



Sustainability Report 2021

# **BUILD A MORE RESPONSIBLE FUTURE**

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# Letter to stakeholders



**Francesco Durante**  
Sisal CEO

Dear Stakeholders,

after a 2020 deeply affected by the Covid-19 healthcare emergency, last year was characterised by a **gradual recovery**, which was both economic and social but discontinuous because of the continuing pandemic.

Against this backdrop, we never ceased to **focus positively on the future** and stepped up our development of an **increasingly innovative and sustainable business**.

The most important thing we learned from the pandemic was that it is vital to **evolve our business towards new models** capable of meeting our stakeholders' needs, in the way we develop our business and in our approach to our customers and society as a whole.

**"Build a more responsible future"** is our raison d'être, the corporate purpose underpinning our entire business model and strategic vision.

That is why we wanted to raise the bar by creating a **unique ESG framework** capable of generating shared value in the long term for all our stakeholders. The main features of our 2021 **Sustainability Agenda** were as follows:

- ✔ a culture that sees gaming as a form of responsible entertainment;
- ✔ the central importance of our people's wellbeing and of the social context in which we operate;
- ✔ innovation and digital development in our company and in the community;
- ✔ a business model based on exacting international standards and able to generate economic value with a balanced approach, driving our sustainable long-term evolution.

We want to be a **"zero impact"** company that is:

- ✔ **a leader in Responsible Gaming**
- ✔ **innovative and sustainable**
- ✔ **an exemplary workplace.**

Through our **Responsible Gaming** model, we are committed to promoting a gaming culture that puts the emphasis on fun and avoids excess, so guaranteeing a safe gaming experience across all channels by educating and informing consumers, by preventing problem gaming behaviours, and by supporting more vulnerable players. With this in mind, we set ourselves the ambitious target of **"zero problem players"** by 2030.

We believe that it is only by investing in **innovation** and **digital development** that we can achieve genuinely sustainable growth and generate value in the long term. That is why we have launched major technological development projects, especially on the use of artificial intelligence, and are determined to be a leading force in the digital marketplace. It was some years ago now that we set ourselves the objective of promoting the inventiveness, passion and ideas of young talents and fostering their spirit of enterprise, so helping them become valuable resources for the community as a whole. We do this mainly through our GoBeyond programme (now in its fifth edition), which supports and promotes start-ups that have a positive impact on their communities.

In recent years it has become crucial, for any company, to commit to safeguarding the **environment**. During 2021, we conducted an assessment of all our corporate areas to identify the processes with the greatest impact and determine where and how to act within the framework of an environmental sustainability plan that enables us not only to achieve the objectives already set, but also to lay the foundations for a truly eco-sustainable business. We plan, in fact, to achieve **"zero net CO2 emissions"** by 2030, as well as staying firmly focused on all

other aspects relating to resource management.

The pandemic also enabled us to rethink our way of working and fostering the development of our **People**, the very heart of Sisal, by giving them not only the tools with which to handle change but also powerful motivation to get the most out of it. All the initiatives carried forward in 2021 were aimed in this direction, from training, with the aim of equipping our people with the skills they need to navigate the market, to wellbeing, a necessary condition if they are to feel at ease in this changing context, and from performance measurement (inevitably conditioned by our new working methods) to the promotion of an inclusive environment and a culture of diversity. Accordingly, we set ourselves the objective of reaching **"zero gender pay gap"** by 2030.

Underpinning our commitment though is an **ethical approach to business**, based on a set of fundamental ethical values and principles regulating interaction between Sisal and its stakeholders. We apply this approach in three main areas: **Business integrity**, meaning acting in compliance with the law and regulations and according to the principles of legality, loyalty, fairness, transparency and accountability; Data ethics, meaning the adoption of fair and ethical practices for collecting and processing personal data (in terms of methods, types and purposes); and **Security**, meaning respect for the confidentiality, integrity and availability of IT infrastructure and systems.

To set ourselves increasingly challenging sustainability objectives, we joined the **UN Global Compact**, another milestone commitment along our road towards an ethically sustainable business. We also commissioned audits by two of the main **ESG rating** agencies to help guide ongoing improvements across our sustainability management system. In March 2021, we were awarded an **Ecovadis** "Silver" medal and, in March 2022, we became the world's third-ranking operator in the **Sustainalytics** rating ("Casinos and Gaming" industry).

Lastly, in December 2021, we embarked on the process of taking Sisal into one of the world's most important gaming groups, Flutter Entertainment, whose experience and capabilities will enable us to further strengthen our leadership in the markets where we operate. We look forward with great enthusiasm to this important milestone, which will write a new page in the history of an ever more sustainable, digital and international Sisal.

This is our vision of Sisal, our commitment to being an increasingly innovative, sustainable and inclusive company.

**BUILD A MORE RESPONSIBLE FUTURE. TOGETHER.**

# ESG Scorecard

## ENVIRONMENTAL

**3,052**  
tonnes of CO<sub>2</sub>  
EMISSIONS  
(SCOPE 1, 2)

**100%\***  
from **renewable sources**  
ENERGY  
(RENEWABLES)

**2,901**  
tonnes  
PAPER  
(CONSUMPTION)

\* The data refers to the Italian perimeter.

## SOCIAL

**3%\***  
HIGH-RISK  
ONLINE PROBLEM  
GAMBLERS (PGSI)\*

**-10.9%**  
GENDER PAY GAP  
(ITALY)

**+240**  
participating startups  
GOBEYOND

\* Calculated on the basis of internal PGSI (Problem Gambling Severity Index) analysis and studies by the LBS (London Business School - 2022)

## GOVERNANCE

**100%**  
SUPPLIERS SUBJECT  
TO DUE DILIGENCE  
OUT OF TOTAL  
ACTIVE CRITICAL  
SUPPLIERS

**91%**  
EMPLOYEES WHO  
HAVE COMPLETED  
THE BUSINESS  
ETHICS COURSES

**7**  
N° OF PHISHING  
CAMPAIGNS

**35** MILLION  
CUSTOMERS

**682.3** MILLION  
REVENUES

OVER **47,000**  
POINTS OF SALE

**2,556** EMPLOYEES  
(39% WOMEN)



# Sustainability Agenda and ESG Strategy

Over the last few years of significant organisational change, we have charted out a **sustainability roadmap** in line with national and international best practices.

To do so we have developed a **framework embracing all the various aspects covered by our commitment to sustainability** and all the actions and initiatives that contribute to achieving **Sisal's Sustainable Agenda goals**.

Inspired by our corporate purpose, **"We at Sisal exist to build a more responsible future"**, the sustainability framework is structured on two levels:

- ✓ The **areas of Vision 2030**: "Leadership in Responsible Gaming", "Innovative and sustainable company" and "Exemplary working environment".
- ✓ The **Sustainability Model pillars** corresponding to the various areas of Vision 2030: "Consumer", "Community", "Planet", "People" and "Corporate Governance & Business Ethics" (across all the areas).

Our sustainability framework is also **fully integrated from the perspective of ESG**. For each aspect we have defined measurable KPIs to evaluate progress in terms of the main goals of the Sustainability Agenda, as illustrated in the **ESG Scoreboard**.

## BUILD A MORE RESPONSIBLE FUTURE

LEADERSHIP IN  
RESPONSIBLE  
GAMING

EXEMPLARY  
WORKING  
ENVIRONMENT

INNOVATIVE  
AND  
SUSTAINABLE  
COMPANY

CONSUMER

PEOPLE

COMMUNITY

PLANET

CORPORATE GOVERNANCE & BUSINESS ETHICS



1945

Sisal founded

1946

Introduction of Sisal betting slip  
(later Totocalcio)

1948

Totip launched, Italy's first  
horse race betting system

1993

Introduction of the MAX 2000T  
Terminal that computerised  
the Sisal sales network

1997

SuperEnalotto launched

2004

Acquisition of Matchpoint and  
the network of betting agencies  
Online gaming launched

2005

Start of business development  
in the gaming machine sector

2009

WinForLife launched  
Responsible gaming  
campaign launched

2010

Sisal Wincity launched

2011

First European Lotteries  
Responsible Gaming certification

2012

First World Lottery Association  
Responsible Gaming certification  
Eurojackpot launched

2013

New vision, new values and  
a new identity for Sisal  
SisalPay created, a broad-based  
network for payments and top-ups

2014

VinciCasa created, the first game in the  
world that rewards winners with a home

2016

New SuperEnalotto launched

2019

International exposure: Sisal Maroc created  
Lottery concession renewed  
Demerger of Games and Services businesses

2020

Lotteries launched in Turkey

2021

Sisal Innovation Lab created  
Demerger finalised of the Gaming  
Business from Mooney  
Sisal joins UN - Global Compact principles  
Sisal's entry into Flutter Entertainment  
gets underway

**WE  
AT  
SISAL**

**OUR  
IDENTITY**

# Mission, vision and values

Since 1946, Sisal has accompanied Italy's evolution with its innovations in the world of gaming, offering expertise and generating trust through ongoing dialogue with all stakeholders.

## MISSION VISION VALUES

Offer the best responsible gaming experience, generating value for the society and people.

Be the leading company at international level in responsible gaming, driving digital innovation.

### RESPONSIBILITY

Responsibility is central to our actions. It guides our strategy, ensuring aware, sustainable and long-term growth.

### PEOPLE

People are at the heart of our company. We are committed to listening to, valuing and rewarding each of them so that they can contribute to achieving our corporate purpose.

### INNOVATION

Innovation inspires our company. It stimulates creativity, supports evolution and growth, and contributes to generating lasting value.

# Sisal's product offering

## LOTTERY

**Super Enalotto**

Sisal's storied lottery game enjoys very high awareness thanks to a jackpot millions of consumers dream of winning. In 2021, the introduction of the WinBox innovation, an exclusive SuperEnalotto novelty, increased the level of fun with a host of new prizes.

**SiVinceTutto**  
SuperEnalotto

The only game that pays out the whole jackpot on the same evening. In 2016, it received a makeover that increased the probability of winning and introduced a weekly draw, every Wednesday.

Vinci per la vita  
**WinforLife!**

The first Italian lottery to offer a monthly income for 20 years as a prize.

**VINCICASA**  
WinforLife!

The first game with a highly innovative prize: the chance to win a dream home, chosen by the winner anywhere in Italy. The top prize, in addition to the home, includes an immediate prize of €200,000.

**EURO JACKPOT**

The only lottery game in Italy that extends the challenge across 18 European countries and offers players the chance to win a jackpot worth millions.

## ONLINE

**Sisal.it**

This is Sisal's web platform, offering over 1,000 online games (Sports, Virtual and Horse Race Betting; Lotteries and Bingo; Poker and other card games; Casino, Slot and Quick Games) in a safe, secure and consumer-friendly environment, as well as on mobile devices in the form of dedicated applications.

## RETAIL BRANDED CHANNEL

**Sisal Wincity**  
EAT DRINK PLAY

Wincity represents the top of the range in the Group's Retail sector. Its positioning is defined by the brand's "eat, drink, play" payoff. The 34 points of sale, combining gaming, food & beverage and entertainment, are located in the main Italian cities, including Milan, Rome, Turin, Brescia, Pescara, Florence and Catania.

**Sisal**

This channel offers the full range of Sisal products, with a special focus on betting (horse races and sports) and Virtual Races. Over 380 points of sale and more than 1,300 retail corners.

## RETAIL AFFILIATED CHANNEL

**IGA**

Our products are also available at 35,668 third-party points of sale across Italy with which we have built up lasting commercial relationships (bars, tobacconists, newsagents, etc.). The ubiquity of our points of sale in Italy means that 70% of the adult population are within a five-minute walk from one.



**WE  
AT  
SISAL**

**VALUE  
GENERATED**

# Creating economic value in a balanced, responsible way

Our goal of generating wellbeing for all our stakeholders, and ensuring **sustainable growth in the long-term**, cannot be achieved without **creating shared value**, not only social but also economic.

## OUR MARKET

Sisal operates in the **games for cash prizes market**, regulated in Italy by the Economy and Finance Ministry (MEF) through the Customs and Monopolies Agency (ADM). The gaming market in Morocco is regulated by SGLN (Société de Gestion de la Loterie Nationale), in Turkey by TWf (Turkey Wealth Fund), and in Spain by DGOJ (Dirección General de Ordenación del Juego).

Here is an overview of expenditure (GGR) in the **markets where Sisal operates**.

Expenditure* (GGR)		2018	2019	2020	2021	2018 2021
ITALY	€ m	18,841	19,301	12,849	15,334	-6.6%
	% Online	8.6%	9.6%	20.8%	24.2%	
TURKEY	€ m%	878	890	785	1,059	6.5%
	Online	11.5%	13.8%	32.7%	30.8%	
MOROCCO	€ m	379	388	102	375	-0.4%
	% Online	0.0%	0.1%	0.6%	0.6%	
SPAIN	€ m	8,293	8,249	5,786	6,773	-6.5%
	% Online	9.6%	10.6%	20.6%	19.9%	
UNIT						CAGR**

\*Estimated Expenditure (GGR) in regulated markets, excluding Offshore. Source: H2 Gambling Capital  
\*\*CAGR: Compound Average Growth Rate

## THE MARKET IN ITALY

In 2021, the Gaming Market in Italy reported a gross value of almost €111bn, with an **annual variation** in the last four-year period (**CAGR**) of **+1.3%**. As can be seen, revenue has exceeded pre-pandemic levels. This is thanks to significant growth in the Online segment, partly as a result of restrictions in the Retail market during the pandemic.

## THE VALUE CHAIN

Other important Gaming Market indicators are:

**Gross Gaming Revenue** (GGR), calculated as total gross revenue less payout, was down -6.6% on average in the period 2018-2021 due to massive PoS closures as a result of Covid-19.

**Taxation**, which also reported a negative CAGR of **-7.9%** in the period.

**Payout** is the percentage of money bet returned to players in the form of winnings. It varies greatly from game to game, starting at a minimum in certain lucky draw games and rising to a maximum in online games. In 2021, payout accounted for over 86% of Total Revenue.

Main Gaming Market economic indicators

		2018	2019	2020	2021	2018 2021
TOTAL REVENUE*	€ m	106,700	110,411	88,241	110,931	1.3%
PAYOUT*	€ m	87,859	91,110	75,391	95,597	2.9%
GROSS GAMING REVENUE*	€ m	18,841	19,301	12,849	15,334	-6.6%
TAXATION	€ m	9,865	10,781	6,700	7,705	-7.9%
UNIT						CAGR**

\*excluding Section 7 data and including AWP licence fees and the 2015 Stability Law  
\*\*CAGR: Compound Average Growth Rate

MARKET SEGMENT

Analysing the various segments of the Gaming Market, **Online** reported a **CAGR of 28.8%**, offsetting losses in the Offline segment, which suffered the consequences of Covid-19. The segments most affected were **AWP (Amusement With Prizes)**, with a **CAGR of -28.0%** between 2018 and 2021, and **betting**, with a **CAGR of -19.9%**; **lotteries**, on the other hand, managed to withstand the impact of the pandemic, reporting a **CAGR of 3.4%**.

Gaming Market revenues by segment

		2018	2019	2020	2021	2018 2021
OFFLINE LOTTERIES AND BINGO	€ m	20,149	20,479	16,242	22,282	3.4%
OFFLINE BETTING AND SPC	€ m	6,514	6,977	3,933	3,351	-19.9%
AWP**	€ m	48,602	46,547	18,830	18,113	-28.0%
ONLINE GAMING	€ m	31,435	36,408	49,237	67,186	28.8%
TOTAL GAMING MARKET	€ m	106,700	110,411	88,241	110,931	1.3%

\*SPC: Sports Prediction Contests

\*\*AWP: Amusement With Prize machines

UNIT

CAGR\*\*

Main financial results

In 2021, Sisal posted overall revenue of around **€11.3bn\***, an increase of 38% compared with the previous year. **Operating income** amounted to around **€524m** in 2021, an increase of 31% on the figure for 2020.

The revenue and income trend in 2021 and 2020 was strongly influenced by the **Covid-19 healthcare emergency** and the measures taken by the government to combat it. Business performance in the two years considered reflects the two lockdowns introduced by the Italian authorities, the first from March 11 to June 15, 2020 and the second from November 6, 2020 to July 1, 2021.

\* this item includes overall revenue in all the countries where the Group operates

However, in 2021 the restrictions were much less severe than in the first lockdown in 2020 and the gaming market too recovered against the previous year, driven by **strong growth in the Online sector and gradual growth in Retail after the lifting of precautionary measures**. For the period from March to June 2021, in fact, revenue in Italy totalled €3,244m, reporting an increase of 82.5% on the same period in 2020, which was also during lockdown.

The results reported by Sisal Group are mainly attributable to:

- ✔ The **performance of the Online sector**, which reported a **rise in income of €94m** thanks to the increase in revenue compared with the same period the previous year, supported by enhanced customer acquisition policies through web portals and social network pages (so-called "Search Engine Optimization" or "SEO"), as well as by effective affiliation initiatives, driving an increase in active customers and turnover per customer and leveraging the shift in consumer spending from retail to the online channel.
- ✔ **International growth** was driven in particular by the results of Turkish subsidiary Sisal Sans but isn't fully comparable with the previous year because business operations in Turkey began in August 2020.
- ✔ The **cost containment initiatives implemented by the group**. Given that the channel most affected by the containment measures imposed by the government was the specialist retail channel, the Group quickly took action to renegotiate point of sale leases. Incentives were also provided to take holidays and paid leave and the various social security mechanisms were activated, including the Income Supplement Fund, to reduce personnel costs. Government subsidies were also received as compensation for losses incurred due to restrictions imposed to contain the effects of the pandemic.

The table below briefly sets out the main financial and income results and their trend over the last two years, after adjusting EBITDA and operating income data to eliminate several non-recurring net charges (for more financial information, please see the Sisal Group S.p.A. Consolidated Financial Statements at December 31, 2021).

Main financial data at December 31, 2021

	2021
EBITDA	248,047
ADJUSTED OPERATING RESULT	131,056
OPERATING RESULT	121,129
TOTAL REVENUE AND INCOME	682,301

Determination and distribution of value-added in the gaming segment at December 31, 2021

Direct economic value generated and distributed

Parameter	2021	Parameter	2021
<b>DIRECT ECONOMIC VALUE GENERATED</b>	<b>693,864</b>	<b>Value distributed to capital providers</b>	<b>36,737</b>
Revenues	524,741	Financial charges	36,737
Income from fixed-odds betting	155,762	<b>Value distributed to the Public Administration</b>	<b>(89,028)</b>
Other income	1,798	Taxation	(89,028)
Financial income	11,563	<b>Community investments</b>	<b>42</b>
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>432,314</b>	Donations	42
<b>Operating costs</b>	<b>389,338</b>	<b>ECONOMIC VALUE WITHHELD</b>	<b>261,550</b>
Purchases of raw materials, consumables and goods	17,000	Amortisation, write-down and write-up of the value of tangible and intangible assets	140,463
Costs for services and use of third-party assets	311,771	<b>Operating result</b>	<b>121,129</b>
Other operating costs	60,567		
<b>Value distributed to employees</b>	<b>95,225</b>		
Personnel costs	95,225		

SISAL'S CONTRIBUTION TO ITALIAN TAX REVENUE

The gaming market in Italy makes a substantial contribution to the country's public finances through taxation, even though in recent years, as a result of macroeconomic and industry trends, tax revenue has tended to stabilise after a period of significant growth in the second half of the first decade of the 2000s.

In more detail, in 2021 total tax revenue from gaming stood at about €7.7bn, with an average variation over the last four years of around -7.9%, up about 15.0% on the figure for 2020.

Of this €7.7bn, around €0.9bn refers to Sisal gaming revenue, and of that around €0.5bn to lottery products (SuperEnalotto, Vinci per la vita–Win for Life, SiVinceTutto, Eurojackpot and since 2014 VinciCasa), which are some of the best known and loved by the public and also some of the most remunerative in terms of tax revenue, while €0.4bn relates to online AWP machine betting revenue.

Each week, Sisal collects cash flows generated by business the previous week from points of sale and makes payments to both the tax authorities and commercial partners on the basis of the relative rules and agreements. In 2021, cash flows deriving from Sisal Group's gaming business break down as follows.

- Revenue: about €9.9bn
- Total winnings payable: about €8.3bn (around 84% of revenue, in line with 2020);
- Fees paid to retail networks: about €0.1bn, in line with the previous year;
- Fees paid to Group concession companies: about €0.5bn (revenues from electronic gaming machines include remuneration remitted to the relative supply chain);
- Taxes: about €0.9bn (about 10% of revenue).

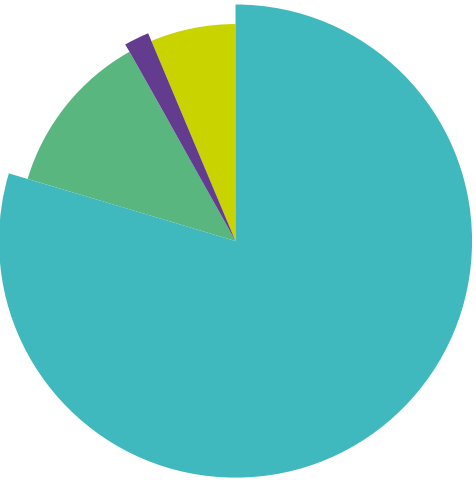
Percentage breakdown of total gaming revenue

1%  
RETAIL  
NETWORK

6%  
AWP CONCESSION  
COMPANIES/SUPPLY CHAIN

9%  
TAXES

84%  
PAYOUT



GOVERNANCE AND TAX RISK CONTROL

Group tax management is split between the **HQ Tax Dept.** and **CFOs in foreign countries** (e.g. Morocco, Turkey, etc.). For certain particularly complex and/or significant tax issues, tax consultants from leading firms/networks are engaged with the coordination of the HQ Tax Dept.

