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**LETTER
TO STAKEHOLDERS**

VISION 2030

Dear Stakeholders,

the past year has been profoundly affected by the **Covid-19** healthcare emergency, which has changed our way of living and working.

In such an extreme emergency, we guaranteed the continuity of our priorities: protecting consumers, caring about our people, and supporting the community.

Our approach to sustainability, in fact, is characterised by a strong commitment to:

- / prioritising rules for safeguarding people and supporting the growth of individuals, for the benefit of society as a whole;
- / playing an active role by ensuring our business model generates economic value in a balanced way;
- / promoting higher standards that point the way to the sustainable evolution of our industry as a whole.

Our sustainability is based on the promotion of a gaming culture that puts the emphasis on fun and avoids excess. This commitment is pursued in line with our **Responsible Gaming** model, thanks to which we have attained the highest international standards: our European Lotteries (EL) and World Lottery Association (WLA) certifications were both renewed at the end of 2020. Our objective is not only to educate and inform consumers but to prevent problem gaming behaviour and support vulnerable players, and therefore be able to guarantee a safe gaming experience across all channels.

Innovation is the other central element in our strategy of supporting the company's evolution and growth and its generation of value in the long-term. In 2020, we launched some important technological development projects entailing, among other things, a marked acceleration in the use of artificial intelligence. Thanks to new resources and expertise acquired last year, and significant investments in development, we have established ourselves as leaders in the digital market. We now have over 500 people working on the development of proprietary code and software. This has meant investing in the professional growth and technical development of our people. We support the ideas of young talents with our GoBeyond programme and reward start-ups that produce a positive impact on the community.

The digital evolution has also enabled us to rethink our way of working and engaging with our **people**, the company's most important resource and the very heart of Sisal. This, in the difficult situation caused by the healthcare emergency, is why we have developed and provided psycho-physical support and flexible working/smart working solutions to over 800 colleagues since the start of the pandemic. In this context, we have implemented new online communication channels to ensure constant updating and boost people's sense of belonging to and participating in the life of the company. We continue to promote an inclusive working environment and a culture of diversity and gender equality with the project WiSe - Women in Sisal experience.

2020 also saw the consolidation of our **internationalisation drive**: we now operate in Italy, Morocco, Spain, Turkey and Albania, with 17 sites employing a total of 2,170 people. This gradual internationalisation process brings new challenges. To ensure optimum management of our various markets, we will have to consider the needs and peculiarities of the communities in which we operate. In safeguarding diversity, we must also guarantee compatibility with our values, identity and origins.

We have reached some important goals thanks to effective design and planning work. In 2020, in fact, our digital strategy enabled us to strengthen our leadership in the Online market, which has become our main line of business. But the context has changed very quickly, partly because of the pandemic and not only in our own particular market. People's priorities, their values and what they expect of businesses are changing.



Francesco Durante
CEO Sisal

We are now expected to act urgently to make our business model create value sustainably. It is time to accelerate our strategies for creating long-term value to share with all our stakeholders.

Building a more responsible future is our *raison d'être* and corporate purpose, and as such it must be at the heart of our business model and our sustainability. We want to build a company that people can recognise as:

- / a leader in Responsible Gaming
- / innovative and sustainable
- / an exemplary working environment

We wanted to step up our sustainability commitment and have integrated it into our business and our 2021-2023 Strategic Plan, with a strong focus on our performance in terms of the environment, society and governance.

By 2030, we want to be a company with "zero impact" on society:

- / zero problem players
- / zero net CO₂ emissions
- / zero gender pay gap

This is our vision of pursuing sustainable growth and becoming an even more responsible, sustainable and inclusive business.

To build a more responsible future. Together.

WE AT SISAL EXIST TO BUILD A MORE RESPONSIBLE FUTURE

To be the international leader in responsible gaming, driving digital innovation.



2020 HIGHLIGHTS

PEOPLE



2,170 employees,
of whom
39% women



490
new recruits
+ **86%** vs 2019



-12.9%
gender pay gap

CONSUMERS



6.2 million total
customers*, of whom
716 thousand online



4th consecutive
renewal of
EL, WLA certifications



1,180 employees
given **Responsible
Gaming** training

*Italian market

COMMUNITY



160 start-ups
participating in
GoBeyond

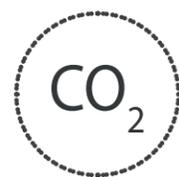


285,000
visits to the
GoBeyond platform



224,000€
donate to support
the emergency effort

PLANET



6,889 t
CO₂ avoided



100%
FSC certified
suppliers



46,560 l
water saved



over
42 million
visits to **sisal.it**



over
39,852
points of sale*



13
Game Apps



176.1 million
euros
EBITDA Adjusted



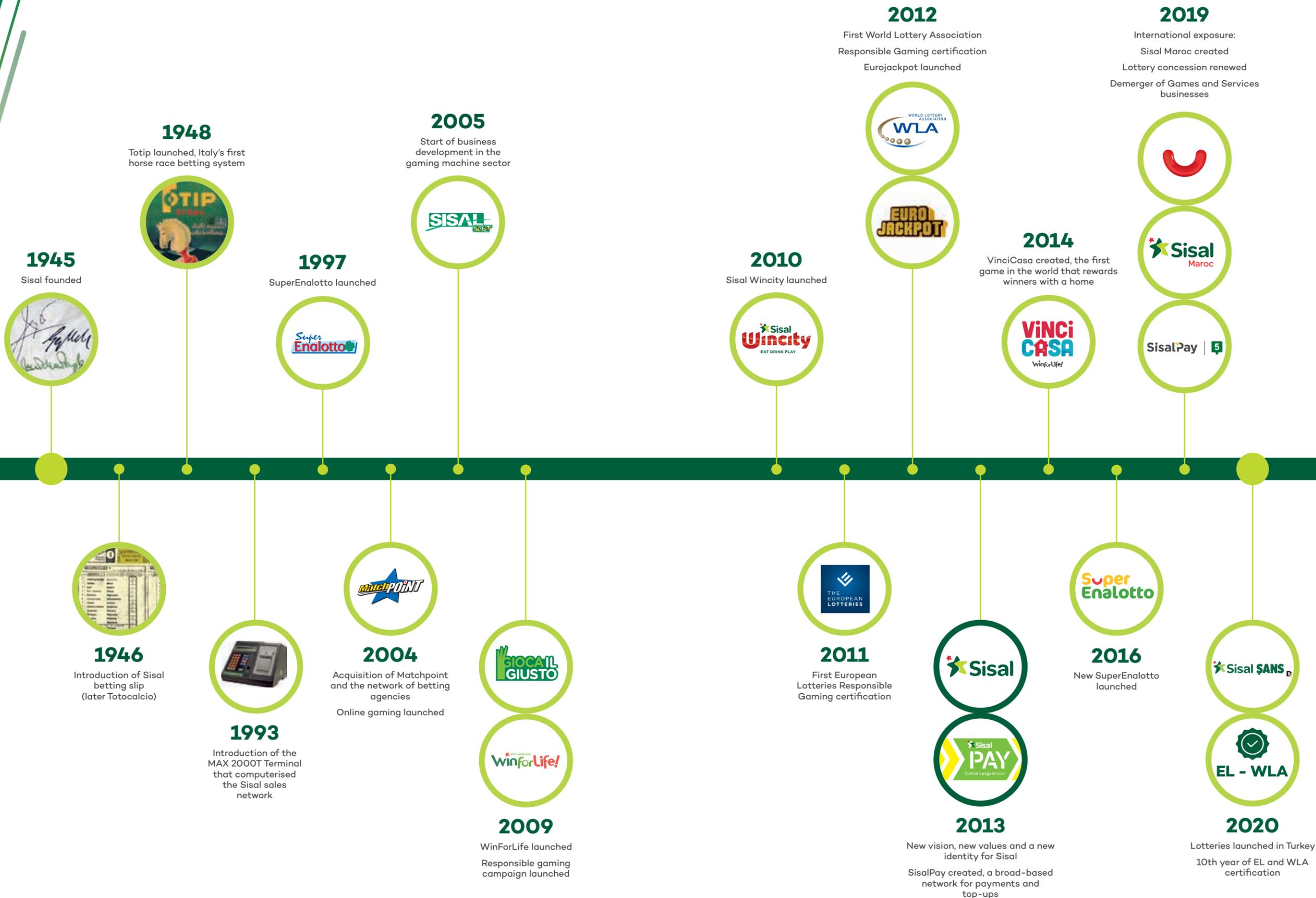
8.2 billion
euros
turnover



523.7 million
euros
revenues

*Italian market

OUR STORY



**PURPOSE STATEMENT:
OUR RAISON D'ÊTRE**

WE AT SISAL EXIST TO BUILD
A MORE RESPONSIBLE FUTURE.

We believe in **gaming as a form of entertainment and fun** that is free of excess. That is why we invest in resources and technology so that our offering is ever more advanced, simple and safe.

We are convinced that the driving force behind every successful innovation is **responsibility**, because it means we prioritise the rules of personal protection and individual promotion, benefiting society as a whole.

Because it means we play an active role in ensuring that our **business model creates economic value in a balanced and responsible way**.

Because it allows us to promote higher standards that can **drive sustainable evolution across our industry**.

That is why we **protect** players, putting them at the heart of every action we take.

We **support** social progress by contributing to the generation of shared value for local communities..

We **value** each individual by recognising that people are the true wealth of our society, because winning the challenge of responsibility means that everyone wins.

**/Sisal
Responsible
culture/**

We at **Sisal**



IDENTITY

We at Sisal
believe
in identity,
by definition.

Because our roots also define who we are and who we will be in the future.

Just as for over 70 years our mission has been to offer the best possible entertainment in a responsible and sustainable way. We perpetuate our founding values through innovation that drives the country's evolution.

/Sisal
Responsible
culture/

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.



/ To provide the best responsible gaming experience, generating value for society and for people.



/ To be the leading responsible gaming company at international level, driving digital innovation.



/ RESPONSIBILITY

Responsibility is central to our actions.

It guides our strategy, ensuring informed, sustainable and long-term development.

/ PEOPLE

People are 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.

OUR CORPORATE PURPOSE

From **a long-term perspective** that takes account of evolutionary scenarios and stakeholder expectations, we have decided to redefine our Corporate Purpose, so that it reflects new expectations within the company, and those of customers, the institutions and society as a whole, and is **integrated into our business strategies** and everyday operations.

Specifically, we have decided to pursue a reputational strategy that leads to a **sharp discontinuity in the perception** our stakeholders have of the company and its past activity, while also setting ourselves the goal of influencing and steering the reputation of the industry as a whole.

It will be based on the definition of a strategic roadmap to develop projects in the framework of Responsible Gaming, with **measurable effects over time** and able to offer **a healthy and informed gaming experience**, working actively to **prevent** and resolve the problems caused by addiction.

Finally, the definition and communication of our **Corporate Purpose**, as well as entailing the implementation of a programme of activities to make it **real, concrete** and **tangible**, also plays a fundamental role in asserting our aspirational leadership as an outstanding **Responsible Gambling Company**.

WE AT SISAL EXIST TO BUILD A MORE RESPONSIBLE FUTURE.

It was just after the end of the Second World War and Milan was in ruins. So everyone rolled up their sleeves and got to work. The friendship between three journalists, Massimo Della Pergola, Fabio Jegher and Geo Molo, was the driving force behind a new joint project: **to give a boost to sport in Italy with the revenue produced by the Sisal betting slip**, later known as Totocalcio. The result was the **first Italian company to operate in the gaming market under government concession**.

Right from the outset, the three founding partners focused on both product and process **innovation**, building an effective and efficient organization, and overcoming with imagination and dedication the countless logistic and operating problems created by the war.

Sisal's drive from the early years produced **very positive social effects** and a sense of great empathy: from the rising popularity of football to socialisation around betting slips played as a group. It also meant additional economic resources for the State and additional revenue for a significant number of small businesses, which continue to represent the backbone of Sisal's network.

Since then, the situation around Sisal has changed profoundly, encouraging us to rethink our role in it so that we can continue to have a positive impact on society.

OUR OFFERING

LOTTERY



In 2016, Sisal's storied lottery game was given a makeover, with the introduction of three important novelties: two-point wins, immediate €25 prizes and an even bigger jackpot.



The only game that pays out the whole jackpot on the same evening. It received a makeover in 2016 and the probability of winning was increased, with 12 numbers played to guess just six, more frequent prizes and a weekly draw, every Wednesday.



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



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



The first and 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



This is Sisal's web platform, offering over 1,000 online games (Betting and Virtual Races, 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.

BRANDED CHANNEL



An innovative channel based on the "Eat, Drink and Play" model combining gaming, food and entertainment. 33 points of sale in the main Italian cities, including Milan, Rome, Turin, Brescia, Pescara, Florence and Catania.



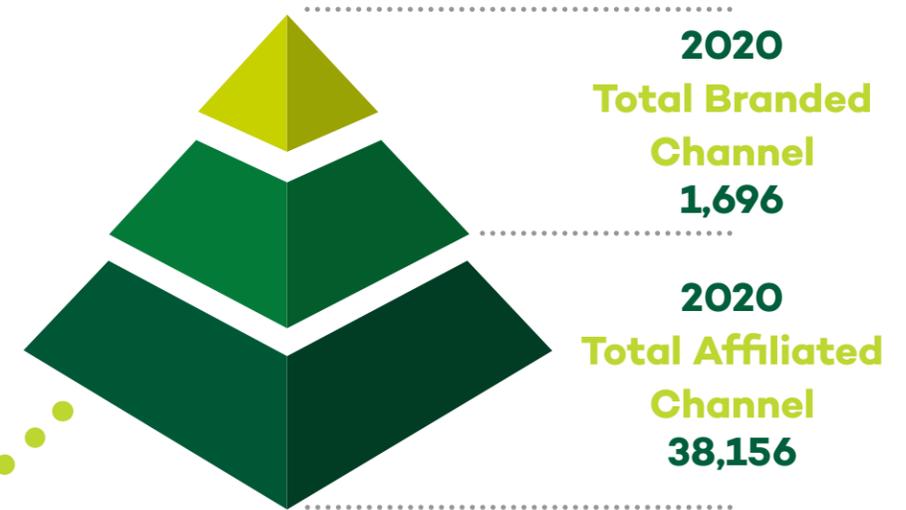
This channel offers the full range of Sisal products, with a special focus on betting (horse racing and sports) and Virtual Races. Over 380 points of sale and more than 1,300 retail corners.

RETAIL



AFFILIATED CHANNEL

Our products are also available at 38,156 third-party points of sale across Italy, with which we have built up a lasting commercial relationship over time.



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, for example) and through the acquisition of licences (in online gaming, for example).

In 2018, we launched a **multi-year strategy** to build ever stronger international credibility, both to compete on the various markets and to increase our footprint, 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 organizational structure:

Phase 1 2018-2019

Building international credibility with a view to expanding business in countries with limited market dimensions or share but significant development potential (**Morocco** and **Spain**);

Phase 2 2019-2020

Strengthening our international reputation by consolidating existing markets and gradual expanding into larger markets (**Turkey**);

Phase 3 2021-2023

Becoming a key international player with a presence in increasingly important lottery and online markets.

In the **period 2021-2023**, the international strategy will focus on **consolidation** to continue growing in current markets (Morocco, Spain, Turkey), on **entering new mature and complex markets** in which to create value, and on the **development of the online market** in other countries.

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



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.S., a company in the Turkish Group Demirören, 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 the framework of the internationalisation process, we have also decided to review our IT infrastructure to reflect new corporate needs. To do so, we have created a technology hub in Tirana, Albania, based on the innovative near-shoring mechanism, to enable the internationalisation of resources. The objective is to support the SW Factories in Italy, which employ over 200 people today, with additional resources characterised by high-level technological expertise, aiming to increase delivery capacity twofold and drive the development of new technology.

INTERNATIONAL DEVELOPMENT

Foreign markets where we have gaming operations

SPAIN

Portfolio:
Online betting, Casinos and online Slot Machines

Effective date (and duration):
July 16, 2019 (10 years)



TURKEY

SISAL ŞANS

Portfolio (retail/online):
Numeric Games, Passive Lotteries,
Instant Games

Effective date (and duration):
August 1, 2020 (10 years)



MOROCCO

SISAL LOTERIE MAROC

Portfolio:
Numeric Games (retail and online),
Instant Games, Virtual Races, VLTs

Effective date (and duration):
January 1, 2019 (10 years)



COMMITMENT

We at Sisal
believe
in commitment,
by definition.

Because we too can and want to contribute to achieving global goals. We maintain a dialogue with stakeholders, identifying the most important sustainability issues with them and providing concrete support with projects and initiatives.

