

# Sustainability Report

## ZEAL – A Win for the Common Good

Lottery markets are high-revenue markets and a social phenomenon. Number lotteries are by far the most popular form of gambling in Germany: around 28.7 million German citizens regularly play.<sup>1</sup> And although the probability of winning the jackpot may be low for the individual, every draw is a major win for the community as a whole. Supporting good causes and social projects is both a legal requirement and an integral part of our business model. In the fiscal year 2021, our brokerage activities under the LOTTO24 and Tipp24 brands alone helped provide a total of €246 million to support important social projects and tasks.<sup>2</sup>

At ZEAL, we all win, because a substantial share of the stakes we broker is always shared with the community ('Society Wins', p. 35). We regard this shared value as the key to sustainable growth and the basis for all our business relationships – both internal and external.

<sup>1</sup> IfD Allensbach © Statista 2021, 'Anzahl der Personen in Deutschland, die Lotto oder Toto spielen, nach Häufigkeit von 2017 bis 2021 (in Millionen)'

<sup>2</sup> More on this in the chapter 'Society wins'

## Win-win for our Stakeholders and us – the Materiality Process

In order to meet our 'shared value' objective as effectively as possible and to identify and serve the needs and expectations of our stakeholders, ZEAL conducted its first materiality analysis in 2021–2022, based on global standards. This consisted of:

1. A document analysis to evaluate external influences from regulatory authorities, standard-setters, competitors and industry associations.
2. A stakeholder screening to identify and prioritise stakeholders according to AA1000 and GRI 3.1.
3. An ESG impact rating analysis.
4. A two-part stakeholder engagement process in which more than 59,571 stakeholders were invited to rate the relevance of a total of 48 topics and to indicate their expectations and wishes for ZEAL.

This four-part approach means that ZEAL not only meets the high standards of the German CSR Directive Implementation Act,<sup>1</sup> but also the reporting standards of the GRI (Global Reporting Initiative)<sup>2</sup>, the German Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK)<sup>3</sup> and the AccountAbility-Standard AA1000<sup>4</sup>.

<sup>1</sup> EU Commission directive for non-financial reporting

<sup>2</sup> The Global Reporting Initiative (GRI) is an international, independent standards organisation that helps companies, governments and other organisations understand and communicate their impact on issues such as climate change, human rights and corruption (<https://www.globalreporting.org/>).

<sup>3</sup> The German Sustainability Code ('Deutscher Nachhaltigkeitskodex' – DNK) is a cross-sector transparency standard that provides companies of all sizes with guidance on how to implement their CSR reporting obligations (<https://www.deutscher-nachhaltigkeitskodex.de/>).

<sup>4</sup> AccountAbility's AA1000 suite of standards is a principles-based framework used by global corporations, private companies, governments and other public and private organisations to demonstrate their leadership and performance in the areas of accountability, responsibility and sustainability (<https://www.accountability.org/standards/>).

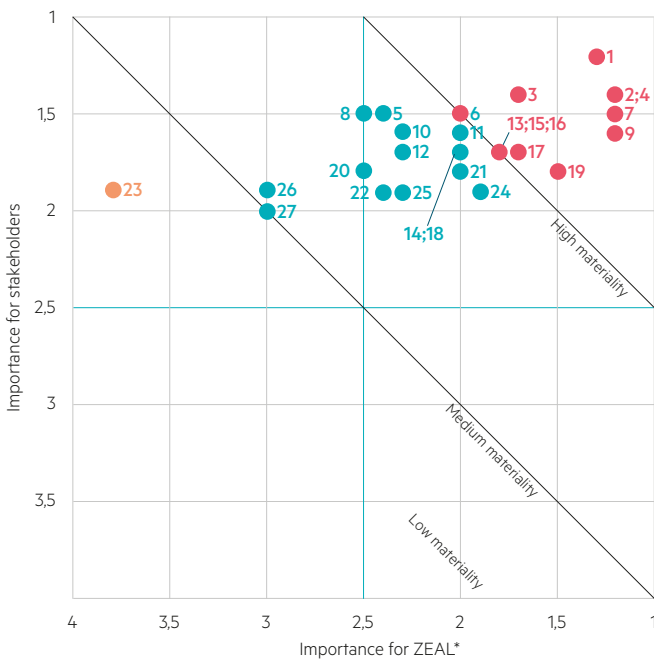
## SELECTING THE STAKEHOLDERS

The selection and prioritisation of stakeholders was based on the results of the stakeholder analysis conducted from September 2021 to October 2021. A structured selection process was used to rank the stakeholder groups, enabling the stakeholders to be assessed according to the perspectives defined by AA1000:

- Dependence
- Responsibility
- Tensions
- Impact
- New perspectives

With regard to the involvement of stakeholders (engagement process), all those internal and external stakeholders were invited to participate who exhibited characteristics of several groups and therefore required our special attention. These included employees, shareholders, the Supervisory Board, customers, representatives of the state lottery companies and the management team. The GDPR-compliant stakeholder invitations were distributed by ZEAL. This resulted in a total of 390 fully completed interviews. For the evaluation process, majority descriptions were generally used: this was necessary because the empirical distribution proved to be very broad and it was the only way to achieve generalisations. The interviews themselves were conducted by an external provider – cometis AG – to ensure a systematic process and guarantee the data anonymity promised to the participating stakeholders.