The Leadership Team (first) and the Board of Directors (subsequently) are periodically updated on activities to **monitor, manage and mitigate the tax risks** identified in the framework of Group operations.

In addition, in 2021 the HQ Tax Dept. introduced a roadmap to **define and implement the Tax Control Framework (TCF)** in line with best international practices and in compliance with the Principles defined by the OECD. The TCF is a system to measure, manage and control tax risk based on rules, principles and processes, confirming the Group's commitment to rigorous respect for tax regulations. In this regard, special procedures to mitigate tax risk are planned for implementation and/or definition in 2022.



**WE  
AT  
SISAL**

**CORPORATE  
GOVERNANCE**

# Our organisation

**Sisal Group has been wholly owned since 2016 by CVC Capital Partners**, a world-leading UK-based private equity and investment consulting firm with consolidated experience in the gaming industry, amongst other areas.

**On December 23, 2021, Flutter Entertainment, the world's largest online betting group, announced the acquisition of 100% of Sisal from CVC Capital Partners.** The authorisation procedures were therefore set in motion to obtain the necessary regulatory approvals from ADM in Italy and the corresponding authorities in Turkey (TWF), Morocco (SGLN) and Spain (DGOJ), as well as those regarding antitrust law. Subject to receiving the aforementioned approvals, the operation is expected to be completed during the second quarter of 2022.

**Sisal S.p.A. and its subsidiaries operate in the gaming industry based on government concessions granted by the Customs and Monopolies Agency in Italy, SGLN in Morocco, TWF in Turkey and DGOJ in Spain. The companies controlled by the Group are as follows:**

## SISAL S.P.A.

- ✔ Parent company Sisal S.p.A. is responsible for the direction and coordination of subsidiary companies.
- ✔ It is subject to management and coordination by Schumann Investments S.A.

## SISAL LOTTERY ITALIA S.P.A.

- ✔ Sisal Lottery Italia S.p.A. is headquartered in Milan and develops national lotteries and totalizator systems under the terms of a state licence, by means of distribution network management.
- ✔ Sisal Lottery Italia S.p.A. has been sole concession company since 1997 for SuperEnalotto, Italy's first National Lottery (NL).
- ✔ In 2011, national lotteries and totalizator systems were Sisal's first business to introduce international Responsible Gaming standards and to obtain European Lotteries and World Lottery Association certifications.
- ✔ The company directly manages the activities of planning and management control, Internal Audit and Risk Management, and Anti-Money Laundering.

## SISAL ENTERTAINMENT S.P.A.

## SISAL GAMING S.R.L.

## ACME S.R.L.

## NETWORK ITALIA S.r.l.

## SISAL LOTÉRIE MAROC S.a.r.l.

✔ Headquartered in Milan and wholly owned by Sisal S.p.A., it performs organisation, operation and revenue collection activities relating to legal AWP machines and the direct management of a fleet of such machines. Following the merger by incorporation of subsidiary Sisal Match Point S.p.A., the company also performs organisation, operation and revenue collection activities for prediction contests and betting, in both the physical and online channels.

✔ A company with registered office in Milan (formerly Friulgames S.r.l.) resulting from the merger by incorporation of the companies Elmea S.r.l., DI.VI. S.r.l. and Sisal Gaming Campania S.r.l. Wholly owned by Sisal Entertainment S.p.A., it performs activities relating to the hire and management of a fleet of AWP machines in compliance with article 110, sub section 6, letter a) of the Italian Public Safety Consolidation Act (T.U.L.P.S.).

✔ A company based in Schio (Vicenza), with registered office in Milan and wholly owned by Sisal Entertainment S.p.A., it operates in the development, production and assembly of AWP machines and gaming software, in compliance with article 110, sub section 6, letter a) of the Italian Public Safety Consolidation Act (T.U.L.P.S.).

✔ A company with registered office in Milan, which with effect from December 1, 2020 incorporated the company Slot Italia S.r.l. by merger. Wholly owned by Sisal Entertainment S.p.A., it performs activities relating to the hire and management of a fleet of AWP machines in compliance with article 110, sub section 6, letter a) of the Italian Public Safety Consolidation Act (T.U.L.P.S.).

✔ With headquarters in Casablanca, Morocco, it was established in May 2018 and is wholly owned by Sisal S.p.A. In March 2018, Sisal was awarded the ten-year contract to manage fixed-odds lotteries and totalizator systems, virtual races, and instant win games (both electronic and paper-based) in Morocco on behalf of Société de Gestion de Loterie National (SGLN).

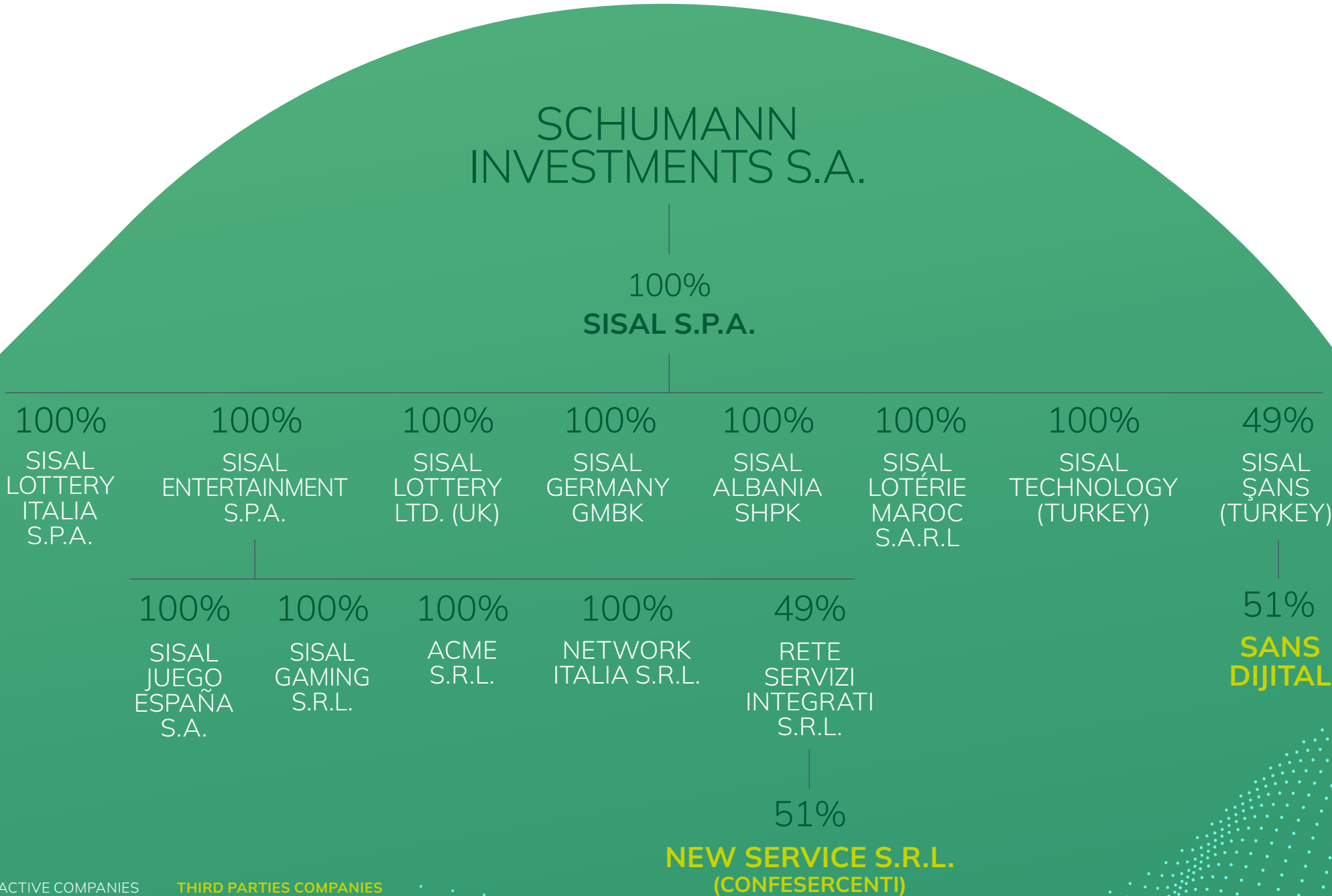
✔ Sisal Loterie Maroc Sarl performs organisation, operation and revenue collection activities in relation to legal gaming in both the physical and online channels.

SISAL SANS  
(Turkey)

SISAL JUEGO  
ESPAÑA S.A.

SISAL ALBANIA  
SHPK

- ✔ A Joint Venture in partnership with Şans Digital, a company in the Turkish Demirören Group, in September 2019 it won the tender called by Turkey's Sovereign Wealth Fund (TWF) to award the ten-year Turkish National Lottery concession. The concession entails the management and development of a system of games on behalf of the licensee TWF. In more detail, since the end of August 2020, it has been managing and developing a portfolio of lotteries, instant-win lotteries and online games distributed by at least 10,000 points of sale.
- ✔ A company with head office in Ceuta (Spain) and wholly owned by Sisal Entertainment S.p.A., it handles the management of Betting and online Casino&Slot licences in Spanish territory.
- ✔ With headquarters in Tirana and wholly owned by Sisal S.p.A., it performs activities relating to the concept, creation, development and implementation of software applications, IT systems and platforms on behalf of the group.



ACTIVE COMPANIES

THIRD PARTIES COMPANIES

# In-depth: Innovation as growth driver

## INNOVATION LAB

The Innovation Lab, a new high-tech centre of excellence sponsored entirely by Sisal, was opened in June 2021 at the Agnelli Foundation in Turin. The new facility is part of a broader economic and occupational investment plan that we have been carrying forward in the field of innovation, thanks also to collaboration with primary tech and digital players like Talent Garden. The Lab creates a huge opportunity for networking with universities, research centres and start-ups and will act on one hand as an external observer of the digital world and on the other as a major incubator of ideas for concrete projects.

## INNOVATION HUB - ALBANIA

Sisal's internationalisation process also entailed a review of our IT infrastructures to align them with new business needs. To do this, we set up a technology hub in Tirana (Albania) using the innovative near-shoring mechanism, which enables the internalisation of human resources. In 2021, we also began setting up another technology hub, in Turkey.

The hubs will support our SW factories in Italy by providing additional resources with high-level technological expertise, in order to increase delivery capacity twofold and drive the development of new technology.

# In-depth: International development

Building on the company's strength in **lottery and gaming management**, solid expertise gained from 75 years of experience, and an approach that focuses on **product innovation** and the **central role of the consumer**, Sisal has embarked on a **process of internationalisation** to develop new business opportunities and assert its leadership in new markets, by bidding in tenders (in Lotteries) and through the acquisition of licences (in online gaming).

The internationalisation roadmap is underpinned by a broad-based **consumer protection strategy**, unique in the gaming industry, and by **digital innovation** as a lever for growth and maintaining leadership in reference markets.

In 2018, Sisal launched a **multi-year strategy** to build ever stronger international credibility, both to compete on the various markets and to increase our presence, leveraging technological expertise and the ability to ensure the effective transition and management of ongoing operations in the various countries. Our long-term vision is based on a gradual approach to international development, in such a way as to integrate both the need to build a sustainable development path and to adapt its organisational structure:

Today, Sisal has a presence in Morocco, Spain and Turkey, with a broad offering that includes lotteries, betting, online and AWP machines.

MOROCCO  
JANUARY 2019

In February 2018, Sisal S.p.A. was announced as the winner of the tender called by the Moroccan National Lottery Management Company (SGLN). Running for a total of 10 years from January 1, 2019, the concession entails the management and development of a portfolio that comprises fixed-odds betting, national lotteries, instant-win lotteries, online gaming, virtual races and MIL (Machines Interactive Lotteries).

SPAIN  
JULY 2019

In July 2019, Sisal Entertainment S.p.A. was awarded the licence put out to tender by the Spanish gambling regulator (DGOJ). In more detail, the 10-year contract makes provision for two general licences, one for betting and another for the development of other games, and individual licences for roulette, slot machines and blackjack.

TURKEY  
AUGUST 2020

In September 2019, Sisal S.p.A., in partnership with Şans Digital ve Interaktif Hizmetler Teknoloji Yatırım A.Ş., a company in the Turkish Demirören Group, won the tender called by Turkey's Sovereign Wealth Fund (TWF), holder of the Turkish National Lottery (Milli Piyango) licence, to award a ten-year operating contract. The contract, effective as of early August 2020 and running for 10 years, provides for the management and development of a portfolio comprising numerical games, instant-win lotteries and online games.



# In-depth: foreign markets map



## SPAGNA

Portfolio:  
Betting online, Casino and Slot online  
Effective date (& length):  
16<sup>th</sup> of July 2019 (10 years duration)



## MAROCCO SISAL LOTERIE MAROC

Portfolio:  
Numeric Games (retail and online), Instant Games, Virtual Races, VLTs  
Effective date (& length): 1<sup>st</sup> of January 2019 (10 years duration)



## TURCHIA SISAL ŞANS

Portfolio (retail/online):  
Numeric Games, Passive Lotteries, Instant Games  
Effective date (& length):  
1<sup>st</sup> of August 2020 (10 years duration)

Our identity

Value generated

# Governance system

## THE BOARD OF DIRECTORS OF SISAL S.P.A.

The company is managed by a Board of Directors with the following members:

<b>AURELIO REGINA</b> Chairman of the Board of Directors	<b>FRANCESCO DURANTE</b> CEO	<b>EMILIO PETRONE</b> Board Director	<b>GIAMPIERO MAZZA</b> Board Director	<b>GIORGIO DE PALMA</b> Board Director	<b>MASSIMILIANO MASCOLO</b> Board Director
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## BOARD OF STATORY AUDITORS

The members of the Board of Statutory Auditors are:

<b>EZIO SIMONELLI</b> Chairman of the Board of Statutory Auditors	<b>SILVIA BAROFFIO</b> Standing Auditor	<b>FEDERICA MENICHETTI</b> Standing Auditor	<b>SERENA GATTESCHI</b> Alternate Auditor	<b>ROBERTO CASSADER</b> Alternate Auditor
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## SUPERVISORY BOARD

The Company has adopted an Organization, Management and Control Model pursuant to art. 6, Legislative Decree 231/01, one of the aims of which is to ensure fair and transparent business activities, and has established a Supervisory Board with the following members:

<b>AVV. EMILIANO NITTI</b> Coordinator	<b>IOLE ANNA SAVINI</b> Member	<b>SIMONA PACCIORETTI</b> Member
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## INTERNAL SUSTAINABILITY COMMITTEE

This is an executive committee formed by the CEO and the Managing Directors/Chief Officers of Sisal's various Business Units, Markets and Departments and co-ordinated by the Chief Institutional Affairs and Communication Officer. It defines and oversees Sisal's Sustainability model in terms of discussion and approval of strategic guidelines.

## MANAGEMENT COMMITTEES

As part of a broader reorganisation of the control and governance system, Sisal also approved the creation of the following Management Committees: Investments Committee, IT Committee, People Committee, Risks & Compliance Committee, Security Committee.

# Our internal structure



Sisal's internal organisation revolves around central functions ensuring operating consistency and effectiveness, three Business Units, each with a focus on specific Sisal products (Gaming Machines & Online Casino, Betting and Lottery), and three Market areas: Retail, Online and International.

## GAMING MACHINES AND ONLINE CASINO BUSINESS

This Business Unit manages amusement machines (AWPs and VLTs) in the physical channel and online gaming (slot machines, table games and instant games) via Sisal's national and international portals and mobile apps.

## BETTING BUSINESS

This Business Unit manages fixed-odds betting and traditional horse racing and sports prediction competitions for both the Retail and Online markets, both nationally and internationally.

## LOTTERY BUSINESS

This Business unit manages the development of national lottery (NL) products distributed by Sisal's points of sale in two channels (branded and generalist), online portals and third-party operated portals connected to the proprietary national lottery platform. The Team also follows the development and implementation of the MySisal services platform dedicated to the NL points of sale network.

## INTERNATIONAL MARKET

This market manages Sisal's expansion on international markets by participating in competitive bidding (in the Lottery segment, for example) or acquiring licences (in online gaming, for example). We currently operate in Morocco, Turkey and Spain.

## ONLINE MARKET

This market manages online gaming sales via Sisal's portals and mobile apps. It is also responsible for communication and the gaming experience offered to consumers.

## RETAIL MARKET

This market manages processes, services and activities geared to the development and support of all Sisal sales channels in the Italian physical market (Branded and Affiliated distribution network), as well as those of the Subsidiaries.

**A MORE  
RESPONSIBLE  
FUTURE**

## **ENGAGEMENT AND MATERIALITY**

*IN-DEPHT:  
SISAL'S COMMITMENT  
TO THE SDGS*



# Engagement and materiality

**Ongoing dialogue with our stakeholders** guides our efforts and the definition of our **strategic sustainability priorities**. It helps us focus our attention and energy on fundamental issues for the development of our business and the context in which we operate, in line not only with our needs but also with the **expectations of all categories of stakeholders** who interface with Sisal every day.

## STAKEHOLDER ENGAGEMENT

The first step in the process of defining strategic sustainability priorities (materiality analysis) is to decide what **issues are potentially relevant to the business**.

In recent years, the **corporate reorganisation** has injected new life into the company, above all in terms of a sustainable strategic approach to business. This process has also represented an opportunity to evolve our commitment to sustainability, as well as to align it with Sisal's **new identity and vision** and with the **changing requirements and needs** of the current scenario and stakeholders.

In **2021**, the **Leadership Team** was actively involved in an **operating workshop** to review the strategic approach to sustainability and material issues.

In early 2022, this process continued, resulting in today's **14 sustainability issues** deemed **relevant** to Sisal, grouped according to the three areas in the New Sustainability Framework.

### LEADERSHIP IN RESPONSIBLE GAMING

### EXEMPLARY WORKING ENVIRONMENT

### INNOVATIVE AND SUSTAINABLE COMPANY

- Customer experience
- Promotion of a legal and balanced gaming model
- Player protection and safeguards
- Occupational health and safety
- Professional development
- Commitment to the community
- Promotion of innovation and digital development
- Emissions management
- Support and assistance for problem players
- Privacy protection and information security
- Welfare and work-life balance
- Inclusion, diversity and gender equality
- Commitment to the environment
- Sustainable Supply Chain development

The definition of issues was followed by **stakeholder mapping** to identify the subjects that in various ways influence and are at the same time influenced by the company's choices. In **2021**, **ten stakeholder categories** were identified.

## STAKEHOLDER MAP

TRADE ASSOCIATIONS	SHAREHOLDERS	BANKS AND THE FINANCIAL COMMUNITY	BUSINESS PARTNER	CUSTOMERS
COMMUNITIES AND NON-PROFITS	EMPLOYEES	REGULATORY AUTHORITY AND INSTITUTIONS	DISTRIBUTION NETWORK	MEDIA

To gain a better understanding of which issues our internal and external stakeholders think it is important to monitor, in **early 2022** we involved two of these categories, **employees and customers**, in structured **engagement process** based on an anonymous online **questionnaire**.

