

# Stakeholder Advisory Panel

## Meeting Summary Notes - November 2023

### Background

Playtech has set out a 2025 sustainability strategy that is overseen by the Company's Board level Sustainability and Public Policy Committee. For Playtech, sustainability is about taking responsibility for the Company's long-term impact on people, society, and the environment. In practice, this means:

- Continually evolving its strategy and ways of working to make Playtech resilient enough to thrive in the long-term.
- Making sustainability targets a core part of its business-planning process.
- Playing a leading role in the movement to build a more responsible, sustainable gambling industry.

With the continuously evolving societal and stakeholder expectations, Playtech recognises the importance of engaging with stakeholders to ensure the Company's approach to sustainable business remains robust and meets expectations. To achieve this goal, the company established an external Stakeholder Advisory Panel in 2021.

To date, the external stakeholder advisory panel has enabled Playtech to draw on a wide range of knowledge, insights and experiences. In November 2023, the Company continued its engagement with the panel and met in a face to face half day session. The objective of this half day session was to review how Playtech had taken the Panel's observations and recommendations into account as well as to share ideas, suggestions, and constructive challenges with members of Playtech's senior management team and Board members.

### Attendees:

#### Panel composition:

- Chris Coulter, CEO, Globescan
- Polly Mackenzie, Chief Social Purpose Officer, University of the Arts - London
- Dan Waugh, Partner, Regulus Partners
- Christian Tøennesen, Group Sustainability Director, Selfridges Group

Playtech attendees included members of the Board and executive management as well as subject matter experts, as follows:

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| • Mor Weizer, Chief Executive Officer                             | • Brian Mattingley, Chairman                            |
| • Linda Weston-Marston, Non-Executive Director                    | • Ian Penrose, Senior Independent Director              |
| • Anna Massion, Non-Executive Director                            | • Ian Ince, Chief of Staff and Chief Compliance Officer |
| • Chris McGinnis, Chief Financial Officer                         | • Karen Zammit, Head of Global HR                       |
| • Shimon Akad, Chief Operating Officer                            | • Francesco Rodano, Chief Policy Officer                |
| • Sophie Yaxley, Global HR Director                               | • Irene Markitani, Head of Sustainability               |
| • Richard Bayliss, Senior Regulatory Affairs & Compliance Manager |   |

#### Special Guest:

- Luke Sussams, Head of ESG and Sustainable Finance, EMEA, Jefferies, who provided insights on sustainability trends from a capital market perspective.

Facilitator and Support:

- Lauren Iannarone, Chief Sustainability and Corporate Affairs Officer at Playtech
- Stephanie Attal-Juncqua, Senior Partner at Carnstone Partners Limited

## Overview of Playtech's Progress

The session opened with an update from Playtech subject matter experts on the progress, challenges and commentary about how Playtech has adopted and/or considered key recommendations and observations from the panel as part of the evolution of its strategy.

- **Governance and Accountability:** Over the course of Playtech's 2025 sustainability strategy, there has been a growing level of engagement from the Board and executive management. As a result, Playtech has strengthened its sustainability governance through the following which takes into account the previous year's observations from the panelists:
  - Framing sustainability and embedding into culture - Linking remuneration for executive and selected business leaders to the year-on-year progress against the company's sustainability targets and commitments.
  - The evolution of its Group Sustainability Scorecard, with roadmaps, targets and KPIs, to drive performance against non-financial metrics.
  - Reviewing and defining future purpose and values - Playtech refreshed its sustainability strategy statement to effectively communicate its vision, ambition and purpose.
  - Achieving assurance against both carbon emissions and safer gambling performance.
- **Playtech Protect:** Playtech Protect brings together Playtech's safer gambling technology, tools, services and research under one digital roof and highlights its commitment to strengthen safer gambling standards across our operations. As per the panelists previous observations, the Company has continued to take a number of steps to enhance the features and capabilities of its technology and offerings to licensees as well as broaden the scope of its research and partnership initiatives. Progress includes strengthening the technology to detect at-risk players using personalised interactions, working with UK regulators to add the capability to track at-risk players in near-real time, simplifying the use of online tools, engaging closely with customer agents and clients to have a single customer view to better tailor the player's interactions, establishing research projects and working in collaboration with industry stakeholders. Playtech is also supporting a research project to gather insights on how to address treatment disparities for underserved groups as well as exploring how best to utilise AI enhance targeted customer interactions.
- **Playtech People:** Over the past year, one of the key areas of improvement has been the introduction of a new Global People Framework, designed to support the Company's efforts to recruit, develop and retain top talent in the industry as well as foster a culture of learning, diversity, and inclusion. This new framework included a new approach to talent management which focusses on retention of top talent and succession planning. The Playtech People strategy is underpinned by clear commitments that are being monitored through an HR dashboard. Following the previous years' observations from the panel, Playtech has also made significant progress on its gender diversity amongst its leadership population putting the Company on track to meet its 2025 target.
- **Playtech Planet:** Playtech has advanced its approach to tackling climate change by establishing a standalone priority area; recognising the importance of climate change as one of the Company's top material issues. In addition to reducing its greenhouse gas (GHG) emissions within its own operations and supply chain, Playtech has recently also committed