## OUR MATERIAL TOPICS



\* Classifications of management and the Supervisory Board

### HIGH MATERIALITY

- 1 Prevention of manipulation and criminality
- 2 Data protection & data security
- 3 Protection of minors
- 4 Customer satisfaction
- 6 Responsible, safe products
- 7 Combating corruption & money laundering
- 9 Player protection, prevention of gambling addiction
- 13 Work-life balance, family-friendly employer
- 15 Vocational training
- 16 Continuing education and training
- 17 Independent Supervisory Board
- 19 Recruitment and formation of talent

### MEDIUM MATERIALITY

- 5 Product transparency
- 8 Fair pay, collective wage agreements
- 10 Occupational health and safety
- 11 Human rights
- 12 Equal opportunities (age, gender, nationality)
- 14 Transparent communication
- 18 Digital technologies and innovations
- 20 Compliance with social standards in the supply chain
- 21 Regular audits of compliance with all voluntary commitments
- 22 Provision of help and information on the dangers of gambling
- 24 Fair competition
- 25 Responsible marketing
- 26 Compliance with environmental standards in the supply chain
- 27 Energy efficiency, energy management

### LOW MATERIALITY

- 23 Tax policies & tax transparency

## OUR 5 WINNING CATEGORIES

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### 1. A WIN FOR OUR CUSTOMERS

Number lotteries are by far the most popular form of gambling in Germany. Several million Germans play them regularly. In 2021, we made 1.3 million people happy by distributing total winnings of €293 million.

#### 1.1 Responsible gambling

Compared to other types of gambling, number lotteries pose a very low risk of problematic gambling behaviour. To ensure that not only our jackpot winners are happy, however, we apply a stringent player and youth protection policy. Our social concept in accordance with section 6 of the German State Treaty on Games of Chance ('Glücksspielstaatsvertrag' – GlüStV) fully complies with the legal and licensing requirements of the supervisory authorities and is subject to continuous internal audits. Our social concept describes the measures we take to prevent the socially harmful effects of gambling and how we intend to remedy them.

<sup>1</sup> [https://www.bzga.de/fileadmin/user\\_upload/PDF/studien/BZgA-Forschungsbericht\\_Gluecksspielsurvey\\_2019.pdf](https://www.bzga.de/fileadmin/user_upload/PDF/studien/BZgA-Forschungsbericht_Gluecksspielsurvey_2019.pdf)

This concept includes:

- Educating our players.
- Implementing preventive and intervention measures.
- Protecting minors.
- Training our employees.

Our control mechanisms strengthen both the possibility for self-regulation by our players, as well as preventing abuse through appropriate precautions for external control.

The main basis for this are our general terms and conditions, which provide information on control mechanisms and exclusions. To raise awareness among our players, all our websites (lotto24.de, tipp24.de, lotto.gmx.de, lotto.web.de) contain relevant information and links, for example to the help pages of the Federal Centre for Health Education ('Bundeszentrale für gesundheitliche Aufklärung' – BZgA) spielen-mit-verantwortung.de.

We counteract uncontrolled spending by our customers by setting a monthly pay-in limit of €1,000. They can also set their own limits for stakes, pay-ins and losses. In addition, we inform our customers daily about their gaming history over the past 30 days – with accumulated stakes, winnings and losses – on initial log-in. Before each game, we inform all participants about the risks associated with gambling, give advice on prevention and assistance, inform them about participation and the game conditions, as well as about all aspects relating to gambling.

Our multi-stage age verification procedure ensures that minors do not have access to our product range.

We have also implemented a system by which players can easily block themselves or, in the case of conspicuous gambling behaviour or deception attempts, can also be blocked by third parties from playing in future.

For our 24 internal and six external employees with customer contact (Customer Support, Payment Fraud Officer and Responsible Gaming Officer), we hold a mandatory training and awareness-raising programme once a year on relevant topics, such as informing customers about the probability of winning and losing from gambling, the potential risks of gambling, the law prohibiting underage gambling, and the possibilities for counselling and treatment of gambling problems.

New members of these teams receive extensive training as part of the onboarding process.

In addition, we have appointed a Gambling Prevention and Youth Protection Officer who acts as an interface between the game providers, the support system for problem gamblers and the corresponding monitoring by the scientific community, as well as coordinating the development and implementation or continuation of all measures to protect players.