## MATERIALITY CHART

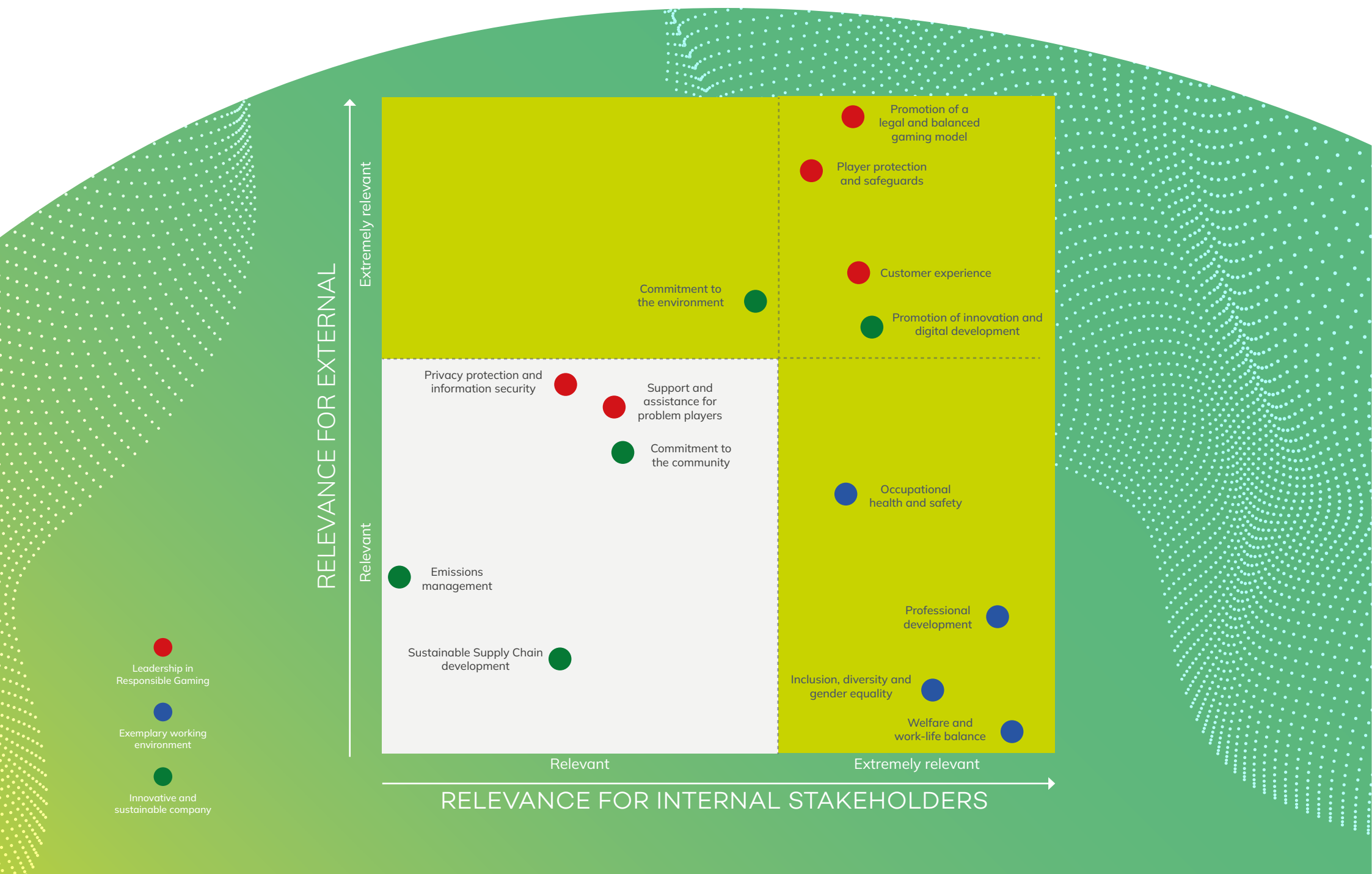
The results of the customer engagement process and the judgements expressed by employees are plotted in the **materiality chart**, in which the horizontal axis presents the priorities given by internal stakeholders (employees), while the vertical axis shows those indicated by external stakeholders (customers).

An analysis of the chart reveals **four issues considered extremely relevant for Sisal** (top right quadrant). The **"Promotion of a legal and balanced gaming model"** issue, for example, is the most relevant overall for both internal and external stakeholders, as is **"Promotion of innovation and development"**, above all as a lever to achieve all the other objectives. Two more issues on which internal and external stakeholders converge are **"Player protection and safeguards"** and **"Customer experience"**, regarded as strategic aspects, mainly because they are central to the core business.

Also take note that **"Commitment to the environment"**, ranking immediately after the most important issues, is recognised as a crucial aspect requiring significant effort by all, and in particular external, stakeholders.

There should also be a special focus on **issues relating to the "Exemplary working environment"** area, which while judged to be covered are seen as central for the successful achievement of all the others, because Sisal's people are the main players in the sustainable development of its business.

In general, all the issues addressed are subject to regular reporting and will be dealt with in the other sections of this document.



# In-depth: Sisal's commitment to the SDGs

The **Sustainable Development Goals**, or SDGs, are 17 objectives set out by the United Nations under its 2030 Agenda for Sustainable Development. They are global commitments to which everyone is called on to contribute.

We too at Sisal can and want to work to achieve these global goals. That is why we have identified **our eight priority SDGs**. More than one material issue has an impact on each of these goals, demonstrating how all the various initiatives developed are closely linked from the perspective of responsible growth.

	Good health and well-being	Quality education	Gender equality	Decent work and economic growth	Industry, innovation and infrastructure	Responsible consumption and production	Safeguarding biodiversity	Peace, justice and strong institutions
LEADERSHIP IN RESPONSIBLE GAMING								
Customer experience	✓			✓				✓
Promotion of a legal and balanced gaming model	✓			✓				✓
Player protection and safeguards	✓							
Support and assistance for problem players	✓							
Privacy protection and information security								✓
EXEMPLARY WORKING ENVIRONMENT								
Occupational health and safety	✓							
Professional development		✓		✓				
Welfare and work-life balance				✓				
Inclusion, diversity and gender equality			✓	✓				
INNOVATIVE AND SUSTAINABLE COMPANY								
Commitment to the community	✓			✓		✓		✓
Promotion of innovation and digital development					✓			
Emissions management						✓	✓	
Commitment to the environment					✓	✓	✓	
Sustainable supply chain management	✓			✓				✓

**A MORE  
RESPONSIBLE  
FUTURE**

**LEADERSHIP IN  
RESPONSIBLE  
GAMING**

# The Responsible Gaming scenario in Sisal

**Our sustainability strategy is based on the promotion of a gaming culture that puts the emphasis on fun and avoids excess.** Following the announcement in 2021 of our new Corporate Purpose, "Build a more responsible future", Responsible Gaming has become a vehicle for creating a healthy and conscious gaming culture.

**We adopt a business model capable of creating economic value in a balanced and responsible way.** Caring about, respecting and safeguarding consumers is therefore one of the foundations of our commitment to sustainability.

Our **Responsible Gaming Programme** ensures that customers are safeguarded, especially those in the more vulnerable categories. We do this through **information** campaigns, **prevention** of problem gaming behaviours and **assistance** for people with gaming-related issues.

**Responsible Together sums up our approach** to Responsible Gaming, which sees all our stakeholders engaged in the promotion of a safe and aware gaming model for everyone.

**We have an innovative, research-based project that generates an iterative model capable of providing information, knowledge and new design inputs that constantly enrich our responsible gaming model.**

All our activities draw on social research into the characteristics of our customer base and their gaming behaviour with respect to responsible gaming.

Our review of the questionnaire "What sort of player are you?" led to the introduction of a number of socio-behavioural and psychological variables that we have used for customer profiling to a high level of precision and detail.

In this work, we were able to count on the in-depth experience of the EngageMind Hub (Università Cattolica, Milan), which contributed significantly to the development of new areas to explore. In 2021, we involved over 25,000 of our customers, in two phases, in a project to build a richly detailed database.

This database enabled us to better understand the characteristics of Sisal players and identify a series of actions and potential mitigations of at-risk behaviours. The new dataset feeds:

- our "operative working groups", which form the framework of the Responsible Gaming project in that they directly involve the individual business functions and thus enable virtuous exchange between business and Responsible Gaming;
- the Artificial Intelligence learning algorithm, enabling it to evolve and continuously improve performance in terms of predictively identifying at-risk behaviours, thus serving the ultimate aim of healthy and inclusive gaming that avoids excess.

In 2021, the operative working groups implemented this strategy by developing the following series of activities impacting on the business and on Responsible Gaming:

- ADI:** a player protection project was launched to introduce time and spending limits on slot machines in a limited sample of our points of sale. Defined in 2021 and launched in Q1 2022, this project is one of the first experiments with slot machine limits in Italy.
- Lottery:** a point-of-sale information project was developed that specifically targets the ban on underage gaming. This retailer awareness raising activity forms part of a wider training project launched in 2021.
- Retail:** a Responsible Gaming training project was designed for staff across Sisal's entire sales network.
- Online:** the set of protection tools for online customers was further enriched. Deposit limits were lowered, customer base communication was reviewed and new prevention solutions were developed with time limits and the introduction of play breaks. The latter work alongside the existing self-exclusion facility for customers who request it.
- Game Design:** a project was launched to review the risk classification of Sisal gaming products for the purpose of considering all aspects of Responsible Gaming from the product study phase onwards.



To sharpen the company’s focus on Responsible Gaming issues, we also started using KPIs to measure the results of actions carried out:

OBJECTIVES	KPI	2021
Player Protection Score	Online PGSI scale	3.0 %*
	Impact of problem gaming on Online Ebitda	€ -9m due to self-excluded players
	Contraction of revenues due to identification of high-risk players by the AI algorithm	5.0%
		*Calculated on the basis of internal PGSI (Problem Gambling Severity Index) analysis and studies by the LBS (London Business School - 2022)

In 2022, these KPIs will be integrated with a wide range of new ones, not least thanks to the upcoming introduction of a series of verification metrics.

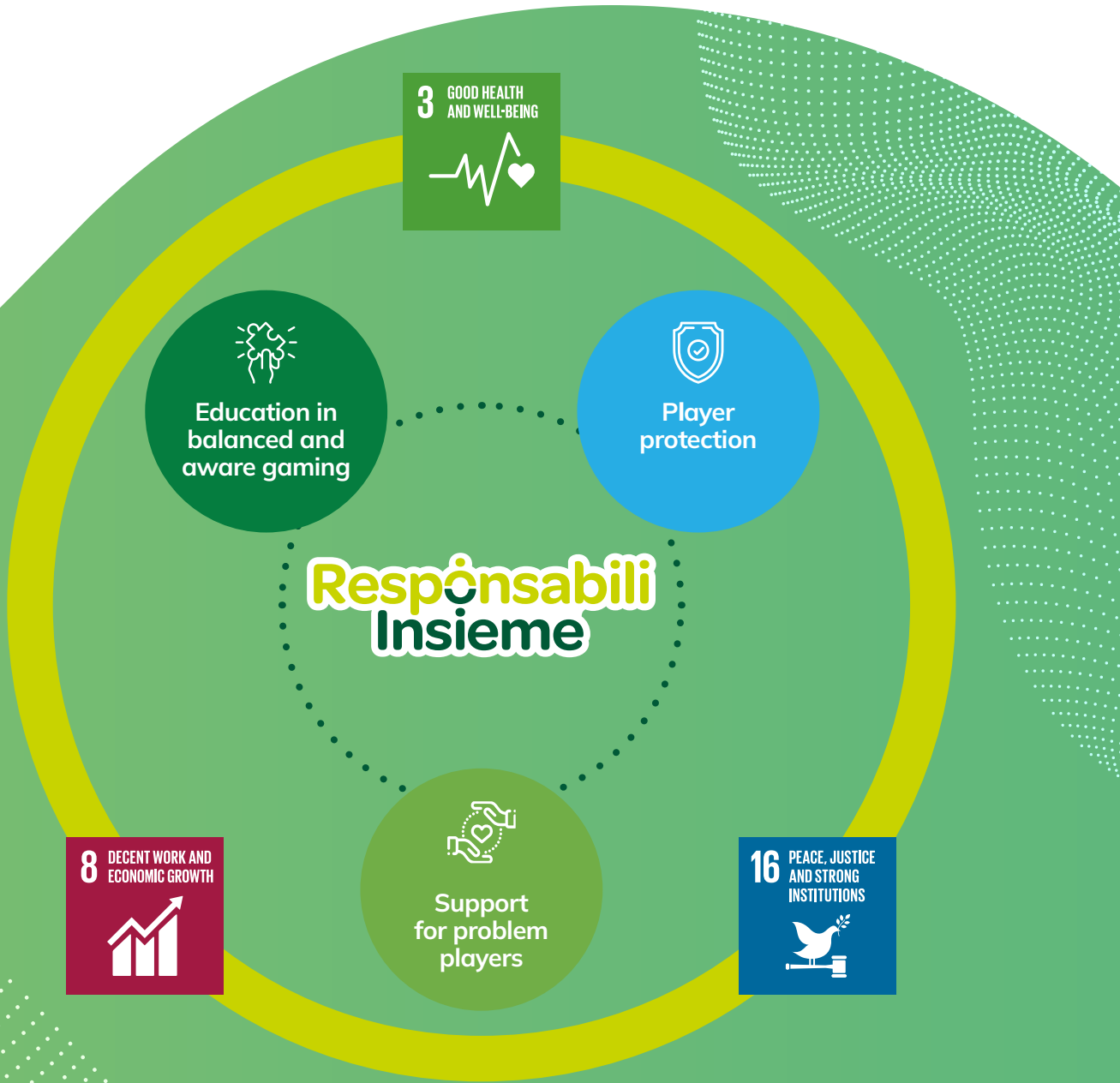
Another pillar of our strategy is the Responsible Gaming Co-ordination Committee (clinical and psychological experts), which helps define Responsible Gaming guidelines. This Committee also provides supervision and oversight of research work to guarantee high quality standards.

Responsible Gaming activities also include a communication project addressing both business stakeholders (employees, commercial partners) and institutional stakeholders (national and local government, associations, media).

# The Responsible Gaming strategy

- We have a **comprehensive programme that is integrated into all our business areas and channels, with the aim of promoting a sustainable business model based on the engagement of the entire internal structure, on training in points of sale, and on information for and the involvement of players.**
- Responsible Gaming is in fact our way of telling all our stakeholders about the company’s position on issues relevant to the gaming industry
- In line with the new corporate purpose:
- ✔ **We develop effective player protection tools**, drawing on technological innovation and artificial intelligence.
  - ✔ **We create a performance measurement system** linked to Responsible Gaming.
  - ✔ **We implement an international strategy** to ensure the application of high standards of responsible gaming in full compliance with current legislation

OUR RESPONSIBLE GAMING STRATEGY IS BASED ON THREE OBJECTIVES:





# Education in balanced and aware gaming



GUARANTEE MAXIMUM AWARENESS FOR OUR PLAYERS TO ENSURE SAFE AND BALANCED GAMING IN ONLINE AND OFFLINE CHANNELS.



## PLAYER AWARENESS

Our primary responsibility is to **spread a culture of balanced gaming free of excess**. It is important for us at Sisal to plan and provide information and education in the use of our products, and to constantly **promote safe and balanced gaming behaviour across all channels that offer gaming**. Player awareness raising initiatives are organised at various levels to ensure that our message is communicated everywhere in the country, reaching the general public, all our customers, and potential players in both the bricks and mortar retail network and digital channels.

## TEN RULES FOR THE RESPONSIBLE PLAYER

In promoting aware and responsible gaming behaviour, we recommend following these rules:

- |   |   |    |  |
|---|---|----|--|
| 1 | <b>Gambling is a way for me to have fun</b> , not to make money.  | 6  | <b>I decide how much of my day to devote to gambling</b> and I don't have any trouble stopping or taking breaks.                       |
| 2 | <b>Before gambling I decide how much money I want to spend</b> . I don't play with money I need for my everyday life and only spend amounts I can afford to lose. | 7  | <b>Gambling isn't my only leisure activity</b> and it doesn't encroach on the time I devote to my family, friends, sports and hobbies. |
| 3 | <b>I don't borrow money to gamble</b> . If I lose, I accept the loss as the cost of having fun. I don't add more money to recover my losses.                      | 8  | <b>I don't gamble after drinking or taking drugs</b> .   |
| 4 | <b>Tactics are pointless</b> , I can't predict the results and I'm aware that the probability of winning is low.  | 9  | <b>I don't gamble when I feel lonely</b> . I don't gamble when I feel depressed and I don't feel depressed if I don't gamble.          |
| 5 | <b>I don't lie about how much I spend and lose when I gamble</b> .  | 10 | <b>I don't think about gambling repeatedly throughout the day, even when I'm not playing</b> .   |

## POINT-OF-SALE NETWORK

Our point-of-sale network plays a vital role in providing information and promoting safe and balanced gaming behaviour, acting as an important point of reference for players across the country.

Our points of sale are provided with kits containing all the tools for responsible gaming, with information about gaming materials, customer displays (the player-facing terminal screens) and store dressing materials. The gaming materials present in retail points contain not only the features and rules of play, but also useful information to learn more about the product, including links to our digital channels.

Appearing in a prominent position on all forms of communication are the ban on underage gaming, the notice about the risks of addiction, and information about the probability of winning.

All gaming materials carry notices regarding the risks associated with gaming accompanied by the mandatory logos of the Italian Customs and Monopolies Agency, "Legal and Responsible Gaming" and "+18". Lastly, lottery game materials also have a table indicating the probability of winning in the various categories, so offering an aware and above all responsible choice.

In 2022, we are committed to:

- completing our responsible gaming concept;
- introducing new tools to train retailers on providing information about gaming and the associated behavioural problems.

## ONLINE CHANNELS

We support the online gaming experience through Sisal's portals and digital applications, as well as through advanced technologies that guarantee safe, age-restricted gaming procedures designed to promote a responsible and balanced gaming style.

One aspect of our digital security work involves the implementation of technology and tools to prevent children from gaining access to online gaming products. We have internal controls in place on the process of registering for a gaming account and perform a set of real time checks on personal details, including date of birth and tax code, using the centralised systems provided by ADM.

Any applicant who is not an adult Italian citizen with a valid tax code is denied entry. To complete the registration process and enable us to verify the data entered, the applicant is asked to submit a copy of an identity document of the person who filled out the form within 30 days. Failure to meet this deadline entails automatic suspension of the account.

The gaming experience on our platforms is assured by:

- tools to tackle fraudulent use of personal data and credit cards and prevent potential money laundering operations, guaranteeing a very high level of security for our websites;
- tools for monitoring an account's credit and debit transactions over the last three months, available in the "My Account" section of the player's personal area;
- temporary/permanent self-limitation and self-exclusion tools for players;

- the “Ten rules for the Responsible Player” and “Useful tips for Responsible Gaming”, designed to foster an aware and informed approach to gaming;
- the self-assessment test, “What sort of player are you?” (developed with support from experts), designed for real-time verification of the player’s approach to gaming and to collect users’ suggestions;
- Guidance on problems available on the Italian national freephone number and an innovative online treatment service with support from clinical experts.

In 2022, we plan to:

- redesign the information section of our gaming websites and digital applications;
- develop new player protection tools:** review of the deposit limit, play breaks and time limits;
- introduce new information and player protection tools**, increasingly with the support of Artificial Intelligence to ensure a balanced and aware gaming experience.

## TRAINING IN BALANCED AND AWARE GAMING

### Point-of-sale training

Our network represents us in local communities, which is why we plan training programmes dedicated to specific gaming issues, with a special focus on regulatory aspects and customer protection.

Since 2008, courses can be taken at any time using an **e-learning platform** available 24/7.

In 2021, we introduced a new obligatory training course for the entire retail network. Audio-video lessons, illustrations and exercises provide retailers with an easy way to learn content that can be put immediately into practice.

In 2022, we plan to:

- ensure the diffusion of the training programme on responsible gaming across all retailers and develop a focus on the prohibition of underage gambling;
- complete the retailers’ portal** with new thematic content about responsible gaming.

4,557  
POINTS OF SALE  
HAVE COMPLETED  
THE TRAINING  
PROGRAMME

## HUMAN RESOURCE TRAINING

Raising the awareness of our people and training them is a key aspect of the Responsible Gaming Programme. All Sisal employees are trained on an ongoing basis in responsible gaming and gaming risks. Clinical experts and psychologists specialised in the prevention and treatment of pathological gaming are involved in the production of training materials.

Training activities are based on an **online training platform, OpenCafè**, to which all the necessary course materials are uploaded in order to keep Sisal employees constantly up to date about the areas of action covered by the Responsible Gaming Programme and about the importance of supporting a balanced gaming model that discourages excess and is geared to protecting the more vulnerable consumer categories. Training sessions end with a **questionnaire to check that participants have assimilated the material**.

In 2022, we committed to:

- increase participation** in the training course;
- introduce courses for professional categories**, with the participation of experts on problem gaming;
- promote opportunities for the interactive discussion of responsible gaming issues with the support of experts**.

## FAIR AND AWARE COMMUNICATION

With the entry into force of Legislative Decree no. 87, July 12, 2018 (the Decreto Dignità, enacted with amendments by Law no. 96, August 9, 2018), industry operators are prohibited from advertising games or betting with cash prizes in any form.

We at Sisal have always complied with strict self-regulation requirements on informative communication and not only in terms of current law. We ensure that our notices are based on principles of transparency, responsibility, fairness and moderation and in line with our stringent internal self-regulation policy.

In 2022, we committed to:

- assure **continuous monitoring of our informative communication** in line with our internal self-regulation policy.

1,774  
EMPLOYEES  
TRAINED AND  
2,069  
HOURS OF TRAINING  
PROVIDED IN 2021

# Player protection



## IDENTIFYING PROBLEM BEHAVIOURS AND IMPLEMENTING MEASURES TO PROTECT PLAYERS AND PREVENT UNDERAGE GAMBLING.

### STUDIES AND RESEARCH

We have always conducted and supported research and studies to analyse and monitor perceptions and sensibilities on Responsible Gaming issues.

The results of these surveys are essential to **provide adequate answers to the phenomenon of problem gaming and to understand in depth how gamers' behavioural models change**. An important part of this process is the Mystery Inspector survey, which monitors observance of the highest Responsible Gaming standards at bricks and mortar retail points in the Sisal network.

**In 2021, we launched an integrated project to monitor problem players**, with the aim of:

- continuous tracking of online and offline gambling behaviour in order to profile our players in terms of risk levels;
- developing player protection measures in line with our players' risk profiles.

Monitoring involves a **questionnaire given to the entire customer base** in line with the PGSI's strict international guidelines and a set of socio-demographic questions. The questionnaire is designed to profile our players in terms of risk level, attitude and experience of gaming, and any comorbidities.

**In 2022, we plan to:**

- enriching and complementing the method of segmenting players based on gaming behaviours;
- measuring the impact of mitigation actions on the business.

### ARTIFICIAL INTELLIGENCE: NEW FRONTIERS IN THE MONITORING OF PROBLEM GAMING AND PREDICTING AT-RISK BEHAVIOURS

Sisal is upgrading its player protection measures with technologies that analyse data from various platforms and process them in real time using **advanced and constantly updated artificial intelligence systems**. The database resulting from this processing is used to improve the effectiveness and responsiveness of gaming behaviour monitoring and to take action to support players.



