

betsson **abo**

ESG Questionnaire

September 2024



ESG Questionnaire, General Industry

General industry

Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges:

1. Responsible gaming
2. Business compliance
3. Employee impact

Process:

These three material topics were identified through a materiality analysis where interviews were held with representatives from Betsson's main stakeholder groups, such as investors, analysts, regulatory authorities, and industry organisations, as well as an employee survey. A materiality workshop was also held with C-level management. Together with two additional important topics – Social Impact and Climate Impact – the above topics form Betsson's Sustainability framework. In 2023, Betsson conducted a double materiality analysis as required by CSRD, which confirmed the above and also reaffirmed sub-topics such as data privacy and cybersecurity and AML, which were in fact already part of the sustainability framework.

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

As a listed company with a level of revenue and subsidiaries with over 500 employees, Betsson is in scope for the EU taxonomy and has considered the regulation in relation to the Group's economic activities. Operating within the gaming sector, Betsson's main economic activity, i.e. providing casino, sportsbook, and other games to its customers, is excluded from the taxonomy (Annex 2, supplementing Regulation (EU) 2020/852, paragraph 13.1). To ascertain whether Betsson has any other economic activities which could be eligible for the taxonomy, the Group has made a thorough analysis of the business together with internal stakeholders and supported by external experts in the taxonomy. This analysis has been extended for the financial year 2023 considering EU publication of delegated acts in June 2023. Therefore, Betsson has extended the eligibility assessment for the economic activities specified in the amendments to Annex 1-2, containing the list of those new activities substantially contributing to environmental objective 1-2. Including screening for eligibility of the economic activities substantially contributing the environmental objectives 3-6 outlined in the supplementing delegated acts. Such an analysis has not identified any other economic activities performed by Betsson that are eligible under the taxonomy. Thus, Betsson does not report any eligible Turnover for any eligible activities.

ESG Questionnaire, Environment

Environment

List the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities:

Risk 1: With Betsson's business being conducted online, any interruption of electricity for servers or increase in cost for the customer as regards electricity is Betsson's biggest climate risk from a business perspective. It should be noted though that from a historical perspective, the industry has not been sensitive to increase in electricity cost.

Risk 2: Climate change could lead to increased costs for Betsson for example through the increased need for office and server cooling as a result of more frequent heat waves and increased temperature over time.

Risk 3: Increase in carbon pricing and related regulation could increase operational cost.

Climate-related opportunities: A potential opportunity would be that the demand for online entertainment and services could increase further due to climate change, which would benefit Betsson. Increases in energy prices would surely encourage further operational and technical efficiencies.

Does the firm anticipate any climate-related investments, and if so, to what extent?

No

Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?

The main resource needed for Betsson's operations is electricity (for offices, servers and for customers' use of the Group's services). In its climate roadmap, Betsson has identified servers as one of the main emission sources and is actively working to move to cloud services and to influence providers of both cloud services and on premises services to implement a green strategy as regards electricity source, cooling, age of machine park etc.

Betsson is climate compensating for customers' use of electricity while they're playing on the Group's sites.

A global facilities handbook, which describes office processes, is owned by the Facilities Manager. As for waste, most offices have a recycling scheme, and all office waste is weighed or estimated and included in the climate calculations. Development of waste management falls under the Facilities Managers.

ESG Questionnaire, Environment

Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

Betsson does not see any business risks with a carbon-neutral society. If anything, online entertainment and services could increase further which would benefit Betsson. Carbon pricing might also drive internal efficiencies further. Customers can gamble comfortably from their own home without increasing their climate footprint through travel.

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

Yes, Betsson has set a target to be a 100% climate neutral company, and this is one of the KPIs in our sustainability framework, for the Climate Impact focus area. To achieve this, the Group calculates its emissions and climate compensates (including for harmful emissions other than carbon dioxide) by investing in climate positive projects. Betsson has set validated science-based target for how much to reduce emissions to be in line with the Paris agreement and the 1.5-degree target and has a climate roadmap for how to approach these goals. Betsson is climate/carbon neutral in the sense that the Group climate compensates for its emissions (+10%) in verified climate positive projects. Betsson also climate compensates for its customers use of electricity when customers play on Group brands.

Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainability Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Mean 1: Climate roadmap and action plans to reduce emissions – SDG 13, Climate Action

Mean 2: Climate compensating by investing in certified climate positive projects - SDG 8, Decent work and Economic growth, SDG, 13 Climate action

Proportion of sales directly linked to selected UN SDGs: Betsson has performed a mapping to assess the business' impact on the SDGs and identified five that are most relevant for Betsson to work with: 3, 5, 8, 13 and 16, where of course Goal 13 is Climate action. To tackle climate change, nations and companies globally need to work together towards the goals set in the Paris Agreement. Betsson has therefore set Science Based Targets which were officially validated in 2021. By having an active and dedicated climate strategy Betsson can do its share to mitigate the effects of climate change. Betsson has developed a climate roadmap which identifies the biggest emission sources and how Betsson will tackle them. At the moment, Betsson does not measure sales in correlation to the UN SDGs.