/Sisal
Responsible
culture/

ENGAGEMENT AND MATERIALITY

Dialogue with our stakeholders is one of the key stages in defining our strategic sustainability priorities. It helps us focus our attention and energy on fundamental topics for business development in line not only with our needs but also with the **expectations** of all categories of stakeholders that interface with Sisal every day.

STAKEHOLDER ENGAGEMENT

The first step in the process of defining sustainability priorities – known as materiality analysis – is to decide what themes are **potentially relevant to the business**.

Over the last year, the **company reorganization** has allowed us to launch a new strategically important process, above all in terms of a sustainable strategic approach to business.

This process, also in light of the **challenges posed by the contingent health situation** and the **continuous evolution of our industry**, represents an opportunity to review the sustainability work performed in recent years, aligning it with Sisal's **new identity and vision** and with the **changing requirements and needs** of the current scenario and stakeholders.

For this reason, it was decided to actively involve the **Leadership Team** in an **operating workshop** to review, based on the new Corporate Purpose, the strategic approach to sustainability, material topics and the Sustainability Model and Plan.

In detail, we identified **13 sustainability topics** deemed **relevant** to Sisal, grouped according to the **four pillars of the Sustainability Model**.

Sustainability Model pillars	Material topics
Consumer	<ul style="list-style-type: none"> 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
Community	<ul style="list-style-type: none"> Commitment to the community Promotion of innovation and digital development
People	<ul style="list-style-type: none"> Health and safety in the workplace Professional development Welfare and work-life balance Inclusion, diversity and gender equality
Planet	<ul style="list-style-type: none"> Commitment to the environment Sustainable Supply Chain management

Identification of topics was followed by **stakeholder mapping**, which identifies all the subjects that in various ways influence and are at the same time influenced by the company's choices. **Ten stakeholder categories** were identified and then involved in a structured **engagement process** to understand what topics our internal and external stakeholders think it is important to monitor.

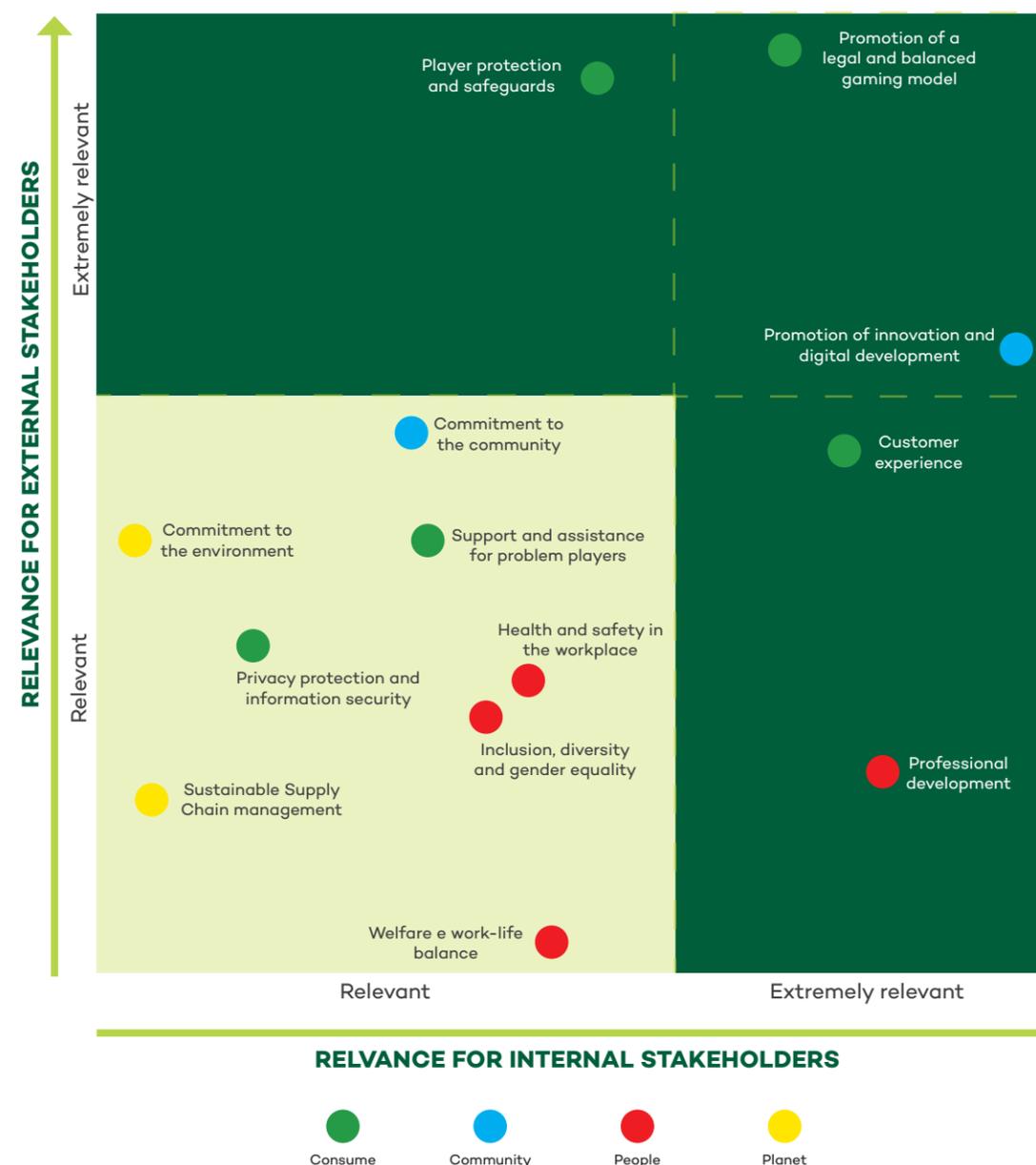
Since we don't have the same type or intensity of relations with all stakeholder categories, we have adopted differentiated engagement methods. For example, for both employees and customers we used an **online questionnaire**, which ensures widespread, rapid coverage and the security of anonymity. Other categories of external stakeholders, on the other hand, were engaged personally in telephone interviews with exponents of these categories, which enabled us to gather key detailed information for the definition of our priorities.



STAKEHOLDER MAP

MATERIALITY CHART

The results of external stakeholder engagement and judgements expressed by the Leadership Team and employees are plotted in the **materiality chart**, in which the horizontal axis reveals the priorities expressed by internal stakeholders (Leadership Team and employees), while the vertical axis shows those indicated by external stakeholders (customers and other categories).



An analysis of the chart reveals **five topics considered extremely relevant for Sisal** (green quadrants). The **"Promotion of a legal and balanced gaming model"** topic, 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 topics on which internal and external stakeholders converge in part are **Player protection and safeguards** and **Customer experience**, regarded as strategic aspects, mainly because they are central to the core business. It shouldn't surprise us that **Health and safety in the workplace** is not one of the most relevant topics. This is justified by the fact that the pandemic has shown that Sisal has this topic under control and was not caught unprepared by it. It should also be noted that the **Commitment to the environment** topic, although it is not one of the most relevant, is nevertheless recognised by both internal and external stakeholders as a point to start focusing on in the future.

In general, all the topics addressed are relevant to the **four pillars of the Sustainability Model (WHAT)**, which means they are subject to regular reporting and will be dealt with in the other sections of this document.

SISAL'S COMMITMENT TO THE SDGs

The **Sustainable Development Goals** 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 make our own contribution to the fulfilment of these global goals. By analysing the Global Agenda in relation to the 13 material topics, we identified **eight SDGs** to which we contribute. As seen in the table below, each topic may be involved in more than one Global Goal, showing the numerous impacts that our business must manage in its commitment to responsible growth.

		3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
CONSUMER	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								
COMMUNITY	Commitment to the community								
	Promotion of innovation and digital development								
PEOPLE	Health and safety in the workplace								
	Professional development								
	Welfare e work-life balance								
	Inclusion, diversity and gender equality								
PLANET	Commitment to the environment								
	Sustainable Supply Chain development								

OUR STRATEGIC

APPROACH TO SUSTAINABILITY

Sisal's sustainability model is the compass by which we navigate towards our sustainability goals, so that every initiative and action undertaken is always aligned with our sustainability commitment.

Last year was one of significant organizational change during which we decided to plot a **sustainability roadmap** in line with national and international best practices. One of the main steps in this was rationalising the model to align it with strategic requirements. In 2020, we continued to implement the model, reconnecting the material topics with the four sustainability pillars.

The Model is in three parts:



Our sustainability commitment, which informs all Sisal's diverse initiatives. This goal is at the heart of Sisal's entire business.



The four sustainability pillars, which represent the areas on which Sisal is focusing its action. They cover the various topics identified during the engagement of our main stakeholders and address the eight SDGs deemed significant for the business and to which Sisal can make a concrete contribution. Each pillar is organised, in turn, in specific areas of intervention, for each of which there is a strategy with specific objectives, actions and results.



Our sustainability tools, with which we plan the various strategies and implement the initiatives involved. This includes making sure our actions are always aligned with our sustainability objectives and planning future developments.

The tools we use are:

the sustainability governance system, consisting of the Sustainability Committee and the Control, Risks and Sustainability Committee (board committee);

ISO **certifications** (Quality and Responsible Gaming);

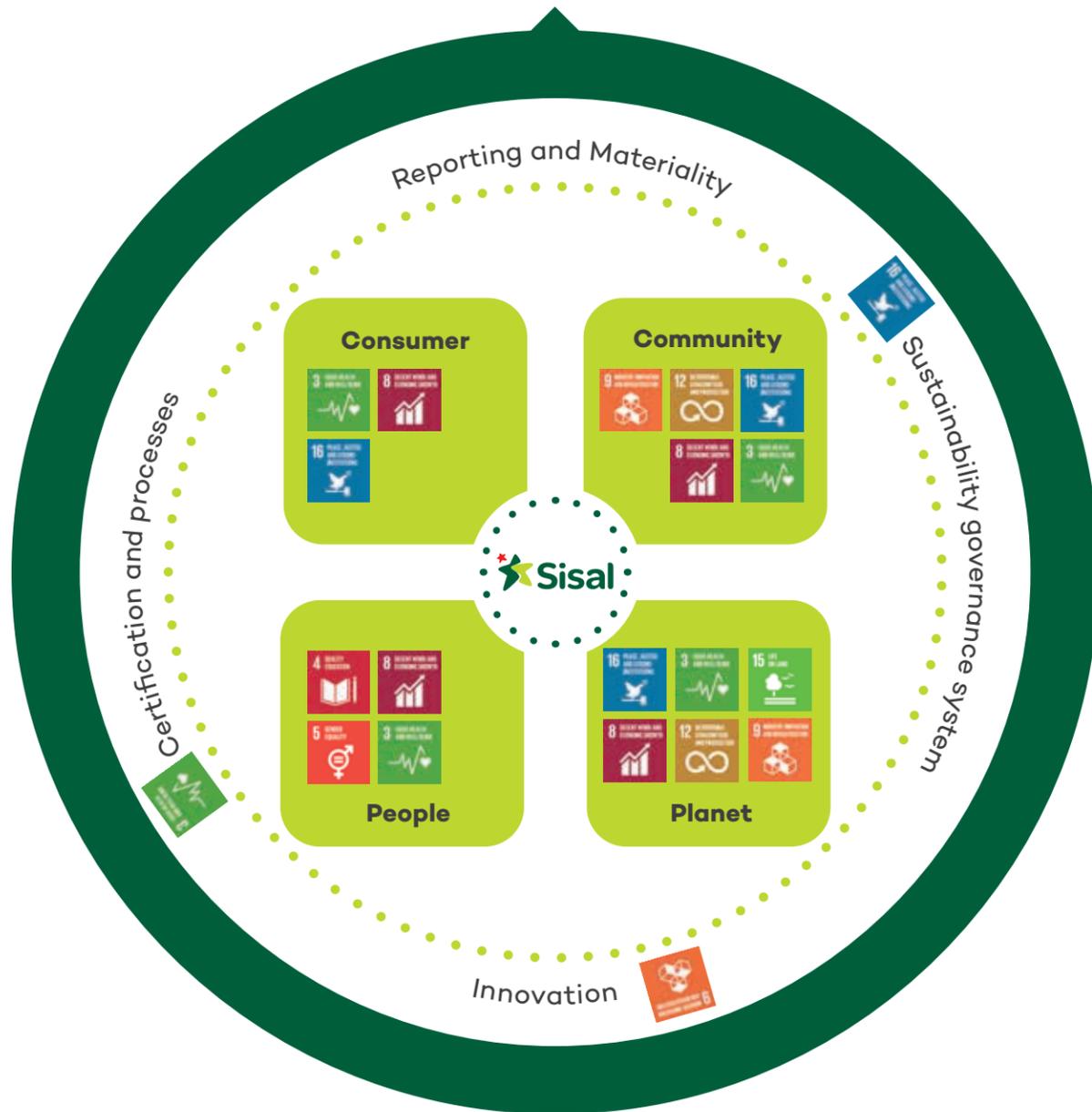
reporting and materiality, in terms of stakeholder engagement and definition of strategic priorities, as well as adoption of the main SDGs and third-party quality assurance of the Sustainability Report;

innovation as a business lever across all four pillars and a tool for us to carry forward our commitment to developing ever more responsible practices and generating value for the community.

The **HOW** sustainability tools and the four **WHAT** pillars are detailed in the following sections, highlighting the initiatives developed and 2020 results.

WHY

To generate wellbeing for all internal and external stakeholders by ensuring sustainable growth in the long term and balancing economic, social and environmental sustainability.



ORGANIZATION

We at Sisal
believe
in organization,
by definition.

Our company has a forward-looking governance system that ensures we are increasingly international, open, competitive and agents of innovation for our country.

/Sisal
Responsible
culture/

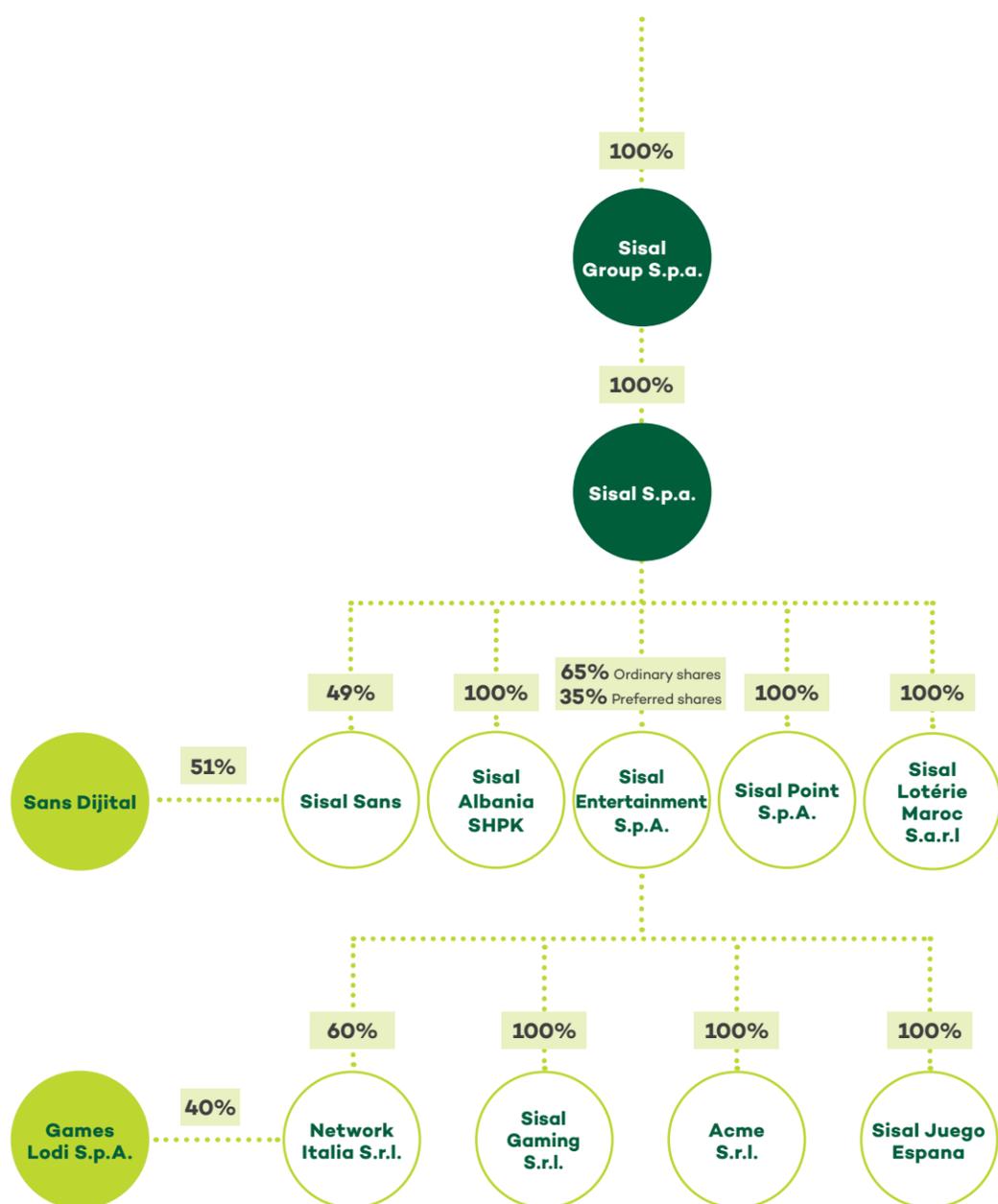
OUR ORGANIZATION

Sisal Group is wholly owned by CVC Capital Partners following the merger by incorporation of Schumann Investments S.A in 2016. CVC Capital Partners is a world-leading UK-based private equity and investment consulting firm with consolidated experience in the gaming industry, amongst other areas. Sisal Group S.p.A. and its subsidiaries operate in the gaming industry, primarily under government concessions granted by the Italian Customs and Monopolies Agency. Specific responsibilities are as follows:



GOVERNANCE SYSTEM

SCHUMANN INVESTMENTS S.A.