to, and submitted, both a near-term and a Net Zero Science-Based Target (SBT), aligned to a 1.5°C pathway, to the Science-Based Target Initiative (SBTi). Following the panelists' observations, Playtech has committed to a Net-Zero target by 2040 instead of 2050. As part of this commitment, Playtech has defined its key activities to achieve its net zero roadmap. Playtech noted that it is also very close to achieving its target of 40% reduction in GHG emissions for its Scope 1 and 2 (location-based) emissions and has actively pushed key markets to transition to renewable energy. This has resulted in over 50% of the Company's total energy consumption now coming from renewable sources.

## Views from the Panel on Playtech's Progress

The panel recognised the significant progress that has been made over the last year across all three priority areas of the sustainability strategy; Playtech Protect, Playtech People, and Playtech Planet. The panel outlined a number of ways that the Company could further strengthen its existing strategy and ensure that the next phase of its strategy is robust.

### *Strategy*

It was noted by the panel that the sustainability strategy is now well articulated, however some commitments and targets are clearer than others with a mix of quantitative and qualitative targets. The panel noted that overall, the Company has a good understanding of its sustainability strategy's strengths and weaknesses and is working to continuously navigate the challenging trade-offs to balance the growth of the business and commercial imperatives with its sustainability commitments. Panel members noted that as Playtech considers its 2030 strategy, it would be useful to identify a unique signature action under each priority area, define an ambition and understand the value to its B2B customers as well as the end consumer.

### *Playtech Protect*

Playtech provided an update on key developments and highlights over the past year including:

- Increasing BetBuddy presence in jurisdictions and brand integrations
- Developing near-real time risk monitoring tools
- Enhancements to its safer gambling segmentation tool and player interaction approach
- Implementation of a Single customer view feature
- The award of an Advanced Level 3 of the GamCare B2B Safer Gambling Standard, which included the extension the scope of the audit to all our product verticals and were awarded the Advanced Level Three of the standard - the highest possible level of award.

It was noted by the panel that on Playtech Protect, the Company should make sure to maximise the positive impact of play in its strategy rather than only focus on minimising the negative impacts of gambling. In other words, Playtech should ensure to highlight the positive social impact of the entertainment industry whilst continuing to prioritise player protection and ensure this approach is adopted by its customers, both B2B and B2C. j

To enhance the strategy, the panel noted, that it would be useful to explore/research and communicate the player views on safer gambling. Most of the activities around safer gambling more generally are missing the player's view on this topic – e.g. what do players want? which is a key element to factor in to empower customers.

These recommended improvements from the panel will be useful especially when it comes to utilising the Company's obvious positioning in the sector to convene key stakeholders together to tackle the sector's biggest gap around the absence of consistent, comparable, and robust performance metrics on safer gambling. It was discussed that often the narrative around safer gambling is all about harm reduction, which has a de-facto negative connotation. Whilst harm reduction is and should remain the number one priority, it is also important to consider how to enhance and improve people's lives via safe and recreational gambling.

### *Diversity, Equity and Inclusion*

The panel also agreed that inclusion is a key area of focus that Playtech should continue to explore and establish. Broader inequality discussions with others in the sector and sharing Playtech's successes and challenges is encouraged to lead and push this agenda forward.

### *Climate Change*

The panel commended Playtech's achievements around the switch to renewable sources as well as the establishment of the new net zero science-based target and roadmap. The panel noted that an important next step would be to consider the role that Playtech could play in establishing and/or convening sectoral net-zero coalition and/or working group to rally action and accelerate the decarbonisation of the sector, as a whole.