The person primarily responsible for the topic of player protection at our company, the Compliance Manager, has the authority to quickly decide on and implement any necessary improvements in player protection. Furthermore, the Compliance Manager has direct access to the entire Management Board should questions and issues relating to responsible gambling need to be clarified at this level. In addition, the Compliance Manager drives the development of new processes and more effective monitoring.

To provide a safe environment for players and position ZEAL even more strongly as a pioneer of player protection, we are constantly driving further innovations. One example of this, is a new AI-based monitoring tool we launched in the first quarter of 2022. This will allow us to massively expand our monitoring by collecting and evaluating specific performance indicators in the area of responsible gambling.

### 1.2 Product transparency

We want to be as transparent as possible to our customers about their chances of winning. They can therefore find information on this topic on all our websites and at all times (lotto24.de, tipp24.de, lotto.gmx.de, lotto.web.de).

### 1.3 Customer satisfaction

A key element of our long-term business success is the loyalty of our existing customers. We therefore measure their satisfaction in several surveys each year to discover what our customers expect from us and what we can do to improve.

KPI	2021	2020	2019
Customer satisfaction <sup>1</sup>			
– LOTTO24	89%	81%	84%
– Tipp24	88%	82%	83%

<sup>1</sup> Source: customer satisfaction survey in November–December 2021, November 2020 as well as December 2019.

### 1.4 Digital technologies and innovations

In order to protect our customers and provide them with the best possible offer, we use numerous innovative digital technologies. Thanks to our state-of-the-art data acquisition system, we are able to measure the success of all our campaigns in real time and assess both the effectiveness of our measures and the behaviour of our customers.

One example of such an innovative application is Mindway AI's 'GameScanner', which will replace our existing monitoring systems and provide even better control capabilities, thus enabling us to identify problematic gaming behaviour even faster.

As a customer-centric technology company, we attach great importance to the further development of our high-performance platform and our offerings. A large number of our employees are involved in product development, scaling, performance optimisation, self-scaling cloud-based infrastructures, big data processing, IT security and compliance.

### 1.5 Data protection and data security

Customer trust is an important prerequisite for our business success. The security of their data is therefore an absolute priority for us, which is why this topic has been assigned directly to our Management Board and is the direct responsibility of our CTO Paul Dingwitz.

At ZEAL, data protection and data security involves numerous measures, from the collection and handling of data to the training of our employees. In order to coordinate all these measures, we have established an Information Security Management System (ISMS), which is audited annually and certified according to ISO 27001. So far, we have not detected any breaches that seriously jeopardised data security.

In order to firmly establish the importance of data security issues throughout the Company, all ZEAL employees are required to attend data security training at least once a year. The training covers basic technical and behavioural topics, such as defining security incidents, recognising phishing attacks and behavioural guidelines for dealing with breaches. The use of passwords and mobile devices is also part of the training. To ensure the effectiveness of these sessions, there is a final test at the end of the training, in which a minimum of 80% must be achieved.

There are also annual training sessions on the practical implementation of data protection requirements, during which the scope of the General Data Protection Regulation and the rights of individuals under current data protection legislation are explained. The importance of data protection for ZEAL as a company is underlined with the aid of specific case studies. There is also a final test at the end of this training session, in which employees must achieve at least 80% to pass.

The training courses for data protection and data security last about 45 minutes on average, followed by a learning test of about 20 minutes. If employees have already completed the on-line training, they only need to successfully pass the test in the following year. The training material is regularly revised and adapted to current developments.

In addition, we publish detailed data privacy statements on our customer-oriented platforms (for example, tipp24.de, lotto24.de) in which we explain clearly to our customers how we process their data when they use our services.

Our Group-wide Data Privacy Policy includes in particular:

- Principles of handling personal data of clients and employees.
- Type and scope of processes and rules for handling data within the Group.
- Explanations of how personal data is collected and handled or passed on, including all choices and rights that data subjects have in the context of our data processing.
- Overview of all measures ZEAL takes to ensure the security of customer data and how data subjects can contact us if they have questions about our data protection practices.
- Principles for dealing with new technologies.
- Rules of conduct in the event of a breach.

## 2. A WIN FOR OUR EMPLOYEES

Our employees are the cornerstone of our success. Their well-being is our top priority – we therefore conduct our anonymous employee surveys on a weekly basis to identify and tackle any issues at an early stage.

The coronavirus pandemic has changed the way we work. Even under these new conditions, however, we have managed to achieve considerable successes:

- High satisfaction levels: we were able to keep employee satisfaction levels at a high level. In the period 1 April 2020 to 1 February 2022, our employee surveys showed an increase in the Employee Net Promoter Score (eNPS) from 15 to 42 (possible range -100 to +100). Good relationships with superiors and colleagues are rated particularly high.
- Low fluctuation rates: our fluctuation rate was 3.45% in 2021 (2020: 3.0%); despite the slight, pandemic-related increase, we are thus far below the average rate in Germany.<sup>1</sup>

## HOW WE ACHIEVED THIS:

- **More flexible working hours and working models.**
- **Leading by objectives and strengthening personal responsibility.**
- **Health promotion.**
- **Attractive remuneration.**
- **Training opportunities.**
- **Diverse and inclusive working environment.**

### 2.1 More flexible working hours and working models

Employees are increasingly demanding a good work-life balance. A family-friendly work environment is an important criterion when selecting and evaluating a potential employer.