### AWARE GAME DEVELOPMENT

**Since 2010, we have been monitoring the risk factor of our games using GAM-GaRD**, a tool providing an accurate assessment of the social risk associated with each new game before it is marketed.

Created by Canadian company GamRes, it can be used to **examine game dynamics** applied to the **development of effective strategies and tools** at the service of Responsible Gaming and underlying communication strategies.

Developed by an international team of psychologists and researchers, it analyses a game's structural characteristics (duration, maximum winnings, frequency of prize draws, etc.) and features (accessibility of gaming venues/shops, opening hours, etc.) based on parameters devised and tested by a panel of world experts.

The goal for 2022 is **to integrate the model with specific mitigation areas in line with the characteristics of our product portfolio and the sales network. Ongoing monitoring of the evolution of the portfolio of games allows us to analyse the risk level on an ongoing basis, ensuring maximum player protection.**

# Support for problem players



## PROVIDING SUPPORT, GUIDANCE AND PROTECTION FOR PROBLEM PLAYERS.

We are committed to offering our consumers a **specialist service to give expert advice to players who may have developed a gaming-related disorder**.

Support for problem players involves two different services:

- The totally free online treatment service provided by FeDerSerD** (Italian Federation of Addiction Department and Service Operators) and funded by Sisal is available on the website [www.gioca-responsabile.it](http://www.gioca-responsabile.it). With the support of experienced therapists, courses of treatment are available based on individual needs. Sisal and FeDerSerD are partners in providing support for people who have developed psychological, relational and legal problems connected with compulsive gambling.





 **The Italian national freephone number for gambling-related issues (TVNGA) at the Istituto Superiore di Sanità:** a team of professionals provide anonymous advice and guidance for people who have developed problems caused by compulsive gambling, as well as for their families. Freephone number 800.558.822 from fixed and mobile phones, from Monday to Friday, 10am to 4pm.

All our informative communications on responsible gaming reference the help centres and give details for those wishing to check their risk profile using the “What sort of player are you?” test.

## RESPONSIBLE GAMING CERTIFICATION

Every three years since 2011, our responsible gaming programme has been submitted to a **strict independent certification process** to verify Sisal’s effective commitment to the planning, development and implementation of the highest international Responsible Gaming standards.

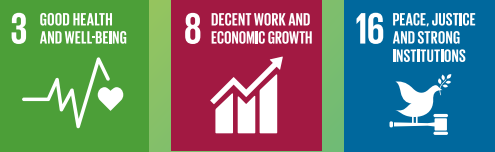
The international standards in question are those of:

-  **EUROPEAN LOTTERIES (EL):** an independent association of state lotteries and European gaming operators committed to fighting illegal gaming and ensuring that the gaming offering is sustainable;
-  **WORLD LOTTERY ASSOCIATION (WLA):** an organisation that represents the main gaming operators at world level. It supports the activities of certified members and requires a strong commitment to guaranteeing the highest standards of corporate responsibility, particularly with regard to the principles of Responsible Gaming.

In 2020, we obtained top-level EL and WLA certification of our responsible gaming programme for the 3-year period 2020-2023.

# The Sisal network: having fun responsibly

We strive to ensure that all players’ gaming experience is one of responsible entertainment. This means understanding and promptly responding to players’ various needs and promoting a culture of safe and balanced gaming.



Our **distribution network** covers the whole of Italy and plays a **strategic role** not only for Sisal but also for local stakeholders. It represents a channel of preferential **dialogue with local areas** and is an **integral part of our commitment to promoting a model of responsible gaming**.

The **ubiquity** of our points of sale contributes to the high quality of our offering to customers. We are well aware that constant investment in the development of our people’s technical and professional know-how and relational skills cultivates our credibility and reputation, so that we are in a position to promote the rule of law and safety in gaming and also to work on nationwide sustainability initiatives.

Retail also contributes to the growth of the online customer base from an omnichannel perspective (thanks to top-ups and gaming accounts opened in points of sale), to online customer caring (provided by the staff of directly managed retail points) and to the development of the omnichannel loyalty programme.

With its **differentiated and personalised commercial offering**, our gaming sector network consists of **35,668 points of sale**, split between two physical channels: **branded** and **affiliated**.



BRANDED CHANNEL

**Direct contact and communication** with customers gives us a better understanding of their **needs and expectations**, allowing us to develop a retail strategy to support sustainable business development. To this end, we have **1,698 points of sale** across the country (of which 96 directly operated) that are immediately identifiable with the company's proprietary brands.

SISAL  
WINCITY

SISAL  
STORE

The top of the range in Sisal's Retail network, Sisal Wincity is an **innovative concept** based on the "Eat, Drink and Play" model, which combines **gaming, food and beverage**, and **entertainment**, in a relaxing yet functional environment where consumers can have fun with the most innovative products on the market and enjoy the excellence of Italian cuisine. We have **34 Wincity points of sale** in major Italian cities including Milan, Rome, Turin, Brescia, Pescara, Florence, Catania and Bologna.

**385 points of sale** offering the full range of Sisal products, with the main focus on **Matchpoint horse race and sports betting**, in a high-tech ambience specially designed to satisfy customers' needs. They are joined by **1,279 Corners for betting on horse races (Punti Gioco Ippici - PGI) and other sports (Punti Gioco Sportivi - PGS)**.

AFFILIATED CHANNEL

Our products are also available in 35,668 **third-party points of sale** across the entire country, with which we have built up **longstanding business relations**. The channel includes points of sale like bars, tobacconists, newsagents and dedicated AWP rooms, whose ubiquity enables us to reach a vast consumer base.

At Sisal, we work hard to develop and maintain **constant dialogue** with retailers, partners and their staff so we can understand their needs and provide them with **updates and support**, including specific **training** opportunities. There are various channels for this dialogue with the Network: the **Contact Center**, the retailer **Portal**, and e-mails and **terminal messaging**.

CONTACT  
CENTER

RETAILER  
PORTAL

TERMINAL  
MESSAGES

A **dedicated service** with controlled access to ensure full confidentiality, staffed by a network of experts who receive regular training.

The preferential communication channel with the network is the Retailer Portal at [www.retailerssisal.it](http://www.retailerssisal.it), available for both desktop and mobile devices. The platform enables retailers to stay **constantly connected** with Sisal, even when they are on the move, and access the services they need at any time. Via the Portal, they can look up **product information** or consult **accounting data** for their point of sale, or request and receive business and point of sale management **assistance**.

Another direct communication tool between Sisal and retailers is the gaming terminal, which is used not only to **validate bets** but also to provide **daily updates about product novelties**, special consumer initiatives, total winnings and much more. To ensure maximum communication efficiency and not get in the way of everyday work, messages are coded according to their priority, allowing retailers to rapidly identify the most important ones.

We constantly **monitor the performance** of our network to identify any need for corrective action to support the business or any outstanding cases to reward. This monitoring is carried out in two main ways: **data analysis** by our business analysis teams to find variance with respect to expected results, and visits or **phone calls** by the sales force, who actively support retailers and help them make up any gaps.



**A MORE  
RESPONSIBLE  
FUTURE**

**EXEMPLARY  
WORKING  
ENVIRONMENT**

“**Nothing is constant, except change**”. This famous adage, of Buddhist origin, is a very effective way of describing the post-Covid world. While at the beginning of the pandemic we were all hoping for a return to normality, we quickly realised that many things were not going to be as they had been and that we should prepare ourselves for a **new reality**. Or rather, a world destined to undergo constant, rapid, at times exponential but above all multiple changes requiring all of us to change in turn, if we want to maintain our leading role on the world’s stage.

This applies now more than ever in the workplace. Tools, skills, habits, procedures... everything has changed and everything will go on changing. It no longer makes much sense to talk about the “new normal” but rather a “never normal”, an expression that’s catching on, as it renders the idea of a continuous flow of change. It is a scenario that could understandably leave people at a loss, worried they might not manage to adapt to the new paradigms.

The main challenge now facing any **business that really cares about its people** is not only to give them the **tools with which to handle change** but also **powerful motivation to get the most out of it**. To enable everyone to internalise change, weave it into the fabric of their lives and tackle the attendant difficulties philosophically.

We’re convinced of this at Sisal. If 2020 was the year in which we had to deal with the more tangible effects of the healthcare emergency (at the same time as preserving the company’s value), **our objective in 2021 was to engage people in this journey towards new ways of working**. How? By making them more aware of their roles and the sense in what they do, by giving them greater autonomy, by strategic thinking and by helping them focus on objectives and overcome aversion to change, which often and pointlessly complicates our lives.

All the initiatives carried forward in the People area in 2021, in fact, were aimed in this direction, from **training**, to equip our people with the skills they need to navigate the market, to **wellbeing**, a necessary condition if men and women at Sisal are to feel at ease in this changing context, and from **DE&I (Diversity, Equity & Inclusion)**, which aims to bring down anachronistic barriers and habits, to **performance measurement**, an inevitable corollary of our new smart working methods.

This is our way of standing by the people who work at Sisal, by helping them find within themselves the resources to weather this delicate period, so full of uncertainty but also, potentially, of opportunity. In this way, we will maybe discover that it is moments of disruption like this that spur us to get the best out of ourselves. Especially if we tackle them together.

# Diversity, Equity & Inclusion

An inclusive working environment **attracts, gratifies, develops and inspires the best talents**, helping everyone express themselves and so creating greater wellbeing. This is why Sisal has in recent years chosen a path of **cultural change towards inclusion**. Every day, we strive to give respect for diversity an increasingly central role in our company culture and in all our projects.

This commitment is reflected in our corporate Vision and objectives for 2030, including the **Zero Gender Pay Gap** (eliminating all differences in pay between genders), Gender Equity, Women’s Empowerment and in general the **promotion in the company of values of Diversity, Equity & Inclusion** in all their forms (gender, age and generation, LGBTQ+, multiculturalism, education). Our ambition is to become a **benchmark for gender equality in Italy**.



## GENDER PAY GAP BY COUNTRY

MOROCCO  
**-5%**

TURKEY  
**42%**

ALBANIA  
**-16%**

ITALY  
**-10.9%**

SPAIN  
**11%**

## DE&I POLICY

In 2021, Sisal adopted a **DE&I policy** to nurture a working environment capable of seeing value in every identity and fight all types of disrespectful behaviour or language.

To this end, an **Inclusion Team** was formed, comprising **ten Sisal managers**, each from a different business function. After a preliminary focus group in May, the team of managers worked from July to November to identify and formalise a series of guidelines (the **Inclusion Guidelines**) that everyone should follow in order to live and work in **an increasingly fair, collaborative and inclusive environment**.

This DE&I policy and initiatives linked to it will be communicated in **internal campaigns** throughout 2022.

In parallel, the company is implementing a number of **special initiatives** in this area:

- ✔ **Four workshops with top management** on Gender Equality (between September and December).
- ✔ **Four video-bites** on diversity and gender equality.
- ✔ **D&I training** co-designed with Wise Growth, addressing various age brackets, to raise awareness of gender issues.
- ✔ **Recruiting**, geared to having women in 50% of all managerial and non-managerial positions.
- ✔ **Remuneration policy**, aiming to gradually reduce pay differences between men and women in roles of equal complexity.
- ✔ **Inclusion Impact Index**, designed to measure gender diversity in the company.

4  
WORKSHOPS  
WITH TOP  
MANAGEMENT

## WINNING WOMEN INSTITUTE CERTIFICATION

In November, Sisal obtained Winning Women Institute certification in recognition of our company’s application of **gender equality standards**.

Winning Women Institute was set up in 2017 to **advocate the principle of gender equality in the labour market**. To do so, it created the **first Italian certification** on gender equality and helps companies who want to obtain it with a programme to eliminate all gender gaps.

The Winning Women Institute certification we obtained in November 2021 provided us with a vital snapshot of gender equality at Sisal and has enabled us to assess the many dimensions involved in removing inequalities. Identifying the gaps helped us make decisions about our DE&I strategy and priority action to take to improve over time. We thus built a roadmap spanning three priority areas: acquisition of talents, development of skills and reduction of pay gaps.

On gaining certification, Sisal emerged as a company characterised by its **employment of women** at all levels, its efforts to develop **equal opportunities** in terms of both roles and pay, and its initiatives (completed and planned) that are helping to gradually **improve gender equality culture**.



# Continuous learning

To meet the needs of a continuously changing labour market, Sisal is adjusting its training programmes and **focusing on employability** to offer all its people the opportunity to **continually invest in their growth** and thereby adapt to changes required by our working environment.

This is the principle underpinning all the learning opportunities provided in 2021 to support colleagues' employability. And with no qualms about the resulting increase in their desirability on the labour market: **a company will only grow if the value of its people does.**

This is also a contribution on our part to the common good: if it is true that organisations play active roles in society, nurturing our people's employability means **helping create a more mature, efficient and responsible market.**

## DIGITAL TRAINING

In the last decade, the boom in digital devices has posed businesses all over the world the problem of **learning new languages**. For anyone working in an organisation like Sisal, which has made **innovation** one of its strategic pillars, this means having to acquire not only technical skills but also the so-called digital soft skills needed to **exploit these devices in the most appropriate and constructive way**. This is the objective of the following initiatives.

### DIGITAL JOURNEY

This is an **app** for working on **digital skills** autonomously and with a personalised approach.

After an **initial test** to assess their digital competence, the app offers three **personalised training sessions** a week (each lasting a few minutes). Digital Journey is fully customisable (users can choose three out of nine categories) and also features a **reward-driven monthly rating system**, providing an enjoyable and interactive way to develop a truly digital mindset.

OVER  
400  
USERS  
IN 2021

### BE DIGITAL

This online course on **developing digital soft skills** focuses on five of them:

- ✔ **Digital Mindset**, attitude for change
- ✔ **Virtual Communication**, the capacity to communicate effectively
- ✔ **Digital Team Working**
- ✔ **Digital Influence**, building a reputation
- ✔ **Digital Problem Solving & Creativity**

Be Digital involves the use of **virtual workshops** where learning is put into practice, a one-day **digital hackathon** and a coaching programme on **personal branding for LinkedIn**.

80  
PARTICIPANTS  
IN 4 EDITIONS



## OPEN TRAINING

### SKILLGYM ONLINE

Sisal's **gym** for **soft skills** training in the relational and behavioural skills indispensable both at work and in private life.

This voluntary online training course is in three main phases: a **web assessment** of employees' proficiency in 13 different soft skills, **choosing which skills** to work on, and learning with the aid of a **web coach** with whom one-hour coaching calls can be organised.

OVER  
200  
PARTICIPANTS  
IN 14 EDITIONS

### OPENCAFÉ WEB

This is **Sisal's employee training platform**, designed to develop digital, technical and soft skills.

It has both **mandatory training** courses and programmes designed for **individual professional development**. There is also an **international version** for colleagues in other countries.

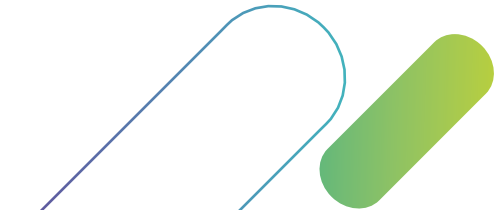
OVER  
200  
BITES ON THE  
PLATFORM

### OPENCAFÉ LANGUAGES

In an increasingly international organisation like Sisal, it is vital to be able to **communicate with colleagues abroad**. That is why we developed OpenCafé Languages, a web platform for training in **nine different languages**: Italian, English, Chinese, French, German, Spanish, Portuguese, Russian and Dutch.

Our employees can use it both on the **web** and via a smartphone **app**, as well as being able to **invite a guest free of charge**. Here too, there is a **gamification** system with monthly prizes in the form of individual language lessons.

OVER  
700  
VISIT TO THE  
PLATFORM  
IN 2021 FOR  
OVER  
2,500  
TRAINING HOURS



# OPENCAFÉ YOUNG

This is a course **for Sisal's interns** focusing on digital skills, soft skills and personal branding. The course is in five stages:

- Discover, for discover their strenghts
- Meet, for improving interpersonal communication
- Engage, for cultivating their Personal Branding
- Explore, for exploring the changing digital world
- Invest, for learning about the world of investments

OVER  
100  
INTERNS  
INVOLVED IN 4  
EDITIONS

## MANAGERIAL TRAINING

# PROFESSION 'BOSS'

This training programme is for Sisal's **managers and new managers**. Because managing teams is not only a matter of ability or personal characteristics but **a profession that can be learnt** and must be constantly fine-tuned.

The course has **six different modules**

- Being a manager in the digital era
- Tools for proper in-person communication and feedback
- Motivation and the needs that activate it
- Seeing mistakes as an opportunity for development
- Observing performance in action, also remotely
- The boss as skills trainer

60  
PARTICIPANTS  
IN 4 EDITIONS

# EFFECTIVE NEGOTIATION AND CONFLICT MANAGEMENT

The course on **negotiation**. Being a good negotiator isn't a gift that can be improvised: it's necessary to **know what negotiation strategies to apply in different situations** and to understand personal negotiating preferences.

The course aims to provide tools and techniques for a better **understanding of both relational mechanisms** and the strategies to adopt during negotiations.

135  
PARTICIPANTS  
IN 7 EDITIONS

# THE MANAGER AS SELECTOR

This course teaches managers how to **conduct a selection interview**, a skill that until a few years ago was the reserve of HR managers but is now increasingly required of line managers too.

It centres on the **selection techniques to adopt** in order to avoid basing choices on mere sensations, thus increasing the probability of **hiring the best candidates**.

12  
PARTICIPANTS  
IN THE 2021  
EDITION

# COMMUNICATING WITH PRESENTATIONS

A course to strengthen the ability to **communicate with Power Point**, which doesn't simply mean learning how to produce an effective slide but fully **understanding what must be communicated**, and how.

Starting with the basics of presentation construction, including visual and design aspects, the course provides useful tips on styles to adopt in **drafting texts** and how to insert **graphics and numbers**.

OVER  
80  
PARTICIPANTS  
IN 7 EDITIONS

# PUBLIC SPEAKING

The **public speaking** course teaches the techniques for conveying messages in the right way to be successful not only in giving presentations but also in everyday life.

Public speaking requires a very wide range of skills including, for example, **body** control, use of the **voice**, **timing** and managing **objections**. There is a special focus on **online communication** and tools and techniques for online meetings in particular (Teams, Zoom, Skype...).

95  
PARTICIPANTS  
IN 4 EDITIONS



# Wellbeing



One of our tasks is to create a climate that enables people to deliver **optimum performance while feeling good about themselves and others**. The objective of the Wellbeing function and its initiatives is to spread a **culture of physical and mental wellbeing** at Sisal.

This will bring a threefold benefit: **for our people**, who will be free to realise all their potential; for the **company**, which will boost its own performance and attract the best talent; and for the **community**, because a sustainable working environment produces a measurable social impact, as detailed in this report.

## WELFARE

Sisal's welfare model is not of the subsidy-entitlement kind but is inspired, on the contrary, by the principles of **inclusion, empowerment and engagement**, and designed to enable everyone to work to the best of their abilities.

Based on this principle, Sisal has implemented a number of ad hoc measures including the following:

- ✔ **New mums' bonus:** 300 euros a month until the baby is 18 months old, to facilitate and economically support new mums returning to work after compulsory maternity leave.
- ✔ **Paternity leave** to enable new dads to stay at home in the early stages of a baby's life.
- ✔ **Scholarships** for employees' children covering up to 3,000 euros of expenses over five years.
- ✔ **Fitprime**, a physical wellbeing portal with discounts at gyms and wellbeing centres and for group sports activities.

## SISALCARE

**Sisal's welfare portal** offers a catalogue of high-quality services for all employees and their families throughout the country. A single touchpoint for **all the welfare services provided by Sisal**, which can be purchased directly from the portal at **preferential rates** in an easy and totally secure transaction. Sisal also provides **500 euros of credit** that can be spent on the platform's services or used as a voucher (Amazon, supermarkets, etc.). Full information for everyone at Sisal on how to use the platform can be found in various **webinars**.

## STRESS BOX

We continued to provide the service set up in 2020 to address the psychological effects of the pandemic and generally help people at Sisal deal with **anxiety and stress**. Stress Box is a **phone and e-mail help line** available to all our colleagues, to help them get through periods of stress and **control their emotions**. The service is provided by qualified in-house and external psychologists and coaches.

## WELLNESS BOX

In 2021, this package included two initiatives to improve our people's **psychophysical wellbeing**:

### ONLINE DOCTOR

Sisal offers all colleagues access to **online video-consulting** provided by a **medical centre in Milan**. The service also reports medical records in digital format.

### SELF EMPOWERMENT

To better understand their **potential** and how to realise it, colleagues could organise up to three **digital coaching and guidance sessions** using Teams or by phone. The service aims to improve wellbeing, self-efficacy and self-esteem.

## SMART WORKING

Sisal had been active on this front well before the healthcare emergency made it urgent. With the outbreak of the pandemic, the goal became to **extend as far as possible the perimeter of people who work in this way**, in line with business objectives and appealing to people's **sense of responsibility**. A survey was carried out at the beginning of the emergency to map out people's differing needs, after which the legal aspects of smart working were defined and a support group and community set up for people to share their experiences.

### SMART TUTOR

An inter-functional team of **expert smart workers** to **support colleagues less familiar** with this practice. The initiative led to the training of over 200 colleagues on smart working and, among other things, the production of a **10-point guide** to conducting virtual meetings.