## ESG Trends: A view from the capital markets

Luke Sussams, Head of ESG and Sustainable Finance, EMEA, at Jefferies provided insights on sustainability trends from a capital market perspective. Highlights from his presentation are as follows:

- ESG is becoming a complex field with a growing number of regulations in the EU and the UK. The Sustainable Finance Reporting Directive (SFDR) is requiring funds to label themselves into three categories in the EU. The UK is expected to replicate that approach with the UK Sustainability Disclosure Requirements (SDR).
- In the US, the politicalisation of ESG has had a notable impact on capital flows of ESG products. Amongst some stakeholders in the US, the term ESG has now been noted with negative connotation and recommend using the terminology 'sustainability'.
- Net Zero transition plans are a big area of focus for the world's biggest asset managers.
- To appeal to US investors, focusing on what organisations are doing to strengthen human capital management is important.
- The use of exclusion screening seems to have stalled. Although it remains prevalent in Europe the use of such screens, it is not increasing over time.
- Increasingly, fund managers are utilising their own methodology and questionnaires to analyse the strength of a company's sustainability strategy. As a result, the use of ESG rating agencies appear to be declining especially in Europe. Having said that, those ESG rating agencies are still widely used outside Europe.
- Luke noted that Playtech has a well-established materiality assessment and embedding it into financial materiality is a key consideration as requirements grow for double materiality. It is

also important to ensure the materiality assessment is a multi-stakeholder exercise being refreshed regularly.

- Focusing on material issues is an approach that is appealing to more and more investors. Given Playtech's business, safer gambling is the obvious material ESG.

## Facilitated Discussion Points

### Moving from compliance to leadership

The panelists raised the following points on trends:

- With the rapid growth in reporting regulations, sustainability is now front of mind for regulators, businesses, and customers. The minimum requirements are continuously evolving, and best practice goal posts are shifting rapidly which means businesses will need to go above and beyond compliance to stand out as leaders, therefore more time and resources will be needed.
- In some ways, sustainability has now moved away from being an innovative discipline to being a tick-box exercise trying to meet and report on all those regulatory requirements.

The panel noted that if Playtech wants to distinguish itself as a leader, the Company will need to:

- Go beyond all those requirements and define a unique and specific signature action to innovate and drive the agenda forward. The obvious focus area to consider is the use of technology to advance player protection.
- Define the Company's social purpose, as it defines its purpose as a corporate entity in the future.

### Embedding sustainability into the corporate culture

The panel mentioned that:

- A critical factor for truly embedding sustainability into the culture will be to secure buy-in from colleagues at all levels. It was also noted that sustainability should not just be a topic that is solely managed with a top-down approach, but it should also have a bottom-up approach where employees are empowered to shape and deliver the strategy. Ensuring that sustainability is hard wired into the Company's culture is fundamental to ensure the success of a sustainability strategy, empowering employees to be part of the solution.

To do this, the panel's recommendations for Playtech are as follow:

- The Company should ensure that sustainability criteria are embedded in all the decisions made across the business, alongside commercial and customer metrics as well as financial performance.
- Playtech should also provide the tools and opportunities to equip its employees and specific functions (including legal, procurement, finance) with the skills and qualifications as part of the Company's overall learn and development strategy.

## The Role of Partnerships

The panel highlighted that:

- Partnerships play a crucial role in fostering innovation and establishing best practices in sustainability, as they promote and facilitate the sharing of tools, expertise, and resources, enabling collaboration efforts that are more impactful and far reaching than siloed endeavors.

The panel emphasized that:

- Shaping a partnership can be a valuable opportunity for Playtech to bring the sector together to help solve some of the big common challenges around diversity and inclusion, safer gambling, and climate change.

## Summary of key points

Three main themes emerged during the discussion:

1. Embedding Sustainability: While Playtech has made considerable progress, there remains work to do around embedding sustainability into the Company's culture and engaging with employees, providing them with the tools to embed sustainability into their own sphere of accountability. Adopting both a top down and bottom-up approach will ensure Playtech employees are empowered to shape and deliver the strategy. Ensuring that sustainability is hard wired into the Company's culture is fundamental to ensure the success of a sustainability strategy, empowering employees to be part of the solution.
2. Innovation in a material topic can give Playtech a Competitive Advantage: The sustainability agenda is changing at a fast paced. With regulators continuously increasing the minimum requirements for both disclosures and action-led compliance, Playtech will have to innovate to keep its leading edge. The Company will have to go beyond all those requirements and define a unique and specific signature action to innovate and drive the agenda forward. The obvious focus area to consider is the use of technology to advance player protection.
3. Partnership opportunities for the future: It was noted that Playtech has already adopted a collaborative approach as part of its safer gambling strategy. Climate change is another opportunity to also engage current and future licensees who are also required and currently considering how best to tackle this subject.