Legend

○ Active companies ● Minority interests

BOARD OF DIRECTORS OF SISAL S.P.A.

The company is managed by a Board of Directors made up of 11 members appointed by the Shareholders' Meeting:

/ Aurelio Regina, Chair	/ Umberto Delzanno, Director
/ Francesco Durante, CEO	/ Giorgio De Palma, Director
/ Emilio Petrone, Director	/ Andrea Ferrante, Director
/ Giampiero Mazza, Director	/ Lucia Morselli, Independent Director
/ Paola Bonomo, Independent Director	/ Massimiliano Mascolo, Director
/ Matteo Caroli, Independent Director	

SISAL S.P.A. BOARD COMMITTEES

Appointments and Remuneration Committee

Members: Paola Bonomo (Chair), e da Lucia Morselli e Giampiero Mazza.

Control, Risks and Sustainability Committee

Members: Matteo Caroli (Chair), e da Lucia Morselli e Paola Bonomo.

Related Parties Committee

Members: Matteo Caroli (Chair), e da Lucia Morselli e Paola Bonomo.

BOARD OF STATORY AUDITORS

The members of the Board of Statutory Auditors are:

- / Ezio Simonelli, Chairman of the Board of Statutory Auditors
- / Francesco Facchini, Standing Auditor
- / Marco Valsecchi, Standing Auditor

SUPERVISORY BOARD

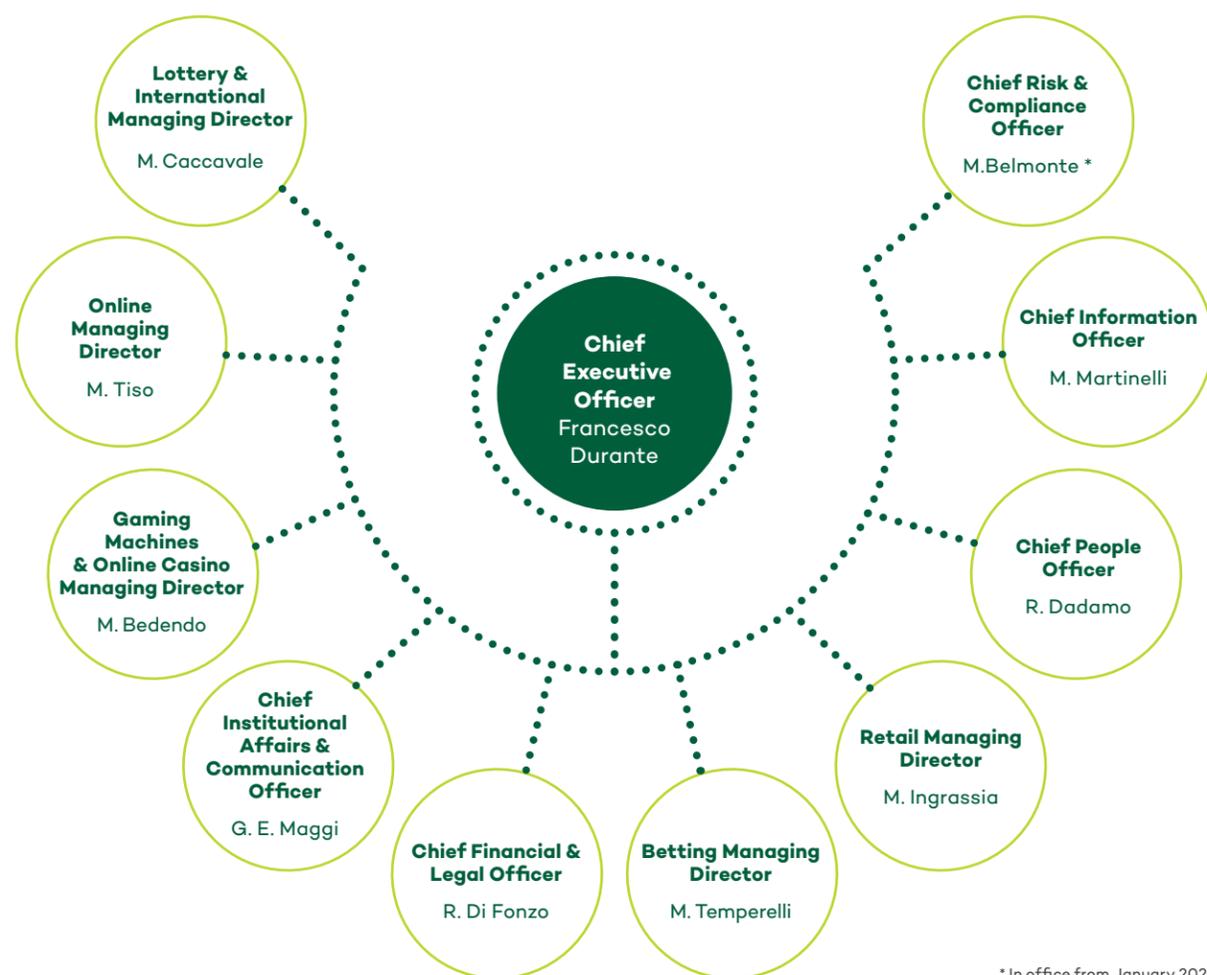
The Company has adopted an Organization, Management and Control Model pursuant to art. 6, Legislative Decree 231/01, one of the aims of which is to ensure fair and transparent business activities, and has established a Supervisory Board with the following members:

- / Avv. Emiliano Nitti, Coordinator
- / Avv. Daniele Ripamonti, member
- / Dott. Prof. Maurizio Comoli, member

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 controls Sisal's Sustainability model in terms of discussion and approval of strategic guidelines.

OUR INTERNAL STRUCTURE



* In office from January 2021

Sisal's internal organization revolves around central functions ensuring operating consistency and effectiveness, three Business Units, each with a focus on specific Sisal products, and three Market areas: Retail, Online and International. Following a review of the organization structure in 2021, Rosangela Robbiani is now Lottery Managing Director; Simona Pacioretti is the new Internal Audit Director.



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

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

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.

INTERNAL CONTROL AND RISK MANAGEMENT

International Market

This market manages Sisal's expansion on international markets by participating in competitive bidding (in the Lottery segment, for example) or acquiring licenses (in online gaming, for example). We are active 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 (Directly operated and Partner, Branded, Specialist and Generalist distribution network), as well as those of the Subsidiaries.

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

Our **Enterprise Risk Management (ERM)** system has been in place since 2008. The process is based on the risk management model defined by the Committee of Sponsoring Organizations of the Treadway Commission (C.O.S.O.) and plays a strategic role internally, because it was designed precisely to engage with and establish collaboration between various corporate levels and areas, so delivering an integrated and comprehensive response to the risks identified. The risk management process is led by a **Risks Committee**, on which the CEO and Managing Directors/Chief Officers of Sisal's various Business Units, Markets and Departments sit. The Committee periodically presents the BoD with a summary of the risk management activities performed.

ORGANIZATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/01

Sisal has an **Organization, Management and Control Model** pursuant to Legislative Decree 231/2001, which establishes the liability of entities for administrative offences deriving from criminal activities. The Model basically defines the set of organizational rules and procedures introduced to prevent the crimes set out in the Decree from being committed in companies' own interests.

Distributed to all employees and other interested parties, it consists of:

- / Code of Ethics
- / Internal protocols, procedures and countermeasures to prevent the risk of crime (control system)
- / Supervisory Board
- / Map of powers conferred
- / Penalty system

The **Supervisory Board** is responsible for monitoring the suitability and effective implementation of the Organizational Model and reports directly to the Board of Directors. The various tasks assigned to the Supervisory Board include **keeping up an ongoing conversation with all employees**, who are required to report promptly all irregularities, information or news of suspected offences. To this end, the Supervisory Board publicises the principles and content of the control system, and of the Organizational Model in particular, using the corporate intranet, special channels and training activities appropriate to the parties involved and the level of risk of the area they work in. Our Organizational Model is designed for quick updates to align it with revisions and extensions of the types of offence and areas provided for in Legislative Decree 231.

CODE OF ETHICS

The **Code of Ethics** is a document defining the rules of conduct that employees, directors, statutory auditors, collaborators and commercial partners must observe in the course of their work. Complying with the Code plays a key role for us in guaranteeing proper operation and trustworthiness, as well as in strengthening our image and protecting our know-how. Indeed, the document deals with topics relating to employee relationships, accounting transparency, health, safety, security, the environment and the whistleblowing process, all factors which are key assets for Sisal's success.

ECOVADIS RATING



EcoVadis: a silver medal confirming Sisal's responsibility towards the communities in which it operates.

With the aim of promoting the **continuous improvement of our sustainability management system**, we decided for the first time to request an assessment by **EcoVadis, one of the world's leading eco-sustainability rating platforms**.

In March 2021, we received the "Silver" medal based on a score of 62/100, which puts us in the 89th percentile, with a performance better than 89% of all the businesses assessed.

The EcoVadis assessment model is based on international standards such as the Global Compact principles, International Labour Organization (ILO) conventions, Global Reporting Initiative (GRI) standards, ISO 26000, and Coalition for Environmentally Responsible Economy (CERES) principles. The assessment is supervised by an international scientific committee and involves the verification, based on a questionnaire, of our performance in relation to four topics:

Working practices and human rights

Environment and eco-sustainability level

Ethical Approach and Organization Models

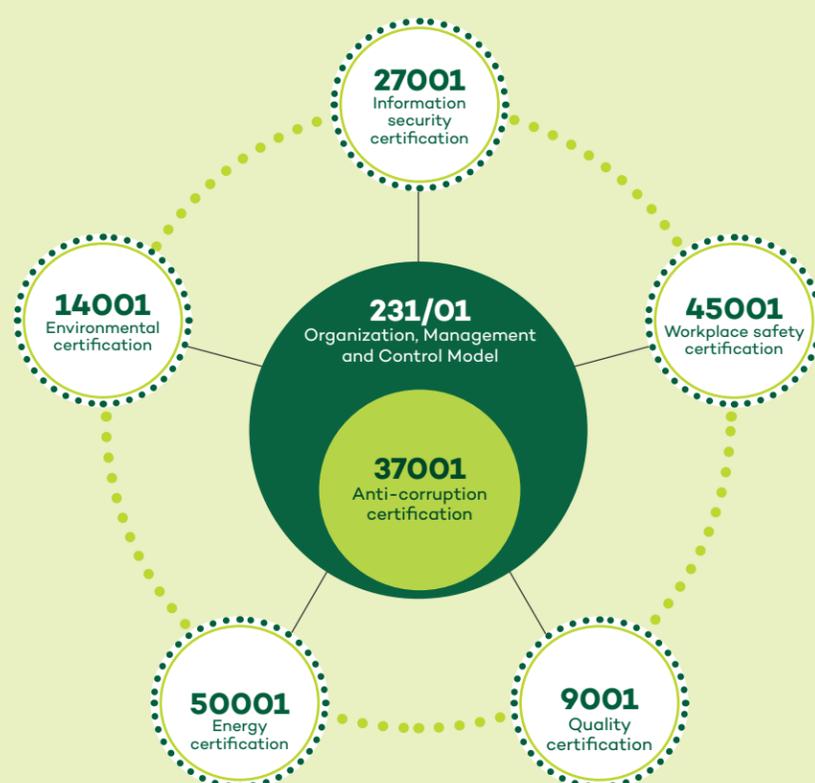
Sustainable procurement

The "Silver" medal is another confirmation of our robust sustainability management system and encourages us to continue monitoring and improving our impact on society.

OUR CERTIFICATIONS

In order to guarantee and formalise our commitment to **safeguard our customers**, to create value for all our stakeholders, and to offer a **high-quality, comprehensive 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, Workplace Health and Safety, and Environment and Energy**.

Integrated management system



Responsible Gaming Certifications

Perimeter: **Sisal 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 issued by EL and WLA. 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 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 Group S.p.A., Sisal 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 issue of a **corruption prevention policy** and, more in general, in the adoption of a management system designed to mitigate the risk of acts of corruption being committed (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 damages the company's reputation.

Information and Cyber Security Management System (UNI CEI EN ISO/IEC 27001)

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

We have been certifying all our **customer data protection** activities since 2013, because the security and reliability of our Information and Personal Data Security Management System need to be under the strictest possible control. This is to ensure the **integrity** and **confidentiality** of our **digital 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 defines the information asset protection programme in such a way as to drive the ongoing improvement of processes to mitigate the cyber security risks we face. For this reason, the CISO and his or her organization 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** - the certification issued by World Lottery Association in compliance with specific gaming sector and international lottery standards (Perimeter: Sisal S.p.A., Sisal Loterie Maroc)

/ **ISO 27001** - the international standard that defines the requisites of the Information Security Management System (Perimeter: Sisal S.p.A., Sisal Loterie Maroc)

/ **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 (Perimeter: Sisal Entertainment S.p.A.)

Occupational Health and Safety Management System (UNI ISO 45001)

Perimeter: **Sisal 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 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 only the start of a longer, 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 S.p.A.**

We are working to **improve energy efficiency** and **use alternative sources**, while keeping a close eye on the costs incurred. 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.

CREATING ECONOMIC VALUE IN A BALANCED, RESPONSIBLE WAY

VALUE

We at Sisal
believe
in value,
by definition.

That is why we have been working for over 70 years to generate economic and social value.

Our intention is to produce profits that contribute to the wellbeing of the communities and territories where we operate, and to provide concrete support for projects and ideas that can make a difference.

/Sisal
Responsible
culture/

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 by the Italian Economy and Finance Ministry (MEF) through the Italian Customs and Monopolies Agency (ADM).

In 2020, the Gaming Market in Italy reported a gross value of €88bn, with an **annual variation** in the last four-year period (**CAGR**) of **-4.7%**. The main reason for this trend is the effects of the Covid-19 pandemic, resulting in the closure of specialist sales outlets for over five months in 2020.

THE VALUE CHAIN

Other important Gaming Market indicators are

/Gross Gaming Revenue (GGR), down **-12.5%** on average in the period 2017-2020, calculated as total gross revenue minus payout.

/Taxation, which also reported a negative CAGR of **-13.5%** 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 2020, with the specialist network closed for over five months, payout accounted for over 85% of Total Revenue.

Main gaming market economic indicators

	Unit	2017	2018	2019	2020	CAGR** 2017/2020
Total Revenue*	€m	101,753	106,863	110,542	88,037	-4.7%
Payout*	€m	82,762	87,876	91,096	75,234	-3.1%
Gross Gaming Revenue*	€m	18,991	18,987	19,446	12,803	-12.3%
Tax revenues	€m	10,300	10,400	11,400	6,659	-13.5%

* excluding Section 7 data and including AWP licence fees and the 2015 Stability Law

** CAGR: Compound Average Growth Rate.

MARKET SEGMENTS

Analysing the various segments of the Gaming Market, it is clear that **AWP (Amusement With Prizes)** suffered most, **with a CAGR of -27.3%** in the period 2017-2020 due to a combination of the consequences of the pandemic and the introduction of the healthcare card obligation (for VLT machines only, as of January 2020).

Retail segment losses were only partially offset by **growth in the Online Gaming segment (CAGR +22.1%** in the four-year period).