### YAMMER COMMUNITY

A series of virtual spaces in which colleagues can exchange information seamlessly, feel closer together, receive replies to their questions, and **share their experiences as smart workers**. Smart Tutors also take part in this as moderators and providers of useful tips on how to navigate this phase.

+200  
COLLEAGUES  
TRAINED



## NEW WAYS OF WORKING ASSESSMENT

This involved an internal survey (April and May 2021) to **study the impact of remote working on occupational activities** and to map attitudes and needs in the various business areas. The survey was a good opportunity to **assess how far our technological tools and regulatory guidelines were appropriate** to the situation but also to identify new opportunities, redesign certain processes and fully understand the level of maturity of our organisation regarding the evolution of smart working. The survey results were published in June and July and proved useful for adjusting Sisal's policy, the technologies deployed and in general our **smart working model**. The survey and in general our experience in recent months were also useful in the definition of Sisal's **smart working policy**, which also sees remote working as an instrument of welfare capable of facilitating special maternity and parenting initiatives.

## PARENTS AND CAREGIVERS

**Being a parent** is something you learn day by day, "on the job". But certain initiatives may help, such as those designed by Sisal to support our employees in the various **stages of their children's growth**.

This innovative **guidance programme for parents and children** has been enriched with new content and adapted to the new normal we've come to know in the last two years. It offers parents guidance on how to **effectively support their children as they grow** and provide tools that help them make decisions about their studies and future careers.

The programme has four modules:

- ✔ **SOS Parents** (for parents with children from 4 to 18): for managing relationships with their children and tackling the new post-emergency routine.
- ✔ **Push to Open Junior** (for parents with middle school children): an interactive multimedia guidance programme to help choose a secondary school based on the joint assessment of abilities, attitudes, motivation and opportunities.
- ✔ **Push to Open Senior** (for parents with children in high school): providing university and career guidance enabling young people to decide what to do when they leave school. This also involves conversations with professionals from major companies and thousands of students from all over Italy.
- ✔ **Digital Parents** (for parents with children from 6 to 15): designed to help parents and children develop the digital skills needed to use new technologies with an informed approach that avoids risks.

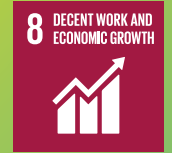
## PROFESSION PARENT

## 4 ORIENTATION PATHS

This is a training platform for parents and caregivers that helps turn life's transitions into professional effectiveness, while improving wellbeing and the balance between work and private life.

## LIFEED

# Continuous improvement, fairness and transparency



A workplace may be defined as truly "fair" when all choices are made according to the principle of maximum transparency. In practice, this means providing a clear and transparent definition of the criteria we use to assess our people.

At Sisal, we insist on fairness and equality in assigning responsibilities, defining remuneration packages, and recognising merit and career opportunities, with constant reference to market best practices and benchmarking.

2021 saw the introduction of the new Performance Management system for monitoring performance.

## PERFORMANCE MANAGEMENT

This is the tool Sisal uses to **increase the value of its people, monitor and manage their performance** and **guide them** in achieving the company's strategic goals. The new Performance Management system was launched in 2021 not only to develop our people but also to **promote a culture of continuous improvement**. This is a transparent and consistent process that provides monitoring of performance over the year in terms of objectives achieved and the skills employed to do so. It involves all Sisal employees on open-ended or fixed-term contracts.

The **Performance Management System** was designed to meet increasing demand on the part of the **new generations** (Millennials & Z gen) for **transparency, growth opportunities** and **constant feedback**, as well as to implement measures that **encourage ownership** and **autonomy** in people at Sisal.

In 2021, we developed a series of initiatives to ensure both **engagement** and proper **adoption** of the system by all employees involved.

The Performance Management process is managed in **Workday** and based on four main principles:

- ✔ Employee driven: employees play a proactive role in their development paths and at every single step of the performance management process.
- ✔ Continuous feedback: to promote a feedback culture, the Workday management programme enables personnel and their managers to receive and provide feedback to facilitate communication and sharing and so foster personal and professional development.
- ✔ Open & Flexible: the management process adopted enables updating of objectives/skills in order to be constantly aligned with business strategies.
- ✔ Transparency & Accessibility: Workday guarantees transparency towards everyone and performance data traceability over the years, as well as being easy to access from all types of device.

Performance assessment is conducted throughout the calendar year, in order to allow for constant alignment and updating of personal objectives (What) and rates an individual's skills with respect to Sisal's Skills Model (How).

For our Performance System, we identified the key skills that facilitate the achievement of objectives to strengthen our **culture of productive quality** alongside that of **quantity** (How + What).

The **Skills Model** describes the values and behaviours deemed vital for Sisal in order to develop cross-functional skills applied uniformly across the entire corporate population. Sisal's Core Skills are:

- ✔ **Collaboration e Remote Collaboration**, the capacity to collaborate in the pursuit of common goals, also in virtual relationships via digital devices; to seek synergy, build on other people's inputs and actively adapt to a work team's or colleagues' needs in order to obtain the desired result.
- ✔ **Customer Centricity**, the capacity to listen to and stimulate the needs of clients (internal and external), understand their priorities and provide the most satisfying answers; an approach designed to systematically assess customer satisfaction levels in relation to their needs.
- ✔ **Innovational Thinking**, the capacity to identify and promote innovative or in any case ameliorative solutions by generating ideas and proposals and exploiting opportunities to achieve the company's objectives.
- ✔ **Drive to Results**, the capacity to work relentlessly in pursuit of objectives even in the presence of problems and setbacks.
- ✔ **Change Agility**, the capacity to notice signs of change in people and situations and be willing to change and adapt one's behaviour to achieve objectives and see new opportunities. Treat change as an opportunity for growth and improvement and not an obstacle.

The Performance system is therefore one of the main instruments for guaranteeing professional growth guided by objective annual data and facilitating the decision-making process regarding careers, development and bonuses.

## In-depth: How we engage our people

We develop projects to create and implement innovative and efficient **working tools** that constantly improve employees' experience and foster **engagement** with our people at all levels.

### NPE SURVEY

In 2021, we conducted a new **NPE (Net Promoter Employee) survey** (coordinated by our Market Intelligence function) to study our employees' potential willingness to **recommend the company in terms of its working environment**.



The score is based on responses, expressed as a value from 0 to 10, to the question *"How likely are you to recommend Sisal as a place to work to your family and friends?"*, with the final score corresponding to these three categories:

- ✔ Promoters (da 9 a 10)
- ✔ Passives (da 7 a 8)
- ✔ Detractors (da 0 a 6)

The NPE value (%) is the difference between the number of Promoters and the number of Detractors. At Sisal, we saw that there are 22% more Promoters than Detractors.

#### Other surveys conducted in 2021

- ✔ **New Ways of Working**: la survey in collaboration with P4I covering Sisal's entire community and designed to: gather information on the characteristics of remote working, map possible changes to organisational policies, and understand which technologies would improve remote working once the emergency has ended.
- ✔ **Culture, Fitness & Fun**: using instant polls, we asked colleagues in Milan and Rome what preferential rate services they would prefer to have to improve their work-life balance, how to improve the food & beverage offering, and what recreational and fitness activities they would like to have.
- ✔ **Mobility**: to improve our commute to work and reduce the environmental impact of this and other travel, we asked our colleagues in Milan and Rome to complete a questionnaire. The results were used in drawing up Sisal's Commuting Plan.

### COMMUNITY

We worked on the creation and development of online communities where knowledge and information are exchanged informally and freely in support of internal initiatives.

In 2021, we promoted the following communities

- ✔ **Smart working – New ways of working**: a space where colleagues acting as moderators and tutors shared best practices and useful tools with all the other smart workers, so initiating conversations on people's preferred ways of organising activities such as virtual meetings.
- ✔ **Our new headquarters**: a channel managed by ambassador colleagues who previewed news about Sisal's new Milan headquarters and shared videos, photos and exciting stories.

1,212  
RESPONDENTS  
+22% NPE  
\*RESULTS FOR  
Q4 2021

SMART WORKING:  
OVER 170  
MEDIA POST  
VIEWS

NEW  
HEADQUARTER:  
OVER 220  
MEDIA POST  
VIEWS

GLOBAL INTERNAL COMMUNICATION & INTRANET SURVEY

In November 2021, we conducted our first international survey of people's perception of internal communication at Sisal. Over **700 colleagues in five countries** specified the kinds of information they deem useful for working and living in the company and the functions and content they think are indispensable on the new intranet.

The results were used as a **base on which to build the internal communication strategy for 2022** and contributed to defining the objectives of a new and genuinely global and inclusive intranet covering the countries where Sisal operates.

Colleagues' intranet suggestions included:

- having an instrument that would enable everyone to access **constantly updated** content and data about the company at any time, wherever they are and from any device;
- support operations** in branches and points of sale;
- having an updated picture of all project teams, **encouraging collaboration**.

In-depth: Our people in numbers

WORKFORCE

At the end of 2021, Sisal had a total workforce of 2,556 employees, mainly concentrated in Italy (76%). Women make up 39% of the entire workforce. 68% of the workforce in Italy are in the 30-50 age bracket, while 93% are on open-ended contracts.

WORKFORCE BY GENDER AND COUNTRY									
	2019			2020			2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ITALY	1040	725	1,765	1,134	754	1,888	1,162	777	1,939
SPAIN	0	0	0	0	0	0	6	5	11
MOROCCO	36	7	43	50	9	59	59	12	71
ALBANIA	28	12	40	72	35	107	258	157	415
TURKEY	0	0	0	73	43	116	80	40	120
TOTAL	1,104	744	1,848	1,329	841	2,170	1,565	991	2,556

WORKFORCE BY AGE AND COUNTRY												
	2019				2020				2021			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
ITALY	240	1,258	267	1,765	243	1,360	285	1,888	246	1,389	304	1,939
SPAIN	n.a.	n.a.	n.a.	0	0	0	0	0	5	6	-	11
MOROCCO	12	28	3	43	9	47	3	59	14	55	2	71
ALBANIA	36	4	0	40	87	20	0	107	237	177	1	415
TURKEY	0	0	0	0	13	101	2	116	14	103	3	120
TOTAL	288	1,290	270	1,848	352	1,528	290	2,170	516	1,730	310	2,556

WORKFORCE BY TYPE OF CONTRACT AND GENDER									
	2019			2020			2021		
	FIXED-TERM	OPEN-ENDED	TOTAL	FIXED-TERM	OPEN-ENDED	TOTAL	FIXED-TERM	OPEN-ENDED	TOTAL
M	22	1,082	1,104	93	1,236	1,329	98	1,467	1,565
F	22	722	744	63	778	841	70	921	991
TOTAL	44	1,804	1,848	156	2,014	2,170	168	2,388	2,556

WORKFORCE BY TYPE OF OCCUPATION AND GENDER									
	2019			2020			2021		
	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL
M	1,007	97	1,104	1,249	80	1,329	1,517	48	1,565
F	515	229	744	618	223	841	814	177	991
TOTAL	1,522	326	1,848	1,867	303	2,170	2,331	225	2,556

WORKFORCE BY TYPE OF CONTRACT AND COUNTRY

	2019			2020			2021		
	FIXED-TERM	OPEN-ENDED	TOTAL	FIXED-TERM	OPEN-ENDED	TOTAL	FIXED-TERM	OPEN-ENDED	TOTAL
ITALY	44	1721	1,765	156	1732	1,888	162	1777	1,939
SPAIN	0	0	0	0	0	0	5	6	11
MOROCCO	0	43	43	0	59	59	-	71	71
ALBANIA	0	40	40	0	107	107	-	415	415
TURKEY	0	0	0	0	116	116	1	119	120
TOTAL	44	1,804	1,848	156	2,014	2,170	168	2,388	2,556

NEW HIRES BY AGE AND COUNTRY

	2019				2020				2021			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
ITALY	85	109	10	204	105	171	8	284	111	170	10	291
SPAIN	n.a.	n.a.	n.a.	0	0	0	0	0	4	7	-	11
MOROCCO	6	12	1	19	3	18	0	21	6	14	-	20
ALBANIA	36	4	0	40	61	16	0	77	203	176	1	380
TURKEY	0	0	0	0	13	95	0	108	14	23	-	37
TOTAL	127	125	11	263	182	300	8	490	338	390	11	739

NEW HIRES

In 2021, 291 new employees were recruited: 11 in Italy, 20 in Morocco, 380 in Albania and 37 in Turkey. Over half the new hires are in the 30-50 age bracket.

Total turnover in Italy in 2021 was 12% for men and 13% for women. In Morocco and Turkey, turnover was 10% and 24% respectively for men and 17% and 35% for women.

NEW HIRES BY GENDER AND COUNTRY

	2019			2020			2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ITALY	122	82	204	182	102	284	170	121	291
SPAIN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	5	11
MOROCCO	16	3	19	19	2	21	15	5	20
ALBANIA	28	12	40	51	26	77	233	147	380
TURKEY	0	0	0	69	39	108	26	11	37
TOTAL	166	97	263	321	169	490	450	289	739



TRAINING

In 2021, in Italy, an average of 17 training hours were provided for each employee. The category that received most training was apprentices (31 hours on average), followed by line managers (27 hours on average).

AVERAGE TRAINING HOURS BY GENDER* (excluding compulsory training)			
	2019	2020	2021
MEN	12.8	8.3	16.96
WOMEN	11.1	8.2	17.58

\*Refers only to the Italian perimeter

AVERAGE TRAINING HOURS BY CATEGORY (excluding compulsory training)			
	2019	2020	2021
APPRENTICES	52	14.2	31.2
BLUE COLLARS	0.9	2.4	2.6
LINE MANAGERS	25.9	16.2	27.5
WHITE COLLARS	9.4	7.8	17.0
MANAGERS	18.4	5.8	12.1

HEALTH AND SAFETY

In 2021, there were a total of 12 accidents (eight men and four women) distributed evenly across workplace and commuting with an injury rate of 4.24% over 2,833,478 working hours. There were no fatalities.

ACCIDENTS			
	2019	2020	2021
MEN	5	4	8
WOMEN	19	2	4
COMMUTING	12	3	6
WORKPLACE	12	3	6
DEATHS	0	0	0

\*Data for contract workers not available

TRADE UNION AGREEMENTS ON HSE ISSUES			
	2019	2020	2021
AGREEMENTS THAT COVER/INCLUDE HEALTH AND SAFETY ISSUES	1	1	1
TOTAL NUMBER OF AGREEMENTS WITH TRADE UNIONS THAT COVER/INCLUDE HEALTH AND SAFETY ISSUES	1	2	2
AGREEMENTS WITH TRADE UNIONS	100%	100%	100%



**A MORE  
RESPONSIBLE  
FUTURE**

**INNOVATIVE AND  
SUSTAINABLE  
COMPANY**

Our company was formed over 75 years ago by three founding partners who decided to launch a project contributing to the **rebirth** of a country almost totally destroyed by war. **Hope** and **fun** are still values that count in our concept of enterprise. Alongside them is our commitment to maintaining **constant dialogue with local communities**, geared to supporting and promoting **innovation, sharing** and **social integration**.

Despite the passing of time, such values have never ceased to guide our commitment to local communities, which is perfectly in line with our goal of **generating wellbeing** for all our **stakeholders** and ensuring sustainable growth in the long term.

Thanks to a **new approach to investing in communities**, we have defined a model that is replicable and can be **adapted each year according to contingent needs**

# GoBeyond: supporting innovation in Italy

**Innovation and digital development** are central to our commitment to promoting responsible business. To this end, we set ourselves the task of **promoting the inventiveness, passion and ideas of young talents** and fostering their **spirit of enterprise**, so that they can become valuable resources for their communities and the country as a whole.

A well-established initiative to **support young entrepreneurs** and anyone who has a business idea with a social impact, GoBeyond reached its **fifth year** in 2021. The call for ideas is promoted by Sisal with CVC Capital Partners.

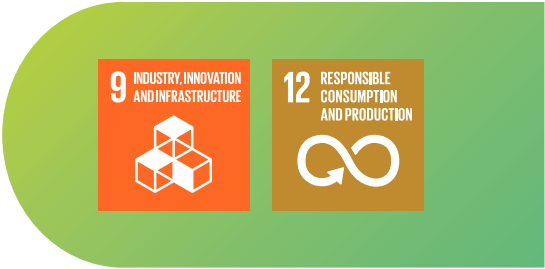
The project aims to become an always-on innovation platform with, on one hand, the start up of the Acceleration Program Award, a 6-8 month course provided in collaboration with Impact Hub to a women-led startup and, on the other, the launch of GoBeyond Academy, a training path for future innovators commencing in March 2022.

In this edition, **over 240 startups** from all over the country, 40% of them led by women, entered the contest's two categories: **For a more sustainable future** and **For a more technological and digital country**.

The prize-giving ceremony was held in the **Spazio Gessi in Milan** in full compliance with the anti-Covid restrictions in force and for a limited number of participants, some of whom via streaming. The public was in any case able to watch live on the Repubblica.it website.

The winner in the **For a more sustainable future** category was **Ittinsect**, a biotechnology startup with a mission to reduce overfishing and produce sustainable fish farming feed. Its prize is worth 40,000 euros.

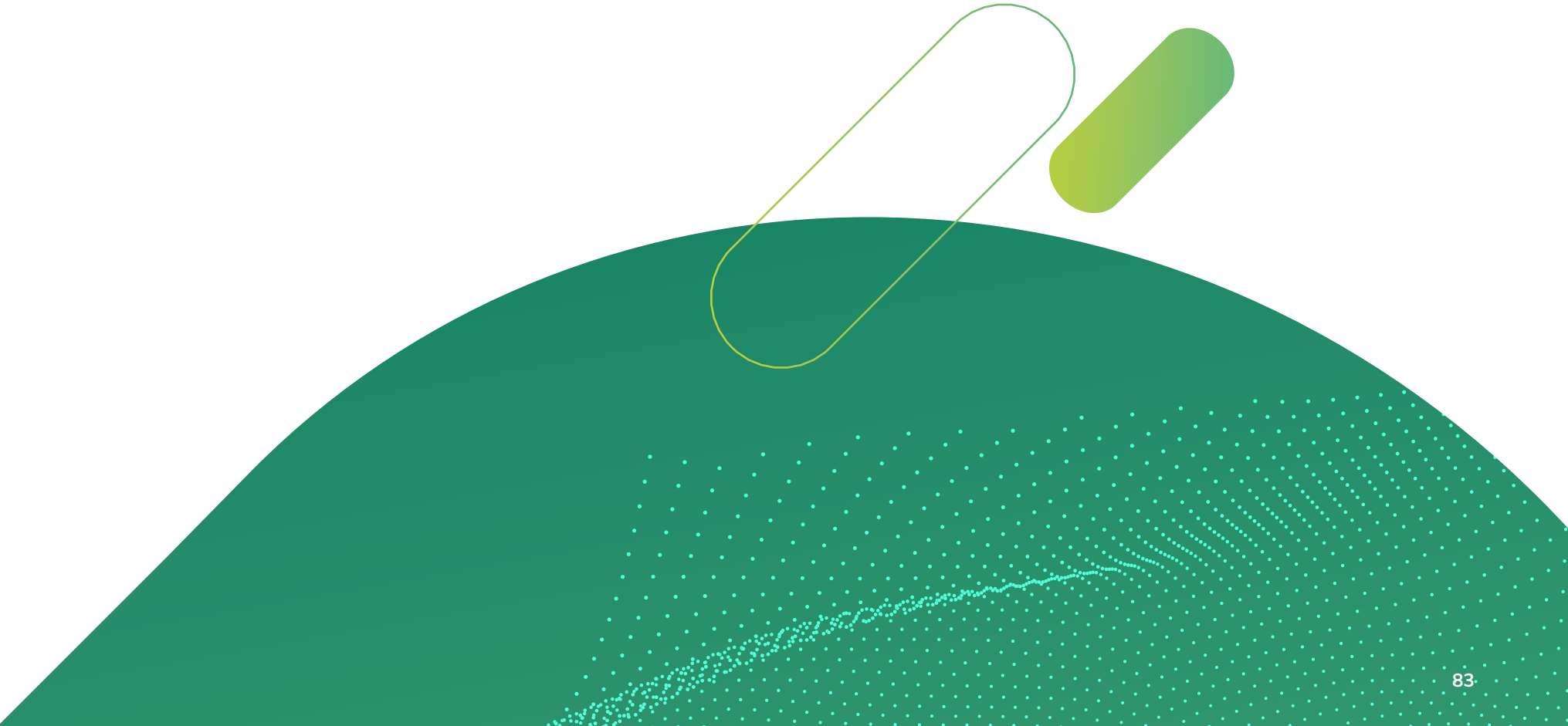
The winner of the 40,000-euro prize in the **For a more technological and digital country** category was **YSI**, the first empathetic voice assistant, created by startup Fama Labs to increase patient compliance in clinical trials.



In addition to the grants, the winning startups each earned a prestige advisory course of their choice to be funded by the network of **Enabling Partners**: Italian Tech, Osservatori Digital Innovation – Politecnico di Milano, Google, Frog, Roland Berger, Brunswick, K&L Gates, Angels4Women, Aruba.it, Mamacrowd, SheTech and Impact Hub Società Benefit.