A particular challenge arose as a result of the coronavirus and its impact on the world of work: since the start of the pandemic, the proportion of employees working from home in Germany has risen from 4% to around 15–30%<sup>2</sup>. As ZEAL's business model is based on digitalised work processes, we were able to facilitate remote working for the entire team from the beginning of the pandemic. In 2021, approximately 90% of working hours were spent out of the office. Even after the pandemic, we will continue to offer employees the opportunity to work remotely (in consultation with their manager and team) – four weeks per year of which from anywhere in the world. As a general rule, all employees will need to be in the office for two days a week (so-called 'in-office days'). This is aimed at promoting cooperation between employees and teams. All these regulations are laid down in a special guideline that all employees receive. This explains in clear and detailed terms their rights and obligations with regard to the various measures to increase the flexibility of their working hours.

<sup>1</sup> <https://www.iwkoeln.de/studien/joerg-schmidt-arbeitskraefftefluktuation-im-jahr-2020-pandemie-hinterlaesst-spuren.html>

<sup>2</sup> <https://de.statista.com/statistik/daten/studie/1204173/umfrage/befragung-zur-homeoffice-nutzung-in-der-corona-pandemie/>

We actively promote equal opportunities for women and men as well as compatibility with family obligations. Staff can freely arrange their contractually fixed working hours (trust-based working hours). Where requested, we also offer the possibility of part-time work, which can be converted back to a full-time position if circumstances change. Time off for special occasions, such as moving house, a wedding, the birth of a child, and seven additional paid days off if a child is ill, make it even easier for our employees to plan ahead.

## 2.2 Leading by objectives

Our strategic objectives are made more tangible by setting concrete, measurable targets. We use the OKR (Objectives and Key Results) framework to involve employees in a continuous, flexible process and thus strengthen their identification with the Company. In our day-to-day business, we ensure transparent communication and fair distribution of work by using the RASCI method<sup>1</sup>, a widely used project management tool.

<sup>1</sup> The RASCI matrix is a project management tool that helps to clarify the roles and responsibilities of different organisations and individuals in complex structures. RASCI is an acronym derived from the five most commonly used key criteria: Responsible, Accountable, Supporting, Consulted and Informed.

Both processes are regularly audited. The active participation of employees in every step of the process encourages and challenges each individual to commit to this approach.

## 2.3 Health promotion

A healthy working environment is a prerequisite for the well-being of our employees. We adhere to strict hygiene standards so that our teams can feel safe at all times, even under pandemic conditions.

In order to prevent work-related illnesses, our desk workplaces are ergonomically designed and regularly checked to ensure that the desks and chairs are optimally adjusted. Moreover, all employees receive regular workshops held by the company doctor on the topic of ergonomic working practices. We also offer our employees medical support from the company doctor, Health Days and various sports activities. In addition, ZEAL subsidises the use of fitness studios, swimming pools and other sports facilities.

Proactive stress management is part of our prevention strategy and employees receive regular training on the topic of mental health at work. Counselling is provided in one-on-one discussions about stress factors, such as workload or team conflicts. If necessary, we arrange for confidential external psychotherapeutic treatment.

These healthcare measures enabled us to achieve a low sickness and accident rate of 2.78% in 2021 (2020: 2.49%).

## 2.4 Attractive remuneration

We pay a competitive salary in line with prevailing market rates. Remuneration is based on position, responsibility and tasks, and not on personal characteristics such as gender or origin. In addition to the fixed salary, we provide variable, performance-related salary components to motivate employees. The level of remuneration is regularly reviewed and, if necessary, adjusted following each personal development meeting. We conduct an annual review of existing salaries and adjust them to ensure we continue to offer our employees salaries commensurate with market conditions and performance.

In order to strengthen loyalty and enable employees to participate in the company's success, we make it easier for our permanent employees to purchase shares in the company via our broad-based Employee Stock Purchase Plan (ESPP)<sup>1</sup>. Participation packages are offered in annual one-off purchase amounts ranging from €900 to €3,600 – and ZEAL grants employees a fixed gross rebate of 20% (including taxes and duties) on the final amount invested.

<sup>1</sup> An Employee Stock Purchase Plan (ESPP) is a company-run programme under which participating employees can purchase shares in the company at a discounted price.