Gaming Market revenues by segment

	Unit	2017	2018	2019	2020	CAGR 2017/2020
Offline Lotteries and Bingo	€m	19,484	20,154	20,487	16,039	-6.3%
Offline Betting and SPC*	€m	6,250	6,514	6,977	3,933	-14.3%
AWP**	€m	49,001	48,753	46,673	18,830	-27.3%
Online Gaming	€m	27,018	31,442	36,405	49,235	22.1%
Total Gaming Market	€m	101,753	106,863	110,542	88,037	-4.7%

*SPC: Sports Prediction Contests
**AWP: Amusement With Prize machines

MAIN FINANCIAL RESULTS

In 2020, Sisal posted overall revenue of around **€8.2bn***, a fall of 16.4% compared with the previous year. **Operating income** amounted to around **€524m**, down on the figure for 2019.

The revenue and income trend in 2020 was strongly influenced by the **Covid-19 healthcare emergency** and the measures taken by the government to combat it. Business performance in 2020 reflects the two lockdowns introduced by the authorities, the first from March 11 to June 15, 2020 and the second starting on November 6, 2020. In the period from March to June 2020, revenue was down 45% compared with the same period in 2019.

The impact of the Covid-19 pandemic on the group's results was in part mitigated by:

- /The **performance of the Online sector**, driven by growth in the number of new customers, as well as partially benefiting from the transition of customers from the bricks and mortar channel during lockdown.
- / **International growth**, driven in particular by results generated by the concession in Turkey, which on August 1, 2020 got off to a very good start in both the retail and online channels.
- /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 rental contracts. 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.

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 Report at December 31, 2020).

*this item includes overall turnover in all the countries where we operate

Main financial data at December 31, 2020

	Unit	2020
EBITDA Adjusted	€m	176,322
Operating Result Adjusted	€m	41,357
Result for the year	€m	(9,239)
Total income and charges	€m	523,759

Determination and distribution of value-added in the gaming segment at December 31, 2020

GRI 201-1

Direct economic value generated	533,476
Revenues	392,534
Income from fixed-odds betting	128,428
Other income	2,796
Financial income	9,717
Economic value distributed	408,018
Operating costs	293,905
Purchases of raw materials, consumables and goods	12,944
Costs for services and use of third-party assets	238,459
Other operating costs	42,503
Value distributed to employees	77,217
Personnel costs	77,217
Value distributed to capital providers	28,982
Financial charges	28,982
Value distributed to the Public Administration	7,700
Taxation	7,700
Community investments	214
Donations	214
Economic value withheld	125,458
Amortisation, write-down and write-up of the value of tangible and intangible assets	134,697
Operating result	(9,239)

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 in the new millennium.

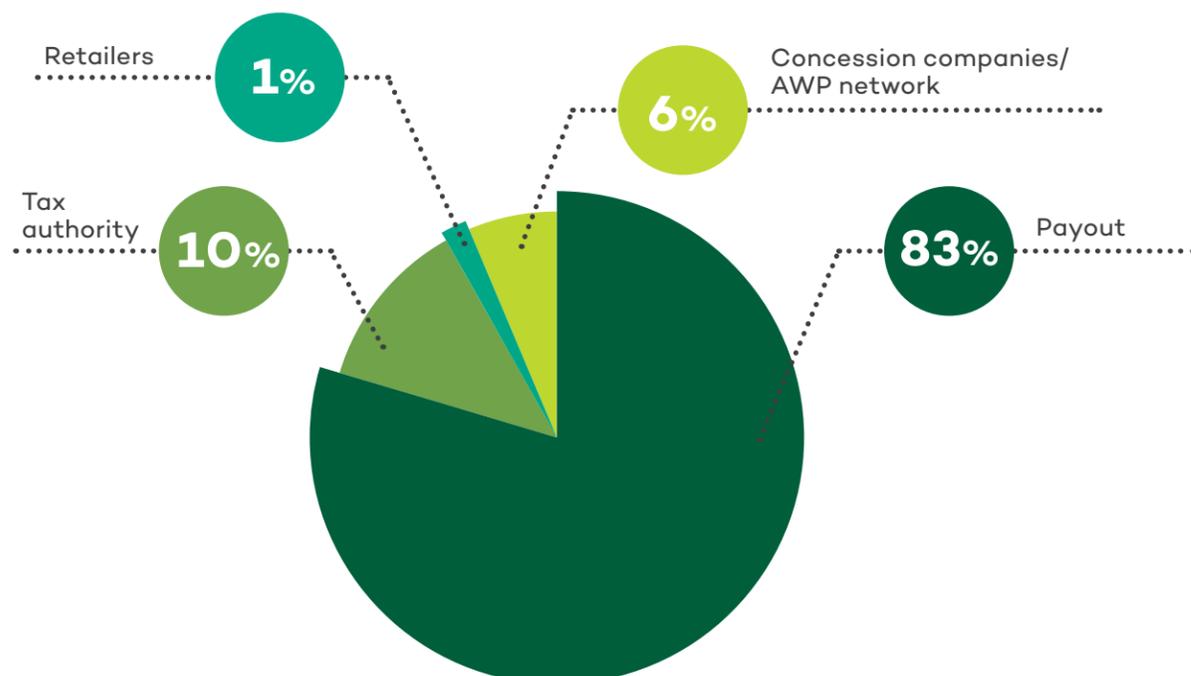
In more detail, in 2020 total tax revenue from gaming stood at about €6.7bn, with an average variation over the last four years of around 13.3%, down about 41.2% on the figure for 2019.

Of this €6.7bn, around €0.8bn refers to Sisal gaming revenue, and of that around €0.4bn to lottery products (SuperEnalotto, Superstar, Vinci per la vita – Win for Life, SiVinceTutto, Eurojackpot and Playsix), while €0.4bn relates to AWP machine, online and 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 2020, cash flows deriving from Sisal Group's gaming business break down as follows.

- /Revenue:** about €7.5bn;
- /Total winnings payable:** about €6.2bn (around 80% of revenue, in line with 2019);
- /Fees paid to retail networks:** about €0.1bn;
- /Fees paid to Group concession companies:** about €0.4bn (revenues from electronic gaming machines include remuneration remitted to the relative supply chain);
- /Taxes:** about €0.8bn (about 10% of revenue).

Percentage breakdown of the Group's total gaming revenue



**A more
responsible
future**



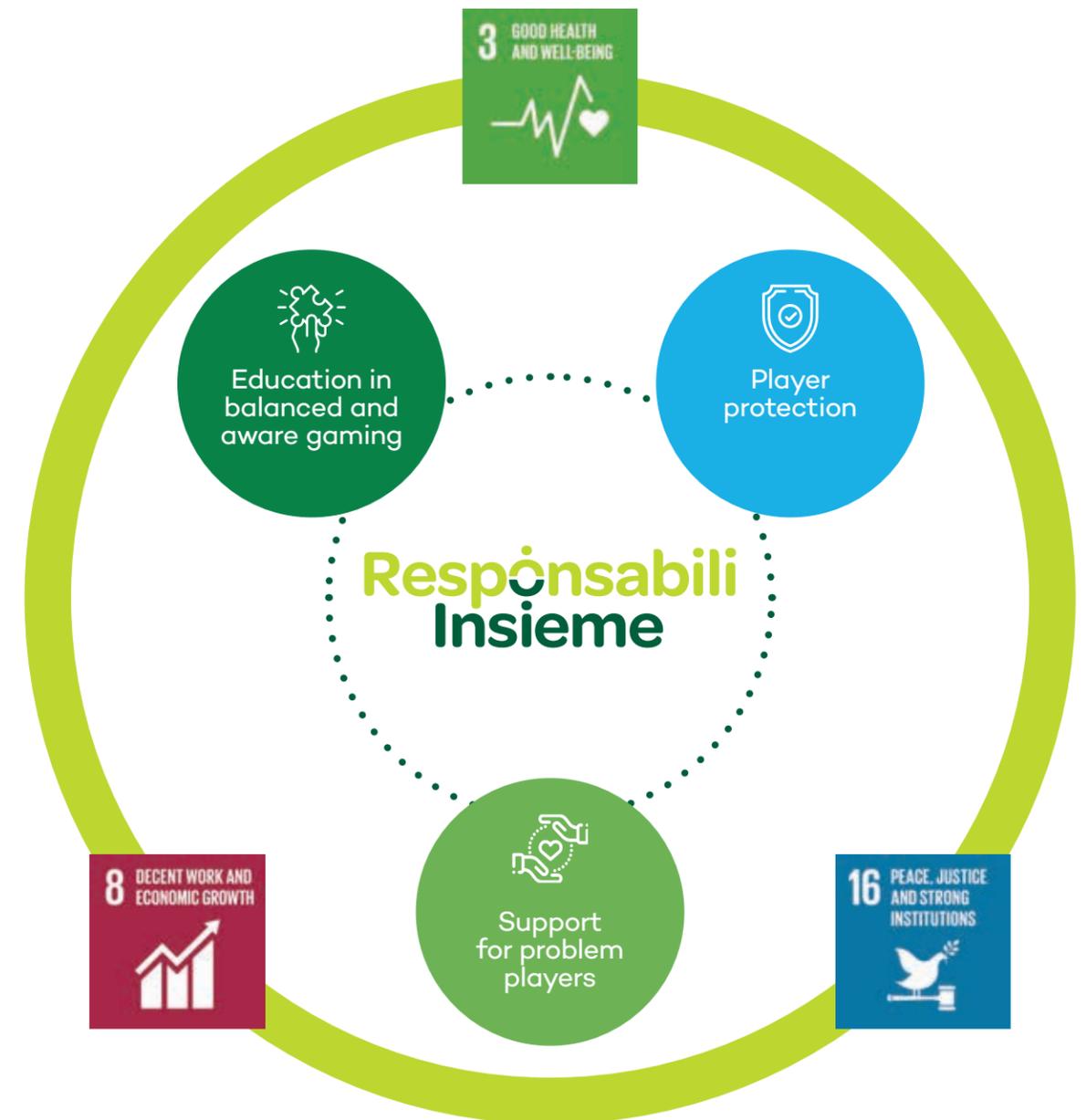
CONSUMER

We at Sisal
believe
in consumers,
by definition.

That is why we have always worked hard to preserve the true meaning of the word, engaging not only with players, but also with our employees, customers and the institutions, to promote a shared culture of safe and responsible gaming.

/Sisal
Responsible
culture/

Our responsible gaming strategy is based on three objectives:



GAMING AS A FORM OF ENTERTAINMENT AND FUN

A RESPONSIBLE PLAYER IS AN AWARE AND INFORMED PLAYER

We believe in gaming as a form of entertainment and fun that is free of excess. That is why we invest in resources and technology to make our offering increasingly advanced, simple and safe.

We are also convinced that the driver of all successful innovation is responsibility, which explains why we prioritise our rules for protecting people and the promotion of individuals, for the benefit of society as a whole.

Lastly, 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** is central to our strategy for ensuring that customers, and especially the more vulnerable categories, are safeguarded. We do this through **information** campaigns, **prevention** of problem gaming phenomena, **education** in responsible gaming and **help** for people with gaming-related issues.

THE NEW RESPONSIBLE GAMING STRATEGY

Given the maturity of our Responsible Gaming Programme, at the start of 2020 we carried out a **strategic review of how this priority initiative is evolving.**

In the **new model** identified, we move on from the logic of compliance with certification standards to a **commitment** to consumers that is an integral part of our business. Originally an instrument for limiting problem gaming, our programme has become the driver of a gaming culture in which responsible players are **informed players**. Responsible Gaming is in fact our way of telling all our stakeholders about the company's position on themes relevant to the gaming industry.

With the new corporate purpose in mind, we also reviewed the strategic activities linked to this crucial theme in a **programme that is integrated into all our business areas and channels. The aim here is to promote 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.**

This strategic evolution works along the following lines:

/Analysis of international best practices identified in an international benchmarking process. The project combines qualitative analysis of the main global trends in responsible gaming, based on international standards and global best practices, and the definition of areas of intervention best suited to the scenario in which the company operates.

/Development of effective player protection tools, drawing on technological innovation and artificial intelligence.

/Creation of a system for measuring Responsible Gaming performance.

/Implementation of an international strategy to ensure the application of high standards of responsible gaming in full compliance with current legislation.

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

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 prohibition of gaming for minors, 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 2021, we are committed to:

- / **introducing a new Responsible Gaming concept;**
- / **producing and distributing a new and complete information kit on Responsible Gaming** for all our retailers and players. It contains useful information, a test ("What sort of player are you?") and contact details for help centres staffed by experts on gaming problems;
- / **introducing new tools to support and train retailers** on providing information about gaming and its associated risks.

Online channels

We support the online gaming experience through Sisal's portals and digital applications, as well as through advanced technologies that guarantee safe gaming procedures prohibited for minors and 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. We have also introduced parental control information notices on our websites, so that parents can prevent their children from visiting gaming websites.

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 safety 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;
- / a set of self-limitation and temporary/permanent self-suspension 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 2020, we analysed and identified new and innovative tools for protecting online players, also involving the use of Artificial Intelligence and predictive models.

In 2021, we plan to:

- / **redesign the information section** of our gaming websites and digital applications;
- / **review the deposit limits**;
- / **introduce new information and player protection tools** employing Artificial Intelligence and predictive models for self-exclusion and 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. Audio-video lessons, illustrations and exercises provide retailers with an easy way to learn content that can be put immediately into practice. Both the graphics and the content of the e-learning platform are monitored and improved on an ongoing basis, with a view to engaging with as many retail points as possible and to making the user experience enjoyable, simple and profitable.

In 2021, we are committed to:

- / **launching a comprehensive new training programme for all retailers** that focuses on responsible gaming, the risks associated with gaming, and tools for helping players, with a final learning assessment;
- / **completing the retailers' portal** with new thematic content about Responsible Gaming.

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 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 are brought to a close by a **questionnaire to check that participants have assimilated the material**.

1,116
new points
of sale
trained
in 2020

1,180
employees trained
and 1,376 training
hours provided
in 2020

In October 2020, we launched a comprehensive new training programme on Responsible Gaming consisting of six modules, an introductory video, browsable infographics and supplementary content. The course closes with a test to check that participants have assimilated the material.

In 2021, we plan to:

- / **increase participation** in the training course;
- / **introduce courses for professional categories**, with the participation of experts on problem gaming;
- / **complete the Responsible Gaming section of the portal** with supplementary video content.

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 were 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 2021, we will:

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

PLAYER PROTECTION



Identifying problem behaviours and implementing measures to protect players and prevent underage gaming.



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 2020, we launched an integrated project to monitor problem players, with the aim of:

- /establishing dialogue with players** on responsible gaming issues;
- /monitoring our online players' gaming behaviour;**
- /implementing 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 2021, we will:

- /perform continuous monitoring of online and offline gambling behaviour** to profile our players in terms of risk levels;
- /implement player protection measures** in line with the levels of risk identified.

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

Sisal has always been committed to safeguarding its players, not only through information initiatives but also the prevention of problem phenomena, education about a responsible approach to gaming, and help dealing with critical gaming-related issues.

Sisal is upgrading its player protection measures with technologies that analyse data from various platforms and process them using **advanced Artificial Intelligence systems.** Data will be managed, correlated and used by algorithms that enable real time analysis supporting both our business and our commitment to responsible gaming.

All Sisal online products are designed to support access and spending limits based on **specific AI tools** that will make it possible to recognise problem player behaviours in real time and intervene with the appropriate protection measures.

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 is to **define protection factors and criteria for players and to introduce useful strategies for avoiding potential risks.**

Sisal's entire game portfolio is verified by the Canadian company using the application tool. This analysis has revealed that Lottery products have a low/medium-low risk level.

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. 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.

/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.

THE RULE OF LAW IN GAMING



Responsible gaming certification

Every three years since 2011, our Responsible Gaming Programme has been submitted to an **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 organization 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.

Prevention of and the fight against illegal gaming

Illegal gambling, along with addiction, is one of the most sensitive gaming-related issues. It is a phenomenon that harms not only people's safety and security, but also the financial interests of the nation. We work alongside trade associations and local authorities to develop ever more effective projects to promote safe gaming, by analysing and monitoring the potential risks for local areas. Specifically, the company **collaborates with the Italian Customs and Monopolies Agency**, the industry regulator, to ensure customer protection and the security and transparency of gaming tools and the product offering.

Thanks to the joint efforts of Sisal and the institutions, in April 2018 the innovative **universal self-suspension tool** was introduced in the online gaming segment, offering players a simple way to apply to the Self-Suspension Register for temporary or permanent self-suspension. The tool's purpose is to ensure that people have a **more aware and responsible gaming experience** than in the past. It represents an evolution of the self-suspension function that was previously enforced in individual retail points, as it is now managed centrally by the SOGEI system based on players' tax codes, guaranteeing that **all players who apply are effectively kept out of all legal gaming sites.**

Anti-money laundering function

Today in Italy, strict controls by Sogei (the IT company controlled directly by the Italian Ministry of the Economy and Finance) have reduced to virtually zero the potential for online gaming platforms to implement policies that infringe consumer rights. The greatest risks are in connection with **fraud by users to the detriment of other players or even the Government** through money laundering systems or so-called chip-dumping.