The fifth edition also saw the assignment of the **Acceleration Program Award to Optimens**, a startup planning to measure, monitor and train the brain functions that maintain a high quality of life in the senior population, and three special mentions: **Best communication**, assigned to Leonardo, a picture that turns into a highly effective clothes drier; **Menzione Mamacrowd**, assigned to Beeing, an urban beehive that makes it possible to observe bees close up in total safety and remotely monitor their health and performance during the pollination season; **Menzione GoBeyond**, assigned (as part of the DigithON digital marathon) to BYF – Build Your Future, a startup providing consulting and training services for medium-large corporations wishing to employ personnel with disabilities.

From 2022, GoBeyond will become an annual responsible innovation programme aiming to stimulate new enterprise in Italy and contribute to the creation of sustainable and socially useful enterprise projects.





## Shared value for local communities

At the heart of our style of business is the desire to **generate shared value for people and society** through outstanding projects in support of innovation and local communities.

### WILL: VOLUNTARY WORK AT SISAL

Will is a Sisal portal launched in 2017 **to support no-profit associations and local communities**. On this platform, employees can devote up to **four hours a month** to the featured projects.

The healthcare emergency spurred us to devise new modes of inclusion in collaboration with our associations, including a series of **webinars** in which colleagues shared their knowledge of digital topics, such as how to use social networks and handle the risks of the web or fake news.

As restrictions were eased, but in full compliance with current anti-Covid legislation, **physical voluntary aid work was resumed** after being suspended during the healthcare emergency.

Will continues to grow and in 2022 will widen its offering on the portal. It will become possible not only to do voluntary work but also make donations and collect goods for specific causes, all with the aim of engaging more and more people and cultivating the spirit of solidarity and responsibility that is an integral aspect of Sisal's values.

### DONATIONS

In 2021, we continued to support communities with a contribution to **Cesvi Fondazione Onlus** for **1Planet4All**, a three-year programme co-funded by the European Union that aims to increase awareness of **climate change** among young people in 12 European countries, because it represents a global threat to the achievement of the Sustainable Development Goals. The underlying purpose is to support young people as agents of change and provide them with the skills and tools needed to take concrete action for **more inclusive, sustainable and climate-smart communities**.

During the year, we also supported one of Sisal's oldest partners, the **Arte nel Cuore** association, the first European **arts training project for disabled and able-bodied people**, which has a mission to **overcome cultural and mental barriers** by sharing an experience and filling a gap in the offering of services and activities for disabled people who want to develop their artistic talent in an integrated environment.





**A MORE  
RESPONSIBLE  
FUTURE**

**CARING  
ABOUT THE  
ENVIRONMENT**



# Managing environmental impact

At Sisal, we are convinced that today more than ever **caring for the environment** should be a **commitment for everyone**: individuals, governments and institutions, civil society, and especially businesses. That is why we have decided to ramp up our efforts for the planet.

During 2021, there was an **assessment of all corporate areas** to identify the processes with the greatest impact and measure their magnitude, as well as to understand the effective size of Sisal's "footprint", in order to identify the right levers to pull.

Analysis and measurement are only the starting point. Given that concrete action has become increasingly urgent, in parallel with this we are drawing up an **environmental sustainability plan** to deliver the negative impact reduction goals already defined, but also to lay the foundations for **a truly eco-sustainable business**.

Although the priority challenge we want to tackle is **climate change**, we regard as equally important issues linked to the **responsible consumption of materials** and **waste management**, with a special focus on the lifecycle of **electrical and electronic equipment (EEE)**.

Our scope of action extends **beyond corporate boundaries** and covers the entire value chain, with the aim of **effectively involving all key suppliers** in the commitment to the environment.

For us at Sisal, caring for the environment means achieving **sustainability in our processes and workplaces**, where we adopt solutions and strategies privileging the **use of renewable energy**, the development of **sustainable mobility** and the **reduction of consumption levels**.

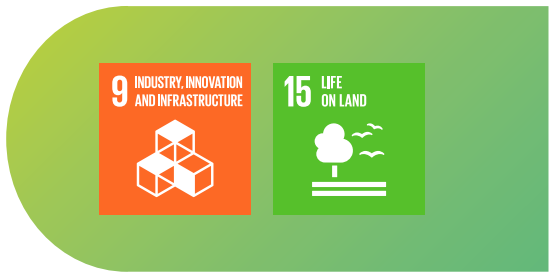
# Emissions and energy consumption

## EMISSION

The issue of climate change has become extremely relevant for all of us. Today businesses are therefore called upon to make an active contribution to the decarbonisation process, regardless of their sector.

Confirming Sisal's strong determination to deliver on the **challenging emissions reduction and elimination goals** it has set itself, we have launched a **specific analysis and measurement initiative** to "take stock" of the GHG emissions deriving from our operations. Only through detailed knowledge about the origins of these impacts can we identify the most effective solutions to reduce them and report transparently on our progress towards achieving **Net Zero**.

The methodology used to calculate emissions is based on the **GHG Protocol Corporate Standard**, applying country- and activity-specific emissions factors.



Today Sisal is able to report on its **direct GHG emissions (scope 1)** and **indirect emissions from energy consumption (scope 2)**, and is working to complete the quantification of "scope 3" emissions, i.e. those occurring outside the organisation, including upstream and downstream emissions.

Direct GHG emissions from sources owned or controlled by Sisal (scope 1) mainly originate in **fuel consumption for the corporate fleet**.



Indirect GHG emissions from electricity purchased or consumed for heating/cooling (scope 2) mainly derive from **central heating in buildings**.



\*The "TERNA - Confronti internazionali 2019" location-based method was used for electricity conversion.

Finally, the main sources of **scope 3 emissions** so far identified and in the process of quantification are:

- business trips made in non-company vehicles (private vehicles, trains, aeroplanes, ...)
- staff commuting between home and work (main sites)
- energy consumption of IT infrastructure (servers) outsourced to third-party suppliers
- indirect energy consumption of points of sale
- logistics activities outsourced to third-party suppliers

We therefore expect scope 3 emissions to represent the **main component of Sisal's carbon inventory**.

	ITALY tCO2e	MOROCCO tCO2e	TURKEY tCO2e	SPAIN tCO2e	ALBANIA tCO2e	TOTAL tCO2e
<b>GHG EMISSIONS - SCOPE 1*</b>	<b>2,056</b>	<b>363</b>	<b>265</b>	<b>-</b>	<b>0</b>	<b>2,684</b>
From fuel consumption for heating (offices and direct PoS)	217	0	8	-	0	225
From HFC in cooling and air-conditioning systems (offices and direct PoS)	0	0	0	-	0	0
From fuel consumption for the corporate fleet	1,839	363	257	-	-	2,459
<b>GHG EMISSIONS - SCOPE 2**</b>	<b>203</b>	<b>5</b>	<b>142</b>	<b>1***</b>	<b>17</b>	<b>368</b>
From electric power purchased from non-renewable sources (for offices and direct PoS)	0	5	142	1	17	165
of which heating purchased from third parties	203	0	0	-	0	203
<b>TOTAL</b>	<b>2,259</b>	<b>368</b>	<b>407</b>	<b>1</b>	<b>17</b>	<b>3,052</b>

\* Emissions were calculated based on emission factors provided by the EPA in "Emission Factors for Greenhouse Gas Inventories 2021". These EPA emission factors are the ones used by the GHG Protocol. For emissions deriving from vehicles, the emission factors used are those proposed by DEFRA – "Defra conversion factor 2021 – Car (by size) average", because they are better aligned with the Italian and European scenario.

\*\* "TERNA – Confronti internazionali 2019" was used for electricity conversion (method-based for Italy and location-based for foreign countries).

\*\*\* The business of Sisal Juego Espana S.A. is exclusively online. No operations are performed at physical points of sale. The company has only one site, a coworking facility that provides 14 work stations for Sisal personnel (half of which were used in 2021 as a result of smart working). As the coworking facility is not managed directly by Sisal, no measured data are available on either energy consumption or sources (renewable/non-renewable). They were therefore estimated on the basis of the report published by ENEA-ASSOIMMOBILIARE "Benchmark di consumo energetico degli edifici per uffici in Italia" [Energy consumption benchmark for office buildings in Italy]. The IPE value for Southern Italy (expressed in kWh/m2) was used because it was thought to be best aligned with the geographical location of the office in Spain (Ceuta). No information is available on water consumption or waste production. Given the size and characteristics of the office, they are not thought to be significant.

## ROADMAP TO ZERO

While on one hand we are committed to **completing the reporting initiative** in order to consolidate the base line against which to assess the achievement of goals, on the other we are developing numerous **projects to eliminate the impact of Sisal's operations on the climate**, some of which we have already launched.

Since 2021, for example, all Sisal sites in Italy are supplied with **electric power from renewable sources**. This has resulted in significant savings in terms of emissions, which can be quantified in **3,547 tCO2eq**.

In addition, between 2020 and 2021, the **IT infrastructure** (servers) initially kept in-house was outsourced to green data centres that guarantee a reduction in energy consumption and, most importantly, zero emissions because the energy is sourced exclusively from renewables.

Also being defined are initiatives addressed to indirect impacts relating, for example, to the sustainability of points of sale and staff commuting between home and work.

## ENERGY CONSUMPTION

ENERGY CONSUMPTION WITHIN THE ORGANISATION  
2021  
81,500 GJ IN 2020

**35%**  
DIESEL FOR CORPORATE FLEET

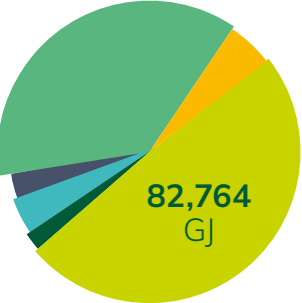
**4%**  
GASOLINE FOR CORPORATE FLEET

**4%**  
HEATING (DIESEL)

**2%**  
ELECTRICITY FROM NON-RENEWABLE SOURCES

**50%**  
ELECTRICITY FROM RENEWABLE SOURCES

**5%**  
NATURAL GAS FOR HEATING SYSTEMS



	ITALY (GJ)*	MOROCCO (GJ)	TURKEY (GJ)	SPAIN* (GJ)	ALBANIA (GJ)	TOTAL (GJ)
Natural gas for heating systems	4,300	0	151	0	0	4,451
Petrol for corporate fleet	0	0	3,502	0	0	3,502
Diesel for corporate fleet	24,054	4,745	345	0	0	29,144
Electricity from non-renewable sources	0	41	1,232	23	185	1,481
Electricity from renewable sources	41,149	0	0	0	0	41,149
Heating purchased (diesel oil)	3,036	0	0	0	0	3,036
TOTAL	72,540	4,786	5,230	23	185	82,764

\*(EPA, DEFRA) Conversion factors of energy consumptions

# Raw materials

## WASTE

We have always understood that good waste management can contribute to the development of the circular economy, by limiting waste production and prioritising recycling solutions over traditional disposal methods.

Starting with the organisation of **staff awareness raising initiatives** in offices and directly managed points of sale, the aim is the continuous improvement of **separate waste collection systems**. For this purpose, various initiatives have been implemented during the year, ...



As the services offered are mainly digital, an important component of the waste produced derives from the **end of life of electrical and electronic equipment (WEEE)**, which includes both the IT resources of Sisal employees, as well as the terminals and gaming equipment in points of sale. The implementation of procedures to reduce disposal and increase recycling of these products is a priority for the Group.

	ITALY (t)	MOROCCO (t)	TURKEY (t)	SPAIN* (t)	ALBANIA (t)	TOTAL (t)
Hazardous	103	-	0	-	-	103
of which hazardous WEEE	102	-	-	-	-	102
Non-hazardous	336	-	23	-	-	359
of which non-hazardous WEEE	56	-	-	-	-	56
TOTAL	439	-	23	-	-	462

Paper is one of the materials to report the highest consumption because it is used extensively to provide our services in both offices and points of sale. Sisal is committed to reducing its impact by seeking to conserve natural resources, by preferring digital solutions, and by using renewable and recyclable materials.

## PAPER

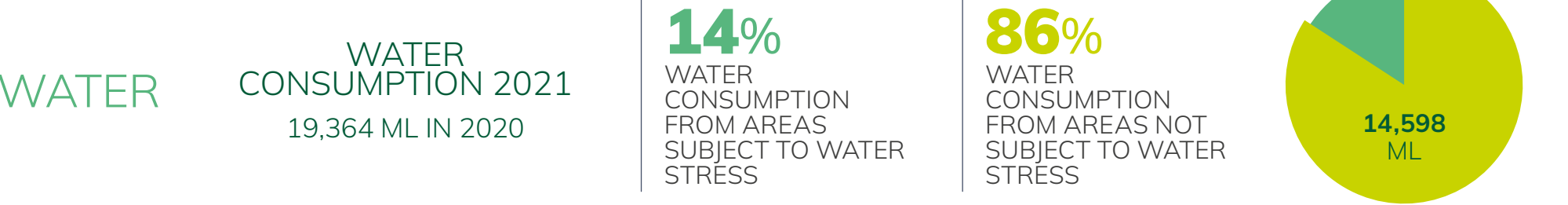
We promote responsible behaviour among our employees as a way to reduce paper consumption in our offices, and one of the factors we consider when selecting suppliers is their willingness to make sustainable choices in the use and recycling of materials.

Lastly, since the high consumption of thermal paper by retailers make it one of the categories with most environmental impact, we are working to digitise services and receipts, where possible, in order to significantly reduce paper consumption.



	ITALY (t)	MOROCCO (t)	TURKEY (t)	SPAIN* (t)	ALBANIA (t)	TOTAL (t)
Regular printer paper	6.3	0.2	16.3	-	-	22.8
Recycled paper for printers/shipments	4.4	-	16.8	-	-	21.2
Regular thermal paper	788.1	67.6	420.1	-	-	1,275.8
Recycled thermal paper	0.0	0.0	0.0	-	-	0.0
Paper for advertising in direct and indirect PoS - regular	28.9	-	27.7	-	-	56.6
Paper for advertising in direct and indirect PoS - recycled	0.0	-	0.0	-	-	0.0
Other paper consumption	0.0	0.0	1,525.2	-	-	1,525.2
TOTAL	827.7	67.8*	2,006.1	-	-	2,901.6

\* 15.371.040 m, estimated as 67.6 t based on a weight of 4.4 g/m



	ITALY (ML)	MOROCCO (ML)	TURKEY (ML)	SPAIN* (ML)	ALBANIA (ML)	TOTAL (ML)
Water consumption	14,138	0,154	0,306	-	-	14,598
of which from areas subject to water stress	1,656	0,154	0,306	-	-	2,116

\*The water consumption data in Turkey refer only to the last three months of 2021 due to an office move.

# Sustainable supply chain



The challenges posed by sustainability must be shared and internalised by everyone in our supply chain, from suppliers to points of sale. Because if even only one link in the chain is out of alignment, everyone loses.

We are therefore committed to **promoting our sustainability strategy along the entire chain and ensuring it is put into practice.**

## OUR SUPPLIERS

Our growth and development have always drawn on a network of **strategic partnerships** with numerous **suppliers** selected because they have the best specialist skills available on the market and are in line with our values and objectives: the creation of value and fostering wellbeing for all our stakeholders.

To this end, we develop **direct and transparent dialogue** with all our suppliers and engage in continuous collaboration and **sharing of responsibility**, in order to manage and minimise business risks and to improve the efficiency and innovation of both the products we offer and our internal operating models.

We have a total of **1,466 suppliers**, representing a total supply contract value of **€187m**. The number of suppliers includes the Italian perimeter and its subsidiaries, with 264 suppliers for the Sisal Sans (Turkey) perimeter alone.

Under our **Quality Management System**, we apply a stringent supplier **assessment and qualification** process that requires partners to stay aligned with the requirements of new legislation in the gaming industry and with our stakeholders' expectations. Suppliers are assessed on the basis of their **compliance** with the provisions of contracts and orders, as well as by **monitoring** variance between the **service levels agreed (SLAs)** and those actually delivered. SLA controls and assessments of other elements, such as delivery times and conformity to specifications, are used for supplier analysis and a twice-yearly updating of the **Vendor Rating Index (VRI)**, which records suppliers' overall performance and flags areas for improvement.

All our suppliers are required **by contract to comply** with the rules and principles set out in the **Code of Ethics and Conduct** introduced pursuant to Legislative Decree no. 231/01 and available for consultation on the corporate website. This document helps us fulfil our commitment to building a **strong collaborative partnership** with our suppliers, in such a way as to provide assurances that both the company's requirements and those of its end consumers are always satisfied in terms of quality, cost and prompt delivery. We have also introduced control systems for the **prevention of corruption** according to standard UNI ISO 37001:2016.

## INTERNATIONAL PROCEDURES

Our international development in recent years has led to the **internationalisation of procurement procedures** in order to obtain better contractual conditions for our foreign sites. To ensure consolidation and continuous improvement of our procedures, our foreign procurement teams are constantly backed up by our **Italian HQ procurement function**, which supervises and supports the purchasing of products and services for our overseas operations.

As happens for the Italian market, the **International Procurement function** oversees all **negotiating activities** with the supply chain for each of our foreign branches. These activities include scouting for new suppliers, sourcing (preparation of tender documentation, assessment of offers, and selection and contracting of suppliers), and uploading contracts to the Appian platform.



TYPES OF SUPPLIERS

Gaming Terminals, Gaming Materials, Logistics and Transport Services, HW Installation and Maintenance, Call Center Services, Media, Events, Marketing, Creativity and Market Research, Voice Communication and Data Transmission Services, Hardware and Software, Gaming Platform Suppliers, Consulting and Professional Services, Refurbishment Contractors, Personal and Building/Point of Sale Services, Food & Beverage, Sisal Television, Data Center Services.

MANAGING THE IMPACT OF PRODUCTS AND SERVICES

	Unit	2019	2020	2021
Number of FSC certified suppliers of gaming materials out of the total	%	100	100	100
Use of energy from renewable sources	%	Certified "100% Clean Energy"	Certified "100% Clean Energy"	Certified "100% Clean Energy"



**A MORE  
RESPONSIBLE  
FUTURE**

**BUSINESS  
ETHICS**

At Sisal we believe in an **ethical approach to business** based on a **set of behaviours and values** that determine an individual's conduct within and towards the community. Ethical values may therefore be considered the basic principles disciplining interaction between Sisal, through its employees, and its stakeholders.

Sisal's conception of Business Ethics is rooted in **three fundamental values**:

# BUSINESS INTEGRITY

meaning the way in which Sisal and its employees act, not only in terms of compliance with the law and regulations, but inspired by principles of **legality, loyalty, fairness, transparency and responsibility**.

# DATA ETHICS

meaning the adoption of fair and honest practices for collecting and processing personal data (in terms of methods, types and purposes) and insistence on maximum transparency towards our customers.

# SECURITY

meaning respect for the **confidentiality, integrity and availability** of **IT infrastructure and systems**.



# Business Integrity & Culture

## INTERNAL CONTROL AND RISK MANAGEMENT

An effective internal control and risk management system is **one of the pillars on which we build our concept of sustainable enterprise**. Having a structured, comprehensive set of streamlined, effective management processes contributes to rapid and informed decision-making and makes it possible to define medium and long-term strategy consistently with our corporate purpose and vision. Specifically, our internal control system is structured to allow us to **identify, analyse, monitor and assess the risks associated with corporate operations and objectives**, and to **take any countermeasures** needed to ensure that corporate processes are efficient and effective, and that business is conducted correctly and fairly.

## RISK MANAGEMENT

The **Enterprise Risk Management (ERM)** framework has been our integrated risk management system since 2008. The ERM model plays a fundamental role in integrated risk management in all Group companies. It operates in line with the recommendations of the **CoSO framework** and **international best practices** and its main objective is to identify risks using criteria applicable across all corporate levels and areas for the purpose of **identifying priority events** and **ensuring their consolidation and reporting**.

Within a broader framework of risks, the ERM model is used to **identify, assess and monitor ESG risks**, i.e. risks arising from a set of environmental, social and governance factors that may have a negative impact on a business's performance and reputation.

## COMBATING CORRUPTION

In full compliance with the law, regulations and all the provisions of international standards and guidelines, Sisal Group is committed to **preventing and combating the occurrence of offences in the conduct of its activities** and has adopted business integrity as one of its primary values, through which it sends out messages of **loyalty, fairness, transparency, honesty and integrity**.

In this context, corruption is an intolerable obstacle, so we are duty bound to **actively contribute to the fight against corruption and conflict of interest**. To this end, Sisal has put in place a set of rules, functions and people, as detailed below:



All Sisal people are responsible for complying with anti-corruption law: all employees are therefore constantly involved in **training and communication initiatives**, and all the relevant documents are easy to access via the company's website and intranet portal.

Sisal is also the first company in the gaming industry in Italy to have obtained **ISO 37001:2016 certification (Anti-bribery management systems)**. This certification is issued by an independent third party and identifies a management standard to help organisations combat corruption by fostering a culture of integrity, transparency and conformity.

REPORTING INFRINGEMENTS

To prevent and combat behaviours that are illicit and not in line with its values, Sisal has adopted an **independent system** for receiving and managing reports of infringements. The management and **all Sisal employees are encouraged and duty bound to report behaviours** that are not in line with the principles and contents of the **Code of Ethics, Model 231** and the **Anti-corruption Policy**.

**All Sisal personnel are informed and educated** on what can be reported and through which channels, receiving periodical notices and specific training. There is also a link for easy access to the **Whistleblowing platform on the company intranet**.