Extensive fringe benefits include – depending on the location – subsidised public transport tickets, company-sponsored bike leasing, subsidised gym fees, free food and drinks in the office, shopping discounts, a personal development budget, language courses, team and company events, health insurance contributions, life insurance and a company pension scheme.

## 2.5 Training opportunities

We attach particular importance to the retention and promotion of talent. In order to focus even more on this aspect in future, we have created the new position of Learning & Development Manager to oversee staff development projects. These will include the establishment of a programme to promote personnel development measures, steered on the basis of KPIs such as employee satisfaction or individual development progress.

Regular training is provided on industry-relevant topics, such as educating customers about the probability of winning and losing from gambling, the potential dangers of gambling, the prohibition of underage participation and the possibilities for counselling and treatment of gambling problems.

Customised training offers are based on annual discussions with staff, performance reviews and internal surveys. This results in recommendations for coaching on a specific topic or professional or technical training, for example. Language courses, one-on-one coaching sessions and training in social skills are also supported.

An annual training budget of €1,500 (€2,500 for managers) is allocated to each staff member. In 2021, our employees used €354 of this amount on average (2020: €510; 2019: €668). The decrease is primarily due to the pandemic-related limited opportunities for continuing education, which are also generally cheaper online. In future, we will encourage our staff more systematically to take advantage of the training budget available to them.

## 2.6 Recruiting talent

We offer our employees an attractive overall package of competitive remuneration, generous continuing education opportunities and a corporate culture of partnership as equals. In 2021, we hired a total of 26 new staff, 22 of them in Germany and 4 in Spain (2020: a total of 30 new staff). Our successful recruitment and talent management efforts are reflected in the top ratings we receive on internet portals.

## 2.7 Diverse working environment

We embrace a culture of mutual respect at ZEAL. This culture ensures equal opportunities regardless of gender, age, origin, sexual orientation, disability or other discriminatory characteristics. We promote the reduction of prejudices and educate our employees on the topics of diversity, inclusion and intercultural competence. Our entire recruitment process is non-discriminatory and geared towards diversity. For example, in 2021, half of all new recruits were women.

In 2021, women accounted for 34.1% of our total workforce (2020: 34.8%).

In view of the newly introduced conditions and flexibility which enable a reduced office presence, we naturally ensure that low visibility (due to childcare, for example) does not have a negative impact on the career development of our employees.

There are currently no women on the Management Board (4 persons) or the Supervisory Board (6 persons). In addition to the proportion of women, however, we also strive to achieve an appropriate level of diversity in terms of age, gender, educational or professional background and internationality. These aspects are already represented at Management Board level. ZEAL is also active in the online gambling business. For industry-specific reasons, the selection of candidates is therefore more constrained than in other sectors. Women make up 17% of the second management level at present (2020: 30%), and we are aiming for 30% by 2025.

In order to send a positive signal to the outside world, we strive to use gender-appropriate language in order to be as inclusive as possible when addressing people.

We strive to keep language barriers as low as possible (English is the company language) to ensure good cooperation between our employees, who at present come from more than 23 different nations. Intercultural differences are respected and considered an enrichment of our work environment.

Number of employees	31 December 2021	31 December 2020	31 December 2019
ZEAL in total	167	178	218
Of which women	57	62	85
Of which part-time employees	35	35	59
Of which women part-time	24	29	41
Average age of the workforce in years	38	37	36
Nationalities	23	25	25
Employees (full-time equivalents)	157	161	181

### 3. A WIN FOR SOCIETY

#### 3.1 A sustainable business model

Social responsibility is a central component of our business model. We want to make the world a little better. Through sustainable growth, donations to social projects and our own social lotteries, we create added value for the common good.

##### *Lotteries and good causes*

Ever since lotteries have been supervised by the state, money has flowed into numerous socially relevant projects. Around 40% of lottery stakes received by the state lottery companies benefit society as a whole over the past few years in the form of taxes and duties.

According to figures of the German Association of State Lottery Companies ('Deutscher Lotto- und Totoblock' – DLTB), over €3.2 billion was transferred to the state budgets or beneficiaries in the form of taxes and duties in 2021 (2020: over €3.1 billion). This corresponds to over €8.8 million per day for good causes throughout Germany – money which is absolutely vital for the funding of numerous projects in the field of welfare, sport and culture, as well as landmark and environmental protection.

ZEAL is also happy to contribute to the funding of our community and, of course, does not engage in tax avoidance schemes. In 2021, ZEAL paid €31.4 million in taxes and social security contributions.

##### *Our contribution*

In the fiscal year 2021, we were able to generate funds of €246 million for important social and societal projects through our brokerage activities – this corresponds to our contribution in the previous year.

And our charity lotteries make an additional contribution. Product offerings with an additional social benefit make up 5% our portfolio.