It is therefore a priority for Sisal to ensure **correct application of the law** and put in place the necessary **measures against money laundering and the funding of terrorism** regarding the operations of each business area (online and retail) and point of sale operating procedures. That is why, in 2013, we formalised our anti-money laundering activities by creating the **Anti-Money Laundering Function**, which now forms part of the Risk and Compliance Department. In accordance with the relevant provisions of law and the principles of independence and authoritativeness, the anti-money laundering function has adopted specific measures for the **detection, management, prevention and reporting of risks related to money laundering and the funding of terrorism.** The function's specific strategic objectives are, among other things, to:

- / identify and adequately verify customer profiles by applying strict procedures (particularly for transactions upwards of €2,000 for betting products and of €500 for ADI-VLT products);
- / retain identification data and other information about relations and transactions;
- / adopt a money laundering risk profiling system based on player and point of sale operating parameters;
- / flag any suspicious transactions to the Financial Information Unit;
- / establish internal control measures and ensure adequate employee training.

Main activities in the gaming sector in 2020

- / Implementation of the methodology for identifying the risk of money laundering and the funding of terrorism, including:
 - / identification and assessment of potential risks associated with natural and legal persons;
 - / assessment of vulnerability to detect shortcomings in the controls;
 - / assessment of the impacts and potential negative effects associated with the risks identified.
- / Detailed mapping of the risks of money laundering and funding terrorism identified in relation to the business plan, using the methodology outlined above and relative corrective action;
- / Development of policies, procedures and controls to manage and mitigate the risks identified and constant verification of their adequacy in relation to the introduction of substantial changes, including:
 - / adequate assignment of responsibilities guaranteeing correct disclosure of information;
 - / procedures for defining how to act with respect to risks identified;
 - / employee training and communication.
- / Use of control tools including:
 - / customised profiling software;
 - / automated checking systems and databases supplied by external providers for reputation screening (in both onboarding and ongoing phases);
 - / a customised automated Transaction Monitoring system to monitor gaming operations for the purpose of analysing movements and reporting suspect operations to the Authority.
- / Internal sharing of results to form an overall picture of the risks for the company covered by this Function;
- / Consulting and support (collaboration, information and knowledge sharing) for company functions in money laundering prevention activities;
- / Promotion of periodical information flows towards local anti-money laundering functions operating within the Group's internationalisation process.

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 the country and is an **integral part of our commitment to promoting a model of responsible gaming**.

The **ubiquity** of our points of sale ensures the production of a quality offering for our 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 security in gaming and also to work on nationwide sustainability initiatives.

With its **differentiated and personalised commercial offering**, our gaming sector network is growing continually, with 39,852 points of sale in 2020, split between two physical channels: **branded** and **affiliated**.

BRANDED CHANNEL

Direct contact and communication with customers give 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 **1,696 points of sale** across the country (of which 96 directly operated) that are immediately identifiable with the company's proprietary brands.

Sisal Wincity



Top of the range in Sisal's retail network, Sisal Wincity is an **innovative concept** based on the "Eat, Drink and Play" model combining **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 **33 Wincity points of sale** in major Italian cities including Milan, Rome, Turin, Brescia, Pescara, Florence, Catania and Bologna.

Sisal Store

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



AFFILIATED CHANNEL

Our products are also available in **38,156 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

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

Retailer portal

The preferential communication channel with the network is the Retailer Portal at 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**.



Terminal messages

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.

DIGITAL DIALOGUE WITH STAKEHOLDERS

We use multiple digital communication channels to communicate constantly with our stakeholders in a **direct and transparent dialogue**.

SISAL.COM

Designed to promote the brand and relations with stakeholders, our corporate website carries content on sustainability issues and Sisal's commitment to creating social value. It is an indispensable tool for telling the story of a company in continuous evolution and has helped position Sisal among the "Gold Class" performers in the Lundquist.trust ranking of unlisted companies.

UNASTORIA NATAPERGIOCO. 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 pieces in the physical collection housed in the MEIC Archive (Memoria, Evoluzione and Identità Condivisa - Memory, Evolution and Shared Identity) at the Peschiera Borromeo site.

GIOCHINUMERICI .INFO

As an Italian national lottery and totalizator game concessionary company, Sisal also manages the Giochinumerici.info portal and related websites Superenalotto.it, VinciCasa.it, Eurojackpot.it, Winforlife.it, Sivincetutto.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.

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 omni-channel 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.

SISAL WINCITY.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 organized at individual sites, as well as to view weekly menus that include an offering of outstanding dishes by famous Italian chefs.

SISALSMART POINT.IT

This is the online showcase of our "Sisal Smartpoint" retail brand, featuring a next generation point of sale experience created by innovative technology and decor, plus highly qualified staff.

Sisal Group'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.

FACEBOOK

The LinkedIn profile is the preferred channel for talking about Sisal's various activities. The company's story is told mainly by employees and by its welfare activities and projects in the field of innovation and support for the country's reopening.

LINKEDIN

LinkedIn is also Sisal's main employer branding tool, as seen in the 2020 recruiting campaign. Currently with over 55,000 followers, the page grew by over 10,000 users last year, confirming its leadership in the Italian gaming industry by size of fan base on this channel.

In 2020, we used our Twitter channel mainly to talk about important corporate anniversaries and innovation projects.

TWITTER

We have two YouTube channels:

- /a Sisal Group corporate channel, featuring the heritage of video content produced by the Company over the years;

- /a channel dedicated to SuperEnalotto, offering live coverage of lottery drawings.

YOUTUBE

VALUING OUR PEOPLE, THE TRUE WEALTH OF THE COMPANY

PEOPLE

We at Sisal
believe
in people,
by definition.

Because they are the beating heart of our company. We have always encouraged collaboration and dialogue, interacting every day not only with our employees, but also with customers, partners and institutions, to create relationships based on transparency that work for the wellbeing and growth of everyone.

/Sisal
Responsible
culture/

Our employees are above all our main stakeholders and **key resources** as our business evolves into the future with new methods of learning, working and innovation. They strive to preserve and develop the **spirit** at the heart of the **company's identity**, which embraces **expertise, the ability to innovate and creativity**. These same qualities characterised our three founders, journalists and "explorers" capable of **looking into the future** in a period of extreme uncertainty, but also huge opportunity, to revitalise Italian sport and contribute to the reconstruction of its facilities through the invention of Totocalcio.

That is why at Sisal we **support** our employees in the pursuit of their **chosen objectives** and guide the business's transformation by promoting an inclusive **organizational culture** geared to technological and human development. We constantly invest in their **professional growth**, in **developing their skills** and in their **wellbeing**, producing digital programmes and processes serving life-long learning and reskilling. We are also committed to promoting **talent, self-learning, employability** and a **proper life-work balance**.

Growing together in uncertain times

Together: this is the word that sums up Sisal's experience in a difficult 2020. Together we sought and found lifelines, together we made sure people felt safe, and together we will come out of this even stronger.

No one could have foreseen what we are going through now. As individuals and colleagues in the same organization, we have all had to make **enormous efforts to adapt** and we will continue to do so. Our new habits, new working methods and a new way of experiencing personal relationships made it necessary in 2020 for Sisal to be **even closer to its people**. Through listening, dialogue and special initiatives, we managed to meet colleagues' expectations and feel even closer together.

We fought uncertainty and fear with psycho-physical support initiatives and detailed information on Covid-19. We felt less on our own thanks to our internal community, we **countered the sense of disorientation** by concentrating on continuous training in skills for personal and professional development, and all this without becoming too sedentary, because we also organized some workouts together on Teams.

In this context, the Human Resources department played a vital role by promoting and developing projects and initiatives in three areas:



HOW WE ENGAGE OUR EMPLOYEES



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

eNPS survey

In 2020, we conducted an **eNPS (Employee Net Promoter Score) survey** (co-ordinated by our Market Intelligence function) to study our employees' potential willingness to **recommend the company as a working environment**.

The aim was to constantly monitor the climate in the company and understand both positive actions (to build on them and establish best practices) and negative actions (to correct them before they become systemic).

The score was 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)

1,087 respondents
eNPS: +38%

Both the promoters' and the detractors' responses were qualified by comments explaining the reasons why.

The eNPS value (%) is the difference between the number of Promoters and the number of Detractors. At Sisal, we saw that there are 38% more Promoters than Detractors.

Other surveys planned in 2021

- / **4 new eNPS surveys** (quarterly)
- / **GPTW 2021** - a new survey of the climate in the company, indispensable for gauging sentiment, areas for improvement and strengths to build on.
- / **New Ways of Working** - a 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 organizational policies, and understand which technologies would improve remote working once the emergency has ended.

Banding System and Careers

The Banding System is an HR tool used at global level to define clear and shared rules and policies for creating a transparent and merit-based working environment. Based on international methodology, it makes it possible to profile roles and their contribution to the organization, adopt **transparent and fair Total Reward policies**, and build not only vertical but also horizontal **career paths**.

We helped our people to understand the Banding System using **learning cards, webinars and Q&A sessions**, so that it could then be employed in **corporate titling** and the **Salary Review process**, as well as in the **co-design of career paths** in the ICT and Online areas.

Webinar: **over 80 managers involved** (2020)
Learning Card: **nearly 300 visits** (2020)

Performance Management

Performance Management is an important tool for personal development and managing performance during the year. It is characterised by being:

- / a single global system for all countries and all people in the Group;
- / constantly aligned with business strategies and focused on the development of innovative, future-oriented skills through continuous feedback and focused, personalised development paths.

In 2021, targeted training for Sisal's entire population will be organized ahead of the final adoption of this new process.

Community

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

Launch of the
first pandemic
**Christmas
Community**

Our objective for 2021 is to develop the following communities:

- / **Smart working – New ways of working;**
- / **Welcome in Sisal** (for new recruits);
- / **New normal**, to keep up to date on changes at Sisal in a working context that is new, dynamic and conditioned by the pandemic;
- / **Training**, to keep track of the various events and discuss topics;
- / **Wellbeing**, enabling all our employees to choose the opportunities that are the best fit for them out of all those on offer.

International Digital Workplace

In 2020, we carried forward our work on the creation of a **digital workplace**, with the design and implementation of a **new company intranet** that will provide a communication and collaboration tool between colleagues in different countries. The first prototype went online in 2019.

Its main purpose is to enable all employees to access **constantly updated content and data** about the company at any time, wherever they are and from any device. It also **supports operations** in branches and points of sale and provides an updated picture of all project teams, **encouraging collaboration**.

Our objective for 2021 is to make the new intranet the **first digital touch point** for all employees in all countries, an **international digital workplace** enabling all colleagues to:

- / keep up-to-date about what is happening in the company;
- / communicate rapidly and seamlessly with each other and with management;
- / express their needs and concerns.

CONTINUOUS LEARNING



Now more than ever, Sisal is having to engage in a **process of technological and digital transformation** that affects the entire organization, including operating procedures and the various professional roles.

That is why we develop projects supporting **employability** - to enable all our people to **develop their talents** and stay active and useful in a labour market in constant evolution - and programme **opportunities** for different generations and genders in order to boost their spirit of enterprise and **ability to deal with change**.

SKILLGYM ONLINE

Sisal's **soft skills development** and training space - Skillgym - went fully digital in 2020. This voluntary **self-training programme** open to all employees is designed to help our people develop the **main skills required by the market**, increasing employability.

It involves a **web assessment** of employees' proficiency in **13 different soft skills** using the method best suited to their personal learning styles. Participants are free to choose the soft skills they want to learn and how much training to do. There is also a **web coach** available for 1-hour **coaching calls**.

BE DIGITAL

The main aim of our innovative and fully online **digital soft skills** training programme is the **development of a digital mindset**, starting with the implementation of remote collaboration and communication techniques and online sharing of information.

Virtual workshops were held to put into practice the skills learned and a 1-day **digital hackathon** was organized. Digital coaching on **personal branding for LinkedIn** was also provided.

DIGITAL JOURNEY

Also on the theme of developing a digital mindset, Digital Journey is an app designed to enable all Sisal's people, especially in retailing, to work on their **digital skills** autonomously and with a personalised approach.

The **app is fully customisable**. Starting with an initial test to assess their digital competence, users can select three out of six categories, all on digital topics, and receive three new content items each week (each lasting a few minutes) in line with the proficiency level reached. They can also consult the general ranking of all the employees active on the app and unlock a series of **webinars with experts**.

over **200**
participants
in 2020

3 editions
completed and
over **60**
colleagues
involved in 2020

over **300**
downloads
in 2020

OPENCAFÉ WEB

OpenCafé is Sisal's employee training **platform**, providing courses on **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

OpenCafé Young

OpenCafé Young is a course for all Sisal **interns** focusing on **digital skills, soft skills and personal branding**. It is designed to help develop these skills in a corporate context, at the same time as boosting **motivation and performance**. The project also helps these young employees to explore certain topics, gaining knowledge that will help them stay active and in demand on the labour market.

The entire initiative is characterised by original and interactive training methods designed to stimulate **creativity** and develop a **digital mindset**. There is also a dedicated **Teams Community**.

OpenCafé Languages

Sisal is becoming increasingly international, which makes it vital to be able to **communicate with colleagues abroad**. That is why we have developed a web platform for **training in nine different languages** (Italian, English, Chinese, French, German, Spanish, Portuguese, Russian and Dutch).

Our employees can learn and practise a chosen language both on the **web** and via a **smartphone app**, as well as inviting a friend free of charge.

OpenCafé for the Covid-19 emergency

Sisal's training platform was supplemented in 2020 with courses designed to effectively handle the Covid-19 emergency:

- / **Work in times of emergency**, for smart working colleagues;
- / **Microsoft Teams**, maintained by a colleague and focusing on the company's main tool for communicating and working together online;
- / **Reopening safely**, providing useful information and good practices for reopening;
- / **Virtual meeting**, to learn the secrets of remote meetings.

over **200**
bites
on the platform in 2020

2 editions
completed and
over **70**
interns
involved in 2020

over **800**
visits
to the platform in 2020

6,502 hours
of training, of which
1,065 mobile
and **5,437** web

over
11,000
sessions during the
emergency period, with
twice the number of
users seen in 2019

OTHER EMPLOYEE TRAINING PROGRAMMES

Effective negotiation and conflict management

Being a good negotiator means knowing what negotiation strategies to apply in different situations. This course aims to provide our employees with tools and techniques for a better understanding of both the relational mechanisms and strategies to adopt during negotiations and their own negotiating preferences.

Public Speaking

On this course, millennials learn how to speak successfully at presentations and in everyday life but above all they acquire the best techniques for getting the message across. There is a special focus on public speaking tools and techniques for online meetings (Teams, Zoom, Skype).

Profession 'Boss'

This training programme for Sisal's **new managers** is designed to respond to the main characteristics of the **new working environment** produced by the **digital transformation**, which the pandemic has simply accelerated.

It is important for new managers to

- / understand that managing people is not only a matter of ability or personal characteristics but a **profession** that has to be learnt and constantly fine-tuned;
- / acquire the specific know-how required to be a manager in the digital era (**digital leadership**);
- / learn to effectively interact with team members in the new relational context, given that **smart working** is now the rule and no longer the exception.

Being a leader at Sisal

The pandemic, the state of emergency, and uncertainty about a new normality require all managers to have a **mentality** and **behaviour** that are sensitive to people and at the same time help them to be **forward-looking**. That is why we organized **two webinars for management** in which to reflect on and share experiences regarding:

- / how **communication changes in times of crisis**;
- / how to recognise people's **needs** and **signs of difficulty**;
- / **actions and behaviour** required during emergency situations and uncertainty.

Ambrosetti Management

During the emergency, we extended the Ambrosetti Management service, which offers a varied and up-to-date selection of webinars and live events for middle managers, to the entire Sisal population.

over **120**
participants
in 2020

80
employees
involved in 2020

30
managers
involved in 2020

over **80**
visits
in March- April
2020



We are committed to fostering the **wellbeing of our employees** with projects and initiatives to improve their work experience and promote a good work-life balance.

This **culture of physical and mental wellbeing** also requires a commitment to **workplace health and safety**, especially in situations like the current healthcare emergency. We therefore encourage virtuous behaviours in all our people and have strict controls and procedures in place to ensure full compliance with regulations.