ESG Questionnaire, Social

Social

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

No, Betsson does not have a history of accidents. Betsson employees are working from an office or home environment where neither is prone to accidents. Betsson complies with local workplace regulation in the locations where the Group has offices. A dedicated Facilities team identifies and mitigates any risks in the office environment and conduct risk assessments for example for pregnant employees as well as carry out fire drills etc.

Betsson has a number of policies to support employee health and wellbeing, such as: Work Environment Policy, Wellness Policy, Substance Abuse and Problem Gambling Policy, policies for insurance, sick leave and disability, Equality, Anti-Harassment and Anti-Victimization Policy etc.

Number of incidents of discrimination: Zero.

Number of incidents of harassment: Zero.

If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team.

One of the targets in the framework focus area Employee Impact is: At least 40 % women at management level.

In 2023, Betsson had 31 % (34 %) women people managers in total, and 22 % (25 %) women at executive management level. The Board of Directors of Betsson AB has 43% female members (43%). See further breakdown in appendix (slide 10).

Does the company conduct any other community engagement activities aside from those directly connected to the business?

Yes. Betsson has local social impact committees in several of the countries where the Group has offices. These committees collect and suggest community engagement initiatives. Every six months, the Social Impact Board, which is a C-level decision forum, gathers to review projects, approve and allocate resources. Projects are then typically carried out locally and where relevant communicated internally and externally. See <https://www.onebetsson.com/csr/>

How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?

Betsson has defined a Supplier Due Diligence process which executes a Supplier Audit to identify and manage potential corruption and bribery risks (GRC Anti-Corruption Assessment) and comply with global anti-money laundering (AML), Combating the Financing of Terrorism (CFT), Vendor Due Diligence (VDD) and know your supplier (KYS) standards. This audit, based on Moody Analytics' Compliance Catalyst KYC platform, is executed during the onboarding process and is reviewed yearly for any active supplier unless a specific alert requires timely review to assess any change within the risk level of the supplier. This audit process triggers, when required, an escalation and approval flow (including but not necessarily limited to various corporate stakeholders like Procurement, Legal, Compliance and GRC) which contributes, as an independent process, to the overall supplier management activities included in the Procurement Business Process. Betsson has a general code of conduct which also applies to suppliers, and can be found here (<https://www.betssonab.com/governance/corporate-policies>). Work on a specific Code of Conduct for Suppliers is underway. To our knowledge no such incidents have been reported.

ESG Questionnaire, Social

Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Mean 1: Responsible gaming measures: Dedicated Responsible Gaming Team, competence, mandate, processes, monitoring tools and routines in place, intervention by the RG Team when needed, a wide range of customer facing tools for safer gaming available. - SDG 3 Good Health and Well-being

Mean 2: Corporate community engagement according to Betsson's Social Impact Framework. The focus areas in the framework are Sports, Diversity and Environment - SDG 3 Good Health and Well-being, 5 Gender equality and 13 Climate action

Proportion of sales directly linked to selected UN SDGs: At the moment, Betsson does not measure sales in correlation to the UN SDGs.

ESG Questionnaire, Governance

Governance

Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

Yes, all Betsson employees need to go through a yearly, mandatory anti-corruption training. In 2021 an anti-corruption policy was adopted by the Board. No, there have been no incidents involving corruption. Betsson strives to ensure that all employees feel safe about reporting potential problems or wrongdoings to their line manager or to the Human Resources department. Since 2015, Betsson has therefore a standalone, external whistleblowing system where employees anonymously can report any irregularities within the Group. Two senior executives in Betsson AB have access to the system and decide what actions are required. Two members of Betsson AB's Board of Directors are notified of any reports as part of their supervisory role. For 2023, no cases were reported. Any cases are dealt with according to a set process. A summary of Betsson's whistleblowing policy can be found on www.betssonab.com. Betsson has improved its global whistleblowing channel by implementing a new whistleblowing framework in line with the Whistleblowing Directive (2019/1937) and has established various local whistleblowing channels in accordance with applicable national legislation. This has been done to preserve the highest standards of professionalism, integrity, and ethical behaviour as well as to prevent or reduce the risks of unlawful or improper practices by granting a safe and confidential way to report any perceived wrongdoings. Work on establishing local operational procedures has in principle been finalised as well as activation of the respective channels. To our knowledge, there is no history of cartels or unethical business conduct.

Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen:

On a group level, Malta. Within the group, Betsson has several subsidiaries with different tax residences.

How many independent members sits on the Board of Directors?

The composition of the Board of Directors of the Company complies with the requirements of the Code regarding independent members. There are six Board members (86 percent) who have been elected by the General Meeting and are independent in relation to the Company, and four Board members (57 percent) have been elected by the General Meeting and are independent of the Company's major owners.