#### 3.2 Strong partnerships

By partnering with charities – such as the Spanish ONCE – we strive to make the world a little bit better. The Spanish organisation for the visually impaired helps people who are blind or visually impaired to live independent lives. Founded in 1938, ONCE prides itself on having created a range of specialised services that have enabled thousands of people to fulfil their potential. Its mission includes creating jobs, offering scholarships and building hospitals, schools and specially equipped sports and recreational facilities. To increase its financial scope and optimise online distribution, ONCE partnered with our subsidiary ZEAL Iberia in 2012, which has since been responsible for managing the digital distribution channel – from product management to player acquisition and retention.

In 2016, we were also the first German lottery broker to include 'Deutsche Fernsehlotterie' – Germany's oldest charity lottery to support people in need – in our product range. As a result, we provide additional indirect support for further social and community projects.

By buying stakes our lotto club 'Das Grüne Glück', our customers can support the planting of trees in developing countries, as we donate one tree per stake, three trees for two stakes and eight trees for four stakes. In the fiscal year 2021, more than 209,000 trees were planted by the local population around the world with the aid of our project partner Eden Reforestation Project. Since the lotto club was launched, over 437,000 trees have been planted. As well as actively combating climate change, this project also offers employment prospects for the local population.

With the charity lottery 'freiheit+' that ZEAL developed on behalf of BildungsChancen gGmbH, we have been promoting educational projects in Germany and around the world since March 2020. Its aim is to help people tap their personal potential, which in turn benefits society as a whole. Since 2020 alone, over €7 million has already been awarded to 157 education projects. In 2021, €5.4 million was donated to 103 education projects. This money is used to sponsor projects of the lottery's three initiators 'Stifterverband', SOS Children's Villages Worldwide and the 'German Children and Youth Foundation – DKJS', as well as numerous projects of independent organisations. Examples of the latter include 'Vincentino e. V.' founded by the journalist Sandra Maischberger in Berlin and 'coach@school e. V.' in Hamburg, whose patron is the German author of children's fiction Cornelia Funke.



The education sector has not been spared from the corona crisis. As the operator of the 'freiheit+' lottery, BildungsChancen gGmbH therefore reacted in the early days of the pandemic and has since awarded 24 amounts of €1,000 in immediate aid. This provided support for projects of particular importance during the coronavirus pandemic – such as the child shelters 'Mattisburgen' sponsored by Ein Platz für Kinder gGmbH. In addition, up to 10% of all funds currently generated by the lottery are earmarked for education-related corona aid. These funds, for example, helped Ackerdemia e. V., an organisation which offers families interesting and useful employment possibilities during lockdown in the form of a farming programme. The aim here is to increase society's appreciation of nature and food and to strengthen healthy and sustainable consumption. Ambassador and patron of Ackerdemia is Christoph Biemann, a German TV personality famous for 'Sendung mit der Maus', a programme which has been presenting interesting facts about everyday life to young and old since 1983.

### 3.3 Responsible marketing

We are aware of our responsibility with regard to advertising games of chance. As a provider of online lotteries, we attach particular importance to the protection of minors and the prevention of gambling addiction.

Our action plan includes placement and content guidelines:

- No advertising in the vicinity of content primarily aimed at minors.
- Information on the dangers of addiction and support programmes.
- Agreements on restrictive advertising guidelines with business partners and suppliers.

In 2022, we will also publish our Code of Conduct, which sets out clear rules for responsible marketing.

There are also specific time restrictions for the offer of online scratch cards. The State Treaty on Games of Chance stipulates time restrictions for the advertising of slot machine, poker and table games between 6 am and 9 pm. This applies to broadcasting and the Internet.

### 3.4 Compliance with social & environmental standards in the supply chain

Due to its size, ZEAL is not subject to direct obligations under the Supply Chain Act. Nevertheless, we pay careful attention to possible risks of human rights violations when selecting our contractual partners, who are based in western industrialised countries, especially the EU and the USA, and largely provide electronic services. The high standards that apply in these countries ensure a high level of compliance with human rights. In addition, there are regularly only very low risks of human rights violations in the supply chain when providing electronic services. We have therefore not yet initiated any specific risk analyses.

In addition, we have established an up-to-date anti-slavery policy within the Company, the 'Modern Slavery and Human Trafficking Statement', and regularly monitor suppliers with regard to their reliability and compliance.

### 3.5 Fair competition

Fair competition is very important for ZEAL. In order to be perceived as a trustworthy business partner and employer, ethical business conduct and integrity are important factors which we take very seriously. For this reason, we have great respect for the high standards of our customers, employees and business partners. We require all employees to comply with the applicable legal and statutory requirements as well as our own internal guidelines.

## 4. A WIN FOR OUR ENVIRONMENT

We want to make our contribution to climate protection and the environment. We believe that every company can make a contribution, even though this contribution is much smaller than that of other industries due to our business model. We have defined the following topics as fields of action:

- Reduction of waste.
- Reduction of energy consumption.
- Extending the life cycle of our hardware products.