SAFETY

In the context of the Covid-19 pandemic, we organized various initiatives to support our employees, including the following:

- / a special Covid-19 health insurance policy was activated;
- / training on new safety regulations and remote working tools was provided;
- / more in general, the approach to all classroom and blended training was adapted for online use;
- / online communication channels were implemented to keep colleagues up to speed on important information;
- / new safety regulations were posted in all offices and a detailed notice of rules of conduct and management of spaces was issued;
- / internal parking with assigned spaces was made available and smart lockers installed for receiving personal deliveries.

Swab test refunds

To guarantee a safe workplace and protect our employees and their families, **we decided to cover the cost** of a nose-throat swab test or rapid antigen test. This voluntary service is available to all colleagues and their cohabitant family members, **facilitating virus tracking and providing employees with support** in a difficult period for the economy.

Internal Sentiment Survey

In collaboration with our Market Intelligence function, we ran a **survey of all people at Sisal** to study:

- / **attitude** and **confidence** regarding the healthcare and economic crisis and the **situation in general**;
- / **habits** before, during and after the lockdown;
- / **mental and physical wellbeing** during the lockdown;
- / the **experience of our people on smart working** during the lockdown.

The results were shared in an internal webinar.

WELLBEING

92 people
requested refunds for
internal parking

258
shipments
received
in smart lockers

235 swab
tests refunded

8.7/10:
the score for our
communication with
employees and other
internal initiatives
at Sisal during the
emergency

Stress Box

Changing work rhythms, difficulties in dividing space at home between work and private life, worries about the future: these are just some of the factors that may cause **anxiety and stress** in the **new normality** we are experiencing.

That is why we activated a **phone and e-mail help line** available to all our colleagues, to offer them **psychological assistance** in handling anxiety and stress. The service is provided by qualified in-house and external psychologists and coaches.

WELLNESS BOX

We organized a package of four more initiatives to support our people in this new normality and improve their psycho-physical wellbeing.

Online Doctor

A healthcare centre in Milan provided all our colleagues with **online video-consulting** and **case histories, prescriptions and records in digital format**.

Self-empowerment

We offered all our colleagues the chance to take the **PDA** behavioural questionnaire, followed by three **digital coaching** and guidance sessions on Teams or by phone. The aim was to enable them to better understand their attitudes and responsibilities and concentrate on their personal and professional development, improving their **wellbeing, self-efficacy and self-esteem**.

Meditation

We organized a **weekly online course** held by one of our colleagues, Domenico, an expert in meditation.

Video and audio content guiding meditation, weekly insights and a webinar with a contest are used to promote **good stress alleviating practices**, boost creativity and regain energy to tackle everyday life.

Gympass W

We provided access to the **Gympass digital platform** for all our employees, allowing them to take part in online fitness, **training** and **nutrition** courses. This enabled them to try out various sporting activities without leaving their home.

Fitness with Luca

We organized **live-streamed workouts** led by one of our colleagues, Luca, an expert on **fitness and recipes to stay fit**.

over **80**
sessions
—
35%
of cases were staff
at our points of sale

53 video
consultations

over **90**
coaching
programmes
begun

VOLTA - SMART WORKING IN SISAL

Volta is a project that aims to **extend smart working in Sisal**. We understand that this approach to work requires a radical **change of mentality** and involves the transition from working practices based on activities and procedures to one organized around goals and projects.

In response to the healthcare emergency in 2020, smart working was extended to non-eligible roles, enabling them to work off the premises. The practice was then made standard, given the ongoing situation. A survey was carried out at the beginning of the emergency to map people's differing needs and the project was restructured, without a fixed workstation and with flexible hours, while ensuring that objectives and responsibilities continue to be respected.

Smart Tutor

For our smart working colleagues, we put together an inter-functional team of expert smart workers to support them during the emergency and provide training and guidance on how to work more effectively.

Yammer Community

We also developed spaces in which colleagues can exchange information seamlessly, feel closer together, receive replies to their questions, and share their experiences of the emergency and our new day to day life.

PARENTS AND CAREGIVERS

Parenting is a profession that no one teaches you, so we developed a series of solutions to help our employees in the **various stages of their children's growth**, with the aim of improving their **work-life balance** and their personal and professional **wellbeing**.

Profession Parent

An innovative orientation programme for **parents** and **children**, offering parents guidance on how to effectively **support** their children's **educational choices** and provide tools that help them make well-informed decisions about their studies and future careers.

The programme (in partnership with the **Jointly** platform) was enriched with new content in 2020 and adapted to reflect the new normality many parents are living. Four modules address the main challenges of parenthood:

- 1. SOS Parents:** this module aims to help parents manage their relationships with their children from 4 to 18 and handle this new, post-emergency life by acquiring new tools and developing new skills;
- 2. Push to Open Junior:** for parents with middle school children, this is an interactive multimedia guidance programme designed to help choose a secondary school on the basis of sound reasoning, good information, and an assessment of abilities, attitudes, motivation and opportunities;
- 3. Push to Open Senior:** for parents with children in high school, this programme provides university and career guidance enabling young people to decide what to do when they leave school. This also involves conversations with professionals from major Italian companies and thousands of students from all over Italy;
- 4. Digital Parents:** for parents with children from 6 to 15, this is designed to help them develop the digital skills needed to use digital technology and tools with an informed and healthy approach that avoids risks and makes the most of opportunities.

over **800**
smart workers,
of whom **230** activated
in 2020

over **200**
new colleagues
trained
in smart working at Sisal

over **100**
visits to the
platform

DIVERSITY & INCLUSION

Lifeed

We have also developed a digital 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.

SISALCARE

SisalCare is **Sisal's welfare portal**, offering a catalogue of high-quality services for all colleagues and their families throughout the country. It gives our people a **single touchpoint** for all the welfare services available at Sisal, which can be purchased directly from the portal at preferential rates in an easy and totally secure transaction.

We also offer a **welfare credit worth 500 euros** 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 a **webinar**.

Contributions and bonuses for colleagues

Through SisalCare and in addition to the **Christmas Bonus** paid out in December 2020, in 2021 we are planning to offer the following **bonuses to our people**:

- / **New mums**: a contribution towards baby expenses and to facilitate and economically support new mums coming back to work;
- / **New dads**: the extension of paternity leave to enable new dads to stay at home for the first few days after their child is born;
- / **Solidarity leave**: support for colleagues in moments of difficulty;
- / **Scholarships**: a grant towards the cost of university fees for the sons and daughters of colleagues who would otherwise be unable to go to university.

46
registrations
with programmes for new
parents and caregivers

1,814
visits
to the platform
9.1/10:
average approval
rating of the
initiative by the **597**
respondents to an ad hoc
survey



Promoting **diversity** in an organization means taking account of every individual and understanding their **uniqueness**, their contribution and the opportunities they bring. Sisal is increasingly heterogeneous in terms of its resources' **gender, ethnic and cultural background, generation, experience and skills**. We see diversity not just as something to take in your stride, but more importantly as a **resource** that can be used to design creative, innovative solutions that take account of various different points of view.

WELFARE & TALENTS

Today, **four generations** work side by side in Sisal on a daily basis. These generational differences offer extraordinary opportunities for evolving and responding effectively to the needs of the business.

That is why we launched Welfare & Talents, a project that **celebrates "ageless" talent** and **explodes myths** about over-50 workers by shining a light on the value-added they bring to the company.

We also have a monthly newsletter for over-50 employees, **GiornalOver**.

WISE: WOMEN IN SISAL EXPERIENCE

We promote women's **focus groups** to explore Diversity topics and gather information useful for planning together Sisal's commitment on the theme of **gender equality**.

In **2021**, to sustain the principle of **gender equality** in the workplace and **prevent and eliminate all forms of gender-based inequality**, we are planning:

- / a gender equality **certification system** – Winning Women Institute;
- / a **Diversity and Inclusion policy**.

All **Sisal's over-50s**
are involved

(> **300**
people)

-12.9%
gender
pay gap*

40
colleagues
involved

*Calculation method: comparison of gross annual income between men and women (excluding the CEO).

OUR PEOPLE IN NUMBERS

Workforce

At the end of 2020, Sisal's workforce numbered 2,170 employees, mainly concentrated in Italy (87%). Women make up 39% of the entire workforce.

Workforce by gender and country						
	2019			2020		
	1,040	725	1,765	1,134	754	1,888
	0	0	0	0	0	0
	36	7	43	50	9	59
	28	12	40	72	35	107
	0	0	0	73	43	116
Total	1,104	744	1,848	1,329	841	2,170

72% of the workforce in Italy are in the 30-50 age bracket, while 82% are white collars. 87% of employees are under open-ended contracts.

Workforce by age and country								
	2019				2020			
	240	1,258	267	1,765	243	1,360	285	1,888
	0	0	0	0	0	0	0	0
	12	28	3	43	9	47	3	59
	36	4	0	40	87	20	0	107
	0	0	0	0	13	101	2	116
Total	288	1,290	270	1,848	352	1,528	290	2,170

Workforce by gender and category (ITALY)						
	2019			2020		
Apprentices	40	30	70	29	24	53
Blue collars	67	16	83	93	14	107
White collars	813	635	1,448	876	668	1,544
Line managers	90	36	126	106	38	144
Managers	30	8	38	30	10	40
Total	1,040	725	1,765	1,134	754	1,888

Workforce by type of contract and country						
	2019			2020		
	44	1,721	1,765	156	1,732	1,888
	0	0	0	0	0	0
	0	43	43	0	59	59
	0	40	40	0	107	107
	0	0	0	0	116	116
Total	44	1,804	1,848	156	2,014	2,170

Workforce by type of occupation and gender						
	2019			2020		
	1,007	97	1,104	1,249	80	1,329
	515	229	744	618	223	841
Total	1,522	326	1,848	1,867	303	2,170

Turnover

In 2020, 490 new employees were taken on, of whom 284 in Italy, 21 in Morocco, 77 in Albania and 108 in Turkey. Over half the new recruits are in the 30-50 age bracket.

Total turnover in Italy in 2020 was 11% for men and 10% for women. In Morocco and Albania, turnover was 14% and 25%, respectively, for men, and 0% and 33% for women.

New recruits by gender and country

	2019			2020		
	Men	Women	Total	Men	Women	Total
Italy	122	82	204	182	102	284
Morocco	0	0	0	0	0	0
Albania	16	3	19	19	2	21
Algeria	28	12	40	51	26	77
Turkey	0	0	0	69	39	108
Total	166	97	263	321	169	490

New recruits by age and country

	2019				2020			
	<30	30/50	>50	Total	<30	30/50	>50	Total
Italy	85	109	10	204	105	171	8	284
Morocco	0	0	0	0	0	0	0	0
Albania	6	12	1	19	3	18	0	21
Algeria	36	4	0	40	61	16	0	77
Turkey	0	0	0	0	13	95	0	108
Total	127	125	11	263	182	300	8	490

Turnover by gender and country

	2019		2020	
	Men	Women	Men	Women
Italy	13%	15%	11%	10%
Morocco	0	0	0	0
Albania	17%	14%	14%	0%
Algeria	11%	0%	25%	33%
Total	13%	15%	12%	10%

Turnover by age and country

	2019			2020		
	<30	30/50	>50	<30	30/50	>50
Italy	32%	11%	10%	23%	9%	9%
Morocco	0	0	0	0	0	0
Albania	n.a.	n.a.	n.a.	17%	11%	0%
Algeria	n.a.	n.a.	n.a.	28%	25%	0%
Total	32%	11%	10%	24%	9%	9%

Training

In 2020, in Italy, an average of eight training hours were provided for both men and women. The category that received most training was line managers (16 training hours on average).

Average training hours by gender

	2019	2020
Men	12.8	8.3
Women	11.1	8.2

(excluding compulsory training)

Average training hours by category

	2019	2020
Apprentices	52	14.2
Blue collars	0.9	2.4
Line managers	25.9	16.2
White collars	9.4	7.8
Managers	18.4	5.8

(excluding compulsory training)

Health and safety

In 2020, there were a total of six accidents (four men and two women) distributed evenly across workplace and commuting. There were no fatalities.

Accidents

	2019	2020
Men	5	4
Women	19	2
Commuting	12	3
Workplace	12	3
Deaths	0	0

Trade union agreements on HSE issues

	2019	2020
Percentage of agreements that cover/include Health and Safety issues	1	1
Total number of agreements with trade unions that cover/include Health and Safety issues	1	2
Total number of agreements with trade unions	100%	100%

GENERATING SHARED VALUE FOR LOCAL COMMUNITIES

COMMUNITY

We at Sisal
believe
in community,
by definition.

At the heart of our way of doing business there has always been an active commitment to maintaining dialogue with local communities to support innovation, develop talent and consolidate our bonds with sport through distinctive projects serving communal wellbeing.

/Sisal
Responsible
culture/

Our company was formed over 70 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 a **carefree spirit** 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 sentiments 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 can be **adapted every year to contingent needs**.

In 2020, because of the Coronavirus pandemic and its consequences, it was necessary to find solutions compatible with a situation of nationwide emergency. Despite such difficulties, we managed to develop projects and initiatives in full compliance with new legislation and restrictions. Sisal's plan of action focused on **two vital areas**:



INNOVATION AND TALENTS



Innovation and digital development are central to our commitment to promoting responsible business. To this end, we decided to promote the **ingenuity, passion and ideas of young talents** to encourage their **spirit of enterprise** and enable them to become valuable resources for their communities and the country as a whole.

GOBEYOND

This well-established initiative to **support of young entrepreneurs** and anyone with a project they believe can help **relaunch the country** reached its **fourth year**. The call for ideas issued by Sisal and CVC Capital Partners was made in a context that was unusual and not without difficulties.

Despite the ongoing pandemic and restrictions, **over 160 start-ups** from all over the country entered the contest's two categories: **Community** and **Resilient Business**. The customary seeding process continued throughout the year to attract the **best ideas in the country**, with opportunities to meet and discuss in the form of remote digital workshops, using streaming technology and involving **leading Italian universities** (Aldo Moro in Bari, La Sapienza in Roma, Ca' Foscari in Venice and ConLab, Università Cattolica in Milan) and the country's main **innovation platforms** (DigithON and Heroes meet in Maratea).

The prize-giving was held in the **Leonardo da Vinci National Museum of Science and Technology in Milan** during "Innovatori 2021", an event organized by Corriere Innovazione. The proceedings were planned 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 Corriere.it website.

The overall winner of the €50,000 prize was **COP (Chi Odia Paga - Who Hates Pays)**, the first Italian legal-tech start-up to provide web users with all the technical and legal tools they need to defend themselves against online hate.

In the Community section, the winner was **Sabreen**, a system enabling women under 40 to perform their own ultrasound breast screening using a specially re-engineered sensor connected to a smartphone.

The Resilient Business category, on the other hand, was won by **VoiceMed**, a device that employs voice analysis and digital tools to identify the presence of diseases, such as Coronavirus. Both these start-ups were awarded a €30,000 prize plus a high-end advisory course of their choice funded by the network of **Enabling Partners**: Corriere Innovazione, Osservatori Digital Innovation - Politecnico di Milano, Google, frog design, Roland Berger, Brunswick, K&L Gates, Aruba.it, Mamacrowd and Angels4Women.



THE NETWORK: SOCIAL SOLIDARITY



We at Sisal have never wavered in our **support for Italy**. Like our three founders who launched their project to help the country's recovery, we too **want to support our community** by addressing above all those who continue to work for our health, the doctors, nurses and Civil Protection personnel who have been working tirelessly for months in the fight against Coronavirus.

DONATIONS

Despite the impossibility of organizing outdoor activities and gatherings, we in any case decided to take concrete action to stay close to the community during the epidemic.

In the first few months of lockdown, we made an extraordinary donation to the **Civil Protection Department** to purchase personal preventive equipment and medical materials to stop the spread of the virus.

Our **retail network** and their customers organized a fund-raising campaign for the Civil Protection agency, showing that credibility and trust are values deeply shared by our company, our retailers and our consumers.

Donations were made to **Cesvi Fondazione Onlus** to support a social welfare project for the over-65s in Milan and Bergamo, and to **Fondazione Francesca Rava - N.P.H. Italia Onlus** to help purchase intensive care equipment for the Policlinico di Milano.

Aid was also given to **Fondazione Buzzi Onlus** to buy intensive care equipment, which was used in hospitals in Italy's Lombardy region during the emergency and subsequently at Ospedale Buzzi. A donation was also sent to the **Ordine Di Malta - Corpo Italiano di Soccorso** to purchase personal protective equipment for their voluntary workers.

We made a donation to **Associazione Opera San Francesco Per I Poveri** to guarantee the continuation of their day clinic and food distribution work during the emergency, and for **Ospedale Guglielmo Da Saliceto** (Piacenza) we funded the purchase of pulse oximeters, which measure arterial haemoglobin oxygen saturation and heart rate.