Further, to strengthen trust and participation in the fight against illegal conduct, Sisal makes it **possible to report** occurrences of corruption, fraud or other non-conformities or irregularities to all the **external stakeholders**, such as suppliers and business partners, using dedicated and independent channels. While to facilitate reception of reports, Sisal has **multiple communication channels** (e.g. email, Whistleblowing platform, ordinary post) accessible to all Sisal employees and stakeholders. The whistleblowing channels are always open on Sisal's website and intranet and are managed by an independent body, Sisal's Supervisory Board, which is responsible for receiving and processing reports.

SISAL IS COMMITTED TO GUARANTEEING PROTECTION OF WHISTLEBLOWERS

WE DO NOT TOLERATE RETALIATION

which means that the identities of the reporting party and the reported party are always guaranteed protection and confidentiality, by processing their data in accordance with the law and any other useful measures adopted. Sisal also accepts anonymous reports, where legally provided for.

safeguarding whistleblowers is a priority for Sisal, so acts of retaliation or discrimination, whether direct or indirect, against the whistleblower for any reasons directly or indirectly connected with the whistleblowing are forbidden and punishable.

COMBATING MONEY LAUNDERING AND THE FUNDING OF TERRORISM

Ensuring that there is effective and timely monitoring of the adequacy of its systems for **preventing and combating illegal gaming, money laundering and funding of terrorism** is a big priority at Sisal.

That is why Sisal has a comprehensive system of policies and procedures in place for the entire Group. **The Group policy** defines the structure and organisation of the **Group AML Function** and its responsibilities, roles and tasks, as well as the general rules that all the Italian companies and foreign subsidiaries must comply with in order to prevent money laundering and funding of terrorism. The Policy is then articulated in **individual procedures and operating instructions** specific to the various separate entities, also with regard to national characteristics and requisites.

In line with the **risk-based approach** and to fulfil the relevant legal obligations, Sisal carries out **adequate monitoring using automated systems developed in-house on the basis of industry-specific know-how and databases provided by external providers**. Such systems make it possible, among other things, to carry out thorough **reputational screening** of players and the ownerships of retail network operating companies in order to verify the **existence of the legal reputational requisites**, both prior to contract stipulation and regularly thereafter.

**Transaction monitoring, customer profiling** and documentation retention activities are carried out **using systems developed in-house and customised for the peculiar needs of the gaming world**. The **Transaction Monitoring tool** enables us to monitor gaming operations for the purpose of identifying movements to flag and, where necessary, refer to Function personnel for assessment prior to initiating the process of reporting the suspect transaction to the authorities.

**In this Function, training is a vital activity** and a central pillar in the internal control system, ensuring that we have adequate measures in place to manage and mitigate the risks of money laundering and funding of terrorism. **Training is obligatory for all employees** (including new hires) **and partners, including point of sale staff**, to raise their **awareness of ML/FT risks** and extend their basic knowledge of **anti-money laundering law**, given they are already familiar with the internal procedures and know how to recognise and deal with potential suspect transactions or activities.



# Data Ethics

Alongside the definition of the purposes of and procedures for the **processing of personal data**, Sisal has adopted a series of **Data Ethics** principles that support and ensure that the decision-making process is ethical. In particular, Sisal prioritises and guarantees respect for such values by applying the following principles:

- ✔ **Accountability:** Sisal has adopted a governance model designed to monitor control, commitment and responsibilities and to strengthen the ethics, conformity and sustainability of services.
- ✔ **Ethics & Fairness:** Sisal adopts fair and equitable practices towards customers, with the objective of minimising discrimination and treatment that is penalising or biased.
- ✔ **Privacy:** Sisal processes customers' personal data in accordance with privacy principles and legislation and guarantees data minimisation, retention for limited periods, use for specific and transparent purposes and accessibility at any time.
- ✔ **Quality & Accuracy:** Sisal aims at a high level of data quality in terms of accuracy, precision and updating and adopts all the necessary measures to enable deletion or prompt rectification.
- ✔ **Transparency:** Sisal guarantees a high level of transparency and clarity regarding the procedures, types and purposes of personal data collection and processing on channels, products and services provided to customers.
- ✔ **Responsible Data Sharing:** in line with the accountability principle set out in the GDPR, Sisal guarantees that technical and organisational measures are in place to ensure legal compliance and also protect personal data processed by third parties acting in the name and on behalf of Sisal. Responsible data sharing, in fact, must be based on processes that actively consider, prioritise and protect the interests of individuals.

In line with its declared Data Ethics principles, **Sisal has adopted a specific privacy protection policy** based on three main lines of action:

## EMINENCE & STRATEGY

- ✔ **Awareness e training:** special activities are organised to heighten employees' awareness of data protection issues, implement a diffuse compliance model and guarantee correct management of business processes in terms of Privacy and Data Ethics.
- ✔ **Control framework:** continuous monitoring by means of second level controls on the aforementioned general Privacy & Data Ethics principles (legality, transparency, correctness, data minimisation, limited conservation, Controller accountability).
- ✔ **Transparency:** drafting of information notices and public pages illustrating Sisal Group's commitment and mission regarding Privacy and Data Ethics and effective management of data subjects' requests to exercise their rights.
- ✔ **Cookie management e cookie compliance:** Sisal has implemented a process for monitoring compliance with current law on cookies by Sisal's websites and mobile app.



## PRIVACY & ACCOUNTABILITY

- ✔ **Modello di Governance:** Sisal has adopted an internal governance model that provides a comprehensive control structure guaranteeing protection of personal data specific to business activities and identifying the roles and responsibilities of subjects involved in guaranteeing that personal data are processed in compliance with applicable laws (first and foremost, EU Regulation 2016/679 (GDPR)), thereby improving the company's commitment and awareness in this area.
- ✔ **Policy and procedures:** to guarantee compliance with the relevant provisions of privacy law, Sisal has drawn up and regularly updates its Privacy & Data Ethics policy and procedures.
- ✔ **Processing Register:** the process that updates and monitors the processing register is managed in such a way as to guarantee tracking of Sisal's activities involving the personal data processed.
- ✔ **Exercising of data subjects' rights:** Sisal has defined a process for receiving and promptly responding to data subjects' requests to exercise their rights.
- ✔ **Privacy by design e by default:** Sisal uses a checklist to assess privacy protection "by design" and "by default" in the case of new initiatives, services or products.
- ✔ **Data Protection Impact Analysis:** Sisal has adopted a risk analysis and impact assessment methodology for types of processing that entail a high level of risk for data subjects' rights and freedoms, in line with the methods adopted by the company and with the definition of security measures to reduce such risk..

## RESPONSIBLE DATA SHARING

- ✔ **Third-party contract management:** management of third parties involved in processing personal data, including drafting and negotiation of privacy clauses in contracts and of data protection agreements, as well as verification of guarantees provided by the third party.
- ✔ **Monitoring of third parties:** continuous monitoring of third parties' level of privacy compliance by means of periodical audits of selected stakeholders that process personal data for Sisal, thus guaranteeing correct processing of personal data along the entire chain.



# Security

Sisal sees **protection of its information assets and management of ICT and security** risks (including cyber risks) as objectives of prime importance to be pursued on a continuous improvement basis.

Sisal's management believes that **cybersecurity is an enabling factor in the pursuit of business objectives** and guarantees the organisation's commitment to:

- ✓ guaranteeing **central security governance** designed to preserve the confidentiality, integrity and availability of the company's information assets;
- ✓ promoting the development and ongoing evolution of **security technology solutions** to ensure Sisal has a sustainable advantage in the long-term and in line with its objectives and values;
- ✓ favouring the construction of an adequate **organisational model for managing information security** in line with growth objectives and promoting development of the skills needed to keep effective protection systems in place;
- ✓ guaranteeing **compliance with applicable laws, regulations and standards** that impact information security, as well as with specific contractual agreements with various stakeholders;
- ✓ promoting **innovation in the field of security** to guarantee constant alignment with new technological developments and use of new generation methods, processes and solutions;
- ✓ guaranteeing data security, resilience and protection in the context of **services offered to consumers and clients**, thereby increasing their reliability;
- ✓ spread a **culture of information security and sensitivity to cyber risks** at Sisal in order to raise the level of awareness about the behaviours involved and guidelines to follow to forestall threats;
- ✓ promoting adoption of a **risk-based approach** to choosing security measures by means of a **framework built into** the company's overall risk management model.

Given the increasing frequency of cyber attacks in recent years, and with the aim of continuously strengthening protection systems and ensuring security in the context of its customer services, Sisal has defined a **cybersecurity strategy** that is evolving in step with its risk-based approach.

Constantly aligned with its business objectives, Sisal's cybersecurity strategy was carried forward in 2021 by the completion of initiatives in the following areas:

- 1 Cybersecurity Culture:** one of the main strategic objectives in the cybersecurity area is to ensure that people across the entire organisation are adequately informed on cyber risk and ways to reduce it. Initiatives completed in 2021 to this end included:
  - ✓ **Security Awareness:** awareness of cyber threats and of the lines of conduct to adopt in order to reduce exposure to risk is indispensable for the company's security. To this end, Sisal continually organises awareness sessions on various communication channels and also tests their efficacy by simulating attack scenarios to verify the organisation's capacity to react effectively.



- ✓ **Security Training:** the development of security skills is another major aspect of Sisal's security strategy. Training is provided at all levels in the organisation and tailored to specific roles. Key training activities include the sessions on secure source code development for teams engaged in the software development life cycle: this helps avoid the occurrence of vulnerabilities in customer applications and services.

- 2 Security Governance:** management of cybersecurity is guaranteed by a Security Governance model that Sisal has developed over the years in order to keep abreast of state-of-art security in our sector and aligned with changing risk scenarios. The main areas involved were:

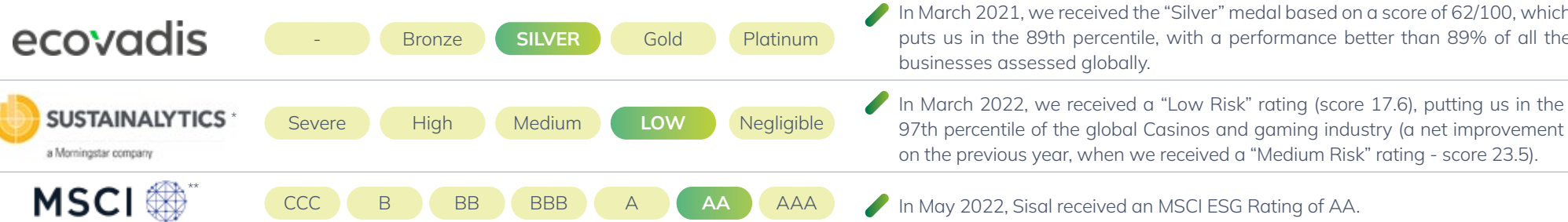
- ✓ **Strengthening the organisational structure of the Security function:** an adequate scaling up of the Security function and the need to guarantee expertise in line with the evolving cyber security world were the main drivers in the growth of Sisal's security function, involving the introduction of new professional roles to upgrade the management of our security capability.
- ✓ **Security certifications:** Sisal implemented and maintains an Information Security Management System that incorporates the guidelines set out in the main industry standards and regulations, including ISO27001 and WLA-SCS, and is an enabling factor in the pursuit of its business objectives.
- ✓ **Security Framework:** to define security requisites, adapt them for specific processes and verify their effectiveness, Sisal has developed a framework of policy, procedures and guidelines that it keeps constantly updated. The framework has first, second and third level controls and indicators for continuous monitoring.
- ✓ **IT & Cyber Risk management:** risk assessment plays a major role in defining objectives and guidance for protection measures. To this end, Sisal has defined an ICT and Cyber Risk management model that involves assessment and monitoring of the organisation's exposure to such risks and identification and implementation of risk mitigation measures.

- 3 Security enforcement:** technological developments, digitisation of services, adoption of cloud services and the evolution of cyber attack scenarios are some of the phenomena that Sisal sees as drivers to strengthen its security posture. In 2021, initiatives were completed in the following areas:

- ✓ **Prevention:** to forestall potential attacks and raise the level of protection against cyber threats, Sisal has invested in the upgrading of its security capability by implementing new generation technological solutions. There was a special focus on online gaming services and, with the aim of reducing the risk of fraudulent access to customers' gaming accounts and theft of authentication credentials, a new technological solution was adopted to analyse service authentication methods and report to customers in real time any logins that look unusual or suspicious. Other prevention initiatives included the integration of new functions in vulnerability detection systems and various security testing activities, both linked to software development cycles and performed at random on critical systems. Lastly, Cyber Threat Intelligence practices were employed to prevent, as far as possible, cyber attacks or events capable of negatively affecting the Sisal brand.
- ✓ **Detection & Response:** investments in security technologies also serve to boost effectiveness in the security event and incident identification and response phases. To this end, projects were completed to upgrade the ability of our security monitoring technologies to detect security events and to introduce automated containment solutions.
- ✓ **Resilience:** the capacity to guarantee continuity of business services and processes even during security incidents is a crucial aspect of security strategy. In 2021, the main unavailability scenarios arising from cyber attacks (e.g. ransomware and denial of service) were integrated in the operational continuity management system.

## In-depth: ESG Rating

With the aim of promoting the continuous improvement of our sustainability management system, we decided to proactively request an **assessment by some of the world's leading ESG rating platforms**. At the start of 2022, the Group's commitment to sustainability is reflected in the Sustainalytics rating, becoming the world's third-ranking company in the **"Casinos and Gaming"** sector.



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## In-depth: Our Certifications

In order to guarantee and formalise our commitment **to safeguard our customers** and to offer a **high-quality, entertaining and secure experience**, we have embarked on an extensive and challenging **certification effort** in the following areas: **Responsible Gaming, Quality Management, Corruption Prevention, Information Security, Occupational Health and Safety, Environment, Energy and Prevention and Control of Infections**.



## RESPONSIBLE GAMING CERTIFICATIONS

Perimeter: *Sisal Lottery Italia S.p.A.*

Since 2011, our **Responsible Gaming** programme has been certified according to **EL** (European Lotteries) and **WLA** (World Lottery Association) standards at the highest level. The most recent renewal in 2020 was granted following an independent assessment by PwC to verify the compliance of the initiatives implemented by Sisal with the provisions of the European Responsible Gaming Standard. The standard identifies the key issues for gaming operators to promote responsible gaming and groups them into eleven sections. The most important of these are participation in **research projects** to understand the issues linked with **problem gaming**, the development of specific **training programmes** about responsible gaming issues for **employees** and the **retail network**, the creation of **games** based on an approach designed to reduce **risk**, the development of **commercial communications** in accordance with the principles defined in applicable legislation, and the **engagement** of stakeholders in initiatives to raise awareness about responsible gaming issues.

## QUALITY MANAGEMENT SYSTEM (UNI EN ISO 9001)

Perimeter: *Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A., ACME S.r.l., Network Italia S.r.l., Sisal Gaming S.r.l and Sisal Loterie Maroc.*

For the purposes of promoting customer centricity, we extended the perimeter of ISO9001 processes with an impact on **customer satisfaction**, which we believe can only be achieved through a sustainable approach to the **institutional and competitive scenario** and a **transparent and responsible dialogue with all stakeholders**. We firmly believe in **risk-based thinking** and the need to identify risk factors as early as possible, so that we can manage them before they become a problem and seize any **growth opportunities** they generate.

## CORRUPTION PREVENTION MANAGEMENT SYSTEM (UNI ISO 37001)

Perimeter: *Sisal S.p.A., Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A.*

We promote a **culture of lawfulness and crime risk prevention** to ensure **full compliance** with regulations, protect Sisal's assets and contribute to achieving its corporate objectives. Our commitment to pursuing this goal can be seen in the introduction of specific **principles of ethical conduct**, in the drafting of a **corruption prevention policy** and, more in general, in the adoption of a management system designed to mitigate the risk connected with acts of corruption (whether active or passive, attempted or committed, public or private). The system employs **specific instruments** that have been upgraded (such as due diligence) or newly introduced to satisfy legal requirements (such as the Corruption Prevention Conformity function). All this testifies to and strengthens the **internal control system**, ensuring it is in a position to manage and limit the risk of "mismanagement", which not only causes economic harm, but also and more importantly, reputational damage.

INFORMATION AND CYBER SECURITY MANAGEMENT SYSTEM  
(UNI CEI EN ISO/IEC 27001, WLA SCS, ISS SGAD)

Perimeter: Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A., Sisal Loterie Maroc, Sisal Sans.

We have been certifying all our **customer data protection** activities since 2013, because the reliability of our Information and Personal Data Security Management System needs to be under the strictest possible control, with a special focus on **digital channels**. This is to ensure the **integrity** and **confidentiality** of our channels in a world where the risk of security system breaches is constantly rising. We have also appointed a **Data Protection Officer** (DPO) to analyse the risks we face and ensure that our internal processes are aligned with personal data processing legislation.

In the area of **cyber security**, the **Chief Information Security Officer** (CISO) provides strategic vision and ensures ongoing improvement of processes to mitigate the cyber security risks we face. For this reason, the CISO and his or her organisation work in synergy with Management, Business Areas and Markets, HR, Internal Auditing and Risk Management, as well as with the Compliance area.

To formalise and certify our commitment to the issues set out above, we are the subject of ongoing audits and checks by independent entities to maintain the following certifications:

- ✔ **WLA-SCS** - lthe certification issued by World Lottery Association in compliance with specific gaming sector and international lottery standards (Sisal Lottery Italia S.p.A., Sisal Loterie Maroc, Sisal Sans);
- ✔ **ISO 27001** - the international standard that defines the requisites of the Information Security Management System (Sisal Lottery Italia S.p.A., Sisal Loterie Maroc, Sisal Sans);
- ✔ **ISS SGAD** (Information Systems Security - Sistema di Gioco di Abilita a Distanza), the gaming platform certification required by the Remote Gaming Office of the Gaming Taxation and Monopoly Central Office (Sisal Entertainment S.p.A.).

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (UNI ISO 45001)

Perimeter: Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A.

We are committed to ensuring our resources work in an environment in which health and safety can be taken for granted. Not only in terms of legal compliance, but also through a **virtuous risk management system designed to prevent accidents, injuries and professional illnesses**. In line with this commitment, Sisal's Rome offices are certified in compliance with standard ISO 45001.

ENVIRONMENTAL MANAGEMENT SYSTEM (UNI EN ISO 14001)

Perimeter: Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A

We have introduced an Environmental Management System that goes beyond compliance with legal requirements, which we use to develop projects and initiatives aimed at **improving our corporate culture and awareness of environmental challenges**. This is a long, structured process in which ISO 14001 certification at our Rome site is a further incentive to increase our commitment to **safeguarding natural resources and preventing pollution**.

ENERGY MANAGEMENT SYSTEM (UNI CEI EN ISO 50001)

Perimeter: Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A.

We are working to **improve energy efficiency** and **use alternative sources**, while keeping a close eye on the costs incurred, and we have set ourselves ambitious **energy consumption and greenhouse gas containment targets**. In this process, we have been greatly helped by the introduction of the Energy Management System, certified at the Rome site in compliance with standard ISO 50001.

MANAGEMENT SYSTEM FOR THE PREVENTION AND CONTROL OF INFECTIONS (BIOSAFETY TRUST CERTIFICATION)

Perimeter: Sisal Lottery Italia S.p.A., Sisal Entertainment S.p.A.

Against the backdrop of the pandemic, it is a priority to strengthen measures to prevent and control infections, in compliance with the current legislative framework, with the aim of further minimising the risk of contagion from viruses, bacteria and other possible forms of infection for all the people who visit the company's sites.

This commitment is certified in accordance with the Biosafety Trust Certification standard, a comprehensive Management System implemented to prevent and mitigate the spread of infections and protect people against biological agents. This certification leverages a set of best practices to minimise the risk of epidemics spreading in public and private venues.



# Digital dialogue with our stakeholders

## SISAL.COM

This is the main corporate communication channel, designed to enhance brand value through a narrative involving all aspects of the company. There is a special focus on Governance, the Sustainability Strategy, the Responsible Gaming programme, Employer Branding initiatives and financial information. Sisal.com is an indispensable tool for telling the story of a company in continuous evolution. The transparent and comprehensive narrative developed on the corporate website has helped position Sisal among the "Gold Class" performers in the Lundquist.trust ranking of unlisted companies.

## GOBEYOND.INFO

The gobeyond.info website was created in parallel with the launch of the project and has evolved over the years, describing and supporting the various stages in the call for ideas and acting as the key point of visibility for the brand. The platform has recently been enriched with a more inspirational section where in-depth articles on innovation are published on a monthly basis.

## UNASTORIANATAPERGIOCO.SISAL.COM

This is the website published by the Group's Historical Archive, telling the story of over 70 years of history through documents, photographs, personalities, places and objects that have a place in all Italians' collective memory. The website, which was created to mark our 70th anniversary in business, brings together the most important exhibits in the physical collection housed in the MEIC Archive (Memoria, Evoluzione and Identita Condivisa - Memory, Evolution and Shared Identity) at the Peschiera Borromeo site.

## SISAL.IT

This is the group's online gaming platform and the market leader today by number of users and product range, with an offering of over 800 online games. Sisal's most popular website by traffic volume, it offers storied brands like Totocalcio, SuperEnalotto and Sisal Matchpoint betting, as well as exclusive digital channel games. It also provides an omnichannel experience rounded out by a broad offering of apps and a set of value-added services available in bricks and mortar retail points, where customers can pay money into their account or collect their online winnings.

## GIOCHINUMERICI.INFO

As an Italian national lottery and totalizator system concessionary company, Sisal manages the Giochinumerici.info portal and related websites Superenalotto.it, VinciCasa.it, Eurojackpot.it, Winforlife.it, Sivincentutto.it and Playsix.it. The portal provides all the official information about lottery drawings, how to play, sales channels and initiatives relating to the various brands in the Lottery offering.

