the course of the year there were no instances of non-compliance
	417-3 Incidents of non-compliance concerning marketing communications	During the course of the year there were no instances of non-compliance
DATA SECURITY AND PRIVACY PROTECTION		
GRI 3 Material topics 2021	3-3 Management of material topics	5.2 Lottomatica's commitment to responsible gaming
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.3 Innovation and respect for the consumer

GRI STANDARD	NOTICE	SECTION / NOTES
FISCAL CONTRIBUTION AND TRANSPARENCY		
GRI 3 Material topics 2021	3-3 Management of material topics	4.4 The value creation model
GRI 207 Tax 2019	207-1 Approach to Tax	4.4 The value creation model
	207-2 Tax governance, control and risk management	4.4 The value creation model
	207-4 Country-by-country reporting	4.4 The value creation model

PROMOTION OF INNOVATION AND DIGITAL DEVELOPMENT

GRI 3 Material topics 2021	3-3 Management of material topics	5.3 Innovation and respect for the consumer
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PERSONAL DEVELOPMENT AND SKILL VALUATION

GRI 3 Material topics 2021	3-3 Management of material topics	6.1 Lottomatica's People 6.3 Personal safety and well-being 6.4 Personal development and skill valuation
GRI 401 GRI 401 Employment 2016	401-1 New employee hires and employee turnover	6.1 Lottomatica's People
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3 Personal safety and well-being
	401-3 Parental leave	6.3 Personal safety and well-being
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	6.4 Personal development and skill valuation
	404-2 Programs for upgrading employee skills and transition assistance programs	6.4 Personal development and skill valuation
	404-3 Percentage of employees receiving regular performance and career development reviews	6.4 Personal development and skill valuation

GRI STANDARD	NOTICE	SECTION / NOTES
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OCCUPATIONAL HEALTH AND SAFETY

GRI 3 Material topics 2021	3-3 Management of material topics	6.3 Personal safety and well-being
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	6.3 Personal safety and well-being
	403-5 Worker training on occupational health and safety	6.3 Personal safety and well-being
	403-6 Promotion of worker health	6.3 Personal safety and well-being
	403-9 Work-related injuries	6.3 Personal safety and well-being

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

GRI 3 Material topics 2021	3-3 Management of material topics	6.5 Diversity, inclusion, and equal opportunity
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	6.5 Diversity, inclusion, and equal opportunity
	405-2 Ratio of basic salary and remuneration of women to men	6.5 Diversity, inclusion, and equal opportunity
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.5 Diversity, inclusion, and equal opportunity

ENERGY CONSUMPTION AND REDUCTION OF EMISSIONS

GRI 3 Material topics 2021	3-3 Management of material topics	7.2 Lottomatica for the environment
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	7.2 Lottomatica for the environment
GRI 305 2016 Emissions	305-1 Direct (Scope 1) Greenhouse Gas (GHG) Emissions	7.2 Lottomatica for the environment
	305-2 Energy indirect (Scope 2) Greenhouse Gas (GHG) emissions	7.2 Lottomatica for the environment
	305-3 Indirect (Scope 3) Greenhouse Gas (GHG) Emissions ³	7.2 Lottomatica for the environment
	305-4 Intensity of Greenhouse Gas (GHG) Emissions	7.2 Lottomatica for the environment

GRI STANDARD	NOTICE	SECTION / NOTES
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SUPPORT FOR THE COMMUNITY

GRI 3 Material topics 2021	3-3 Management of material topics	7.1. The community in which we operate
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	7.1. The community in which we operate

CREATION AND DISTRIBUTION OF VALUE

GRI 3 Material topics 2021	3-3 Management of material topics	4.4 The value creation model
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	4.4 The value creation model

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN AND THE NETWORK

GRI 3 Material topics 2021	3-3 Management of material topics	7.3 Responsible management of the production chain
GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers	7.3 Responsible management of the production chain
GRI 308 Environmental assessment of suppliers 2016	308-1 New suppliers that were screened using environmental criteria	7.3 Responsible management of the production chain
GRI 414 Social assessment of suppliers 2016	414-1 New suppliers that were screened using social criteria	7.3 Responsible management of the production chain

GRI STANDARD	NOTICE	SECTION / NOTES
VIRTUOUS MANAGEMENT OF WASTE AND ENERGY CONSUMPTION		
GRI 3 Material topics 2021	3-3 Management of material topics	7.2 Lottomatica for the environment
GRI 301 Materials 2016	301-1 Materials used by weight or volume	7.2 Lottomatica for the environment
	301-2 Recycled input materials used	7.2 Lottomatica for the environment
GRI 303 Water and sewage 2018	303-1 Interactions with water as a shared resource	7.2 Lottomatica for the environment
	303-2 Management of water discharge-related impacts	7.2 Lottomatica for the environment
	303-3 Water withdrawal	7.2 Lottomatica for the environment
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	7.2 Lottomatica for the environment
	306-2 Management of significant waste-related impacts	7.2 Lottomatica for the environment
	306-3 Waste generated	7.2 Lottomatica for the environment



LOTTOMATICA SPA

**INDEPENDENT AUDITOR'S REPORT ON THE
LIMITED ASSURANCE OF THE
2022 SUSTAINABILITY REPORT**

YEAR ENDED 31 DECEMBER 2022



Independent auditor's report on 2022 Sustainability Reporting

To the Board of Directors of Lottomatica SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Lottomatica Group (hereinafter also the "Group") for the year ended 31 December 2022.

Responsibilities of the Directors for the Sustainability Report

The Directors of Lottomatica Group are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the sustainability performance targets of the Group, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1) and accordingly maintains a comprehensive system of quality control which includes documented policies and procedures regarding the compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico
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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
www.pwc.com/it



Auditor's Responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information” (hereinafter also “ISAE 3000 *Revised*”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1) We analysed the process of definition of the material topics reported in the Report, with reference to the method of analysis and understanding of the reference context, the identification, evaluation and prioritization of the actual and potential impacts and to the internal validation of the results of the process;
- 2) We compared the financial information reported in the “3.4 *The value of our business*” section of the Sustainability Report with the information included in the Group’s annual consolidated financial statement;
- 3) We obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we inquired of and discussed with management personnel of Lottomatica SpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.

Furthermore, for significant information, accounting for the activities and characteristics of the Group:

- at the level of Lottomatica SpA:
 - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.



- for the other Group companies, which we selected based on their activities, contribution to performance indicators at a consolidated level and location, we met responsible parties and acquired documentary evidence on a sample basis regarding the correct application of the procedures and calculation methods used. The companies sampled in this Limited Assurance assignment on the 2022 Sustainability Report were Lottomatica Videolot Rete SpA, Big Easy Srl and Gamenet SpA.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Lottomatica Group for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Methodological note” section of the Sustainability Report.

Rome, 28 June 2023

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the 2022 Sustainability Report translation.

Sustainability
REPORT
2022

LOTTOMatica

LOTTOMATICA S.p.A.

Via degli Aldobrandeschi 300
00163 ROMA (RM)

Share capital Euro 32.300.625,00
(fully paid up)

Tax code 13917321005
Rome Business Register No. RM-1482648

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