In the Christmas period, we made a donation to the Civil Protection Department's fund to **support relatives of healthcare operators who died** in the fight against Coronavirus. This initiative was linked to a greetings card containing bank account details for recipients to make personal donations.

Total amount of donations: 224,392 euros.



WILL: VOLUNTARY WORK AT SISAL

Voluntary work began at Sisal in 2017 thanks to a group of colleagues keen to launch an initiative to help others by offering their own time. So we devised **project Will** to enable our employees to offer concrete aid to those in need. It is an initiative in which we firmly believe and that fills us with pride, as it reflects our company's **attachment to the community** and our strong sense of **altruism and social engagement**.

Working with us on this mission is **MilanoAltruista**, a no-profit association of volunteers operating in and around Milan since 2010, which puts people who want to work for the common good in contact with people in need. This partnership made it possible to create a **portal for the project**, enabling our employees to do voluntary work (four hours a month) on behalf of the associations in our partner's network.

Project Will activities were scaled back in 2020 due to mandatory social distancing and the ban on activities requiring face-to-face presence introduced because of the pandemic. But this didn't stop us **continuing to plan major new initiatives for 2021**. These include a series of webinars on digital topics, such as how to use social networks and the risks of the web or fake news. During these meetings, our employees will have the chance to play the role of teachers, sharing their knowledge on various subjects with an audience of associations in the MilanoAltruista circuit and the public. A different way of providing concrete assistance, albeit virtual and remote.

To further strengthen our ties with the community, we are planning to extend our Will platform to the entire Sisal population and increase the number of associations through which employees can donate voluntary work hours. Yet another initiative reflecting our company's deep commitment to local communities.



PLANET

We at Sisal
believe
in respect for
the planet,
by definition.

That is why we save energy to keep on reducing consumption, waste and environmental impact, year after year. We have never wavered in our commitment, implementing increasingly functional solutions that contribute to building a sustainable future.

/Sisal
Responsible
culture/

CARING ABOUT THE ENVIRONMENT

We believe everyone has a part to play in **conserving our natural ecosystem** and building a **sustainable future**. We at Sisal continue to promote behaviours and attitudes that aspire to the **correct and balanced management of resources** among all our employees and suppliers, and to constantly monitor and improve our processes and products, with a special focus on initiatives to **save energy** and **reduce emissions, pollution and paper consumption**.

MANAGING ENVIRONMENTAL IMPACT



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** and waste.

Since 2001, we have had a **Quality Management System certified** to ISO 9001:2015, thanks to which we not only maintain high standards of sustainable management in the company but also successfully foster a different idea of quality, in which **caring for the environment** plays a central role. In 2018, our Rome site obtained ISO 14001:2015 certification of its **Environmental Management System**.

ELECTRIC POWER

The consumption of electric power represents a significant environmental impact for Sisal, which is why we work ceaselessly to implement **energy efficiency** initiatives. After fitting our Milan site with devices that switch the lights on and off automatically and LED ceiling units for corridor lighting, in 2017 we introduced devices that self-adjust according to how much natural light there is and turn themselves off if no one is present.

We have also implemented a wider-ranging programme to **optimise power consumption in the sites with the highest environmental impact**. In 2018, we started monitoring consumption levels on an ongoing basis, with a view to identifying actions to save energy. In the same year, the Rome site obtained ISO 50001 certification of its Energy Management System.

	Energy consumption in the organization	
	UDM	2020
Heating oil*	GJ	2,450
Diesel fuel	GJ	16,591
Electric power	GJ	54,068
Natural gas	GJ	3,159
Total consumption	GJ	76,268

* Data refer to the Milan site



Energy consumption in the organization		
	UDM	2020
Heating oil*	GJ	901
Electric power	GJ	106
Total consumption	GJ	1,007



Energy consumption in the organization		
	UDM	2020
Petrol	GJ	2,326
Electric power	GJ	1,795
Natural gas	GJ	104
Total consumption	GJ	4,225

EMISSIONS

Our emissions are attributable mainly to **power consumption in buildings, logistics processes and employee transport**. In each of these areas, we have launched initiatives to reduce their impact on the atmosphere.

Regarding **energy consumption in buildings**, in 2018 we upgraded the heating/air conditioning system at our Rome site and it now regulates the temperature automatically according to whether or not anyone is in the room. The intelligent Building Management System has also been improved so that indoor temperature is now adjusted as a function of the outdoor temperature. These solutions have a positive impact not only on consumption, but also on the wellbeing of employees and guests.

Another strong focus, lastly, is on the **sustainability of employee transport**. Here, we replaced over 100 vehicles in our corporate fleet with more recent models offering lower consumption, involving the selection of suppliers able to provide vehicles with better performance and lower pollutant emissions. Of these, electric cars are the most used by employees for work trips within a range of 150 km. In 2020, we also appointed a **Mobility Manager** for our organization, a key figure in our efforts to optimise travel costs.

CARPOOLING

A **company carpooling** project is planned to **reduce CO₂ emissions** per single employee travelling by car. The platform we selected is **JOBJOB**, which enables colleagues to **share home-to-work transport**. This initiative will also deliver economic savings for users, as it will cut travel costs as well as consumption levels.



GHG emissions reduction		
	UDM	2020
Energy from renewable sources	t of CO ₂	6,887.2
Electric cars*	t of CO ₂	1.8
Total	t of CO₂	6,889

*calculated on the basis of a diesel car emitting 160 g of CO₂ per kilometre

WATER

Sisal has a fleet of **over 300 vehicles** and their maintenance includes periodical washing. After thorough market analysis, we identified a start-up (now an innovative scale-up in Telepass Group) offering an at-home car and motorbike washing service using **waterless** and ecological products (Wash Out), meaning the service can operate on public roads without leaving any waste. In 2020, **291 car washes** were carried out using this service, **saving** a considerable amount of water (each wash avoiding around 240 g of CO₂ emissions).



Litres of water avoided (Wash Out)		
	Unit	2020
	Litres	46,560

Wash Out data for 2020 calculated the methods set out in "Sustainable Mobility. The Telepass case", Management Department, Università Ca'Foscari, 2020.



Water consumption			
WATER FROM THIRD PARTIES			
	UNIT	2020	Water stress area*
Milan site	ML	17.222	-
Rome site	ML	2.142	2.142
Total	ML	19.364	2.142

*The Milan site is in a water stress area (<10%), while the Rome site is in a critical water stress area (<80%). Source: Aqeduct Water Risk Atlas, World Resources Institute.

	Water consumption		
	WATER FROM THIRD PARTIES		
	UNIT	2020	Water stress area*
Sites, offices	ML	0.163	0.163
Total	ML	0.163	0.163

* The sites in Morocco are in a critical water stress area (<80%).
Source: Aqeduct Water Risk Atlas, World Resources Institute.

	Water consumption		
	WATER FROM THIRD PARTIES		
	UNIT	2020	Water stress area*
Other sites	ML	0.104	0.104
Total	ML	0.104	0.104

* The sites in Turkey are in a critical water stress area (<80%).
Source: Aqeduct Water Risk Atlas, World Resources Institute.

WASTE

Adopting an environment-friendly attitude can be more difficult when the impact and risks are not immediately or fully apparent. For **waste to be collected correctly** from retail points and offices, employees must be involved in the process at a cultural rather than merely a practical level. That is why Sisal implements **accountability initiatives** at all levels and equips all our sites with the tools necessary for **reducing waste to a minimum**. For example, **separate recycling containers** are provided in all eating areas and near printers, in the latter case with a special container for disposing of toner and other consumables. In 2019, notices were issued providing further **information** on correct waste disposal and identifying the new waste bins with colour coding and symbols.

PLASTIC FREE

At the end of 2019, a “plastic free” initiative was organized under the “Sisal for the environment” project (by our HR and CSR functions). Over 2,500 personalised water bottles were distributed to employees and suppliers, and paper and wooden stirrers for hot drinks have now replaced plastic ones in all refreshment points in our Milan and Rome offices. Further, PET water bottles have been replaced by eco-compostable ones. These measures have had a very significant effect in terms of reducing plastic waste in our offices. The initiative was also the subject of a communication campaign to raise awareness about the impact of using excessive amounts of plastic.

	Total weight of waste	
	UNIT	2020
Hazardous waste	ton.	9
Non-hazardous waste	ton.	266
Total	ton	275

	Total weight of waste	
	UNIT	2020
Hazardous waste	ton.	0.24
Non-hazardous waste	ton.	51
Total	ton	52

PAPER AT SISAL

To ensure our gaming is also responsible towards the environment, we are careful to **use resources in a sustainable way** and particularly **paper**, which is the material we use most and is most at risk of waste. Sisal's ongoing commitment to monitoring the consumption of thermal paper is a strategic activity, as are **product developments involving ecological paper** and **digitalisation of products and processes**.

In the office

We expect our employees to **behave responsibly** and we only select **suppliers** of paper and multi-function printer services who can prove they are **sustainable**. We put our commitment to reducing paper consumption into practice on two main fronts: installation of a central server to **optimise printing** and tendering for the supply of **new and more efficient printer models**.

In 2019, following the tender, we installed new-generation multi-function printers in our offices, **minimising paper and ink wastage** and significantly reducing the rate of printer failures compared to previous years. And via our central platform we pre-set a number of options to optimise consumption levels, including default printing in black and white and on both sides, so achieving further savings of paper and ink. The central server also enables us to **monitor consumption by individual users** and generate reports on spending over time. In 2020, we carried out further initiatives to **raise awareness** around the environmental impact of printing and increased the percentage of recycled paper for printing that doesn't require particularly high graphic quality.

Also in 2020, we extended the use of **Adobe Signs digital signature technology for contracts** (already operative in the distribution network) to our offices too. Where possible we have also retired fax machines in favour of the company's **certified email address**.

“**Edicola Digitale**” (Digital Newsagent) is an initiative in collaboration with our press office to encourage people to use **online** media rather than traditional printed daily newspapers. This has had a positive effect on both paper consumption in our offices and the amount of archive space dedicated to printed dailies.

In the Sisal network

We are also continuously developing initiatives across the entire **network** to reduce the impact of our paper consumption. They include:

/ use of recycled paper in retail sites: this doesn't save a lot of money, but brings huge benefits in terms of **reduced environmental impact**; the production of each ream of recycled A4 paper saves 7.5 kg of wood, 19.3 kWh of electricity, 107 litres of water and 1.6 kg of CO₂.

/ introduction of new printer models: the use of printers with high environmental performance improves our **network's overall efficiency in terms of paper and ink consumption**.

/ FSC® certification for all our suppliers: since our retail network uses large amounts of thermal paper, we require all our suppliers of gaming materials to be certified.

SUSTAINABLE SUPPLY CHAIN

/Stock Store: introduced in 2013, this programme manages stock control and materials reordering at retail points, as well as monitoring paper consumption.

/Digital signature: the implementation of digital signature technology for contracts relating both to the distribution network and gaming terminals **reduces the need to print** documents and therefore paper consumption.

* Source: estimate by supplier Steinbeis Papier

	Paper consumption	
	UNIT	2020
 Normal printer paper	t	5.95
Recycled paper for printers	t.	12.2
Thermal paper	m.	71,841,452

	Paper consumption	
	UNIT	2020
 Normal printer paper	t	0.26
Thermal paper	m	12,816,516

	Paper consumption	
	UNIT	2020
 Normal printer paper	t.	6
Thermal paper	t.	207*
Recycled paper	t.	17
Other paper	t.	572

*The figure for metres of thermal paper consumed in Turkey is not available.



The challenges posed by sustainability must be shared and internalised by everyone in our supply chain, from suppliers to points of sale. We are therefore committed to **promoting our sustainability model 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 in terms of efficiency and innovation, both in products offered and our internal operating models.

We have a total of **1,810 suppliers**, representing a total supply contract value of **€272m**. The number of suppliers includes the Italian perimeter and its subsidiaries, with 410 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 service levels stipulated by **Service Level Agreements (SLAs)** and service levels actually delivered. SLA controls and assessment 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.

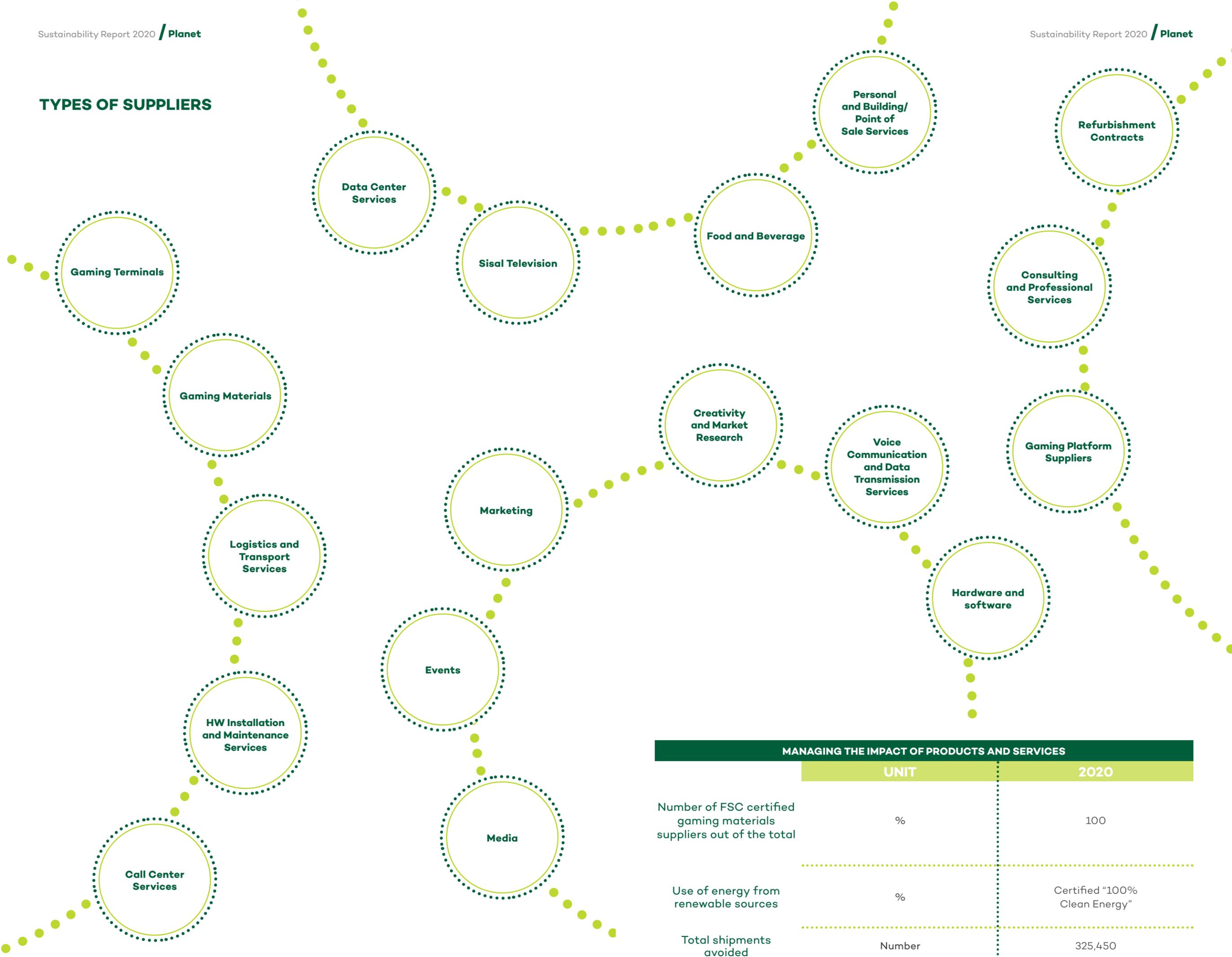
All our suppliers are required **by contract to comply** with the rules and principles set out in the **Code of Ethics and Conduct** introduced pursuant to Legislative Decree no. 231/01 and available for consultation on the corporate website. This document helps us fulfil our commitment to building a **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** 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 by each of our foreign branches. These activities include scouting for new suppliers, preparation of tender documentation, assessment of offers, selection and contracting of suppliers, and the uploading of contracts to the Appian platform.