ESG Questionnaire, Governance

Please state if and to what extent, the company has transactions with related parties:

The Parent Company has a related party relationship with its subsidiaries. Sold services between the Parent Company and subsidiaries mainly pertain to accounting and management services as well as rental and office expenses. The Betsson Group rents three(three) overnight apartments from Solporten Fastighets AB, where CEO Pontus Lindwall and the Hamberg family (major shareholders), are co-owners/board members. In 2023, purchases totalled EUR 29 (33) thousand. Betsson Malta and Betsson AB acquire legal services from WH Law, where the Board member of Betsson Malta, Dr Olga Finkel, is Managing Partner. In 2023, purchases amounted to EUR 262 (475) thousand, of which Betsson AB's purchases amounted to EUR 25 (39) thousand. Related-party transactions are priced on market terms. Free services have not been provided. Transactions with related parties are priced at market conditions. No services have been supplied free of charge.

Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

Remuneration to management consists of share-based incentive schemes and variable cash compensation which in turn is based on on quarterly revenues and operating income (EBIT) targets established by the Board of Directors. Both revenue and EBIT targets must be met for any bonus pay-out to be paid out. The AGM held on 10th May 2023 added an ESG condition for the three-year Performance Share Plan 2023, ie that the Award granted will be subject to the Group holding at least an AA rating given by MSCI. If the ESG Target is reached at the end of the Performance Period, pay-out related to the ESG Target will be 10 percent of the Base Salary. The same ESG criteria is also included in the latest three-year Performance Share Plan 2024.

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

Betsson has a Sustainability Forum with executive management members, incl. CEO, from Betsson AB and Betsson Operations. The Forum meets every six months and gets an update on sustainability issues and projects as well as the identified KPIs in the Sustainability framework. The Board of Directors gets a yearly presentation of the Sustainability area. The Audit Committee gets regular updates and decides if any sustainability issues need to be escalated to the Board. The Board of Directors gets a yearly update.

Have you signed a Union agreement:

Yes

ESG Questionnaire, Principle Adverse Impacts

Principle Adverse Impacts (numeric answers):

Please see PAI table from the 2023 Annual Report and below:

- Revenue (EUR): EUR 948 million (FY 2023).
- Greenhouse gas emissions; Scope 1, Scope 2, Scope 3: Scope 1: 224 tonnes CO₂e, Scope 2: 1,027 tonnes CO₂e, Scope 3: 6,083 tonnes CO₂e (FY 2023).
- Share of non-renewable energy consumption: Not measured
- Share of non-renewable energy production: N/A
- Energy consumption in GWh: 3,123 (FY 2023)
- Tonnes of emissions to water: 0
- Tonnes of hazardous waste and radioactive waste generated: 0
- Unadjusted gender pay gap: Management: 74% female percent of male salary, -26% gap. Directors: 101% female percent of male salary, + 1% gap, Board of Directors Betsson AB: 100%, no gap. See table below in appendix (slide 10).
- Board gender diversity: 43% female members

Principle Adverse Impacts (yes/no answers):

- Fossil fuel operations: No
- Sites/operations located in or near to biodiversity sensitive areas where activities negatively affect those areas: No
- Science based target: Yes
- Reports to CDP: No
- UN Global Compact Signatory: Yes
- Involved in the manufacture or selling of controversial weapons: No
- Whistle blower policy: Yes
- Supplier code of conduct: Betsson has a general code of conduct which also applies to suppliers and can be found <https://www.betssonab.com/governance/corporate-policies>. Work on a specific Code of Conduct for Suppliers is underway.

ESG Questionnaire, Appendix

Employees at different levels at the Company	2023		2022	
	Employees (number)	Women (percentage)	Employees (number)	Women (percentage)
Board of Directors				
Under 30 years	0	0 %	0	0 %
30-50 years	4	50 %	4	50 %
Over 50 years	3	33 %	3	33 %
Management: Betsson Operational Management Team				
Under 30 years	0	0 %	0	0 %
30-50 years	6	17 %	6	17 %
Over 50 years	3	33 %	2	50 %
Management: Betsson AB Management Team				
Under 30 years	0	0 %	0	0 %
30-50 years	4	25 %	5	40 %
Over 50 years	2	0 %	2	0 %
People Managers				
Under 30 years	52	38 %	47	53 %
30-50 years	370	29 %	328	31 %
Over 50 years	14	43 %	13	46 %
Other Employees				
Under 30 years	622	39 %	611	43 %
30-50 years	1051	32 %	940	30 %
Over 50 years	34	32 %	30	37 %

The table shows the composition of the Company, broken down by gender and age for different levels of the Company.

	Female % of male salary	Gap
Board of Directors Betsson AB	100%	0%
Management	74%	-26%
Directors	101%	+1%