#### 4.1 Reduction of waste

We market digital gaming experiences. We do not produce lottery tickets nor do we consume many other resources. We only generate waste as part of our normal day-to-day office operations. Since 2020, we have been measuring the amount of packaging waste in our offices:

- In 2020, consumption was 1.16 tonnes.
- In 2021, consumption was 1.12 tonnes.

In 2021, we also measured the amount of shredded documents for the first time.

- For the year as a whole, it amounted to 0.55 tonnes

In order to fully document all office waste, we will also collect data on our residual waste from 2022 onwards, which we will extrapolate for the respective full year on the basis of representative samples.

Despite the generally low waste volumes at ZEAL compared to manufacturing companies, we continuously review our everyday processes in order to identify scope for further improvement. To this end, among other things, employees from different departments have launched the GREEN ZEAL initiative as part of a hackathon, which also looks at the little things and, for example, implemented the exchange of our previous coffee capsule machine for a more environmentally friendly model. In addition, we only use envelopes and Post-It's certified with the 'Blue Angel' and reuse parcel packaging as much as possible. By implementing various digital tools for file storage, signature and invoice processing and approval, we have been able to significantly reduce our paper consumption.

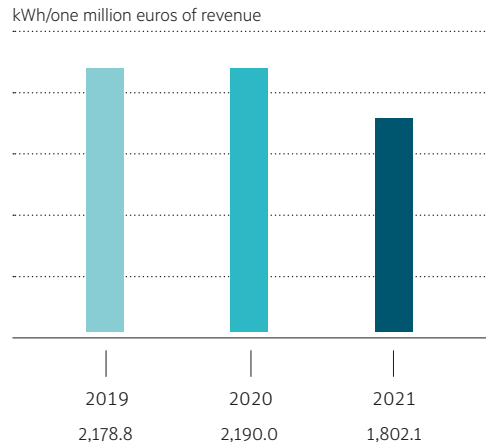
#### 4.2 Reduction of energy consumption

We consume energy to operate our office buildings and global data centres.

In recent years, we have been able to significantly reduce electricity consumption for our office buildings and data centres.

- In 2019, electricity consumption was 447,291 kilowatt, equivalent to 2,178.8 kWh or every one million euros of revenue.
- In 2020, we consumed 190,531 kilowatt, or 2,190.0 kWh for every one million euros of revenue.
- In 2021, our energy consumption was 155,938 kilowatt, or 1,802.1 kWh for every one million euros of revenue.

#### REVENUE-WEIGHTED ENERGY CONSUMPTION



At our office location in Hamburg, renewables accounted for 97.9% of energy consumption in 2021. In 2020, this figure was only 72.2%. We are therefore well on the way to reaching 100% within the next few years.

The fact that the global power consumption of all data centres in 2018 accounted for about 1% of the world's total energy needs shows how important it is for us to take action. As of summer 2020, we already procure 100% of the electricity for our data centre in Hamburg from renewable energy sources. We also source external computing capacity exclusively from state-of-the-art centres with sustainable energy management and a high proportion of renewables. Our provider AWS has committed to using only renewables by 2030.

#### 4.3 Extending the life cycle of our hardware products

We make a further contribution to protecting the environment by carefully selecting the hardware products we procure for our IT department.

When procuring hardware for use in our own data centre in Hamburg, we pay close attention to durability and energy efficiency. Almost all of our computers and monitors have Energy Star certification in the highest energy efficiency categories.

We regularly replace less efficient equipment which is older than 5 years with new, more efficient hardware. Our IT 'fleet' has an average age of three years. We only dispose of retired hardware in exceptional cases – in 2021 there was almost no electronic waste at ZEAL. Instead, we donate the devices to schools, for example, to provide better equipment and improve education there. This significantly extends the life cycle of our hardware.

## 5. WE ALL WIN WITH GOOD GOVERNANCE

Our corporate governance system encompasses all aspects of the Company's management and supervision. As trust and integrity are the cornerstones of our business model, the early identification of risks is of fundamental importance to us. We do not tolerate fraud or other misconduct – whether by our managers, our employees or our suppliers.

In accordance with section 161 AktG, the Supervisory Board and Management Board have issued a Declaration of Conformity with the German Corporate Governance Code and made it permanently available to shareholders on page 21 of this Annual Report and via the Company's website (zealnetwork.de).

### 5.1. Management Board/corporate governance standards

In addition to their basic salary, our managers receive variable remuneration with a short- and long-term incentive (STI and LTI) linked to personal and company-related targets. The Supervisory Board regularly determines whether targets have been achieved and sets new targets. Clawback clauses are included in the service agreements of Management Board members. Explicit malus regulations are limited to compensation for damages in the event of misconduct. The current remuneration system for the Management Board and Supervisory Board is described in detail in the Remuneration Report.