TYPES OF SUPPLIERS



MANAGING THE IMPACT OF PRODUCTS AND SERVICES

	UNIT	2020
Number of FSC certified gaming materials suppliers out of the total	%	100
Use of energy from renewable sources	%	Certified "100% Clean Energy"
Total shipments avoided	Number	325,450



**our ESG
Commitment**

OUR ESG COMMITMENT

Our sustainability commitment is also being developed in terms of ESG, which we currently monitor along the following lines, in accordance with our strategic model:

Environmental

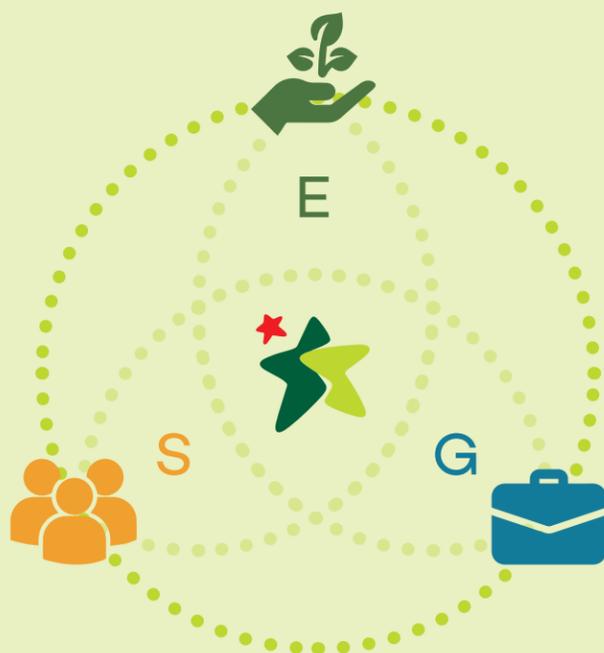
- /Mitigation of emissions within the organization
- /Mitigation of the environmental impacts of products and services
- /Reduction of energy consumption
- /Development of digital sustainability for the nationwide network
- /Opening of a new headquarters meeting the highest possible environmental sustainability standards

Social

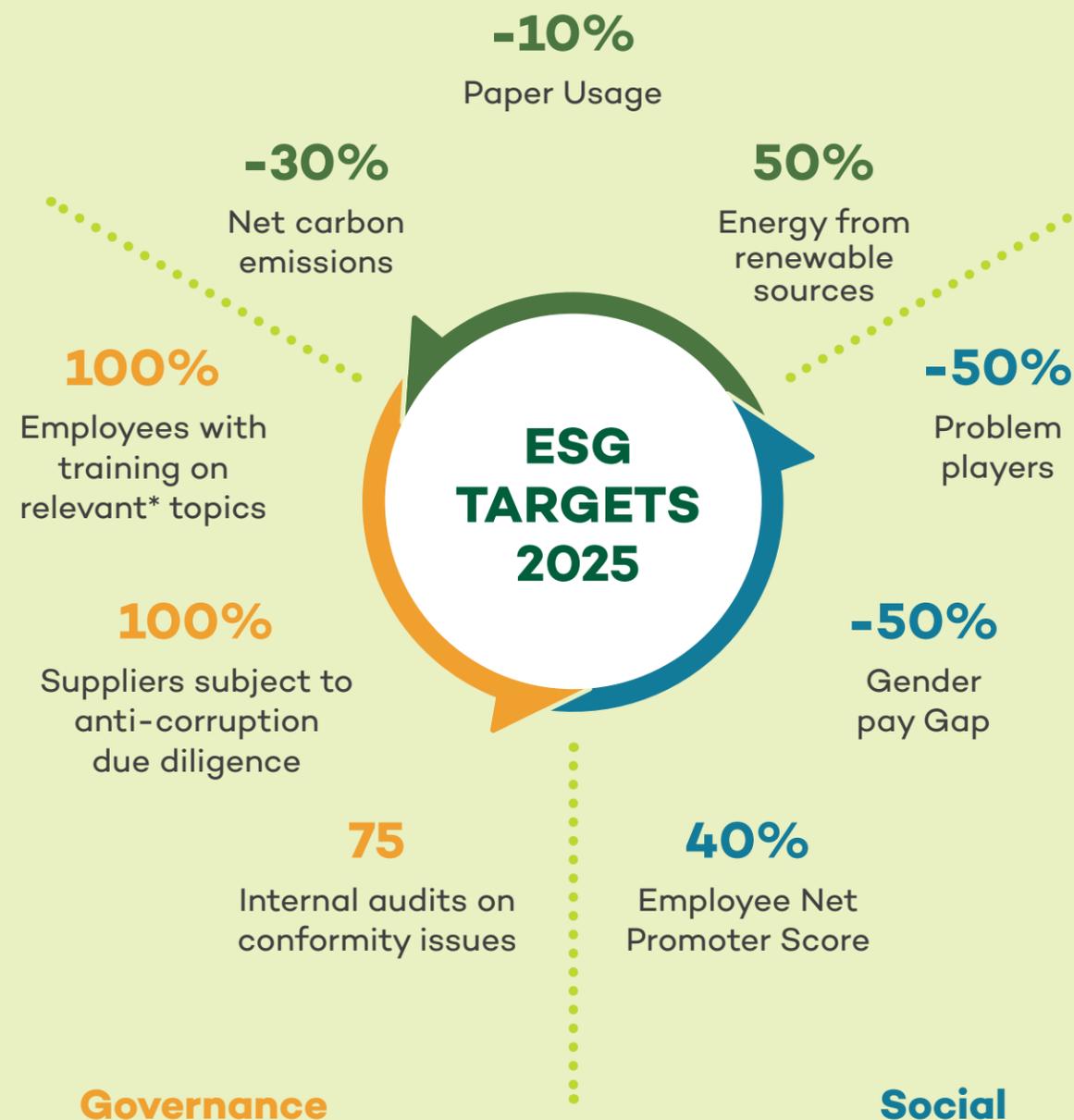
- /Promotion of innovation and support for entrepreneurship
- /Promotion of a model for legal and balanced gaming
- /Protection and safeguarding of players
- /Minimisation of and support for problem players
- /Inclusion, diversity and gender equality
- /Commitment to community

Governance

- /Sustainability governance system based on co-operation between the board of directors and the risk control and sustainability committees
- /ISO certified ESG procedures and processes
- /Sustainability an integral part of the remuneration system



Environmental



(* Anticorruption, Security, Privacy, AML, Fraud, Responsible Gaming

(**) For suppliers with contracts over €50,000

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 2020 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, using the **Core option**, and will be issued annually.

Reporting perimeter and process

Following the restructuring of Sisal Group at the end of 2019, in which its two Gaming and Services businesses were split between Sisal S.p.A. and SisalPay S.p.A., resulting in changes in the management team, this document is the **second Sustainability Report issued by Sisal S.p.A.**

All data, initiatives and projects refer to the period from **January 1, 2020 to December 31, 2020** and therefore refer to **Sisal S.p.A.** and its subsidiaries except for the following case:

/environmental data no longer refer to the Sisal Group perimeter (as they did in 2019) and no comparisons are therefore made with the previous year because there has been a disaggregation of data relative to the Sisal S.p.A. perimeter;

/data relating to training and health and safety indicators refer to the Italian perimeter only (Sisal Group S.p.A., Sisal S.p.A., Sisal Point S.p.A., Sisal Entertainment S.p.A.).

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

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 organized 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 it is the second year of reporting for Sisal S.p.A., data refer to the 2-year period 2019-2020 except for environmental data, which refer to 2020 only, the first year of reporting for the Sisal S.p.A. perimeter.

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.

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 July 28, 2021.

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

ORGANIZATIONAL PROFILE		
Standard	Disclosures	Page
102-1	Name of the organization	Our organization 33-34
102-2	Activities, brands, products, and services	Our offering 18-19
102-3	Location of headquarters	Contact details 119
102-4	Location of operations	International development 20-23 Our organization 33-34
102-5	Ownership	Our organization 33-34
102-6	Markets served	Internal structure 36-38 Our market 45-46
102-7	Scale of the organization	Highlights 6-7 Our organization 33-34 Main financial results 46-47 The Sisal network: having fun responsibly 64-65 Our people in numbers 80-84
102-8	Information on employees and other workers	Our people in numbers 80-84
102-9	Supply chain	Sustainable supply chain 99-101
102-10	Significant changes to the organization and its supply chain	Lettera to stakeholders 4 International development 20-23 Note on methodology 106
102-11	Precautionary principle or approach	Internal control and risk management 39
102-12	External initiatives	Our certifications 42-43
102-13	Membership of associations	The main associations Sisal works with in specific areas are: / European Lotteries (EL) / World Lottery Association (WLA) / Sistema Gioco Italia (SGI) / Istituto di Autodisciplina Pubblicitaria (IAP)
STRATEGY AND ANALYSIS		
102-14	Statement from senior decision-maker	Letter to stakeholders 4

SPECIFIC STANDARD DISCLOSURE – MATERIAL ASPECTS

ETHICS AND INTEGRITY		
102-16	Principles, values and norms of behaviour	Mission, vision and values 15
GOVERNANCE		
102-18	Governance structure	Governance system 35-36
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Engagement and materiality 25-27
102-41	Collective bargaining agreements	All Italian employees are covered by trade union agreements. There is no collective agreement for Morocco and Albania.
102-42	Identifying and selecting stakeholders	Engagement and materiality 25-27
102-43	Approach to stakeholder engagement	Engagement and materiality 25-27
102-44	Key topics and concerns raised	Engagement and materiality 25-27
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	Note on methodology 106
102-46	Defining report content and topic boundaries	Engagement and materiality 25-27 Note on methodology 106
102-47	List of material topics	Engagement and materiality 25-27
102-48	Restatements of information	Note on methodology 106
102-49	Changes in reporting	Note on methodology 106
102-50	Reporting period	Note on methodology 106
102-51	Date of most recent report	Note on methodology 106
102-52	Reporting cycle	Note on methodology 106
102-53	Contact point for questions regarding the report	Contact details 119
102-54	Choice of GR1 Standards: Core option	Note on methodology 106
102-55	GRI Content Index	GRI Content Index 107
102-56	External assurance	Note on methodology 106

SOCIAL			
WORKPLACE HEALTH AND SAFETY			
Standard	Performance indicators	Section/Page	Omissions
103-1 103-2 103-3	Management approach	Our certifications 42-43 Valuing our people, the true wealth of the company 69 Wellbeing 75-78	
403-8	Formal health and safety agreements with trade unions	Our people in numbers 80-84	
403-9	Accidents in the workplace	Our people in numbers 80-84	Information not available: / data on non-employee workers; / accident rate; / hours worked.
EDUCATION AND TRAINING			
103-1 103-2 103-3	Management approach	Valuing our people, the true wealth of the company 69 Continuous learning 72-74	
404-1	Average hours of training per year per employee	Our people in numbers 80-84	
404-2	Programs for upgrading employee skills and transition assistance programs	Our people in numbers 80-84	
404-3	Percentage of employees receiving regular performance and career development reviews	How we engage our employees 70-71	
LOCAL COMMUNITIES			
103-1 103-2 103-3	Management approach	Generating shared value for local communities 87-90	
413-1	Operations undertaken with the involvement of the local community, impact assessments and development programs	Generating shared value for local communities 87-90	Information not available: / percentage of activities for which engagement actions have been implemented; / impact assessments.
COMPLIANCE			
103-1 103-2 103-3	Management approach	Internal control and risk management 39	
419-1	Non-compliance with social and economic laws and regulations	Sisal did not receive any sanctions in 2020 for non-compliance with social and economic laws or regulations	
CUSTOMER PRIVACY			
103-1 103-2 103-3	Management approach	Our certifications 42-43	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sisal did not receive any sanctions in 2020 for losses of customer data	

SPECIFIC STANDARD DISCLOSURE – MATERIAL ASPECTS

EMPLOYMENT			
103-1 103-2 103-3	Management approach	Valuing our people, the true wealth of the company 69	
401-1	New employee hires and employee turnover	Our people in numbers 80-84	
DIVERSITY AND EQUAL OPPORTUNITIES			
103-1 103-2 103-3	Management approach	Valuing our people, the true wealth of the company 69 Diversity and Inclusion 69	
405-1	Diversity indicators in management and employees	Governance System 35-36 Our people in numbers 80-84	

OTHER MATERIAL/NON-GRI ASPECTS

RESPONSIBLE GAMING	
Management approach and performance indicators	Section/Page
Type of initiatives organized over the year to spread knowledge about gaming problems	Education in balanced and aware gaming 56-59
Methods of publication and frequency of communications about the Company's responsible gaming programme	Education in balanced and aware gaming 56-59
Type of information material distributed in points of sale	Education in balanced and aware gaming 56-59
Number of new games on which a risk assessment has been performed out of total new games produced by the Company	Player protection 60-61
Number of new games that have obtained Game Gard certification out of total new games produced by the Company	Player protection 60-61
Type of information on on-line gaming platforms	Education in balanced and aware gaming 56-59
Type of mechanisms provided to contain gaming related risks	Player protection 60-61
Codes of conduct/standards adopted by the Company to regulate gaming communication/advertising	Education in balanced and aware gaming 56-59
Number and type of institutions/organizations the Company works with to provide assistance/management for gaming-related pathologies	Support for problem players 61
Type of services offered to contain gaming-related pathologies	Support for problem players 61
Method of access for players to the services offered by the institutions/organizations the Company works with to provide assistance/management for gaming-related pathologies	Support for problem players 61
Method of informing PoS staff about the assistance/management services offered by the Company for gaming-related pathologies	Education in balanced and aware gaming 56-59
Type of information on responsible gaming issued by the Company	Education in balanced and aware gaming 56-59
Methods of distributing information about responsible gaming	Education in balanced and aware gaming 56-59
Responsible gaming certifications obtained by the Company	Rule of law in gaming 62-63
INNOVATION	
Type of new games/services developed during the year	Data available in the relevant reporting sheet. Information on editorial matters is not published in this Report.
THE FIGHT AGAINST FRAUD	
Specific monitoring activities during the year for the purposes of fraud prevention	Rule of law in gaming 62-63

SPECIFIC STANDARD DISCLOSURE – OTHER RELEVANT ASPECTS

ECONOMIC			
ANTI-CORRUPTION			
Standard	Performance indicators	Section/page	Omissions
103-1 103-2 103-3	Management approach	Our certifications 42-43	
205-2	Communication and training activities on anti-corruption policy and procedures	Our certifications 42-43	
ANTI-COMPETITIVE BEHAVIOUR			
103-1 103-2 103-3	Management approach	Our market 45-46	
206-1	Total number of legal actions relating to unfair competition, antitrust regulations and monopoly practices	Sisal was not involved in legal action relating to unfair competition, antitrust regulations or monopoly practices in 2020	

ENVIRONMENT			
RAW MATERIALS			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
301-1	Raw materials used by weight or volume	Paper at Sisal 97-98	
ENERGY			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
302-1	Energy consumption within the organization	Managing environmental impact 93-97	
WATER			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
303-3	Total water withdrawal by source	Managing environmental impact 93-97	Information not available: /type of water (freshwater or other).
EMISSIONS			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
305-5	Reduction of direct GHG emissions	Managing environmental impact 93-97	

EFFLUENTS AND WASTE			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
306-2	Waste by type and disposal method	Managing environmental impact 93-97	Information not available: /Breakdown of hazardous and non-hazardous waste by method of disposal.
ENVIRONMENTAL COMPLIANCE			
103-1 103-2 103-3	Management approach	Our certifications 42-43 Caring for the environment 93	
307-1	Non-compliance with environmental laws and regulations	There were no instances in 2020 of non-compliance with environmental laws and regulations	

SPECIFIC STANDARD DISCLOSURE – OTHER NON-GRI MATERIAL ASPECTS

CENTRALITY OF NETWORK	
Management approach and performance indicators	Section/Page
Number and type of points of sale	The Sisal network: having fun responsibly 64-65
Criteria used to select points of sale	The Sisal network: having fun responsibly 64-65
Number and type of information/training activities addressing points of sale	The Sisal network: having fun responsibly 64-65
Point of sale monitoring activities	The Sisal network: having fun responsibly 64-65

LIMITED ASSURANCE ENGAGEMENT ON THE SUSTAINABILITY REPORT



SISAL SPA

LIMITED ASSURANCE REPORT ON SUSTAINABILITY
REPORT 2020



Limited Assurance report on Sustainability Report 2020

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 and its subsidiaries (hereinafter also the “Group” or “Sisal Group”) for the year ended 31 December 2020.

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 2018 by GRI - Global Reporting Initiative (the “GRI Standards”), as illustrated in the “Note on Methodology” 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 SpA, 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
www.pwc.com/it



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 Group 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 “Value” 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 with personnel of Sisal Loterie Maroc Sarl AU 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 the Sisal SpA 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.
- for the following entity, Sisal Loterie Maroc Sarl AU, which we selected based on their activities, contribution to performance indicators at a consolidated level and location, we carried out onsite visits during which we met the persons responsible and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Note on Methodology” section of the Sustainability Report.

PricewaterhouseCoopers Business Services Srl

Signed by

Giuseppe Garzillo
(Partner)

Milan, 5 august 2021

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2020 translation.



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