## SISALWINCITY.IT

This website provides constant updates about initiatives, events and the offering of products and services available at Wincity bricks and mortar sites. The portal can also be used to register for events organised at individual sites, as well as to view weekly menus that include an offering of outstanding dishes by famous Italian chefs.

The digital and social communication ecosystem consists of multiple platforms we use to carry on **an active and transparent dialogue with all stakeholders.**

## LINKEDIN

LinkedIn is the preferred channel for talking about Sisal's various activities. The company's story is told mainly by employees and through its welfare activities and projects in the field of innovation. Currently with over 60,000 followers, the page added over 10,000 users last year, confirming its leadership in the Italian gaming industry by size of fan base on this channel.

## FACEBOOK

Sisal's corporate Facebook page has over 40,000 followers. This channel tells the story of our Corporate Social Responsibility initiatives and our projects designed and developed to improve people's work life balance and enable them to acquire new digital skills.

## GOBEYOND ON INSTAGRAM

The GoBeyond\_sisal Instagram page has been created to provide a direct communication channel with innovators and startups, allowing us to tell the GoBeyond story on a daily basis and talk more in general about responsible innovation. The content strategy has been developed to address three basic needs for the target audience: to be informed, to be inspired and to be engaged. The profile currently has over 500 followers.

## YOUTUBE

We have two YouTube channels:

- the Sisal corporate channel, featuring the heritage of video content produced by the company over the years;
- the channel dedicated to SuperEnalotto, containing all drawings.

# Note on methodology

The Sustainability Report is the most important tool that Sisal uses to inform all its stakeholders about the many social, environmental and economic responsibility activities in which it engages on an ongoing basis.

The 2021 Sustainability Report was prepared in accordance with the GRI Sustainability Reporting Standards guidelines (hereafter “GRI Standards”) published by the Global Reporting Initiative (GRI) in 2016 and updated in 2021, using the Core option, and will be issued annually.

## REPORTING PERIMETER AND PROCESS

The reporting perimeter includes only the gaming business, excluding all the service activities eliminated as of 2019, and this is therefore the third Sisal S.p.A. Sustainability Report.

All data, initiatives and projects refer to the period from January 1, 2021 to December 31, 2021 and therefore to Sisal S.p.A. and its subsidiaries, except for the following cases:

- data relating to training and health and safety indicators refer to the Italian perimeter only

The Corporate Social Responsibility and Reporting function is responsible for drafting this document.

## REPORTING AND MATERIALITY PRINCIPLES

The content of the Sustainability Report was defined on the basis of the materiality analysis performed in compliance with the provisions of GRI Standard guidelines. The method used and the activities performed are detailed in the “Stakeholder engagement and materiality analysis” section. The material topics identified were then compared and combined with the Sustainable Development Goals (SDGs) as described in the section entitled “Sisal’s commitment to the SDGs”.

In addition to the materiality principle, the Sustainability Report also takes into consideration the other reporting principles set out in the GRI Standards guidelines and in particular:

- Stakeholder inclusion, sustainability context and completeness. The Sustainability Report describes the approach to stakeholder engagement and discusses the results of the activities organised during the year. The content of the Report focuses on material issues, offering a complete picture of the sustainability framework in which Sisal operates.
- Balance, comparability, precision, timeliness, clarity and reliability. The Sustainability Report tackles both good and bad performance, ensuring that a balanced picture is given of content, expressed in language that is as clear and comprehensible as possible. In order to ensure that the content is reliable, precise and timely, data collection and document processing were performed using the internal information system and involved all corporate function managers, each in their own role and within their own sphere of competence. Lastly, as this is the third year of reporting for Sisal S.p.A., data refer to the three-year period 2019-2021 except for environmental data, which refer to 2020 only, the first year of reporting for the Sisal S.p.A. perimeter. Specifically, emissions data refer to 2021 only, the first year of reporting and the basis of emissions mapping (scopes 1 and 2).

The contents of the Sustainability Report are supplemented during the year with additional information published in the Sustainability section of the website [www.sisal.com](http://www.sisal.com).

The Sustainability Report was submitted for a limited audit by independent auditor PricewaterhouseCoopers Business Services Srl. The audit report describing in detail the principles applied, activities performed and relative conclusions is provided as an Annex. Finally, this document was approved by the Board of Directors of Sisal S.p.A. on May 26, 2021.

# UN Global Compact

In August 2021, Sisal joined the UN Global Compact as a further contribution to the ongoing process of developing its sustainability commitment.

## STATEMENT BY OUR CEO

Sisal became a signatory of the UN Global Compact in 2021 and confirms its commitment to the ten principles on human and employment rights, the environment and anti-corruption, in line with the Sustainable Development Goals (SDGs), our values as expressed within the Sisal Code of Ethics, and the overall sustainability strategy.

The Sustainability Report provides communication on progress in the implementation of the principles defined by the United Nations, in the form of a table linking the 10 principles with the relative pages in the 2021 Sustainability Report.

Francesco Durante  
CEO Sisal

## CONNECTION TABLE

### HUMAN RIGHTS

- Principle I: Businesses are required to promote and respect universally recognised human rights within their respective spheres of influence.
- Principle II: Businesses are required to ensure they are not complicit, even indirectly, in human rights abuses.

### LABOUR

- Principle III: Businesses are required to support freedom of association for workers and recognise the right to collective bargaining.
- Principle IV: Businesses are required to eliminate all forms of forced and compulsory labour.
- Principle V: Businesses are required to effectively eliminate child labour.
- Principle VI: Businesses are required to eliminate all forms of employment and professional discrimination.

The Human Rights and Labour are areas of particular effort for Sisal in the next 12 months. Having expanded our international presence in countries like Morocco, Turkey, Spain and Albania, we are committed to achieving sustainable growth in every country we operate by observing the 10 principles promoted by the UNGC.

### ENVIRONMENT

- Principle VII: Businesses are required to support a preventive approach to environmental challenges.
- Principle VIII: Businesses are required to undertake initiatives that promote greater environmental responsibility.
- Principle IX: Businesses are required to encourage the development and adoption of environmentally friendly technologies.

### Section/chapter

### Page number

Commitment to the environment	88
Our certifications: <ul style="list-style-type: none"><li>Environmental Management System (UNI EN ISO 14001)</li><li>Energy Management System (UNI CEI EN ISO 50001)</li></ul>	110-111

### COMBATING CORRUPTION

- Principle X: Businesses undertake to combat corruption in all its forms, including extortion and bribery.

### Section/chapter

### Page number

Business Integrity & Culture: Combating Corruption	101-102
Our certifications: <ul style="list-style-type: none"><li>Corruption Prevention Management System (UNI ISO 37001)</li></ul>	109

# GRI Content index

## GENERAL STANDARD DISCLOSURES

### ORGANISATIONAL PROFILE

Standard	Disclosure	Section	Page	Notes/Omissions
102-1	Name of the organisation	Our organisation	26	
102-2	Activities, brands, products, and services	Sisal's product offering	15	
102-3	Location of headquarters	Contact details	131	
102-4	Location of operations	Our organisation International development	26 30	
102-5	Ownership	Our organisation	26	
102-6	Markets served	Our internal structure Our market	35 36	
102-7	Scale of the organisation	Our organisation Main financial results The Sisal network: having fun responsibly Our people in numbers	26 20 57 74	
102-8	Information on employees and other workers	Our people in numbers	74	
102-9	Supply chain	Sustainable supply chain	95	
102-10	Significant changes to the organisation and its supply chain	Letter to stakeholders International development Note on methodology	4 30 114	
102-11	Precautionary principle or approach	Internal control and risk management	101	
102-12	External initiatives	Our Certifications	108	
102-13	Membership of associations	Responsible Gaming certification	56 109	The main associations Sisal works with in specific areas are: <ul style="list-style-type: none"><li>• European Lotteries (EL)</li><li>• World Lottery Association (WLA)</li><li>• Sistema Gioco Italia (SGI)</li></ul>

### STRATEGY AND ANALYSIS

102-14	Statement from most senior decision-maker	Letter to stakeholders	4	
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### ETHICS AND INTEGRITY

102-16	Principles, values and norms of behaviour	Mission, vision and values	14	
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### GOVERNANCE

102-18	Governance structure	Governance system	34	
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### STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Engagement and materiality	40	
102-41	Collective bargaining agreements	<i>All Italian employees are covered by trade union agreements. There is no collective agreement for Morocco and Albania.</i>		
102-42	Identifying and selecting stakeholders	Engagement and materiality	40	
102-43	Approach to stakeholder engagement	Engagement and materiality	40	
102-44	Key topics and concerns raised	Engagement and materiality	40	

### REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements	Note on methodology	114	
102-46	Defining report content and topic boundaries	Engagement and materiality Note on methodology	40 114	
102-47	List of material issues	Engagement and materiality	40	
102-48	Restatements of information	Note on methodology	114	
102-49	Changes in reporting	Note on methodology	114	
102-50	Reporting period	Note on methodology	114	
102-51	Date of most recent report	Note on methodology	114	



102-52	Reporting cycle	Note on methodology	114	
102-53	Contact point for questions regarding the report	Contact details	131	
102-54	Choice of GR1 Standards:	Note on methodology	114	
102-55	GRI Content Index	GRI Content Index	118	
102-56	External assurance	Note on methodology	114	

SPECIFIC STANDARD DISCLOSURE – GRI MATERIAL ASPECTS

ENVIRONMENT

RAW MATERIALS

Standard	Disclosure	Section	Page	Notes/Omissions
103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
301-1	Raw materials used by weight or volume	Raw materials	92	

ENERGY

103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
302-1	Energy consumption within the organisation	Emissions and energy consumption	88	
302-4	Reduction of energy consumption	Emissions and energy consumption	88	

WATER

103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
303-3	Total water withdrawal by source	Raw materials	92	Information not available: ●breakdown of water consumption by source; ●water consumption data in Turkey for the first nine months of the year

EMISSIONS

103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
305-1	Direct GHG emissions (Scope 1)	Emissions and energy consumption	88	
305-2	Indirect GHG emissions (Scope 2)	Emissions and energy consumption	88	
305-5	Reduction of GHG emissions	Emissions and energy consumption	88	

WASTE

103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
306-3	Waste produced	Raw materials	92	

ENVIRONMENTAL COMPLIANCE

103-1 103-2 103-3	Management approach	Our Certifications Commitment to the environment	108 88	
307-1	Non-compliance with environmental laws and regulations	<i>There were no instances in 2021 of non-compliance with environmental laws and regulations</i>		

SOCIAL

EMPLOYMENT

Standard	Disclosure	Section	Page	Notes/Omissions
103-1 103-2 103-3	Management approach	Exemplary working environment	62	
401-1	New employee hires and employee turnover	Our people in numbers	74	Information not available: <ul style="list-style-type: none"><li>• new hire rate in the reporting period, with breakdown by age, gender and geographical area;</li><li>• total turnover in the reporting period, with breakdown by age, gender and geographical area;</li><li>• turnover rate in the reporting period, with breakdown by age, gender and geographical area.</li></ul>
401-2	Benefits provided for full-time employees (excluding part-time and fixed-term)	Wellbeing	68	

DIVERSITY AND EQUAL OPPORTUNITIES

103-1 103-2 103-3	Management approach	Exemplary working environment Diversity, Equity & Inclusion	62	
405-1	Diversity indicators in management and employees	Governance system Our people in numbers	34 74	Information not available: <ul style="list-style-type: none"><li>• percentage of employees in vulnerable/minority categories;</li><li>• percentage of members of governance bodies in each of the following diversity categories: gender, age and other diversity indicators, if relevant (e.g. minorities or vulnerable categories).</li></ul>
405-2	Ratio between basic salary and remuneration of women compared with men	Diversity, Equity & Inclusion	62	

WORKPLACE HEALTH AND SAFETY

103-1 103-2 103-3	Management approach	Ambiente di lavoro esemplare Wellbeing Le nostre certificazioni	62 68 108	
403-8	Formal health and safety agreements with trade unions	Our people in numbers	74	
403-9	Accidents in the workplace: type and rate of accidents in the workplace, occupational diseases, lost days, absentee rate and total number of deaths	Our people in numbers	74	Information not available: <ul style="list-style-type: none"><li>• occupational disease rate;</li><li>• Lost day rate;</li><li>• Absentee rate.</li><li>• data on non-employee workers.</li></ul>

EDUCATION AND TRAINING

103-1 103-2 103-3	Management approach	Exemplary working environment Continuous learning Continuous improvement, fairness and transparency	62 64 71	
404-1	Average hours of training per year per employee	Our people in numbers	74	
404-2	Programmes for skill management and to promote progressive training/updates	Continuous learning Continuous improvement, fairness and transparency	64 71	
404-3	Percentage of employees receiving regular performance and career development reviews	Continuous learning Continuous improvement, fairness and transparency	64 71	

LOCAL COMMUNITIES

103-1 103-2 103-3	Management approach	Shared value for local communities	85	
413-1	Operations undertaken with the involvement of the local community, impact assessments and development programs	Shared value for local communities	85	Information not available: <ul style="list-style-type: none"><li>• percentage of activities for which engagement actions have been implemented;</li><li>• impact assessments.</li></ul>

COMPLIANCE

103-1 103-2 103-3	Management approach	Internal control and risk management	101	
419-1	Non-compliance with social and economic laws and regulations	Sisal did not receive any sanctions in 2021 for non-compliance with social and economic laws or regulations		

CUSTOMER PRIVACY

103-1 103-2 103-3	Management approach	Data Ethics Our Certifications	104 108	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The Group did not receive any sanctions in 2021 for losses of customer data		

SPECIFIC STANDARD DISCLOSURE – OTHER NON-GRI MATERIAL ASPECTS

RESPONSIBLE GAMING

Management approach and performance indicators	Section	Page
Type of initiatives organised over the year to spread knowledge about gaming problems	Education in balanced and aware gaming	50
Methods of publication and frequency of communications about the Company's responsible gaming programme	Education in balanced and aware gaming	50
Type of information material distributed in points of sale	Education in balanced and aware gaming	50
Number of new games on which a risk assessment has been performed out of total new games produced by the Company	Player protection	54
Number of new games that have obtained Game Gard certification out of total new games produced by the Company	Player protection	54
Type of information on on-line gaming platforms	Education in balanced and aware gaming	50
Type of mechanisms provided to contain gaming related risks	Player protection	54
Codes of conduct/standards adopted by the Company to regulate gaming communication/advertising	Education in balanced and aware gaming	50
Number and type of institutions/organisations the Company works with to provide assistance/management for gaming-related pathologies	Support for problem players	55
Type of services offered to contain gaming-related pathologies	Support for problem players	55
Method of access for players to the services offered by the institutions/organisations the Company works with to provide assistance/management for gaming-related pathologies	Support for problem players	55
Method of informing PoS staff about the assistance/management services offered by the Company for gaming-related pathologies	Education in balanced and aware gaming	50
Type of information on responsible gaming issued by the Company	Education in balanced and aware gaming	50
Methods of distributing information about responsible gaming	Education in balanced and aware gaming	50
Responsible gaming certifications obtained by the Company	Responsible gaming certification	56

CENTRALITY OF NETWORK

Number and type of points of sale	The Sisal network: having fun responsibly	57
Criteria used to select points of sale	The Sisal network: having fun responsibly	57
Number and type of information/training activities addressing points of sale	Training in balanced and aware gaming	50
Point of sale monitoring activities	The Sisal network: having fun responsibly	57

INNOVATION

Type of new games/services developed during the year	<i>This information is available in the relevant reporting sheet; it is not published in this Report for editorial reasons.</i>	
Activities to promote innovation and digital development in the country	GoBeyond: supporting innovation in Italy	82

SPECIFIC STANDARD DISCLOSURE – OTHER GRI RELEVANT ASPECTS

ECONOMIC

ANTI-CORRUPTION

Standard	Management approach and performance indicators	Section	Page	Notes/Omissions
103-1 103-2 103-3	Management approach	Business Integrity & Culture Combating Corruption	101	
205-2	Communication and training activities on anti-corruption policy and procedures	Combating Corruption Our Certifications	101 108	

ANTI-COMPETITIVE BEHAVIOUR

103-1 103-2 103-3	Management approach	Our market	18	
206-1	Total number of legal actions relating to unfair competition, antitrust regulations and monopoly practices	<i>Sisal was not involved in legal action relating to unfair competition, antitrust regulations or monopoly practices in 2021</i>		

TAXATION

207-1	Approach to Italian tax revenue	Sisal's contribution to Italian tax revenue	22	
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# Limited assurance engagement on the Sustainability Report



**SISAL SPA**  
**LIMITED ASSURANCE REPORT ON THE  
SUSTAINABILITY REPORTING 2021**  
**YEAR ENDED 31 DECEMBER 2021**



## Limited Assurance report on the Sustainability Reporting 2021

To the Board of Directors of Sisal SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Sisal SpA (the "Company") and its subsidiaries (hereinafter the "Group" or "Sisal Group") for the year ended 31 December 2021.

### Responsibilities of the Directors for the Sustainability Report

The Directors of Sisal SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 and updated to 2020 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 Sisal Group, as well as for identifying its stakeholders and material topics to be reported on.

### Our 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 Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### PricewaterhouseCoopers Business Services Srl

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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl  
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### Our 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 Sustainability 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 Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

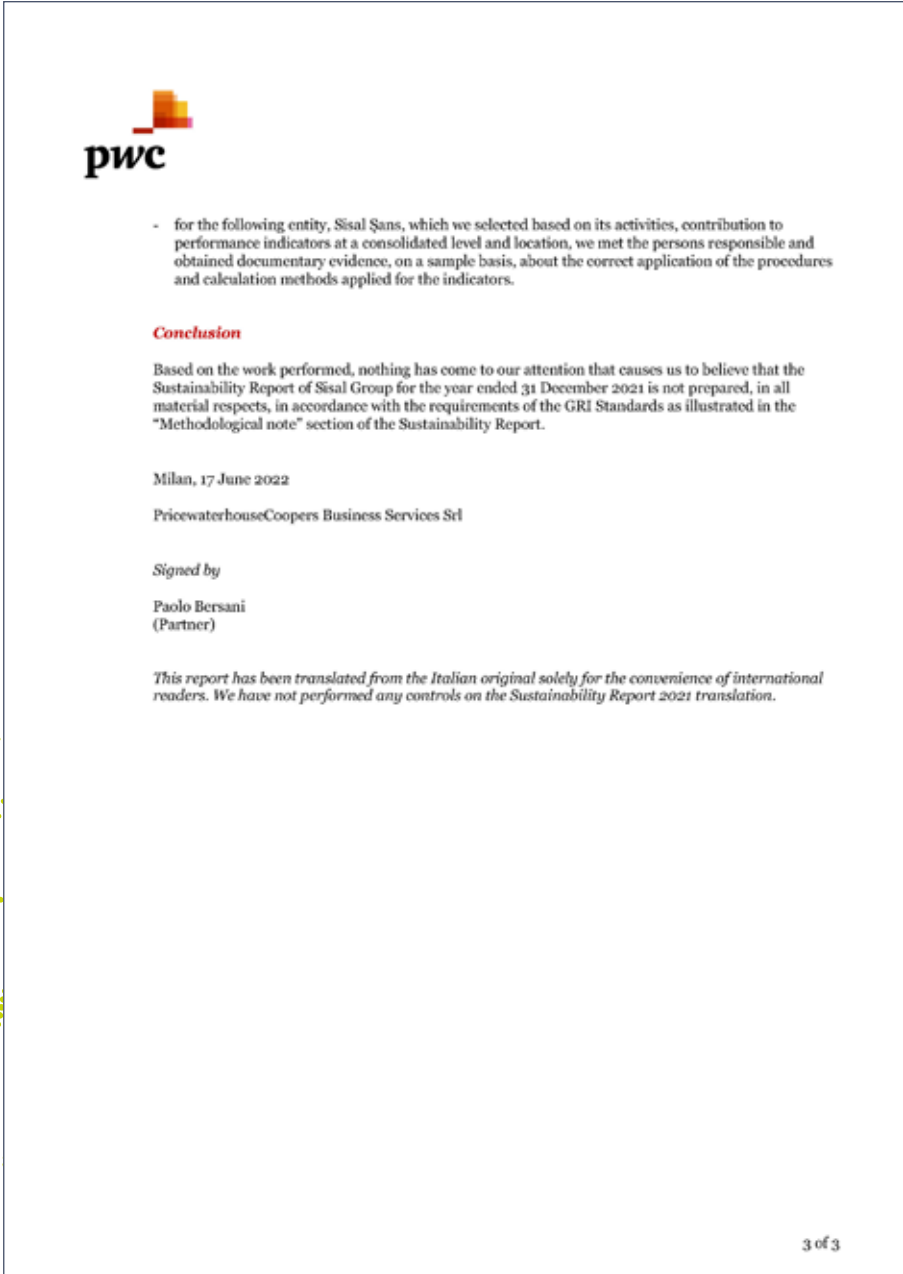
In detail, we performed the following procedures:

- 1) we analysed the process of definition of the material topics reported on in the Sustainability Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
- 2) we compared the financial information reported in the "Direct economic value generated and distributed" section of the Sustainability Report with the information included in the Group's annual consolidated financial statements;
- 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 Sisal 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, taking into account the activities and characteristics of the Group:

- at group level
  - 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.





## CONTACTS

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