### 5.2. Code of Conduct

We actively promote a transparent, open and diverse corporate culture. We have set out our requirements regarding integrity and ethics in a binding Code of Conduct for our employees, which we will also publish in an updated version in the first months of 2022. In addition to the general compliance fields, we attach particular importance to observing the special compliance fields of gambling regulation, data protection, IT security, capital market issues, competition, corruption, occupational health and safety, working conditions and general non-discrimination.

### 5.3. Combating corruption and money laundering

ZEAL has established a Payment, Fraud and Verification department, currently comprising 5 full-time employees, with the aim of preventing or reducing payment fraud.

In order to identify risks at an early stage, it is important that fraud, misconduct or wrongdoing by workers or officers of the Company is reported and properly dealt with. ZEAL encourages a transparent, open and diverse corporate culture in which people feel they can 'Think Brave' and raise concerns. We encourage everyone to raise any concerns that they may have about the conduct of others in the business or the way in which the business is run. In order to lower the barriers for such reporting,

ZEAL has set up a publicly accessible whistleblowing system at [zeal.whistleblownetwork.net](https://zeal.whistleblownetwork.net), where employees or external whistleblowers can anonymously report compliance violations at ZEAL. The system is available in all languages relevant to ZEAL employees. All information is processed by the Compliance Department with the assistance of external compliance specialists and any necessary steps are subsequently taken.

Our employees are regularly informed about the possibility of using the whistleblower system. We did not receive any reports via our whistleblower system in 2019, 2020 and 2021.

### 5.4. Compliance management system

Integrity and ethical behaviour are a cornerstone for the conduct of all ZEAL employees. In order to reinforce and ensure this, we have introduced a compliance management system. This consists of a large number of internal processes and measures. It is designed to ensure that we act in accordance with ethical principles and adhere to all applicable laws, internal regulations and voluntary commitments. The topics of gambling regulation, IT security, data protection, capital market issues, corruption, competition, working conditions, occupational health and safety and general non-discrimination are particularly important to us.

By setting the 'tone from the top', all managers are called upon to exemplify, through their own actions and attitudes, a risk culture that encourages staff to comply with the applicable regulations and to avoid violations. Those managers with responsibility for the most sensitive compliance areas regularly hold workshops to analyse and assess potential compliance risks and to define appropriate preventive measures and remedies. The Compliance Officer, who reports directly to the Management Board, is responsible for coordinating the compliance workshops and for the compliance management system.

We regularly review the effectiveness of our compliance management system and adapt it to current developments, new legal requirements and changing risks. We systematically and regularly analyse compliance risks across all divisions and use the results of this analysis as the basis of our global risk management system.

## 6. SDG INDEX

### Our contribution to the UN's SDGs

The 17 Sustainable Development Goals (SDGs) of the United Nations were adopted by all UN member states in 2015 as part of the 2030 Agenda for Sustainable Development. These 17 global sustainability goals in such areas as health, education, fair work and the environment are aimed at both state and private stakeholders around the world. We at ZEAL are also contributing to the achievement of these goals. The SDGs addressed by our sustainability measures are highlighted in the margins of this Sustainability Report to aid orientation. In total, we can demonstrate a positive contribution to nine of the 17 SDGs. Furthermore, we have identified the following three SDGs where our business model and corporate policy can make a significant contribution:

#### SDG 3 – Good Health and Well-Being

Our numerous measures to protect vulnerable players and minors provide a safe environment for responsible gambling in a controlled setting. To this end, we provide players with various tools for self-control, but also offer external control where necessary.

#### SDG 8 – Decent Work and Economic Growth

Highly flexible working models, including work from home, trust-based working hours and additional paid leave for special occasions, facilitate a good work-life balance and make it possible to reconcile work and family life – benefiting our female colleagues in particular. We aim to develop and retain our employees over the long term by offering continuing education measures and attractive pay based on fair and transparent targets.

#### SDG 12 – Responsible Consumption and Production

ZEAL stands for transparent, safe products and responsible marketing. This is how we achieve satisfied customers while at the same time supporting numerous charitable organisations with proceeds from the lotteries.



Responsible gambling (p. 30),  
Responsible marketing (p. 36)



Training opportunities (p. 33),  
'freiheit+' (p. 35)



Reduction of energy consumption (p. 37),  
Extending the life cycle of our hardware products (p. 37)



More flexible working hours and working models (p. 32),  
Attractive remuneration (p. 33),  
Recruiting talent (p. 34),  
Compliance with social & environmental standards in the supply chain (p. 36)



Digital technologies and innovations (p. 31),  
Data protection and data security (p. 31)



More flexible working hours and working models (p. 32),  
Diverse working environment (p. 34)



Product transparency (p. 31),  
Customer satisfaction (p. 31),  
Responsible marketing (p. 36)



Compliance with social & environmental standards in the supply chain (p. 36)



Lotteries and good causes (p. 35),  
Combating corruption and money laundering (p. 38)